

## Rent Consultation 2012/13

25<sup>th</sup> January 2012

The Housing Scotland Act (2001) requires that all landlords consult with tenants on proposed changes to your rent.

The Co-operative sets rents annually, taking into account a variety of factors including all running costs, inflation, affordability, building cost indicators, future maintenance requirements, loan repayments, and in line with the rent policy.

We are currently operating in a very difficult economic environment both nationally and globally, and are faced with increasing costs and funding cuts.

Inflation at November 2011 was 5.2%.

Inflation at December 2011 was 4.8%

The Co-operative's aim in setting rent levels is to ensure delivery of the highest possible quality of service at a rent, which offers value for money for our tenants.

The most recent Tenants Satisfaction Survey (December 2010) showed that 92% of tenants believe that the Co-operative's rents represent good value for money.

West Whitlawburn Housing Co-operative's proposed rent charges for all housing stock in 2012/13 are outlined in the table below.

| Property Type               | Annual Charge | 4-weekly charge | Weekly charge |
|-----------------------------|---------------|-----------------|---------------|
| 2 apt MSF                   | £3,528.72     | £271.44         | £67.86        |
| 3 apt MSF                   | £4,168.32     | £320.64         | £80.16        |
| 4 apt MSF                   | £4,795.44     | £368.88         | £92.22        |
| 2 apt low rise              | £2,937.48     | £225.96         | £56.49        |
| 3 apt low rise              | £3,558.36     | £273.72         | £68.43        |
| 4 apt low rise              | £4,177.68     | £321.36         | £80.34        |
| 4 apt low rise (conversion) | £3,868.80     | £297.60         | £74.40        |
| 2 apt cottage flat          | £3,558.36     | £273.72         | £68.43        |
| 3 apt mid terrace           | £4,149.60     | £319.20         | £79.80        |
| 3 apt end terrace           | £4,405.44     | £338.88         | £84.72        |
| 3 apt semi detached         | £4,573.92     | £351.84         | £87.96        |
| 4 apt bungalow              | £5,250.96     | £403.92         | £100.98       |
| 4 apt semi detached         | £5,165.16     | £397.32         | £99.33        |
| 5 apt end terrace           | £5,589.48     | £429.96         | £107.49       |
| 5 apt detached              | £5,842.20     | £449.40         | £112.35       |

## Rent Policy

### Rent Policy Statement

The Co-operative's approach to rent setting is to provide the best possible housing service at a rent, which our present and future tenants can afford.

The Co-operative's rent policy is points based with factors attributable to service and amenity elements, which is regularly reviewed, and is designed to ensure that rent differentials between property types are appropriate.

The Co-operative's target market is anyone in housing need who we can suitably accommodate.

Costs which require to be covered by revenue income to which rental income is the Co-operative's single biggest contributor cover

Management Costs

Maintenance Costs

Development Costs not met by other grant funding

Loan Repayments

Future Major Repairs and Renewal Costs

The Co-operative reviews the rent charge for each property annually in line with the agreed rental policy.

### Rent Setting Mechanism

Committee has agreed a points system for determining rent levels as it is understandable, justifiable and increases accountability.

Weighting of attributes ensures appropriate rent differentials between the different stock types.

The following differential criteria and weighting apply:

| Criteria                              | Points    |
|---------------------------------------|-----------|
| Concierge service MSF                 | 16        |
| Concierge Service (external)          | 11        |
| Lift Service                          | 8         |
| Launderette Service                   | 8         |
| Number of bedrooms                    | 7/bedroom |
| Improvement factor low rise           | 5         |
| Improvement factor MSF                | 3         |
| Environmental amenity                 | 12        |
| Environmental amenity conversion      | 9         |
| New build amenity                     | 12        |
| Property differential – end terrace   | 3         |
| Property differential – semi detached | 5         |
| Property differential – detached      | 6         |

## Rent Policy Summary

| Size (apt) | Property type       | Points |
|------------|---------------------|--------|
| 2          | Low Rise            | 35     |
| 3          | Low Rise            | 42     |
| 4          | Low Rise            | 49     |
| 4          | Low Rise conversion | 46     |
| 3          | Unimproved MSF      | 46     |
| 2          | Improved MSF        | 42     |
| 3          | Improved MSF        | 49     |
| 4          | Improved MSF        | 56     |
| 2          | Cottage Flat        | 42     |
| 3          | Mid Terrace         | 49     |
| 3          | End Terrace         | 52     |
| 3          | Semi Detached       | 54     |
| 4          | Semi Detached       | 61     |
| 4          | Detached            | 62     |
| 5          | End Terrace         | 66     |
| 5          | Detached            | 69     |

### Budgeting and Rent Setting

- Budget and rent levels will be agreed annually.
- 5-year budget and income projections are in place, which are updated annually.
- Management and maintenance expenditure requirements will be minimised as far as possible whilst ensuring high standards of service are in place.
- Loan repayments will be fixed at an appropriate level as far as possible.
- The Co-operative shall provide an appropriate allowance for future repairs and renewals annually, through an agreed major repairs strategy which will be reviewed on a regular basis.
- Inflation factor based on inflation will be included in the rent setting mechanism.
- The Co-operative will consult tenants on rent increase proposals and will give tenants the required notice as defined in the tenancy agreement of rent increases.

### Consultation

Should you wish to make any comment on proposed WWHC rent charges for 2012-13, or the enclosed Rent Policy, please write directly to me no later than **Friday 24th February 2012** at The Co-operative's offices, at the above address.

Any comments received will be considered by the Management Committee prior to finalising rents for the period April 2012 to March 2013.

Yours sincerely

Paul J. Farrell  
Director