

## Rent increase consultation 2024-25 What do I need to know?

### Rent Setting

Every year, housing associations review their budgets and hold statutory consultations with tenants on what level of rent is set – with any increases applied from April annually. Each year we look at the different challenges we need to meet and then consult our tenants.

Keeping your rent as reasonable as possible is important to us. What we do is about more than bricks and mortar. We retain a clear customer and community focus, as well as a commitment to making a sustainable contribution to society.

### Do rents have to increase?

We know that any rent increase is unpopular. However, the costs of providing our services and keeping our neighborhood's safe and tidy have gone up massively in the last two years. They are expected to continue to rise in line with inflation. The cost of some things, such as repairs, will increase at an even higher rate.

The Association's policy is to increase rents in line with inflation (Retail Price Index or RPI). We previously consulted you in January 2023. This saw rents rise by 7.5% rather than 12.6% in April 2023. What that also meant was that the Association had approximately £200,000 less to invest in your homes and services last year. We were clear in our January 2023 consultation that a 7.5% increase would see 143 kitchen replacements delayed for three years starting in 2023/24.

One of our biggest expenses is carrying out repairs, maintenance and investing in our homes and neighbourhoods.

In Autumn of 2022 we carried out our Customer Satisfaction Survey and asked how you are feeling about the cost of living crisis and what you saw as being your top priorities. Your top two priorities both focused on affordability with one being assisting with energy costs and the other being keeping

### What happens if we increase rents below inflation?

We will therefore, once more, have less money to spend on your home and the services. As we did last year we have provided what this will mean for your homes on page 3.

### What about the cost of living crisis?

Most people are struggling with higher prices for food, energy, and general living costs. Many of you will be making difficult choices about buying food and heating your home.

The Association tries to keep rents affordable for all our customers. Rents are only increased by the amount needed to maintain core services and to meet our statutory and legal requirements.

Once again this year we have successfully accessed Scottish Government Funding to provide you with direct financial assistance with your heating costs. If you have not already accessed the funding available for all tenants please complete the following online application form <https://forms.office.com/e/vhNTJZUWTY>

## What about building new homes?

Our business plan states that we will build 20 new properties each year. These new properties are fully funded by grants from the Scottish Government and loans which are repaid from your rent payments. A rent increase of 8.9% or 7.5% will see us continue to build 20 properties each year.

An increase of 6.9% would see us either cease building for one year or build only 18 homes per year for the next ten years.

## Are our rents affordable?

We understand that many people are struggling financially, so every year we check to make sure rent levels for the Association are affordable to those on low incomes.

We try to keep the annual increase as low as possible and to charge rents that are similar to those of other Rural Housing Associations such as Hjatland Housing Association in Shetland . In fact our rents are lower than Hjalitland Housing, on average, for most of our properties.

## Service Charges - Garden Maintenance

The Association has historically provided a service for gardens and communal grounds maintenance.

However, in spring 2022 Orkney Islands Council removed financial support for tenants in receipt of certain benefits. We asked you for your views in our Customer Satisfaction Survey back in Autumn 2022. A large majority of you (50%) told us that you wanted an opt-in service. As a result we were able to provide a trial for 2023 for some parts of Kirkwall and the East Mainland.

That trial has so far proven successful and we are happy to advise that it will continue into 2024. This will allow the Association to fully consider the future options for the service from 2025 onwards.

Listed below are the streets whereby we can offer this service. If your street is not listed you will be responsible for maintaining your own garden ground in 2024. Should you need support or advice with making these arrangements your Housing Officer may be able to sign post you to appropriate support.

For those tenants living in the selected streets ***you do not have to do anything*** should your choice from 2023 remain the same.

However, we would be obliged if you could answer question 2 on the last page of this leaflet ***should you wish to change*** your 2023 choice.

***\*\*Please note this does not refer to communal grass cutting\*\****

Kirkwall	East Mainland
McLeod Drive	Storehouse Place, Breckan Brae & Graeme Park
Liberator Drive, Court & Close	Marengo Road & Taftingus Place
Walliwall Road & Place	Greenfield
	Upper Waston Road

## Help we can offer

If you are struggling to make ends meet or to pay your rent, our Housing & Customer Service team can help. There are benefits and grants available that you may not be aware of and our team can support you to access these services.

We also have an Energy Advisor who can talk to you about your energy bills.

Call us on 01856 875253 for an appointment. Staff can meet you in your home, in our office or telephone you at a time that suits you. We also have lots of information available on our website [www.ohal.org.uk](http://www.ohal.org.uk)

## Rent Increase Options

The Management Committee (MC) have a recommended option of 7.5% that balances the need to maintain core services for current tenants whilst recognising the increased pressures tenants have found themselves in. Core services include reactive repairs to keep your property safe and watertight.

Proposed rent increase	Avg Weekly rent based on increase	What this means for you
6.9%	£103.73	The following further planned maintenance works will be postponed for 3 years; <b><i>Kitchen Replacements — 90</i></b>  We will also either cease building new properties for 1 year or build 18 per year (rather than 20) for the next ten years.
7.5% (Management Committee Recommended option)	£104.30	No planned maintenance works will be postponed and we will continue building 20 new build properties per year.
8.9%	£105.66	No planned maintenance works will be postponed and 32 of the previously postponed Kitchen replacements from 2022/23 could be reinstated.  We will continue building 20 new build properties per year.

### What happens next ?

We would like your views so please complete and return the enclosed questionnaire in the freepost envelope provided or, alternatively, if you have received this by email complete the following link <https://forms.office.com/e/xFZecKMhTE> and take part in the online survey.

All responses will be collated and a report presented to the Association's Management Committee on 31 January 2024 for their consideration prior to them making a decision on the 2024/25 rent increase. You will be provided with the outcome of the consultation and decisions made by no later than 4 weeks prior to 1 April 2024 when the changes will take place.

The closing date for the responses to the survey is 12 noon on Monday 22 January 2024.

If you want to be entered into the Prize Draw for a chance to win a cash prize of either £50 or £25, you will need to complete the survey and provide us with your contact details.

## Consultation Questions

The below questions have been provided to seek your views on the proposed rent increase.

### Question 1

Based on the information contained in the rent review leaflet what is your preference from the following options for the rent increase in 2024/25?

6.9

7.5%

8.9%

### Question 2

For tenants living in the areas listed in the select Kirkwall and East Mainland selected streets please confirm if you would like to change your 2023 option for our grass cutting contract in 2024:

Opt-in

Opt-out

No Change

### Question 3

The Association has been contacting tenants as part of our winter contacts programme. However if you are struggling with anything in particular at this moment and require advice/ assistance from your housing officer please provide details in brief below:

Tenant's name

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Address

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The consultation will run until the Monday 22 January 2024. The results will be presented to the management committee who will consider the responses with tenants being notified at the start of March of the outcome.

If you require any support completing the survey please contact the Association at:

01856 875253



enquiries@ohal.org.uk



www.ohal.org.uk



Orkney Housing Association

