

RENTAL INCREASE CONSULTATION

JANUARY 2017

The Association is offering a choice of rent increase for 1 April 2017 in line with the Housing Regulator's expectation of giving more options. Naturally we want to keep rents as low as possible and balance this with the level of service we offer and amount we invest in major repairs plus day to day estate upkeep and repairs. Major repairs will require £1.0 million of investment next year therefore our bank balance is again expected to decrease over the year.

The choices offered are 2.5%, 3.0% or 3.5%. At the higher levels more income will help with requiring less loans for proposed future developments and offset the high levels of inflation we've experienced over the past 3 years. Our inflation and higher spending on repairs is about 6% (i.e. estate and reactive maintenance). The most recent general RPI inflation rate (published 13 December) is 2.2%.

Last year we received 7 replies (the year before was 8) with the outcome of the consultation reported to our Board of Management. You may either use the reverse of this sheet to hand deliver or send your comments to us by Thursday 19 January 2017, or e-mail housing@cassiltoun.org.uk or text us on 07950 080953.

Our rent levels compared to other local housing associations are published in our newsletter and on display at the office reception.

The final decision on any rental increase is to be approved by the Board in February.

DRAFT INCOME 2017/18

| | £ '000s |
|-------------------------|--------------|
| Rental Income (at 2.5%) | 3,858 |
| Service Charges | 14 |
| Factoring | 53 |
| Bank Interest | 42 |
| Revenue Grants | 189 |
| TOTAL INCOME | 4,156 |

AVERAGE RENTS PER WEEK

Source: Scottish Housing Regulator

| | Our avg rent 2015/16 | Ardenglen per wk | GHA per wk | Scottish HAs per wk |
|------------|-------------------------|---------------------|---------------|------------------------|
| 1 bedroom | £ 65.08 | £ 65.10 | £ 71.07 | £ 72.78 |
| 2 bedrooms | £ 66.93 | £ 71.42 | £ 76.21 | £ 78.76 |
| 3 bedrooms | £ 76.09 | £ 79.79 | £ 89.06 | £ 84.81 |

DRAFT EXPENDITURE 2017/18

| | £ '000s |
|--------------------------|--------------|
| Major Repairs | 1,015 |
| Maintenance & Estate | 914 |
| Staffing Costs | 1,234 |
| Office Overheads | 471 |
| Community Activities | 69 |
| Loan int & Payments | 622 |
| TOTAL EXPENDITURE | 4,325 |

2.5% would give us total income of £4.16 million and leave an expected £169,000 of lower cash balance.

3.0% would give us £19,000 more income and leave an expected £150,000 of lower cash balance.

3.5% would give us £38,000 more income and leave an expected £131,000 of lower cash balance.

CASH DECREASE IN YEAR (169)

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CASSILTOUN HOUSING ASSOCIATION IS A RECOGNISED SCOTTISH CHARITY NO. SC 035544



RENTAL INCREASE RESPONSE JANUARY 2017

Name

Address

Phone number

Email

I agree to a new rent of
(Please circle)

2.5%

3.0%

3.5%

Something else

Comments

(if something else please
explain or suggest what you
would like to see differently)

If you wish to reply please have your response to us
by 19 January 2017.