



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 2024

Rent Charges 2024/25

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 2024/25. The consultation period will continue into the new year and close on **Thursday 11 January 2024**.

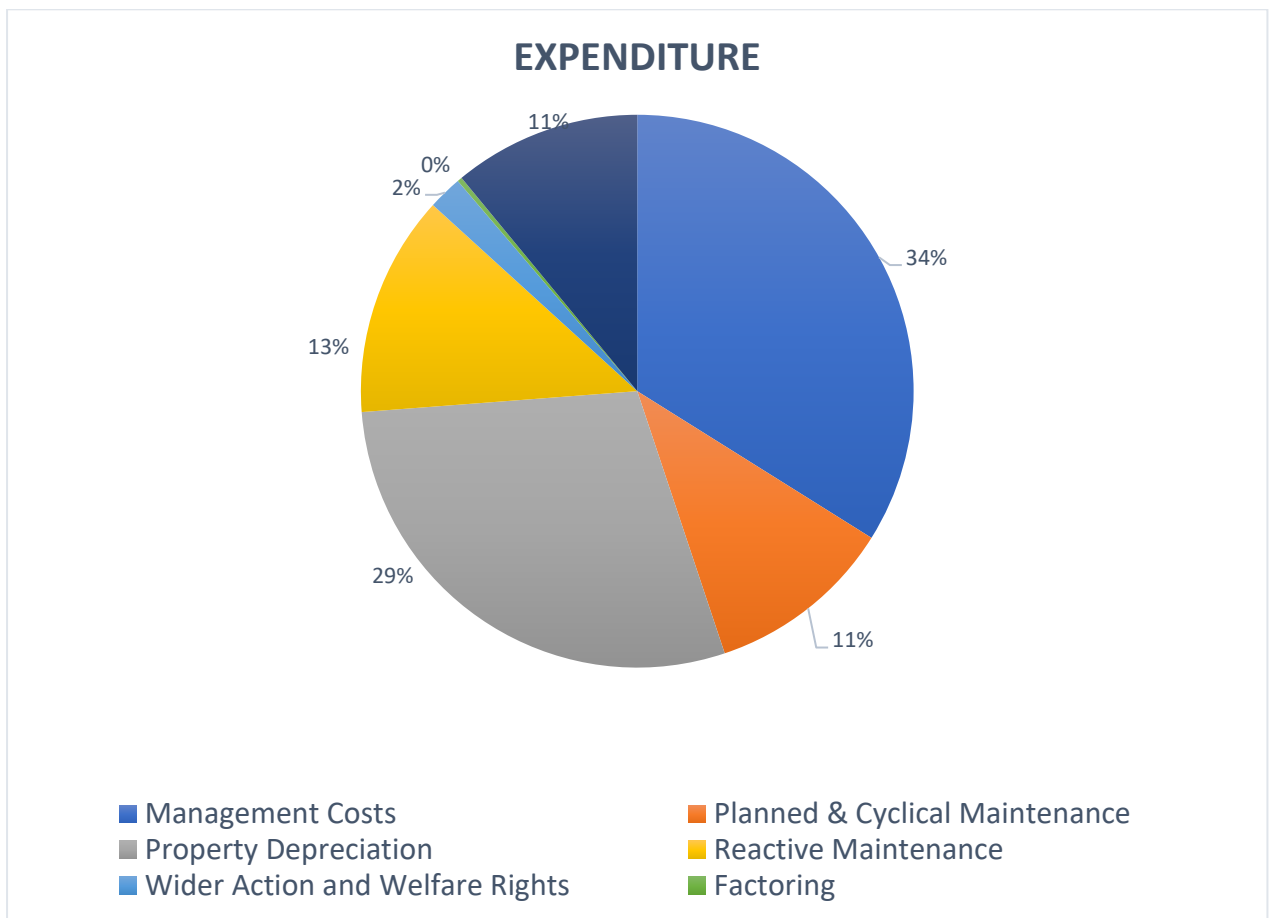
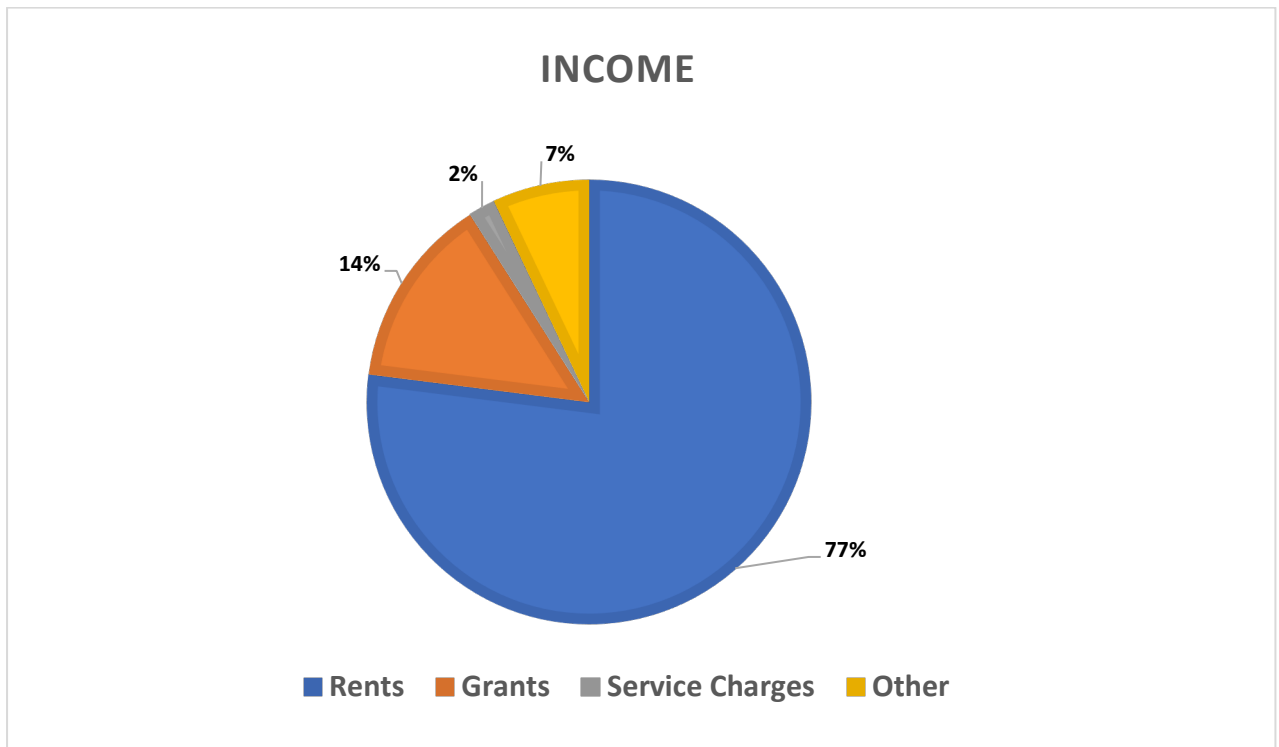


We want your views – your feedback matters, so please tell us what you think of this year’s proposal. The Management Committee will fully consider all consultation feedback and views at their meeting on 25 January 2024 before deciding on the level of rent increase to apply for 2024/25. This pack sets 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 240 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 5% for 2023/24.

Our main sources of income and expenditure

The charts demonstrates our income and expenditure during 2022/23.



Cost Pressures

Our costs increase each year because of inflation. Inflation in September 2023, using CPI (Consumer Price Index), was 6.7% and RPI (Retail Price Index), was 8.9%. 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 are still to see the full impact of Brexit on our operations and have the emerging conflict in the Middle East. These external factors are impacting upon the availability of building materials and labour, and so increase 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.

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 either 4.6% or 5.6% increase will allow the Association to continue with the existing services as last year and carry out planned improvement works in our properties. This is below September 2023 CPI of 6.7%.

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 2022/23 indicate that 87.50% 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 are here to 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 late 2023 we updated our stock condition survey to reflect the current costs of delivering services, which you will appreciate have increased greatly over the last two years. During 2022/23 we carried out the final year of a four-year paint contract and commenced a two-year programme for window renewals. During 2023/24 we finished a window contract for 200 properties and procured a boiler replacement contract for 49 properties. We will look to undertake a bathroom replacement contract this year as well.

There continues to be a focus on the green agenda and reducing our carbon footprint. For our homes, this means considering the insulation methods and finding alternatives to gas heating systems. These come at a cost and are in addition to usual component replacement programmes for kitchens, bathrooms, and windows renewals, so must be factored into our budgets, and ultimately impact the rents which are charged. Addressing insulation and heating methods helps the environment and helps limit your energy use and associated costs. Finally, there is the Energy Efficiency Standard for Social Housing (EESH2), a standard set by the Scottish Government, which is an area that we plan to invest in to further improve the energy efficiency of our homes. The Scottish Government are currently consulting upon EESH2 which is due to close in March 2024, and thereafter they will seek to adopt a new standard of energy efficiency for social housing.

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 2024.

In 2022/23 - There was a rent increase of 3.1% (based on September 2021 CPI). By the time rents were applied in April 2022, CPI had moved to 9%, which meant the 2022/23 rents saw a 6% real terms decrease.

For 2023/24 – There was a 5% rent increase (at a time 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. When rents were applied in April 2023, CPI was 8.7%, so a 3.7% real decrease.

For 2024/25 – we are proposing to increase rents of either (i) 4.6% or (ii) 5.6%. These options are below September 2023 CPI figure of 6.7%, and instead are in line with October's CPI of 4.6%. We recognise tenants continue to feel financial pressures and with these options the Association 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.

It is important to note that the Association has undertaken various financial stress testing against the business plan by using CPI at 4.6% and assessed various options for the 2024/25 rent increase. A rent increase of 4.6% or 5.6%, both of which are less than the business plan (set at 6.7%), can allow us to absorb these costs both in the short-to-medium term, as well as the long-term. We are pleased to offer these below inflation options and also to be able to continue with all our plans, without impacting service delivery or planned improvements.

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 2024. During this time, you can respond by completing the consultation form and returning it to us in the enclosed pre-paid envelope, or by emailing the office or phoning us with your feedback. In addition, we will hold drop-in sessions at our office at Marion McDonald House, 79 Airgold Drive, Drumchapel on 12th and 13th 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.

Andy Parker, Welfare Rights and Tenancy Sustainment Officer offers a free, independent and confidential service to complete benefit checks to help ensure you're receiving all of your entitlements and can help with appeals.

The Association spends time making grant applications trying to acquire additional grant funding to help support our tenants. The grants are based upon individual's circumstances and have conditions attached to them. This year the team worked closely with SFHA to acquire grant funding to help tenants with the cost of fuel and food. We will continue to distribute funds through cash vouchers and energy efficient goods so all tenants can benefit from the SFHA funding. The staff team continues to work to access as much grant funding as we possibly can to help our tenants through these challenging times.

Other Services

Cernach Housing Association is a community anchor organisation since 2016, which means we receive external funding for a Community Connector post. Ted Scanlon, Community Connector delivers the G15 Thriving Places initiative. Ted and his colleagues are based in the Drumchapel Community Centre, and work to source various grants to distribute to individuals and community groups who need support or assistance. The help offered is both financial and non-financial. For example, they can provide top-up fuel vouchers, assist in buying digital devices and offer IT training, as well as community events such as bus trips for families who may not have the resources to take children away over the school holidays, and raise awareness of issues just as the Say No to Racism campaign, International Women's Day, and various other local and national campaigns.



Please provide feedback by Thursday 11 January

You can do this by:



Returning the enclosed slip by freepost



Contacting the office on 0141 944 3860



Visit us at the office



**Online, by scanning this QR Code
using your phone camera**