

at home with...



At Fife Housing Group, we are keen to hear what you think about the proposed changes to your rent from 1 April 2018 and to ensure that we take into account any comments that you may have regarding your rent.

This consultation is your opportunity to give us your views. Please make sure that you respond by the closing date of **Monday 15 January 2018** to ensure your preferences are taken into account.



How your rents are fairly set

Historically Fife Housing Association has increased its rent using the November retail price measure of inflation (RPI) which is usually published mid-December and in 2016 we asked you if you would prefer to move away from this and instead simply use a percentage increase - your feedback to us said that most preferred to keep the link to inflation.

For the rent increase in April 2017, and taking into account your feedback, we increased your rent at a figure below RPI+1%. However, the lower the increase the more difficult it can be to improve the services that we are providing and in some cases we would have to reduce services; further information is given overleaf about the services that we provide.

Last year we told you about the work we were doing to ensure that our rents for similar properties, for example a three-bed house in Rosyth should have the same rent as a three-bed house in Dunfermline where they have the same facilities such as gas central heating. This process is known as 'rent harmonisation'. All tenants were given the chance to come along to a range of consultation events to help us agree on what elements would affect the rent and those that joined in determined, along with our Board, the three most important elements: property size, property type and heating/power type. In the table to the right you can see how your new harmonised rent will be set.

Overall this rent harmonisation has a neutral effect on the business in terms of the total rent that we collect. However, from our calculations 70% of tenants' rents would reduce and 30% would increase. Those that are likely to increase are mainly some of our larger properties and some of our two bedroom flats and for those homes which result in a significant increase we will phase this in over two years to lessen the impact. Overall the tenants who responded to our consultation felt this was a fairer way to set our rents across Fife.

Our intention for April 2018 only, is to first apply this rent harmonisation formula to set your base rent and then apply the annual percentage increase. If your rent figure is lower than your existing rent then you will pay the lower figure and if it is higher you will be charged that higher figure. In future years we will only consult on rent increases.

How to calculate your rent under rent harmonisation...

Calculation steps

Calculation steps		Use this column to work out your harmonised rent
Basic monthly rent	£340	£340

Then add or subtract...

1. Property size:		
Bedsit	Minus £100	
1 1 bedroom	Minus £50	
2 2 bedrooms	Nil effect	
3 3 bedrooms	Plus £50	
4 4 bedrooms	Plus £100	
5 5 bedrooms	Plus £150	
2. Property type:		
Flat	Nil effect	
Bungalow	Plus £5	
House	Plus £10	
3. Heating and power type:		
Solid fuel	Minus £20	
Electric	Minus £10	
Gas	Nil effect	
PassivHAUS or solar	Plus £10	
The harmonised rent for my home is:		£



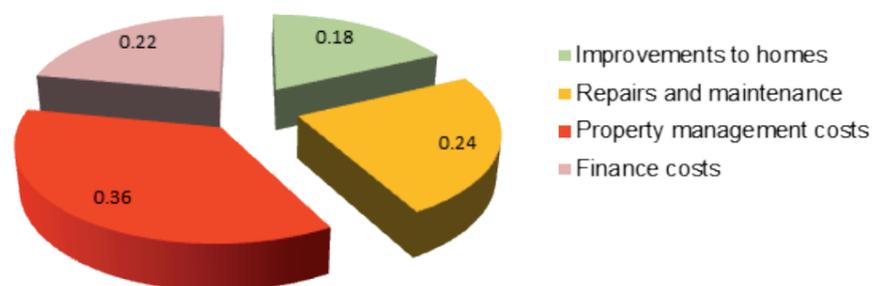
Where your rent goes...

Our aim is to strike a balance between the level of services provided, the cost of those services, what services tenants actually want, and how far current and future tenants can afford them.

Our objective is 'getting the basics right' and to achieve this we aim to be as efficient and effective as possible to improve the value for rent and services which tenants pay for. Over the past three years we have improved performance significantly across a number of front-line services; reducing the time that houses are empty for, managing tenants' housing debt better, controlling our costs, getting better value out of the contracts that we award for overheads, maintenance and improvements and improving the quality of services.

The diagram below explains what happens with the monies you pay in rent:

How every £1 paid in rent is spent...



So, how do our rents compare?

We check our rents with other social landlords in Fife. The following table shows how average rents charged by the Fife-based associations compare in 2017 to what our average harmonised rent would be:

Size of Property	Fife Housing Group [harmonised]
2 bedroom	£344.98
3 bedroom	£396.98

Size of property	Kingdom Housing Association	Ore Valley Housing Association	Glen Housing Association
2 bedroom	£327.07	£371.00	£319.06
3 bedroom	£380.04	£402.00	£346.71

Your rent...your say...

No-one wants to see the cost of living increase, however, many of the costs which are a necessary part of delivering and improving our services continue to rise and we need to ensure we collect sufficient rent to pay:

- The increased costs of our loans – this finance was used to purchase your home from Scottish Homes in 1997, to build new homes for existing and future tenants and to replace those previously lost due to the Right to Buy;
- The costs of managing and maintaining your home;
- To manage the organisation, aiming to improve services and performance; and
- To make resources available for increased investment in replacing major components of your home, such as bathrooms and kitchens.

If we don't increase rents we risk having a significant deficit in our accounts. This would be a very serious issue and could lead to us being unable to carry out repairs and improvements or continue to deliver services and could prevent us bring about the substantial improvements that we are aiming for.

We need your views as a tenant about our proposed rent changes – so please complete, detach and return the questionnaire on the following page in the envelope provided by no later than Monday 15 January 2018.



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For the purposes of the Requirements of Writing (Scotland) Act 1995 this letter is not intended to have any contractual effect unless expressly stated to the contrary.

Questionnaire

Name:

Address:

Although this decision has already been made following tenant consultation, do you agree that rent harmonisation is a fairer way to set our rents?

Yes No

If 'No' why do you feel that way?

Fife Housing Group considers it is necessary to increase the rent from April 2018. Do you agree? (Please tick one box only).
 Note: RPI in November 2017 was 3.9%.

- I support an RPI plus 1% increase
- I support an RPI plus 0.5% increase
- I support an RPI only increase
- I support an RPI minus 0.25% increase

Other

Please use this space (or an additional sheet) to make any comments – including any issues you want us to respond to. Our commitment is that every issue raised will receive a reply...

We will use this information to inform the Board's decision-making on 2018/19 rent levels.

Please return your completed response in the pre-paid envelope provided and thank you very much for taking the time to participate.

Su C Bramley

Su Bramley
 Director of Housing, Fife Housing Group