



Tenant Consultation – Rent Review 2020/2021



Moving Govan Forward

Govan Housing Association
www.govanha.org.uk

1. Contents

Introduction 2

Investment and Planned Improvement Programme 4

Additional Services we Provide 4

How do Govan Housing Association's current rents compare with others? 5

Rent Review and Affordability 6

What are the Association's proposals? 7

Rent Increase Examples 8

Consultation 13

Frequently Asked Questions 14

Get in touch 15



HAPPY TO TRANSLATE

We can also produce information on request in large print, Braille, tape and on disk. It is also available in other languages. If you need information in any of these formats please contact us on **0141 440 0308**.

Introduction

Govan Housing Association is committed to providing high quality services to meet the needs and aspirations of our tenants. Our Management Committee board will review our rents every year to ensure both affordability and viability to our tenants of the Association. Our rents continue to be amongst the lowest in the sector and we believe that to deliver future obligations and invest in our housing stock. We have implemented a rent review and we are also looking to change the date of your rent due date.

In reviewing the rents we have:

- Considered what key aspects of a property should be taken into account when agreeing rent levels;
- Considered rent increase changes to ensure rents are fair, open and transparent;
- Considered a proposal to change our payment date from the 28th of the month to the 1st of every month extending payment dates by a few extra days.

The proposals on our rent review will still see Govan Housing Association rents compare favourably to other landlords, be affordable to the majority of tenants and will improve longer term financial planning to support the continuing investment in housing which we believe is very important to our tenants.

We are committed to consulting with our tenants, residents associations and wider stakeholder in the formulation of all of its policies. We are therefore consulting widely on the principles of the new proposed rent increase and we want to hear your views on what a fair and consistent rent increase would look like. Your views are extremely influential and important to us.

It is also proposed to:

- Hold a series of drop in sessions for tenants, resident's association members and wider stakeholders.
- Publish articles in our Newsletter.
- Seek further views from tenants, using our service scrutiny panel, social media and website.

The proposals contained within the consultation will be consulted on Friday 31st January 2020 to Sunday 1st March 2020.

Govan Housing Association is committed to consulting with its Tenants, Residents Associations and wider stakeholders in the formulation of all its policies. We are therefore consulting on the principles of the new proposed rent review and we want to hear your views.

"Your Views Are Extremely Important To Us"

The introduction of the Scottish Social Housing Charter in 2012 requires social landlords to

“Set rents and service charges in consultation with their tenants”.

Govan Housing Association's Management Committee will review the results of the consultation and come to a final decision on the new rent increase in March 2020. Any implementation of its outcome will be put in place by 1st April 2020.

The rent Increase levels must balance the aspiration of making Govan Housing Association's rents more affordable against the requirement to maintain the income needed to deliver the Association's Business Plan Objectives.

This guide outlines the proposed rent increase and gives you the opportunity to put forward your views and comments.

Responses to the consultation should be returned by Friday 6th March 2020:

Fiona McLauchlan
Head of Housing & Community Engagement

Govan Housing Association
35 McKechnie Street
Govan
Glasgow
G51 3AQ
Tel No: 0141 440 6888
Email: Fiona.McLauchlan@govanha.org.uk



Investment and Planned Improvement Programme

The Property Services Team is responsible for managing all repairs and our planned improvement works programme that we carry out in our properties. This comes with the responsibility to invest in your home and balance the investment needed to ensure our properties are well maintained to meet the changing aspirations of our tenants. The annual rent review influences the amount of money we have available to manage and look after your homes, including repairs, planned maintenance, investment works, improving energy efficiency, and ensuring the area surrounding your home is safe and well maintained.

Over the last 5 years the Association has invested an estimated **£3.4 Million** in your homes that included:

- **Kitchens Installation**
- **Bathrooms Installation**
- **Central Heating Systems**
- **Window Installations**
- **Balcony Stone Work Repair**
- **883 Govan Road Full Refurbishment**

Looking forward towards this year we will invest almost **£4 Million** in your homes. Our ambitious programme for 2020/21 includes:

- **Kitchens Installation**
- **Bathroom Installation**
- **Central Heating Systems**
- **Window Replacement**
- **Internal Close Painting**
- **Gutter & Room Works**
- **Shop Front Improvements**
- **Internal Smoke Detectors**

Additional Services we Provide

Our rental income helps us to support all the services that continually improve tenancy sustainment and support our community to be vibrant and thrive, including our additional specialised Financial Inclusion Service that has generated over **£1.2 million** in the first year in a variety of ways to help maximise income and mitigate the effects of welfare reform, including the implementation of Universal Credit full service. In response to your comments in our Residents Satisfaction Survey the Association has introduced the following projects to improve people's health and wellbeing and to combat social isolation:

<p>Food Drop-in Programme Offers free breakfast every weekday mornings.</p>	<p>Unlock Employment a service to support our tenants back into employment through a jobs club drop-in, one-to-one support and events.</p>
<p>Community cooking class providing community meals once per week, bringing together people of all different cultures from across the community.</p>	<p>Digital Inclusion Service Programme providing digital support and one-to-one support at our Digital Hub next to the Community Hub.</p>

Pensioners Group.	Formal IT classes in partnership with Clyde College.
Woman's Group.	Digital lending library offering the opportunity to take devices home for further learning.
Men's drop-in service.	Community cinema club programme.
Parent and carer's support group.	The Active Eight course being a course that is a rolling programme and is a recognised qualification.
Walking Group.	ESOL classes

How do Govan Housing Association's current rents compare with others?

Govan Housing Association rent levels are lower in comparison to other landlords regulated by the Scottish Housing Regulator (SHR). Govan Housing Association charge rent to tenants currently monthly on the 28th of each respective month with the average rent during 2018-19 of £74.33 per week. This compared to other local landlords as follows:

	Average Rents	Comparison	
Govan Housing Association Average Weekly Rent	£74.33	%	indicator ↑↓
All landlords regulated by the SHR (includes Councils)	£79.07	5.99%	↓ lower
All RSL's regulated by SHR (not Councils)	£86.74	14.31%	↓ lower
RSL's with less than 2000 houses	£86.60	14.17%	↓ lower
6 Local or neighbouring RSL's	£82.40	9.80%	↓ lower

Rent Review and Affordability

We are conscious that many of our tenants are on low or fixed incomes. Around 57% of our tenants receive support for some or all of their rent through Housing Benefit or Universal Credit.

Glasgow has the lowest level of disposable income per household in Scotland at £14,000. This compared to £16,791 for Scotland as a whole. In simple terms earnings are lower in Glasgow than many parts of the rest of Scotland and any rent review needs to recognise this. In developing the proposals for consultation we are mindful that it has to balance a rent structure which meets the needs of the organisation but also taking account of affordability to tenants.

We continue to operate in a challenging environment with economic uncertainty, increasing regulations, reducing local authority services and financial pressures for tenants household budgets. Our Management Committee is again faced with the incredibly difficult decision of reaching a fair and balanced outcome for tenants against our main rent priorities of affordability, comparability and costs.

If you receive full Housing Benefit or full Housing Element of Universal Credit the increase will be covered automatically by your entitlement to these benefits.



Did you Know?



If you are paid Housing Benefit directly into your bank and any Universal Credit Housing Element Cost, It is your responsibility to notify the rent increase as this will not be accepted by the Association.

Affordability

It is important that rent is paid on time and in full to ensure we are able to continue providing services: if you need support or Money Advice about paying your rent, or your entitlement to benefits, please contact our Financial Inclusion Service on 0141 440 0308 or email financialinclusion@govanha.org.uk

What are the Association's proposals?

It is proposed that the revised rents will take effect from 1st April 2020, during this time the rent review will have two parts:

AVERAGE INCREASE IS 3.0% OR 3.4%

- **Proposed annual increase percentage.**
- **Proposed rent payment date changed to the 1st of every month.**

Did you know?



Between 3.0% and 3.4% is an annual difference of £20,000.

If the 3.4% Increase is selected we could install 9 more kitchens and 10 more bathrooms.

This year for 2020/21 we are offering tenants two options for the rent review at 3.0% and 3.4% (None of these proposed increases will apply for our secure tenants whose rent is regulated by the Rent Officer). The new agreed rent increase will be implemented for any new tenants or tenants transferring from their current property from April 2020.

Our rent review was introduced to ensure a consistent value for money and transparent approach to the rent restructure that was adopted in April 2017, via an amenity pointing methodology. The lists of amenities are defined in two tables, A and B. In the first instance all properties will be pointed against **Table A** as these are in essence the basis for our standard rents for a single and double room:

Table A

Amenity Description	Single Property Points		Double Property Points	
		Single		Double
1 Bedroom		200		300
3 Livingroom		300		300
4 Kitchen		200		200
5 Bathroom/WC		150		200
6 Heating		150		150
7 Environmental		125		125
Total		1175		1275

Once properties have been pointed against **Table A**, it will then be necessary to assess properties for any additional amenities outlined in **Table B**. The purpose of having Table B separated is that these are more specific amenities depending upon property type.

Table B

	Amenity Description	Points
8	Extra Double Bedroom	90
9	Extra Single Bedroom	75
10	Extra Public Room	75
11	Extra W.C	60
12	Dining Kitchen	45
13	Back and Front Garden	80
14	Front Garden	30
15	Back Garden	50
16	Burglar Alarm	30
17	Private Car parking	60
18	Garage	85
19	Double Glazing	60
20	Insulation	45
21	End-Terrace	130
22	Mid-Terrace	100
23	Detached	155
24	Shower	25
25	Bathroom Special Fitments	90
26	Warden Alarm/Lift/Balconies	70
27	Bedsit	-100

To know the actual calculation can be complicated, but the step-by-step examples below will guide you through the point description and calculate each of increase option.

Rent Setting and Rent Increase Examples

The examples below have been developed to demonstrate the methodology of the approach.

Example 1:

A current rent is **£332.20** per month. If a property is a 2 bedroom flat with two double bedrooms with double glazing, a shower and has been insulated the following points would be awarded.

We are assuming that the inflationary factor will be 2.66.65%

1	Assess your property against Table A of the proposed rent structure.	In this example your property is a 2 bedroom flat with two double rooms. In all cases you take the largest room first when assessing Table A. Therefore, 300 points will be taken for bedroom size. In addition to this all properties have a living room, bathroom, kitchen, central heating and it is proposed that all tenants will pay a contribution towards environmental costs as standard.	Sum to total: Double Bedroom = 300 Living Room = 300 Kitchen = 200 Bathroom = 200 Heating = 150 Environmental = 125 Total of <u>1,275 points</u> from Table A.
2	Now assess your property against Table B for the additional amenities in your property.	In this case exclude all of the items identified above as these are the standard items within any of our properties. Add in additional points for any of the items listed in Table B which in this case would be an extra single bedroom, double glazing, a shower and insulation.	Sum to total: Ext double bedroom = 90 Double glazing = 60 Fitted Shower = 25 Insulation = 45 Total of <u>220 points</u> from Table B.
3	Add the points from Table A and Table B together to get your overall points Total.	Take the totals from Steps 1 and 2 above.	1,275 + 205 = <u>1,495 points</u>
4	Multiply the number of points for your property by the multiplying factor. For the rent review we are proposing a multiplying factor of £2.66.65	Take the points total from Step 3 above and multiply it by £2.55 to calculate your annual rent. To then find your monthly rent divide the figure by 12.	Annual Rent: 1,495 x £2.66.65 = <u>£3986.42</u> Monthly Rent: £3,986.42 ÷ 12 = <u>£332.20</u>

The association through this consultation is to provide tenants with their rents for the annual rent increase for this year. As such it is necessary to take your new rent, calculated above and inflate it by the inflation rate to calculate the increase over the year (assuming the inflationary increase is £2.66.65).

This is how to work out your new rent for 2020/21:

	3.0%	3.4%
Revised Rent	2020/21	2020/21
Monthly		
£332.20	£332.20 x 1.03 = £342.17 p/m	£332.20 x 1.034 = £343.49 p/m

Therefore your new rent for 2020/21 would be:

	3.0%		3.4%
Annual Rent:	£4,106.04	Annual Rent:	£4,121.88
Monthly Rent:	£342.17	Monthly Rent:	£343.49
Weekly Rent:	£76.66	Weekly Rent:	£79.27

Example 2:

A current rent is **£335.53** per month. If a property is a 3 bedroom flat with 2 double bedrooms and 1 single bedroom. In addition to this it has a dining kitchen area and fitted with a shower.

We are assuming that the inflationary factor will be 2.66.65%

	Step	What	How do I do this?	Calculation
Part A	1	Assess your property against Table A of the proposed rent structure.	In this example your property is a 2 bedroom, main door end terrace with one double room and one single room. In all cases you take the largest room first when assessing Table A. Therefore, 300 points will be taken for bedroom size. In addition to this all properties have a living room, bathroom, kitchen, central heating and it is proposed that all tenants will pay a contribution towards environmental costs as standard.	Sum to total: Double Bedroom = 300 Living Room = 300 Kitchen = 200 Bathroom = 200 Heating = 150 Environmental = 125 Total of 1,275 points from Table A .
Part B	2	Now assess your property against Table B for the additional amenities in your property.	In this case exclude all of the items identified above as these are the standard items within any of our properties. Add in additional points for any of the items listed in Table B which in this case would be an extra single bedroom, dining kitchen area, back and front garden, double glazing, a shower and points for the property being an end terrace.	Sum to total: Extra Dbl Bedroom = 90 Extra Single Bedroom = 75 Dining Kitchen = 45 Fitted Shower = 25 Total of 235 points from Table B .
	3	Add the points from Table A and Table B together to get your overall points Total.	Take the totals from Steps 1 and 2 above.	1,275 + 235 = 1,510 points
	4	Multiply the number of points for your	Take the points total from Step 3 above and multiply it by £2.66.65 to calculate your annual rent.	Annual Rent: 1,510 x £2.66.65 =

	property by the multiplying factor. For the rent review we are proposing a multiplying factor of £2.66.65.	To then find your monthly rent divide the figure by 12.	<u>£4,026.41</u> Monthly Rent: $£4,026.41 \div 12 =$ <u>£335.53</u>
--	--	---	---

The association through this consultation is to provide tenants with their rents for the annual rent increase for this year. As such it is necessary to take your new rent, calculated above and inflate it by the inflation rate to calculate the increase over the year (assuming the inflationary increase is £2.66.65).

This is how to work out your new rent for 2020/21:

	3.0%	3.4%
Revised Rent	Table A	Table B
£335.53	$£335.53 \times 1.03 = £345.60$	$£335.53 \times 1.034 = £346.94$

Therefore your rent for 2020/21 would remain at:

3.0%	3.4%
Annual Rent: £4,147.15	Annual Rent: £4,163.76
Monthly Rent: £345.60	Monthly Rent: £346.94
Weekly Rent: £79.75	Weekly Rent: £80.06

Example 3:

My current rent is £442.19 per month. If property is a 4 bedroom main door, mid terrace. There are 2 double bedrooms and 2 single bedrooms with an extra utility room. In addition it has a dining kitchen area, double glazing, insulation, a shower, back and front garden with a private car park.

We are assuming that the inflationary factor will be 2.66.65%

Part A	1	Assess your property against Table A of the proposed rent structure.	In this example your property is a 2 bedroom, main door end terrace with one double room and one single room. In all cases you take the largest room first when assessing Table A. Therefore, 300 points will be taken for bedroom size. In addition to this all properties have a living room, bathroom, kitchen, central heating and it is proposed that all tenants will pay a contribution towards environmental costs as standard.	Sum to total: Double Bedroom = 300 Living Room = 300 Kitchen = 200 Bathroom = 200 Heating = 150 Environmental = 125 Total of <u>1,275 points</u> from Table A .

Part B	2	Now assess your property against Table B for the additional amenities in your property.	<p>In this case exclude all of the items identified above as these are the standard items within any of our properties.</p> <p>Add in additional points for any of the items listed in Table B which in this case would be an extra single bedroom, dining kitchen area, back and front garden, double glazing, a shower and points for the property being an end terrace.</p>	<p>Sum to total:</p> <p>Extra 2 Dbl bedroom = 180 Extra 2 Single Bedrooms = 150 Extra WC Utility Room = 60 Back and Front Garden = 80 Private Car Parking = 60 Double glazing = 60 Mid Terrace = 100 Shower = 25</p> <p>Total of 715 points from Table B.</p>
	3	Add the points from Table A and Table B together to get your overall points Total.	Take the totals from Steps 1 and 2 above.	$1,275 + 415 = \mathbf{1,990 \text{ points}}$
	4	Multiply the number of points for your property by the multiplying factor. For the rent review we are proposing a multiplying factor of £2.66.65.	<p>Take the points total from Step 3 above and multiply it by £2.55 to calculate your annual rent.</p> <p>To then find your monthly rent divide the figure by 12.</p>	<p>Annual Rent:</p> <p>$1,990 \times \text{£}2.66.65 = \mathbf{\text{£}5,306.35}$</p> <p>Monthly Rent:</p> <p>$\text{£}5,306.35 \div 12 = \mathbf{\text{£}442.19}$</p>

The association through this consultation is to provide tenants with their rents for the annual rent increase for this year. As such it is necessary to take your new rent, calculated above and inflate it by the inflation rate to calculate the increase over the year (assuming the inflationary increase is £2.66.65).

This is how to work out your new rent for 2020/21:

	3.0%	3.4%
Revised Rent	Table A	Table B
£442.19	$\text{£}442.19 \times 1.03 = \text{£}455.46$	$\text{£}442.19 \times 1.034 = \text{£}457.22$

Therefore your rent for 2020/21 would remain at:

3.0%	3.4%
Annual Rent: £5465.52	Annual Rent: £5,486.64
Monthly Rent: £455.46	Monthly Rent: £457.22
Weekly Rent: £105.11	Weekly Rent: £105.51

We are also consulting on the date that tenants pay their rent, as currently tenants pay on the 28th of every month. Due to tenants employers and also with the introduction of Universal Credit full service with benefit payment dates varying throughout the month, we are proposing allowing a few extra extended days to allow tenants to pay their rent on the 1st of every month. This would ensure that tenants are no longer paying their rent late by allowing this extra timescale.

Payments Dates on the 1st of every month would allow on average of between 3 extra days to pay your rent!!

If tenants agree to extending rent payment dates to the 1st of every month this would commence from the 1st April 2020.

Consultation

Given that acceptance and implementation of the proposed rent review will impact on all tenants, we are committed to consulting with tenants, and local resident groups. We will be consulting widely on the principles of the new proposed rent increase and we would like to hear your views on what a fair and consistent rent review would look like to you. Your views are extremely important to us.

The consultation exercise will be carried out between **Friday 31st January 2020 to Sunday 1st March 2020** where we will offer late night opening hours and also dedicated drop-in within our Digital Hub on Govan Road, as well as on our Associations website and our social media platforms.

Date	Time	Venue
Thursday 6 th February 2020	9.30am – 12.30pm	<i>Digital Hub</i> 905 Govan Road, Glasgow, G51 3DN
Tuesday 11 th February 2020	6.30pm-7.30pm	<i>Central Govan Tenants and Residents Association Meeting</i> Pearce Institute, 840-860 Govan Road, Glasgow, g51 3UU
Wednesday 12 th February 2020	5pm – 8pm	<i>Govan Housing Association</i> 35 McKechnie Street, Glasgow, G51 3AQ.
Thursday 13 th February 2020	9.30am-12.30pm	<i>Digital Hub</i> 905 Govan Road, Glasgow, G513DN

Wednesday 19 th February	5pm – 8pm	Govan Housing Association 35 McKechnie Street, Glasgow, G51 3AQ.
Tuesday 18 th February 2020	9.30am-12.30pm	Digital Hub 905 Govan Road, Glasgow, G513DN
Thursday 27 th February 2020	9.30am-12.30pm	Digital Hub 905 Govan Road, Glasgow, G513DN

Frequently Asked Questions

Question	Answer
What is the impact of the bedroom tax?	There should be no change. If you are eligible for a Discretionary Housing Payment award, it will be awarded against the full restructured rent value.
Housing Benefit pays my rent; will this change if the new rent review is implemented?	The level of housing benefit you receive is based on your personal circumstances. If you are on full housing benefit it is unlikely there will be any change. If you are in receipt of partial housing benefit then your individual circumstances will be assessed but if the only change is the rent increase then it is unlikely there is no change. <u>If are paid Housing Benefit directly then you will need to advise Housing Benefit of the increase in your rent increase.</u>
Can I get assistance with my Housing Benefit in light of these changes?	Yes you can make an appointment with our Financial Inclusion Team at any time by phoning our office on 0141 440 0308 or email financialinclusion@govanha.org.uk
Universal Credit pays my rent; will this change if the new rent review is implemented.	All tenants on Universal Credit (UC) are responsible for updating their own claim with any change to rent increase. UC claims should prompt claimants a 'to do' it is imperative all claimants complete this to ensure the rent increase is updated on or after the 1 st April 2020.
How much rent will I pay?	We have included some examples in this guide. However, we will be writing to every tenant affected by the rent review individually to advise you as to how the proposed restructure affects you specifically. You can also attend one of our consultation events where a member of staff will be available to speak to you directly about your personal circumstances.

Govan Housing Association is mindful of its statutory equality duties under section 149 of the Equality Act 2010. We have identified no equalities implications for this consultation. However, based on responses to this consultation, we may reserve the right to revisit these matters if new information comes to light.

Get in touch

If you would like to speak to someone directly regarding any of the content of this guide or if you need advice about your own personal circumstances surrounding this rent review just get in touch. We're here to help.

 Visit our website:
www.govanha.org.uk

@ Send us an email:
general@govanha.org.uk

) Call us on:
0141 440 0308

 **[facebook.com/govanhousingassociation](https://www.facebook.com/govanhousingassociation)**

 **[@MovingGovanFWD](https://twitter.com/MovingGovanFWD)**

This consultation closes on Friday 6th March 2020 and we would welcome any comments you have. Your views are important to us.

35 McKechnie Street • Glasgow G51 3AQ • Tel: 0141 440 0308 • Fax: 0141 440 0637
Email: general@govanha.org.uk • www.govanha.org.uk



Register of Friendly Societies No. 1686 R (S) Registered with the Scottish Housing Regulator No. 87
A Registered Scottish Charity No. SC 009055 Property Factor Registered Number PF000200



Moving Govan Forward