

## Plans for 2017/18



For a number of years Forth has sought to keep rent increases as low as possible. In April 2016 we froze our rents. This appears to have been well received, as satisfaction with value for money amongst tenants rose from 85% in 2013 to 94% this year.

A recent report by Scotland's Housing Network, the largest housing benchmarking and practice exchange organisation in Scotland, highlighted that Forth provided the third best value for money performance amongst its member landlords. We therefore don't intend to change our general approach in the coming year.

Given a small increase in staff numbers, which will take effect in January 2017, we don't plan any other staffing changes in the coming year. Similarly we don't expect to change any of our main services. We intend to continue to build between 20 and 25 new homes each year and will continue with our plans to replace kitchens, heating boilers etc, as homes age. The coming year will see a lot of homes repainted. The result is that our proposed budget for 2017/18 is aiming to keep most costs in line with the existing position, increasing only with inflation and/or our growing number of homes.

## How does this affect the budget?

The spending plans in the coming year will compare as follows with this year:

Spending category	Cost this year	Cost next year
Management and maintenance costs	£868,032	£928,775
Estate costs	£92,469	£97,694
Reactive maintenance	£273,630	£304,504
Cyclical maintenance (includes painting)	£98,015	£183,250
Major repairs	£43,600	£65,000
Factoring	£2,101	£2,158
Income maximisation	£41,078	£41,489
Bad debts	£10,000	£12,000
Depreciation of homes	£630,510	£645,000
Mortgage payments	£276,212	£275,285
Contribution to future improvements	£670,050	£642,658
<b>Total</b>	<b>£3,005,697</b>	<b>£3,197,763</b>

In addition we also plan to spend the following sums on improvements to homes and building new homes. This money comes from our reserves or new mortgages, not the coming year's rental income:

Type of work	Cost this year	Cost next year
Improvements to homes	£250,864	£168,000
Building new homes (after grant received)	£2,298,799	£2,153,554

## How will this affect rents?

Our budget is based on a proposed average rent increase of **1.5%**. Currently inflation is running at between 0.9% & 2.0%, depending on the measure used. If inflation changes by January 2017 the final rent increase **may** change to reflect this.

The following shows how a 1.5% increase will change our typical weekly rent levels:

Size of home	Current rent	Increased rent
1 bedroom	£67.67	£68.68
2 bedroom	£75.29	£76.42
3 bedroom	£82.49	£83.73
4 bedroom	£88.38	£89.71

A different rent increase will change our overall income and we could be required to change our spending plans to reflect the change in total income. The following shows the effect of a different rent increase:

Basic rent increase	Difference from 1.5% increase
1.0%	£14,750 less income
2.0%	£14,750 more income

## Have your say!



We want you to give us your vote on which option you would prefer. Please complete this voting slip and return it to our office by the 16 January 2017 in the freepost envelope supplied.

If you have any other comments write us a note or email :  
grahame@forthha.org.uk  
Grahame Cairns  
Tenant Services Manager

(Tick one choice)

- A I would prefer a 1.5% increase** \_\_\_\_\_  
(Giving the sums shown overleaf)
- B I would prefer a 1.0% increase** \_\_\_\_\_  
(Giving £14,750 less for future repairs and improvement work to homes)
- C I would prefer a 2.0% rent increase** \_\_\_\_\_  
(Giving £14,750 more for future repairs and improvement work to homes)

Comments (use a separate sheet of paper if required):

Signed:

Address:

All returned forms qualify for a £25 prize draw