



Supporting a vibrant community by offering affordable, good quality homes and services with people at the heart of everything we do.

Rent consultation

For charges from 1st April 2025

Rent Charges 2025/26

As you know, each year we consult with you on the rent increase for the forthcoming year. It is now that time again, and our Management Committee are inviting you to take part in the rent consultation for 2025/26. The consultation period will continue into the new year and close on **Thursday 9 January 2025**.

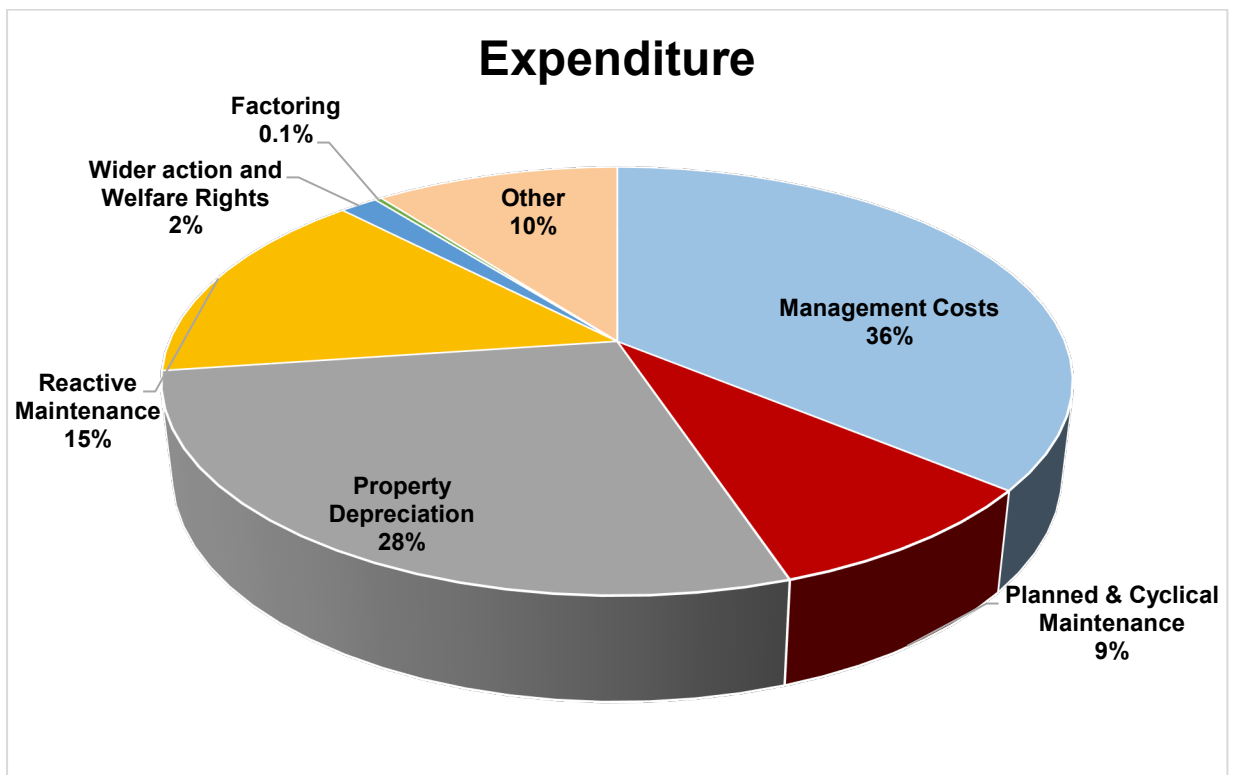
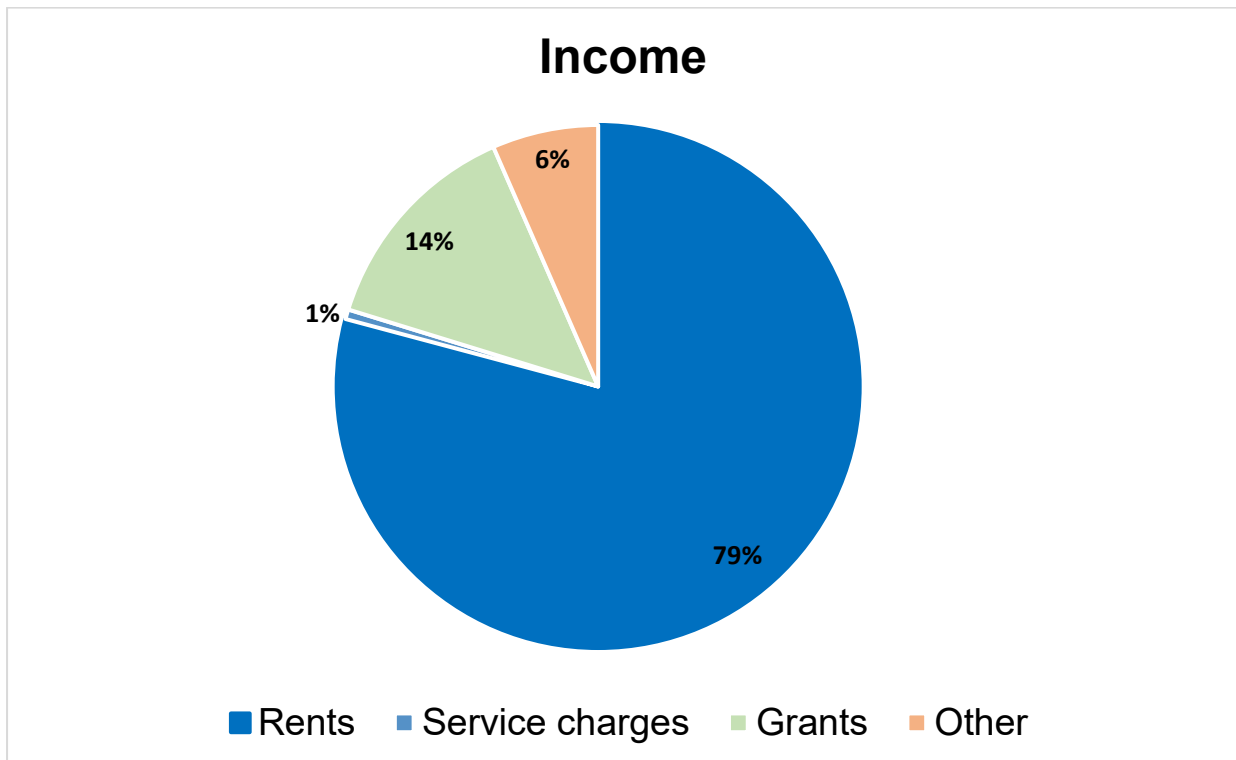


We want your views – your feedback matters, so please tell us what you think of this year’s proposal. The Management Committee will fully consider all consultation feedback and views at their meeting on 30 January 2025 before deciding on the level of rent increase to apply for 2025/26. This pack sets out how we use your rent to pay for the services that you tell us matters most to you and should help form your view on this year’s consultation.

Last Year’s Results - We received 284 responses to last year’s rent consultation. The majority of tenants voted in favour of the rent increase which meant we could continue to provide a high-quality service and planned investment works in the housing stock. The Management Committee listened and decided to approve a 4.6% for 2024/25.

Our main sources of income and expenditure

The charts demonstrates our income and expenditure during 2023/24.



Cost Pressures

Our costs increase each year because of inflation. Inflation in September 2024, using CPI (Consumer Price Index), was 1.7% and RPI (Retail Price Index), was 2.7%. Many of our services, especially repairs and larger improvements are linked to inflation in the building industry which is at a higher rate still. By not recovering the cost increases we incur, we must use our cash reserves and may have to reconsider future planned improvement works.

As well as the impact of Covid, there is the Ukrainian War, high rates of inflation and high interest rates. We continue to see the impacts of Brexit and the Middle East conflict on our operations. These external factors impact upon the availability of building materials and labour, and so increases our costs further.

Increases and finances

As you are probably aware, housing associations are charities who exist to provide good quality homes at affordable rents. We will always do our best to keep your rents as low as possible.

To pay for services and planned improvements, we review rents annually to make sure we have enough income to pay for this and that we remain financially stable to protect housing services well into the future. The Scottish Housing Regulator monitors our financial plans.

Our long-term business plan is based on rents increasing at September CPI each year. This allows us to maintain our services at a high standard and invest in property improvements over the long term. However, due to high rates of inflation in previous years, the Association's Management Committee had determined below-inflation increases for the previous few years – meaning the Association did not receive the rental income expected. This has had a negative impact on our long-term finances, and so the Management Committee have opted to consult on a rent increase at a rate slightly above inflation to make up some of these previous real-terms reductions in rent.

We are aware of the financial pressures on everyone because of the impact of high inflation levels and other changes in income and expenditure which is causing financial pressures for households and businesses. After much consideration and discussion, the Management Committee and management team have found an option which we believe will allow us to operate as planned whilst keeping rents as low as possible.

A rent increase of 3.5% will allow the Association to continue with the existing services as last year and carry out planned improvement works in our properties.

Affordability

We are very mindful of how affordable our rents are and the impact that a rent increase will have on some of our tenants. Results from satisfaction surveys carried out during 2023/24 indicate that 81.58% of our tenants feel their rent represents very or fairly good value for money.

We recognise the current economic environment is having an impact on everyone. We must balance the high-quality services and planned improvements we deliver, whilst keeping rents as affordable as we can. Our housing management and welfare rights team can help you to manage your rent account and maximise your access to benefits. We can assist you with making claims and appealing decisions.

Planned Improvements

Our planned improvement works are developed from stock condition surveys, which we carry out independently every two years. In 2023 we updated our stock condition survey to reflect the current costs of delivering services, which as you will appreciate have increased greatly over the previous two years. During 2023/24 we completed a two-year programme for window renewals at for 120 properties and replaced 83 boiler systems. During 2024/25 we procured a window replacement contract for 84 properties and a boiler replacement contract for a further 143 properties. Also, during 2024/25 we will look to undertake a bathroom replacement contract.

There continues to be a focus on the green agenda and reducing our carbon footprint. For our homes, this means considering insulation methods and finding non-gas alternatives to heating our homes. These works come at a cost and are an addition to usual component replacement programmes for kitchens, bathrooms, and windows renewals, so must be factored into our budgets, and ultimately impacts the rents which are charged. Addressing insulation and heating methods helps improve the environment and helps limit your energy use and associated costs.

Finally, there is the new Scottish Housing Net Zero Standard (SHNZS) which is set to replace the Scottish Government's standard of Energy Efficiency Standard for Social Housing (EESH2). This new ambitious energy standard is an area we plan to invest in to further improve the energy and fabric efficiency of our homes. The Scottish Government are currently deciding upon how they wish to proceed, and undoubtedly it will bring in significant costs in order to carry out these works over the future years.

Proposals

Now that we have explained why we need to increase rents, shown you where your rent payments are spent and explained how we consider if the increase is affordable, we are inviting you to give your views.

We feel it important to give you some context on recent rent increases before we invite you to give your views on the rents charged from April 2025.

For 2023/24 – There was a 5% rent increase (when September 2021 CPI was 10.1%). 5% was the lowest rent increase needed so the Association could continue to run existing services and not cut back on the planned improvements works, in line with the 30-year investment plan.

For 2024/25 – There was a 4.6% rent increase (when September 2023 CPI was 6.7%). This increase ensured the Association could continue to run existing services and not cut back on the planned improvements works.

For 2025/26 – we are proposing to increase rents by 3.5%. With this option, the Association can make up some of the costs from the previous years below inflation increases. We can continue to run with existing services as last year and carry out the planned improvements in our properties, in line with our 30-year investment plan, while still increasing rents at a lower rate than in the previous two years.

It is important to note that the Association has undertaken various financial stress testing against the business plan by using CPI at 1.7% and assessed various options for the 2025/26 rent increase, while taking into account the sharp cost increases within the sector. The increase of 3.5% can allow us to maintain our services in the long term, whilst still keeping average rent levels lower than local and national sector rents.

Given the current economic pressures, we are all facing in this challenging environment, we hope this will be viewed positively by our tenants, as it means we can continue with the existing service and planned works.

What happens next?

This consultation runs from now until mid-January 2025. You can respond by completing the consultation form and returning it to us in the enclosed pre-paid envelope provided or responding to the text message or by phoning the office with your feedback. In addition, we will hold drop-in sessions at our office at Marion McDonald House, 79 Airgold Drive, Drumchapel on Tuesday 10 and Wednesday 11 December, where you can come along at speak to staff on these matters. If you have mobility issues and require a home visit, please let us know and we can arrange this. If you, or someone you know has any communication needs, please let us know so we can provide information in a format that suits. We want to provide you with as much opportunity as possible to speak with us and let us know your thoughts.

How can we support you?

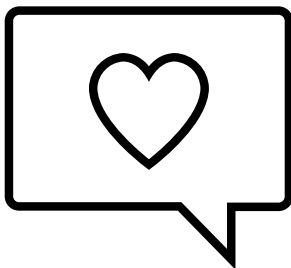
Paying your rent on time and in full each month is your most important tenancy responsibility. If you are experiencing difficulties in meeting your rent payments, please contact us. We are here to help. Our experienced Housing Management team - Alex Kyle/Jim O'Connor, Jordan Allan and Tomi Oke can support you to manage your rent payments and help you to manage your household budgeting.

Other Services

We have also invested in you and the Community in other ways too. Andy Parker, Welfare Rights and Tenancy Sustainment Officer (WRTSO) offers a free, independent and confidential service to complete benefit checks to help ensure you're receiving all your entitlements and can assist with appeals. Our WRTSO helped to secure £1,014,486 in financial support for the community last year and supported 570 customers. This included support to households through the Scottish Welfare Fund, Educational Maintenance Grant, Best Start Early Learning and many more supports.

With the rising costs of gas and electricity we can help assist our tenants with fuel support through a range of support services. We also know that accessing online services are not always affordable to everyone, and again we have engaged with providers that can offer financial assistance to ensure everyone is digitally included.

The Association was also successful in securing £78,900 in fuel support last year in which we were able to support all of our tenants. Given the pressures of cost of living for households and the rise in energy prices we were delighted to secure these funds knowing the difference it would make within the community, which was clearly seen from the feedback we received from our tenants:



“With the cost of living and energy increase in the last year the vouchers our family received from Cernach housing was a much-needed boost to our finances and really helped us out so thank you”

“I am grateful for the vouchers. With the cost of living increasing, I could get a bigger food shop the month I received the vouchers”

“Allowed me to live in my home with heating and hot water again”

Finally, the staff team will continue to work to access as much grant funding as we possibly can to help our tenants through these challenging times.



Please provide feedback by Thursday 9 January

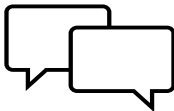
You can do this by:



Returning the enclosed slip by freepost



Contacting the office on 0141 944 3860



**Responding to the text message
send with a link to the online survey**



Visiting us at the office