

RENTAL INCREASE CONSULTATION

JANUARY 2018

The Association is required to offer a choice of rent increase for 1 April 2018 in line with the Scottish 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, the amount we invest in major repairs and going towards our construction plans plus day to day estate upkeep and repairs. The RPI rate published in December is 3.9%. Major repairs will require an expected £1.18 million of investment over the next 2 years therefore our bank balance will decrease over the coming and following year.

The choices offered are linked to the inflation rate and are 3.4%, 3.9% or 4.4%. At the higher level more income will help with requiring less loans for the proposed developments and offset the greater cost increases we've experienced over the past 3 years. Our running costs and maintenance spending is about 4% higher than a year ago and we lost the income from 8 properties in 2017 due to RTB (right to buy) sales. Hopefully you saw or came to some of our rent consultation and information events in December.

Last year we received 10 replies (the year before was 7) 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 18 January 2018, 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 2018/19

	£ '000s
Rental Income (at 3.9%)	4,033
Service Charges	14
Factoring	53
Bank Interest	32
Revenue Grants	170
Development Loan Funding	400
TOTAL INCOME	4,702

AVERAGE RENTS PER WEEK

Source: Scottish Housing Regulator

	Our avg rent 2016/17	Ardenglen per wk	GHA per wk	Scottish avg per wk
1 bedroom	£ 67.01	£ 65.80	£ 72.20	£ 71.67
2 bedrooms	£ 69.78	£ 72.22	£ 77.56	£ 73.13
3 bedrooms	£ 79.54	£ 80.82	£ 90.62	£ 79.42

DRAFT EXPENDITURE 2018/19

	£ '000s
Major Repairs	390
Development (42 Properties)	1,030
Maintenance & Estate	1,068
Staffing Costs	1,325
Office Overheads	480
Community Activities	74
Loan int & Payments	628
TOTAL EXPENDITURE	4,995
CASH DECREASE IN YEAR	(293)

3.4% would give us total income of £4.7 million but mean we might have to reduce some of the activities we undertake in the future or increase loans.

3.9% would allow us to extend services such as the money advice team and continue activities at the same high level as in previous years.

4.4% would provide £19,000 more income to slightly lessen reliance on loans and leave an expected £244,000 of lower cash balance.

CASTLEMILK STABLES, 59 MACHRIE ROAD, GLASGOW, G45 0AZ

0141-634 2673

housing@cassiltoun.org.uk

www.cassiltoun.org.uk