



# How We Review Rent, Management Fee & Service Charges



# CONTENTS

---

**Page 4**      Rent, Management Fee  
                    & Service Charges

---

**Page 5**      Our Approach to Rent Setting

---

**Page 6**      Rent Increase

---

**Page 7**      Close Cleaning  
                    Estate Management Service

---

**Page 9**      Management Fee

---

**Page 10**     How we will Take Account of  
                    Your Views

---

# RENT, MANAGEMENT FEE & SERVICE CHARGES

**Like everyone else, the Association has rising costs and every year we have to set a budget for the coming financial year which sets out what Cadder Housing Association will have to spend in order to meet all of its financial commitments, so as to ensure the continued provision of quality management, factoring and maintenance services.**

We then have to make sure that we will have the income to cover all of this expenditure. We have to look at the rent levels, service charges amounts and management fee costs and consider if they need to go up and by how much, taking into account;

- How much income we need to generate
- Keeping our rents competitive
- Keeping our service charge amounts competitive

- Keeping our management fee amount competitive
- The Association's commitment to provide high quality, affordable housing and services

A key factor in the setting of rent, factoring fee and service charges each year is inflation, which we measure by the Retail Price Index (RPI). The RPI figure is confirmed by the Office for National Statistics each year.

Every affected tenant and owner occupier is invited to participate in a consultation exercise on the proposed increase level for the coming year. The purpose of this consultation is to seek views on the proposed rent, factoring fee and service charge levels. Any comments on the proposals submitted as part of this exercise will be considered by Cadder Housing Association's Management Committee prior to a final decision being made.

# OUR APPROACH TO SETTING RENTS

## Background to Rent Setting

Cadder Housing Association was formed in 1994 and secured the ownership of properties from Scottish Homes in two phases, they were:

1994 - 107 properties

1998 - 647 properties

A main commitment through these stock transfers was that we would improve the living conditions of our tenants.

These improvements would include new central heating systems, new kitchens, insulation and window renewals.

In setting our rent levels each year, we take account of the following:

**Affordability** - Where we take account of tenants' views and rent levels set by other housing associations.

**Viability** - Where we take account of the Association's business needs to account for operating, maintenance and improvement costs to our properties.

**Comparability** - Where we compare our rent levels with similar and nearby housing associations to gauge if we are charging comparable rents.

## Restructuring of the Association's Rent Structure

The Association's rent restructuring programme commenced in 2006 and was completed in 2010, which has resulted in fairer rents being set across our housing stock. We were required to review our rents as tenants living in comparable properties were being charged different rent amounts. Our rent restructuring exercise has ensured that this type of situation no longer exists.

We now calculate our rents based on the size and type of property that you live in.



# RENT INCREASE

Any rent increases that are made are to mainly fund the substantial improvements that the Association has carried out to its properties to ensure that we are compliant with the Scottish Housing Quality Standard (SHQS). The SHQS was introduced by the Scottish Government in February 2004, with the target that all homes rented from social landlords should meet this standard by April 2015.

## Date of Rent Increase

Any rent increase will be effective from 1 April each year.

## What Your Rent Pays For

The Association's main expenditure is as shown opposite and your rent contributes to these costs. From time to time, we obtain funding from other agencies, such as the Scottish Government and also income from properties we sell to tenants under the Right to Buy scheme. Factoring payments from owner occupiers also contribute to our income stream.

- Services
- Housing Management
- Reactive Maintenance
- Major Repairs
- Bad Debts
- Property Depreciation
- Factoring
- Welfare Rights
- Wider Action
- Other Expenditure
- Loan Interest



# SERVICE CHARGES

The Association is a 'not for profit' organisation and is committed to only covering its costs in administering and delivering additional services in the Cadder area. The additional services that we currently undertake are: -

- **Close Cleaning**
- **Estate Management Services**

## Close Cleaning Service

The close cleaning service was introduced to ensure that all closes were cleaned to a good standard.

The Association delivers this service each week through its Estate Caretakers and trainees.

## Close Cleaning Cost

We have established that our costs for the delivery of the close cleaning service compares favourably with neighbouring housing associations who also provide this service for its residents.

We continually make efforts to improve our close cleaning service by taking account of your views and suggested improvements in the delivery of this service, whilst achieving affordability. The standard in this service is reflected in high levels of satisfaction, as well as a low number of complaints.

We would like to hear from you if you have any suggestions as to how we could further improve this service .



# SERVICE CHARGES (cont.)

## Estate Management Service

The Estate Caretaking Team provide an extensive service in the maintenance and upkeep of your neighbourhood. Together they provide an invaluable service in maintaining the estate and in the last year have undertaken improvements in many areas of Cadder, Some of their work is reflected in the photographs below.



We recognise that our residents want to live in a well maintained neighbourhood. The service has helped the Association to make real improvements to Cadder's environment. An independent evaluation of the estate caretaking service commended its standards of work and also the Association for aiding trainees' employment prospects. We would welcome your views on any work that our Estate Caretakers could carryout to improve the environment.

# SETTING THE MANAGEMENT FEE

## Background to Management Fee

As landlord and majority owner in tenement properties, the Association accepts the responsibility for providing a range of services for all the properties under its influence. The costs of providing a factoring service will be borne in the first instance by the Association and then charged to the appropriate owners. All owners are invoiced on a six monthly basis, on the 28th of May and the 28th of November for the period April to September and October to March, respectively.

To cover the Associations costs in operating the service, a management fee is included in the charge.

The following costs are included in the fee:

- Staffing costs
- Communication with maintenance contractors.
- Account updating.
- Invoices.
- Building Insurance claim procedure and administration.
- Postage and stationery.
- Arrears Recovery Process.
- Updating and maintaining files.

## Management Fee Amount Increase

The Association maintains records of staff time and materials such as stationery allocated to the service. These costs are used to reach the fee required to run the factoring service without profit.

The Association is committed to maintaining the Management Fee at an affordable level. In comparison with neighbouring organisations in the North and North-west of Glasgow who provide services to owner-occupiers, our fee compares favourably.

# CONSULTATION

The Association's Management Committee will each year consider any views from all tenants and owner-occupiers in making a decision on the annual rent, service charges and management fee increases, respectively.

You can register your views in the following ways: -

- By completing the available questionnaire
- By writing to the Association at the address on this leaflet
- By emailing the Association. Our email address is [enquiry@cadderhousing.co.uk](mailto:enquiry@cadderhousing.co.uk)
- By telephoning the Association on 945-3282
- By visiting the office

## How we will take account of your views

We report your views to the Management Committee to enable them to make an informed decision in advance of any increases to be applied.

All completed questionnaires will be entered into a prize draw for a £25 ASDA shopping voucher

## Customer Services Working Group

The Customer Services Working Group scrutinises the Association's performance and policies to ensure our services offer best value and will be asked to provide their views on any increases to be applied to the rent, management fee or service charges. The Customer Services Working Group consists of Cadder residents.





CADDER HOUSING ASSOCIATION, 66 SKIRSA STREET, CADDER, G23 5BA.  
TEL: 0141 945 3282 Fax: 0141 948 0163  
E-mail: [enquiry@cadderhousing.co.uk](mailto:enquiry@cadderhousing.co.uk) Web: [www.cadderha.co.uk](http://www.cadderha.co.uk)

Opening Times: Mon-Thu (9am-4.30pm), Fri (9am-4.00pm).

\*On the last Wednesday of each month the Association closes for staff training and opens from 1pm-6pm.