

REPORT TO: Management Committee of 30th January 2019

TITLE: Rent & Service Charge Rises

REPORT BY: Housing Manager

PURPOSE OF THE PAPER: To provide feedback on the consultation on rent and approve the rise to take effect from 1 April 2019.

FINANCIAL IMPLICATIONS: Discussed in the December 2018 report

RISK IMPLICATIONS: Discussed in the December 2018 report

EQUALITIES AND HUMAN RIGHTS IMPLICATIONS: Ensuring rents are fair to all is important in compliance with these

ASSURANCE: Relevant to Standards 1 & 2 – Committee sets strategic direction, and the Association is open and accountable about what it does.

ACTION REQUIRED BY COMMITTEE: To note the consultation feedback and approve the rise for the coming year.

At the meeting in December, Committee considered the rent and service charge rises to be applied for the coming year. The budget paper recommended that the retirement housing service charge remain at £86.41 in light of further efficiencies made. This was approved.

Other service charges are assumed to rise by 3.4%. However this will be looked at in more detail in the near future, once costs from suppliers are known.

Committee decided to consult with tenants on two options to increase rents as follows:

- **Option 1** – 3.4% average increase. To carry out the objectives set in our IMP and budget.
- **Option 2** – 4.0% average increase. As above but also accelerate a program of shower installations by 100 per year.

Tenants were given the opportunity to have their say in a number of ways including email, text or by returning the freepost postcard. The total number of responses received was 118 which accounts for 6.6% of the total number of tenants surveyed. The return rate was marginally higher than the previous year when 106 (6.0%) were received.

The method of response used and the option chosen are as follows:

Method of return	Total responses	Option1 (3.4%)	Option2 (4.0%)	Either option or no option chosen
Card return	109	96	6	7
Text response	1	1	0	0
Email response	8	8	0	0
Total	118	105	6	7

Summary of the Consultation feedback

Tenants were given a range of ways in which they could respond and the response rate was marginally higher than the previous year with the same poor response by text. Again, the freepost card return was by far the most popular option for 92% of responders.

Of the responses received, 89% were in favour of the lower increase of 3.4%. Only a very small minority (5%) thought that a 4.0% increase to accelerate shower installation for approximately 100 homes per year was a popular option. 6% of tenants did not choose an option and commented on why they felt any rise was not justified.

All comments made have been recorded and are being reviewed by Senior Management with a view to re-assessing some areas of service provision.

Conclusion and recommendation

In December, Senior Management recommended to Management Committee two options for a rent increase and service charge of 3.4% and 4.0%. The majority of responders (89%) preferred the lower increase.

Based on the above, we recommend that Committee approve a rise of 3.4% in rents and service charges (other than the Retirement Housing Service charge) to take effect from 1st April 2019.