



LANARKSHIRE
HOUSING ASSOCIATION LTD

DELIVERING

AFFORDABLE

RENTS



Value for Money

We are committed to providing good value for money for our customers and through prudent financial planning aim to make informed financial and operational decisions. This means we spend money wisely, and look for ways to reduce expenditure through efficiencies whilst maintaining excellent service standards.

'Affordability' and 'Sustainability' are two of the principles that underpin achieving value for money within our rent setting process. Our primary objective is to strike a balance between providing a quality service at what is deemed to be affordable to our tenants.

We set performance targets, assess our business performance and where possible introduce efficient working practices to ensure tenants receive good value for money.

Rent and Service Charges

The Charter expects Social Landlords to set rent and service charges in consultation with tenants so that:

'a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them'

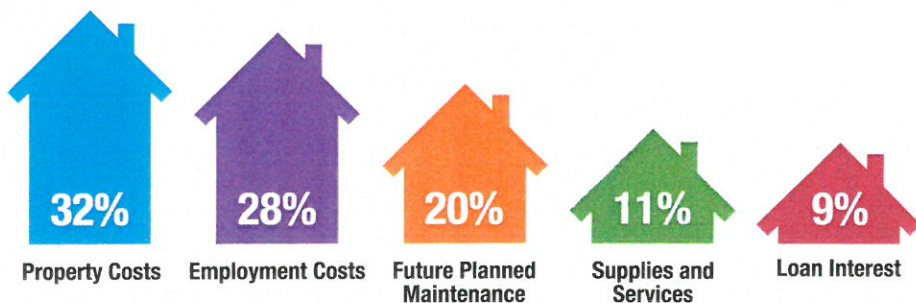
'tenants get clear information on how rent and other money is spent including any details of individual items of expenditure above the thresholds agreed between landlords and tenants'

Rent is our main source of income, therefore, the way we manage tenancies and collect rent is extremely important. We acknowledge the financial pressures faced by customers, particularly those brought about by welfare reform and government austerity measures. We aim to help customers maximise their income, with excellent support provided through the AFTAR project. Our approach to managing our business promotes fairness and equality for customers.

This information leaflet shows how rent and service charges are calculated and how we spend rent collected. Our priority is making sure rents are set at an affordable level whilst maintaining our financial viability.

How your rent is spent

To demonstrate how £1 of your rent contributes to the running of the Association, the chart below highlights the areas that benefit:



How our rent increase compares to other Social Landlords

Over the last 3 years, we have managed to keep our rent increase below the Scottish Average. We aim to ensure rents are affordable and place a high priority on safeguarding tenants' ability to pay. In comparison to other Social Landlords our tenants have benefited by 7% over the last seven years. As a result, we are continuing to narrow the gap for overall averages in each category.

Rent Comparisons are detailed within the undernoted table:

House Size	LHA Average	Scottish Average	Peer Average
2 apartment	£68.87	£71.67	£66.76
3 apartment	£80.84	£73.13	£74.94
4 apartment	£88.42	£79.42	£83.77
Overall Average	£76.98	£72.90	£74.74

LHA rent increase as a comparison to Scottish Average from 2012-2017 are shown within the undernoted table:

Year	LHA	Scottish Average	Inflation (Per Consumer Price Index)
2016/17	1.0%	1.5%	1.5%
2015/16	1.5%	1.9%	0.2%
2014/15	2.6%	3.5%	0.5%
2013/14	3.0%	3.7%	2.0%
2012/13	2.0%	4.8%	2.7%
TOTAL	10.1%	15.4%	6.9%

Investment in Housing Stock from 2012-2017 is shown within the undernoted table:

Year	Central Heating	Kitchens	Windows or Doors	Window sills and roof soffits	Costs
2016/17	18	212	45	20	£700,000
2015/16	17	-	-	-	£334,000
2014/15	17	10	-	-	£339,000
2013/14	81	81	-	-	£334,000
2012/13	12	13	-	-	£333,000
TOTAL	145	316	45	20	£2,040,000

Rent Setting Process

The rent setting process is the method we use to calculate rents for each property type.

We aim to explain how we set rents for different house types, with our rent setting process addressing how rents are set for both rented and shared ownership properties.

Our rent setting process is a points based system, with points awarded for specific property characteristics. The points are accumulated for amenities relating to individual properties, with the total points multiplied by a value for each point, called pence per point. As at April 2017 the pence per point value was 2.9367.

To calculate rents - the total points accumulated take account of a base rent plus bedroom(s), kitchen type, bathroom type, central heating and sinking fund provision and the total is multiplied by the pence per point.

Characteristics	Points	Characteristics	Points
Base Rent	600	Recessed Kitchen	35
Living/Diner	100	Bathroom & Shower	80
Double Bedroom	90	Standard Bathroom with WC	60
Single Bedroom	70	Standard Bathroom	50
Kitchen/Dining Area	90	Shower	30
Standard Kitchen	70	Central Heating	10% of accumulated points
Kitchen off Living Room	55	Sinking Fund	Based on House Size
Dining Area	30		

Sinking Fund

Points are added for the sinking fund provision, to take account of future repairs and renewals. This is based on accommodation size as follows: -

House Size	£ per annum	House Size	£ per annum
1 person/2 apartment	350	5 person/4 apartment	430
2 person/2 apartment	370	6 person/4 apartment	450
3 person/3 apartment	390	6 person/5 apartment	460
4 person/3 apartment	410	7 person/5 apartment	470
4 person/4 apartment	420		

Type of House

Depending on the type of property you rent, an adjustment is made to total points accumulated for the provision of amenities. The basis of adjustment is shown below:

Type of House	Additional Points
Terraced Houses	Add 2% to total points
Semi-detached Houses	Add 4% to total points
Tenements	Deduct 8% from total points

Variations to the points based system

Some properties have an adjustment to the point based rent setting system including:

- **Shared Ownership Properties** - 15% reduction in the points total to reflect owners' full repairing lease.
- **Stock Transfer Properties** – rent levels were inherited for existing tenants of stock transfer properties, with agreement that these rent levels be set at rate of inflation plus 1%.
- **Gavin Street/Adele Street** – based on the previous (HAG) system, the sinking fund calculation is set at 50% of the normal sinking fund provision.
- **Fair Rent Properties** (formerly secure tenancies) – rents continue to be set by the Rent Registration Officer on a three-year cycle.

Property service charge

The property service charge is the actual cost of services supplied in addition to the standard benefits of the house.

Services vary for each property type and are individual to each development, these include:

- estate caretaker services
- electricity charges (*common lighting/tv aerial*)
- ground maintenance
- servicing of equipment (*including servicing of heating systems*)
- close cleaning (*only specific developments*)

We aim to ensure services are provided economically with a high service standard.

Consultation and Participation

We consult tenants annually about the Rent Review and provide details of the proposed rent for the forthcoming year, as detailed within the rent review consultation letter.

We are committed to full and inclusive participation and ask you to complete the survey form with your views on the proposed rent and return this in the freepost envelope provided. Additionally, we ask for comments on the consultation process to allow us to improve in the future.

If you wish further information on the rent review process please contact a member of our Housing Team.

Rent Review

The rent review process is linked to our financial planning which identifies income required to fund planned commitments and is linked to the quality of service provided.

The timing of the rent review takes account of:

- Scottish Secure Tenancy Agreement - confirms that four weeks notice must be provided for any change to rent charge.
- Tenant consultation on the rent level proposed - to allow our Governing Body to consider tenant feedback prior to making a final decision on the annual rent review.
- Registered Rents – these are required to be re-registered by the Rent Registration Officer every three years.
- Wider financial and economic climate – rents are assessed against the backdrop of our operating costs and our commitment to planned maintenance and improvements.

Scottish Social Housing Charter

The Scottish Social Housing Charter (the Charter) was introduced in April 2012 and requires Social Landlords to provide details of their performance to the Scottish Housing Regulator (the Regulator) each year:

The Charter expects Social Landlords to manage all aspects of their business so that:

'tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.'

How can I pay my rent?

Please pay your rent on time and contact our Housing Team to discuss any rent payment difficulties you may have.

You can pay your rent by:

- Cash or cheque at our office
- Direct debit
- Bank standing order
- Pay Point outlet (*Allpay card required*)
- Post office payment (*Allpay card required*)
- Telephone payments - call 0844 557 8321 (*Allpay card required*)
- Online payments via our website - www.lanarkshireha.com or www.allpay.net (*Allpay payment card required*)
- Allpay payment 'app'. download the app to your mobile phone or tablet

Further information on the above payment options are available from our office

Complaints Handling Procedure

We value complaints and use the information from them to help us improve our services. A copy of our Complaints Handling Procedure is available from our office or can be downloaded from our website: www.lanarkshireha.com.

