

Disclosure Log – January 2021 to March 2021

FOI/L/14

Under the Freedom of Information Act we wish to request a copy of the report submitted to BHA in the first week of March 2020 by Peter Patterson, Abbey Bridge Stove Centre, Jedburgh, as to the condition of our Charnwood Fire and Heating System.

The report was released to the requestor but does not form part of this disclosure log due to the personal data contained throughout the report.

FOI/E/15

- 1. Within the Board paper written by Jean Gray (former Director of Housing), which was tabled at a meeting in Nov/Dec 2019 relating to the 2020/21 annual rent increase, Jean Gray informed the Board that BHA rental properties were no longer social housing but affordable housing. If that is correct why then did BHA receive the sum of £4,578,549 from the Scottish Government relating to a Social Housing Grant during the financial year to 31 March 2021? (p.17 of Annual Report and Group Financial Statements Y/E 31/03/20?**

Answer:

I believe the report you refer to was tabled by Jean Gray at our Board of Trustees meeting on 22 January 2019 and refers to the 2019/20 rent increase.

With reference to 'social' and 'affordable' housing, Dan Blake confirmed that there is no understood difference between the two terms. Any Scottish Government Funding received by BHA towards the development of new build homes in Berwickshire is called Housing Association Grant (HAG). The Scottish Government guidance on their Affordable Housing Supply Programme can be read on their website [here](#).

- 2. If BHA properties are still classed as affordable housing what exactly is BHA's definition of affordable? What can be an affordable rent for one person may not be affordable for another. I anticipate that a large number of working tenants in Berwickshire will have jobs which are not highly paid and many may only earn the minimum wage. A lot of tenants in the Duns and Coldstream areas seem to work at Farne Salmon where salaries for factory floor workers is solely the minimum wage. The property I currently live in is a 2-bed property, suitable for a family of 4 and is valued at Band C for Council Tax purposes. If a couple with children rent this type of property and one adult works full-time at 40 hrs per week on the minimum wage of £8.72 and the other stays at home to look after young children, the gross monthly salary would be around £1,511 before tax, NI, pensions contributions, and before any child-related benefits. From April 2021 after the next rent increase, tenants renting a similar house to mine, will be paying around £389 on their rent and roughly £150 pm (or higher) for council tax in a band C house. This amounts to about £539 of deductions from their monthly income before they deduct the cost of running a car which is rather essential for most people in this rural area. In your opinion is this really**

affordable rent? If a tenant with a full-time salary on the national minimum wage is then eligible for housing benefit to help with their rent costs it would seem that the rent is not affordable in the first place.

Answer:

Unfortunately, we are unable to provide an opinion as such. Freedom of information legislation relates solely to the information held and is not subject to an opinion. However, in order to be of assistance we can offer the following explanation.

Whilst BHA do not reference a definition of affordability within our rent setting policy, we do have a clear understanding of what affordability is for the customers we serve. For clarity, BHA would not make any distinction between 'social' or 'affordable' housing as we firmly believe all our homes would qualify under both descriptions. BHA consider affordability by referencing the Scottish Federation of Housing Associations rent affordability toolkit, a commonly used source across the housing sector. An affordable rent is therefore where no more than 25-35% of a customer's household income is spent on the cost of their rent and service charges for their home, and, or, the rent and services charged do not exceed the Local Housing Allowance cap (the upper threshold value by which benefit claimants can claim for housing costs towards their rent). In summary, BHA carry out an extensive exercise in preparation to setting and proposing our rents to Board, this is always with affordability at the centre of its considerations, whilst also ensuring we remain able to invest in and improve our customers' homes.

- 3. Please can you explain why BHA is registered as a charity? If the organisation is not eligible to pay corporation tax should these benefits not be passed on the stakeholders of the organisation, i.e. its tenants in keeping rents reasonable and maintaining regular property upgrades and maintenance to its properties. When an organisation is classed as a charitable one are there Government guidelines to follow when they set the salaries for staff and Management Team members to make sure they are fair for tenants.**

Answer:

In response to your query relating to BHA's registered charitable status. I can confirm that, in March 2008 the Board of Trustees approved a move to charitable status and to adopt the SFHA Model Rules for a housing association. These rules were approved by the Board at that time. The reasons for moving were:

- To allow us to undertake charitable activities and apply for grants only available to charities.
- To allow Seton Care to become a charity
- To remove the requirement to pay corporation tax
- To possibly reduce our payment of Council Tax
- To make the best possible use of resources for people in need in Berwickshire

Moreover, it is an expectation of the Scottish Housing Regulator that BHA operates with charitable status. At the time both Boards received a briefing session in their roles as potential trustees and agreed that the duties were no more onerous than the present requirements of company law.

There is no specific guidance within the [Charities and Trustee Investment \(Scotland\) Act 2005](#) regarding staff remuneration. BHA operates as a charity based on its Rules (available on our website [here](#)) that are adopted by its membership. Further, the Scottish Housing Regulator publishes business planning guidance to which we must adhere. This is available [here](#).

- 4. Last year there was a rent increase of 3.9% which came into effect in April 2020, when the UK was already in the state of the Covid pandemic and this year BHA proposes another rent increase of 2%. Do you think it is fair to continue to put rents up again at the moment**

in view that some tenants may be furloughed, have had their hours reduced or have even been paid off from their employment due to this ongoing crisis?

Answer:

Unfortunately, we are unable to provide an opinion on whether we think something is deemed fair. Freedom of information legislation relates solely to the information held and is not subject to an opinion. However, I note that Dan Blake discussed at length the detail within his exercise on calculating affordability and the greater focus and attention paid to the wider economic uncertainties and consequent impacts on our customers and that this was considered in detail by our Board before approval.

- 5. I read in this year's tenant consultation that the main reason for increasing the rents again was to ensure that BHA rental properties received regular upgrades. However, when you look at the annual expenditure a lot of the expenditure is actually on staff costs. What percentage of this year's rent increase will be used to pay for staff salary increases and what is the proposed figure to be as at 6/04/2021? From the last accounts it looks as though the salary increase was 3.5% while tenants' rents increased by 3.9%.**

Answer:

"What percentage of this year's rent increase will be used to pay for staff salary increases and what is the proposed figure to be as at 6/04/2021?"

The percentage increase in staff salaries was approved by the Board at their January 2021 meeting and the minutes of that meeting document this. Our minutes will be published on our website shortly. I have attached a link to the section of the website for you [here](#). Therefore Section 27 of the Freedom of Information (Scotland) Act 2002; *information intended for future publication* applies.

To answer the second part of the question, the total approved salary figure for the 2021/22 financial year including Employers NIC and pension contributions is £2,257,565.

- 6. When I spoke to the Convenor of the Board last year he kindly explained that some of the rent increase would be used to upgrade tenants' properties. He confirmed that there were some properties in the Duns area that had not had upgrades and they were about 60 or 70 years old. If properties of this age are not receiving upgrades, why not, when BHA states that their annual rent increases are to make improvements on tenant's properties? When you look at the report and accounts for 2019/20 it is rather horrifying to see the figures for management team staff salaries and pension costs and it makes one think that BHA priorities are with ensuring very competitive salary packages and not affordable rents and well-maintained houses.**

Answer:

"If properties of this age are not receiving upgrades, why not, when BHA states that their annual rent increases are to make improvements on tenant's properties?"

Dan Blake advised during your call that BHA had increased the sum of capital (major improvement to homes) budget from 2018/19 to present. It is not accurate to say that some of our homes would not have received any investment and on the contrary BHA are legally and statutorily required to improve the quality of our homes to ensure we meet several key compliance areas such as Scottish Housing Quality Standards and Energy Efficiency Standards in Social Housing (ESSH).

Sums invested in our properties are reported in our [Annual Financial Statements](#) and summarised in our [Annual Report](#) each year.

FOI/E/16

Question 1

“How many tenants completed the rent consultation each year and the % that were for and against the increase and the % supplied to the board for there decision making process”

Answer:

Please find below a table summarising the rent consultation results for the last 3 years.

Year	Response numbers	Positive/Neutral	Negative	No Response
2018-19	408	71%	29%	76.7%
2019-20 (online)	242	53%	46%	1%
2020-21 (online)	320	26%	55%	19%

The Board received 100% of the results of the consultation.

Question 2

“I also request information on how bhas board have been allowed to bring in a rent restructure that is on and above the 2.5 % agreed this year in the rent consultation and if bha had carried out a separate consultation with tenants relating to the 3 year rent restructure prior to its implementation”

Answer:

I can confirm that BHA did consult with tenants on the rent restructure and the results of this consultation are attached. This information was presented to our Board of Trustees on 14 January 2020. All customers were notified of the outcome of the rent restructure proposal by letter and I also include a link to our website that has a dedicated page to support our customers to understand what this meant for them in more detail.

<https://www.berwickshirehousing.org.uk/your-home/rent-restructure/>

[Results of rent consultation](#)

FOI/E/17

Request 1:

Please provide me with a breakdown of the priority need bands for your organisation's housing list, and the number of applications currently in each band.

Answer: Our priority bands are outlined in our Allocations Policy which can be accessed on our website here:

Allocations Policy: <https://www.berwickshirehousing.org.uk/wp-content/uploads/2019/10/Allocation-Policy.pdf>

We are currently migrating to a new choice-based lettings system, These Homes, and detailed reporting is not yet available from this system. To provide you with this information would require a member of staff to manually compile this data from the system which I am sure you would appreciate will take a considerable amount of time. As that is the case, section 12 of the Freedom of Information (Scotland) Act 2002; excessive cost of compliance applies.

Request 2:

Please provide me with the number of applications on your housing list for each of the following years. I'm looking to see if the housing list has grown over the last 5 years, so to gain an accurate comparison, please provide me with a snapshot of the number of people on your housing list on 1 April of each of the years set out below. If you do not hold figures for all of the years, please fill out the table for those years you do hold information. By "1 April", I mean the first day of the financial year.

Answer: BHA operate a choice-based lettings system and therefore we do not operate a housing list as such. We hold a register of people who wish to apply for housing but the onus is on them to apply for properties they are interested in and wish to be considered for. I have provided a link below to the Scottish Housing Regulator's website which details our Annual Return on the Charter (ARC) returns. Within these returns are the figures relating to our lettings system. This can be found within Indicator 10 and I hope this information covers what you are looking for. The SHR no longer required this to be reported on as of 1st April 2019.

Scottish Housing Regulator: <https://www.housingregulator.gov.scot/landlord-performance/landlords/berwickshire-housing-association-ltd#panel-4>

For the information already published section 25 of the Freedom of Information (Scotland) Act 2002; *information otherwise accessible* applies.

Request 3:

Please provide me with the number of applications currently on your housing list for each of the property types listed.

Answer: Unfortunately, we do not hold a housing list broken down into house size. As per above, BHA operate a choice-based lettings system and we hold a register of people who wish to apply for housing but the onus is on them to apply for properties they are interested in and wish to be considered for. As that is the case, Section 17 of the Freedom of Information (Scotland) Act 2002; *information not held* applies.

Request 4:

How many properties have been let to tenants during each of the years listed. If you do not hold figures for all of the years, please fill out the table for those years you do hold information.

Answer: Please note that the majority of this information is currently published by the Scottish Housing Regulator (SHR) within the Annual Return on the Charter (ARC) submission. I have provided a link below to their webpage which contains the specific BHA returns for the years requested. The information you have requested can be found within Indicators C7 through to C9. Omitted from the SHR webpage is 2019/20 ARC return. [I have therefore attached this for you.](#) With regard to the 2020/21 return, these figures are currently being validated and will be available on the SHR website shortly.

Scottish Housing Regulator: <https://www.housingregulator.gov.scot/landlord-performance/landlords/berwickshire-housing-association-ltd#panel-4>

For the information already published section 25 of the Freedom of Information (Scotland) Act 2002; *information otherwise accessible* applies. With reference to the 2020/21 return section 27 of the Freedom of Information (Scotland) Act 2002; *information intended for future publication* applies.

Request 5:

How many properties are due to be completed in the next business year, broken down by the number of bedrooms in property

Answer:

Size of house	Number of properties due to be completed in 2021/22
1 bedroom	6
2 bedrooms	13
3 bedrooms	10
4 bedrooms	2
5+ bedrooms	

Request 6:

Please provide the total housing stock figure for each of the last 5 years, broken down by year, and number of bedrooms. By “1 April”, I mean the first day of the financial year. If you do not hold figures for all of the years, please fill out the table for those years you do hold information.

Answer: Please note that the majority of this information is currently published by the Scottish Housing Regulator (SHR) within the landlord comparison tool. I have provided a link below to this. The 2020/21 figures have not yet been finalised but will be published on the SHR website in the coming weeks.

Scottish Housing Regulator: <https://www.housingregulator.gov.scot/comparison-tool?landlord=2449>

For the information already published section 25 of the Freedom of Information (Scotland) Act 2002; *information otherwise accessible* applies. With reference to the 2020/21 return section 27 of the Freedom of Information (Scotland) Act 2002; *information intended for future publication* applies.

Request 7:

Please provide me with a list of rental prices for each of the last 5 years.

Answer: Please note that the majority of this information is currently published by the Scottish Housing Regulator (SHR) within the landlord comparison tool. I have provided a link below to this. The 2020/21 figures have not yet been finalised but will be published on the SHR website in the coming weeks.

Scottish Housing Regulator: <https://www.housingregulator.gov.scot/comparison-tool?landlord=2449>

For the information already published section 25 of the Freedom of Information (Scotland) Act 2002; *information otherwise accessible* applies. With reference to the 2020/21 return section 27 of the Freedom of Information (Scotland) Act 2002; *information intended for future publication* applies.

[END OF DISCLOSURE LOG]