

Board Meeting
Date: 18th February 2025
Agenda Item: 9
Title: Rent Review 2025/26

Ore Valley Housing Association

Purpose

The purpose of this paper is for the Board to discuss and approve an overall rent increase of 4.6% from 1st April 2025.

SHR Standards

Standard 2 - The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

Standard 2.4 - The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.

Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

Standard 3.4 - The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.

Background

During the period from 10th January 2025 we asked all our tenants to give their opinion on the following rent increase options:

- | | | |
|-------------|------|----------------------------------|
| 1. Option 1 | 4.6% | 2.0% above CPI for November 2024 |
| 2. Option 2 | 5.0% | 2.4% above CPI for November 2024 |
| 3. Option 3 | 5.6% | 3.0% above CPI for November 2024 |

The October CPI figure was 2.3% and this increased to 2.6% for November 2024.

Tenants were informed about our proposal to increase rents by between 4.6% - 5.6% as we have calculated that these options would allow us to deliver a planned 5 year component replacement programme for our older stock transfer properties will include new bathrooms, kitchens as well as external doors and windows, whilst ensuring that even with the higher 5.6% option individual rent increases will be kept below a figure of £6.70 per week.

Service Charges

We are proposing to introduce a service charge of £17.03 per month for flats with common stairs. This charge will be included in the overall rent charge for tenants who rent a flat with a common stair, and we will write separately to tenants who will receive this charge to explain how we will start delivering this service from 1st April 2025.

Tenants were provided with information to support this consultation with the closing date on 3rd February 2024. The results of this consultation are contained in the attached report for your consideration.¹

Tenant Impact Assessment

An affordable rent is considered to be between 25-30% of your net income and in most cases we anticipate that even with a 5.6% increase most of our tenants will still be paying no more than 25% of their net income on rent.

We have tested the 5.0% increase option using a rent affordability measure based on average moderate household incomes. The moderate income data we have used is based on the lower 30% of wages in the Fife local authority area weighted by household size.

Using this measure we estimate that a single person household with Council Tax - Band B (undiscounted) will need to spend 26.3% of their net income on rent for a 2 bedroom flat and 28.0% if they live in a 2 bedroom house.

When using the minimum (living) wage 21+ as the income measure this figure increases to 30.1% for a single person living in a 2 bedroom flat and 32.1% for a single person living in a 2 bedroom house.

The only other households who fall into the 25-30% category are single pensioners who are paying rent for a 2 bedroom house (25.3%). This increases to 27.2% for a single pensioner living in a 3 bedroom house.

Any increased financial pressure as a result of this proposed increase is likely to be borne by working age tenants who are not already receiving financial help with housing costs, or those who have already indicated they are 'facing difficulties' due to increased costs.

In order to reduce the risk to vulnerable tenants we have allocated £38k to our tenancy support budget. Information will also be included in our rent increase notification letter advising tenants that assistance is available for those in severe hardship, or for those who are financially vulnerable due to increased energy costs.

Financial Implications

Rent Affordability

Although The State Pension and Guarantee Element of Pension Credit – a top up for low income pensioners - will be increased by 4.1% from 6th April 2025, with other benefits including Universal Credit and Child Benefit only increasing by 1.7%, rising costs will continue to hit low-income households hardest.

Research by the Joseph Rowntree Foundation² has shown that single people without children have made up a growing number of people in deep and very deep poverty. This situation combined with a consistent increase in the rate of in-work poverty has been worsened with the impact of inflation and the increased cost of living.

Rent Increase Comparability

SFHA consultation, with 72 members indicated rent consultation options ranging from 1.7% to 8.0%, with an average rent increase of around 4.4% proposed. A copy of the full

¹ [The proposed rent increase for 2025/06 has also been informed by feedback from a Tenant Rent Consultation Event held in October 2024.](#)

² [Deepening poverty in Scotland – no one left behind? | Joseph Rowntree Foundation \(jrf.org.uk\)](#)

anonymised results can be found [here](#).

The other Fife based RSLs are proposing increases ranging from 5.0% to 7.0%

Risk Assessment

The risks are considered to be medium. Risks are –

- Tenant dissatisfaction with rent increases due to the cost of living crisis.
- Affordability issues for tenants in work with low incomes.
- Affordability issues for single person households in 2+ bedroom properties.

Recommendation

The Board are asked to approve an overall rent increase of 4.6% from 1st April 2025.

Colin McInnes

Housing Manager/DCEO

10th February 2025

cmcinnnes@orevalleyha.org.uk

01592 723803

2024/25 - Monthly Rent Charge per property by size and type

2024/25	Flat	Bungalow	House
1 bedroom	£370.29	£383.76	
2 bedroom	£417.43	£430.88	£444.35
3 bedroom	£451.09	£464.56	£478.02
4 bedroom	£491.49		£518.42

* An additional charge of £5.00 per month is applied where a property has Solar PV panels installed that provide a financial return that directly benefits the tenant.

Monthly Rent Charge with Increase of 4.6%

2025/26	Flat	Bungalow	House
1 bedroom per month	£387.32	£401.41	n/a
2 bedroom per month	£436.63	£450.70	£464.79
3 bedroom per month	£471.84	£485.93	£500.01
4 bedroom per month	£514.10	n/a	£542.27

* An additional charge of £5.00 per month is applied where a property has Solar PV panels installed that provide a financial return that directly benefits the tenant.

Monthly Rent Increase by Property Type and Size – 4.6%

Type	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Flat	£17.03	£19.20	£20.75	£22.61
Bungalow	£17.65	£19.82	£21.37	n/a
House	n/a	£20.44	£21.99	£23.85

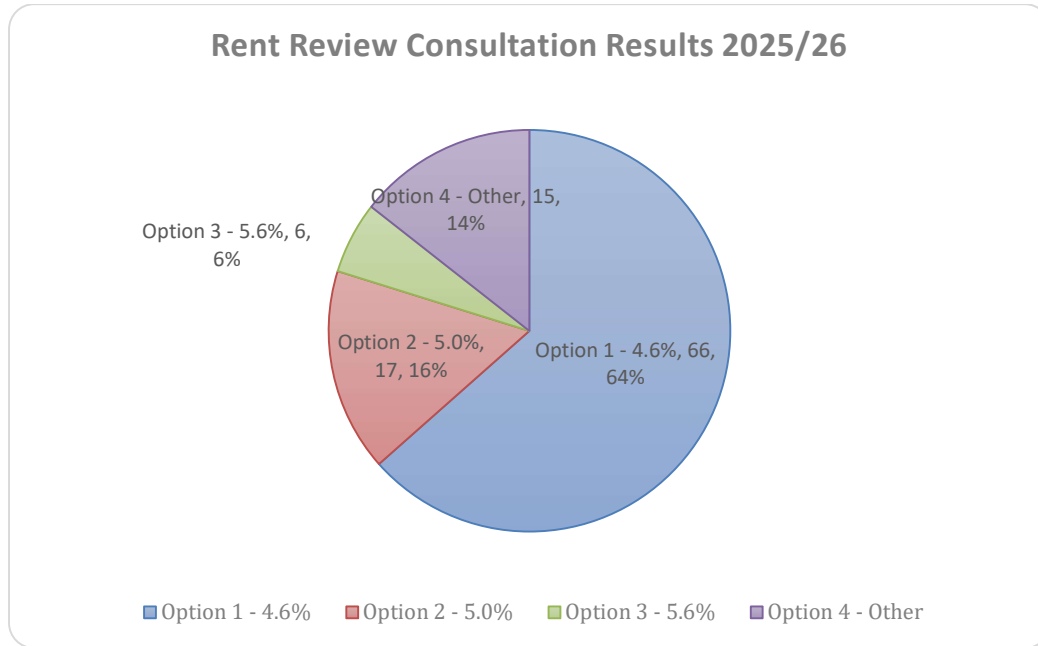
Weekly Rent Increase by Property Type and Size – 4.6%

Type	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Flat	£3.93	£4.43	£4.79	£5.22
Bungalow	£4.07	£4.58	£4.93	n/a
House	n/a	£4.72	£5.08	£5.50

Feedback from Tenant Consultation in Feb 2025

The Association received 104 responses from tenants (91 online), equating to 14.4% of the maximum potential response.

The information below shows the breakdown of tenant responses.



**Agree with Option 1
4.6%**

Full Rent	44
Housing Benefit	9
Universal Credit	13

Total 66

**Agree with Option 2
5.0%**

Full Rent	12
Housing Benefit	3
Universal Credit	2

Total 17

**Agree with Option 3
5.6%**

Full Rent	2
Full Housing Benefit	2
Universal Credit	2

Total 6

Option 4 - Other

Full Rent	11
Housing Benefit	2
Universal Credit	2

Total 15

Property Type	Comments in favour of 4.6%	Rent Payment
ST2 2 bedroom house	I'm happy to support a small rent increase as I feel ore valley are very attentive and easily contacted if I have any concerns or issues with my home	Universal Credit
New Build 2 bedroom bungalow	Obviously we understand that prices go up but if we are paying more then we expect something back like better maintenance of houses and if we have any problems we should get someone direct on a number and not put from phone call to phone call as that is when mistakes are made.	Housing Benefit
ST2 2 bedroom house	I would love to see the 'older' houses with Ore Valley have the same facilities and upgrades as the new houses. Such as solar panels, wooden fences, outdoor security lights and also the outside walls painted to have more of a kerb appeal.	Full Rent
New Build 3 bedroom house	We get asked every year about are opinions but the rent still goes up to top rate and yet are houses get nothing done been in mine 26+ years only thing we have had done is a new kitchen	Full Rent
New Build 2 bedroom house	It won't make a difference what ppl say on this survey, as from 21/22 at least, Ore Valley have put the RENT up the highest they possible can	Universal Credit
New Build 2 bedroom UFF	I would appreciate Ore Valley looking into repaint stairway unfortunately something I am unable to do Never been done since I moved in	Full Rent
New Build 2 bedroom house	It's fine increasing rent. I have been in this house 5 years needs new bathroom kitchen external and internal doors but no work completed or any information regarding upgrades so rent increases do not bring any improvements to my property	Full Rent
New Build 2 bedroom UFF	I think our houses are due for new kitchens and I defo need a new boiler	Universal Credit
MTR 2 bedroom house	Cost of living at present is very high and wage increases are not covering the price hikes which makes us worse off year by year,	Full Rent
ST2 2 bedroom house	Rents are going up higher than what wages are just because you work does not mean you can increase the rents higher	Full Rent
New Build 2 bedroom bungalow	Rents very reasonable for a 2 bedroom bungalow	Full Rent

ST1 3 Bedroom house	Doesn't really matter what we vote for you'll just put the rent up whatever you want anyone with any sense would vote for the lowest, i.e. 4.6%, so in my opinion this is just a PR stunt and not worth the paper it's written on.	Full Rent
--------------------------------	--	------------------

Property Type	Comments in favour of 5.0%	Rent Payment
New Build 3 bedroom house	Happy to support a mid-range increase to enable planned maintenance to progress	Full Rent

Property Type	Comments in favour of 5.6%	Rent Payment
ST2 1 bedroom bungalow	I would like your organisation to keep rents at a level if we see improvements to our properties over a period of time. Explaining what the extra money could be used to upgrade the housing stock is very informative	Full Rent
New Build 3 bedroom house	Explaining what the extra money could be used to upgrade the housing stock is very informative	Universal Credit
New Build 2 bedroom bungalow	TO KEEP THE SERVICES AND RESPONSES WE RECIEVE FROM ORE VALLEY i THINK THE 5.6% RISE IS A FAIR AMOUNT TO KEEP OUR HOUSES AT A DECENT LIVABLE CONDITION.	Full Rent

Property Type	Comments in favour of other options	Rent Payment
ST1 3 bedroom house	It would be nice if we could go 1 year without a rent increase. I understand that certain overheads have to be met in order to make a profit etc but I've been in my property for 5 years and there have been no improvements except for replacing a boiler. Last year I simply phoned up to ask when the external doors were being painted and was told "your street is not on our list" which is utterly disgusting considering my doors are in urgent need of repainting and also rotting at the bottom. I could go on and on but no doubt this will be disregarded anyway.	Full Rent
ST1 2 bedroom house	I don't agree with any of these increases they are all way above inflation. In this current climate rent increases should either match or be below inflation for affordability	Full Rent
New Build 2 bedroom house	I think it is absolutely shocking that you are considering rising the rent, we are in a cost of living crisis just now and I feel even with the lowest of percentage it's going to effect	Full Rent

	<p>not only me but a lot of others who work hard to keep their house. There is people out their getting their rent paid for them which isn't fair at all.</p> <p>Since I have moved into my property the rent has gone up over £200. I don't get benefits to help pay bills etc even though I work doesn't mean I have it in my budget to pay more than I am just now for my rent because more and likely council tax will go up to.</p> <p>The house isn't even that nice to look at and I have asked previously if I can paint it but got nothing back. We have always had a damp issue in the front room which was brought up to the housing officer before we moved in and after and yet it's still not been fixed. The list goes on!</p> <p>I for one, I'm not happy about any increase being added!</p>	
New Build 2 bedroom GFF	<p>An increases every April my work only gives 1% rise which isn't even enough to cover the rent increase you want at 4.6% it's fine if I was on benefits and they were paying but as a single working man 4.6% is pretty steep rise on my rent I'm having to sacrifice a lot to just pay the bills I have the now I have tried to apply for fuel help etc etc but because I work I don't get any help only if I was on benefits or pension I would receive the helphow about the ones that are getting there rent paid by from benefits section yes 4.6% they could afford that the local government but a single working man I really can't afford such a hike in rent even Fife council with the rises there still under 400 a month rent thanks for email Mr Robert Adamson....but really someone needs to act to help the working tax payers here .</p>	Full Rent
ST2 2 bedroom house	<p>The cost of living is at an all-time high. Each year the rent is increased but the tenant's do not receive anything other than the basic maintenance required by law. I do not support a further rent increase.</p>	Full Rent
ST2 2 bedroom house	<p>I don't agree with rent increase as I don't get anything done in the house. I have been in the house for nearly 20 years and all of the woodwork has been here before me</p>	Full Rent
MTR 3 bedroom house	<p>Suggested – 3.5%. While I understand costs have increased. My costs have increased as well. My rent is taking 1/3 of my total income. A high increase will change that to half. My income does not increase the same amount as your proposed charges Especially when I am not entitled to any rent benefit</p>	Full Rent
New Build 2 bedroom house	<p>Suggested – 3.0%. I think the increase should be as low as possible as people are finding it difficult as it is with the cost of living.</p>	Housing Benefit

New Build 2 bedroom GFF	Suggested 2.0%. As Gas and Electric bills are soaring in price, we need all the help we can get.	Universal Credit
ST1 2 bedroom house	Rent prices are getting out of control.	Universal Credit
ST2 1 bedroom UFF	<p>You have sent this via email and letter. To me that is a waste of resources, why should we pay extra to accommodate this waste? I understand not everyone has access to email but in this day and age that will be very rare. How about asking how we would like to receive these communications? I have just caught with my rent arrears from being out of work last year, and now have to budget for another rent increase, which is not going to be very helpful for me. Why should we pay for a communal hall when nothing gets done to it. The hall here has not been painted in the almost 6 years I have been here. (This info could have been included in the email) What with other maintenance that doesn't get done regularly. What about the roof maintenance and getting rid of bird nests? The rhones as far as I'm aware have never been cleaned.</p>	Full Rent
ST2 3 bedroom house	<p>Suggested 0%. Every year I do this and it makes no difference. the rent goes up whether people do this or not. Another £20 a month! As someone that pays full rent can we have a break for a year! When is it going to end! Why do I pay over £100 more than what the council charge? Again I ask what do you do with the extra money? I have a bathroom that is way over 40 years old. I have damp that I have reported and got told to wipe it and paint it!! Which I have done but it still comes through! Fed up with the rent constantly going up every year! Why should I be penalised for others not paying their rent?</p>	Full Rent