

Agenda Item: 8

Report to: Management Committee

Date: 9th December 2021

Prepared by: Grant Kennedy, Housing Services Manager

Subject: Rent Consultation Responses and Rent Setting

1. Background

- 1.1 The board agreed at the meeting on 11th November 2021 to consult tenants on a proposed rent increase of 4.9%.
- 1.2 A consultation letter and questionnaire was sent to all current tenants with a return deadline of 3rd December 2021. Tenants were also encouraged by telephone or at reception to fill these in if they had not done so already.
- 1.3 Glasgow West of Scotland Forum (GWSF) asked all its members to confirm their previous years increase and what they were considering their 2022/23 increase to be. A copy of the published report is attached at *Appendix 1* for information.

2. Responses

- 2.1 A total of 56 questionnaires were returned giving a return rate of 12.81% from the 437 questionnaires sent (excludes Fair Rent properties, voids, and Glasgow City Council tenants). Further details on the tenants answers are as below: (tenants comments are included verbatim – some are not related to the rent increase however are included for accuracy)

Question 1: Do you agree that increases based on inflation rates are fair?			
Yes	46	80.70%	Comments: <ul style="list-style-type: none">• Close is a mess. My bathroom isn't new neither is my kitchen. House is tiny for what I'm paying.• My cost of living has gone up but this has not been matched by wages.• I think they are very fair and lower than many other housing associations.• Very fair• For the area very good• However public sector workers like ourselves have seen a real-term cut in pay• Wage rises are not rising in line with inflation. People are struggling. Tenants live in social housing as they can't afford mortgages. They don't typically have high salaries, and YHA is asking for a bigger & bigger proportion of that.• Came from 3 bedrooms and saving so much• No. Inflation is rising but wages remain static. I can't honestly see how the association has any other option but to proceed.• Gas prices ⬆ 10% heating cost due. Do not getting the windows upgrade April 2021. Price of food has gone up this will push people further into arrears.• RPI
No	10	17.54%	
Not Answered	1	1.76%	
(one person answered yes and no to this question therefore figures do not add up to 56)			

Question 2: Do you think that your rent represents good value for money?			
Yes	51	91.07%	Comments: <ul style="list-style-type: none"> <i>It's getting more expensive and the house is small with no storage.</i> <i>Until flat is insulated the cost of heating adds significantly to bills.</i> <i>Yes am please OK</i> <i>Maintenance service is generally very good. However our kitchen upgrade is nearly 18 months overdue.</i> <i>My flat has a long term rodent issue. We suffer with mould & can't open the kitchen window during the summer due issue from the Ashoka bins.</i> <i>Yes very good</i> <i>Currently yes although in arrears - Services have been affected so where has that money been reinvested. Saved from the pandemic.</i>
No	4	7.14%	
Not Answered	1	1.79%	

Question 3: Do you feel that you are provided with enough information on how rental income is used?			
Yes	49	87.50%	Comments: <ul style="list-style-type: none"> <i>Yes well informed</i> <i>I currently receive benefits, although expect to return to work soon. The rent is fine if you are receiving benefits, but for low wage workers, less so.</i> <i>Increase rent, no new windows, no bins picked up, no close cleaning done. Multiple complaints with no actions.</i>
No	6	10.71%	
Not Answered	1	1.79%	

Question 4: Do you feel your rent is affordable?			
Yes	48	85.71%	Comments: <ul style="list-style-type: none"> <i>But the price of everything is increasing but no increase in wages.</i> <i>Recent years I have struggled with rent and recently feel as if not worth it.</i> <i>It would be excellent if rents did not take up a huge chunk of income. And if the property market were better regulated to take less proportion of income. Sometimes it seems that desirable properties are very expensive + lower cost property can mean liability, non respectful neighbours.</i> <i>My rent payments are comparable to mortgage payments paid by people I know in the area. Every increase will squeeze working people out.</i> <i>Yes</i> <i>At the moment: while we can continue to work.</i> <i>As you can see I have a number of concerns. In the past it was easier to get these things addressed, but it seems more difficult now. For example emails regularly go unanswered. I also complained at the sheer mess made</i>
No	6	10.71%	
Not Answered	2	3.57%	

when installing a new bathroom but didn't get a response. This is important as I am concerned about the rent we pay being used wisely and not wasted on substantial work. Lessons could be learned from Linthouse Housing Association & how well they renovated and modernised their older tenement housing stock.

- Yes except for £41 housing arrears every month which is a bit much.
- Yes at present.
- Currently in arrears

Question 5: Any other comments?

- Many thanks for care & contact in difficult times. Cat called once a week makes a big difference, many thanks.
- I pay full rent despite fact that two nutters live above me!!! For eight years + four weeks of torture. Hellish. *I deserve a medal.
- Inflation its that simple. Gas will go up soon.
- We should make tenants aware that building/supplies costs have increased.
- Although the increase is needed I understand this it is still hard.
- N.B. Please rethink colours on your piechart! Your choices are too similar for vision challenged to distinguish from each other. Especially your index box! Which is far too small!!
- I am happy with the services provided so far.
- Close needs redecorated and the cleaning company are rubbish. Bathroom and kitchen needs updated. House has no storage and in recent years had issues with mice. Walls of house are terrible. House needs plastered.
- I think Yorkhill provide a repairs service that is beyond anything I am used to. Friendly staff and so helpful. Also the services of Stephen Fallon is an added bonus. So happy to be a tenant of Yorkhill.
- I think the rent charged is very fair, also all repairs/maintenance, in my experience are always carried out quickly and professionally.
- Been in my flat for 32 year had no complaints (just 3-up stairs getting harder old age ha! Ha!)
- I'm just confused with the letter saying YHA rents are the lowest in the west end of Glasgow. According to the chart, it says Charing Cross is the lowest.
- I also think the services provided by Yorkhill Housing Association are excellent.
- I am only a new tenant (date of start of tenancy redacted) so I don't think I am in a position to comment.
- Service is fantastic: repairs etc. always available if you need any help.
- Interestingly it was YHA's choice to move all the bins under my window. I don't think it is fair to demand rises in rents when these things are unsolved.
- My flat is very cold in the winter. Drafts in my living room and bathroom.
- My flat is so value for money :)
- I am a single person household struggling with the upkeep of rent + also heating - Drafts from the windows. Seen a spend of £400 for 3 months last winter - due to the hold up in windows it will no doubt be the same this year. We have had limited service provided for the housing association as all staff working from home. Limited support for services - cost saved from pandemic - residents have not benefited from. Further lockdowns loom + people jobs are affected - how can residents keep up with the mounting costs of all amenities - never mind rent.
- The current rent, with the proposed increase, is affordable; however the proposed increase of 4.9% is close to double the average annual increase across the previous six years. If rents were to continue to increase at a similar rate in future years, then affordability would be in question.

3. Recommendations

- 3.1 The board are asked to consider the information presented, and make a **decision** on the appropriate increase percentage from 1st April 2022.

Appendix 1: GWSF Rent Increase Survey
Most recent results 3rd December 2021



Glasgow and West of Scotland
 Forum of Housing Associations

GWSF rent increase survey for April 2022 – sixth results edition 3/12/21 (new results in red)

	Increase April 2021	Proposed increase for April 2022	Any further commentary
Maryhill HA	0%	2.7%	Our Board considered options ranging from 0% to 3.2%.
Prospect CH	0.7%	2%	2.0% is being modelled as part of budget preparations. Our rent increase is linked to a maximum of August CPI + 0.5%, as agreed in Tenant Satisfaction Survey Rent Consultation from 2019.
Craigdale HA	1.5%	tbc	Our business plan allows for CPI + 1% (CPI at October 2021) however we will look at the effect of furlough ending and UC additional payment being scrapped before making a final decision.
Oak Tree HA	1%	CPI?	CPI only if possible but up to RPI if necessary
New Gorbals HA	0%	3.8%	Sept CPI plus 0.7%.

ng homes		2.7%	We are hoping to go to our board to consult with a minimum of 2.7%, but would be interested to see what others are doing.
Charing Cross HA	2%	2%	Provisional at this stage.
Partick HA	1%	2.6%	We are consulting tenants on a 2022/23 rent increase of 2.6% (i.e. September 2021 CPI of 3.1% - 0.5%).
Queens Cross HA	0.7%	2.9% or 3.4%	Currently consulting with our tenants on 2 options: 2.9% (September's CPIH) and 3.4% (CPIH + 0.5%).
Kingsridge Cleddans HA	1.2%	October CPI	We're going to our Management Committee at the end of November with a view to pegging at October's CPI rate, so I'm really interested to find out what others are doing/proposing.
Pineview HA	0.7% on base rent but variable overall impact due to Kendoon transfer with many rents being reduced or capped.	2.6%, 3.1% or 3.6%	Report going to November Committee meeting. Policy does not tie us to anything but Kendoon HA ToE ties us to no more than CPI for 1/4/22 and 1/4/23. LTPs assume CPI at 2%. Sept CPI – 3.1%, Ave CPI for Oct 21 – Sept 22 = 1.5%. Along with affordability concerns for customers, issue is the increase in costs, especially labour and material – for example, City Building looking for 15% increase, and some in sector saying tenders coming in way over budget. Low increase has tremendous compound effect over the 30 years, with potential short term saving costing tenants much more in medium and longer term. Really difficult position this year. Update: Committee have decided to consult on Sept CPI +/- 0.5%, so 2.6%, 3.1%, 3.6%.
West of Scotland HA		2.5%, 3.1% or 4.1%	We have now completed the paper for our Board and are proposing three options – 2.5%, 3.1% or 4.1%. We normally consult on September CPI + 1% (3.1%) and 4.1% is based on CPI only/plus 1%) but are hoping to use what was in the Business Plan (i.e. 2.5%).
Cadder HA	1.2%	2.5%	

Glasgow West HA	1.5% average	3.96%	<p>MC agreed consultation on average 3.96% (0.8% of which is for the “imposed” bulk uplift service)</p> <p>Currently exploring “enhanced service” options, although suspect there will be a very low appetite for an increase beyond the minimum noted.</p> <p>We are in the 3rd year of rent restructuring programme (although aiming for only partial implementation this year due to potential impact on some households)</p> <p>MC concerns re: escalating costs for our service delivery; and for our tenants’ affordability (utility costs / withdrawal of UC top up etc.).</p>
Tollcross HA	0%	4%	Not yet confirmed but looks like the likeliest option at this stage.
Linthouse HA	1.5%	Oct CPI 4.2%, or Oct CPI minus 0.5% = 3.7%	<p>Report going to Dec Management Committee meeting. Increase reflects the level of investment required in the housing stock at LHA, which is a top priority for customers.</p> <p>2022/23 is also the third year of a 4-year comprehensive rent restructure at LHA. We have tested the rent increases against the estimated Scottish Average rents – 20/21 Actual average rents – plus 1.5% for 21/22 and 2.5% for 22/23 and this does not give a cause for concern. This test shows that the new average rents for our restructured rents are generally lower than the estimated Scottish average and for our highest rents will be no more than 2.5% above the Scottish average. We will test the rents again against SFHA affordability model and against a bespoke affordability tool developed by Arneil Johnston before presenting the report to Committee.</p>
Ferguslie Park HA	0%	4.5% (Oct CPI + max 0.3%)	Over the past three years our cumulative increase in rent has been 1.2% less than the cumulative rates of CPI
Cernach HA	0%	3.1% (probable)	are proposing to consult on the September CPI (our business plan is based on CPI for 30 years). Taking a paper to the MC on 2 December seeking approval to consult on CPI or CPI +1% for the April 2022 review; however, the paper also notes that it’s unlikely that the higher option will be favoured, so we may just go out on CPI.

Shire HA	1%	4% or 5%	The Association will be consulting with tenants on two rent increase options: 4% and 5%. Whilst affordability of our rents is a key concern, the Board were also aware of increasing costs in delivery many of our services. The Association also analysed the compound effect of proposed rent increases over our 30 Financial Plans and the impact of these in meeting Business Plan Objectives before deciding on the proposed rent increase options.
Abronhill HA	1.7%	4.2%	Based on October CPI, with the Committee keen to ensure future resources are sufficient to enable us to carry out all our investment plans.
Cloch HA	<i>1.9% although deferred - implemented Oct 2021</i>		We are likely to consult on 2.5%, albeit as we are in the middle of a rent harmonisation process we will still have some tenants whose rent charge is frozen, while others pay additional - this is a minority, though, and for those on their “target rent” the increase is likely to be 2.5%.
Ayrshire Housing	1.5%	4.5%	The Board here decided yesterday evening to consult on a figure of 4.5%. We see it as a significant risk that the cost of maintenance will increase substantially over the coming year alongside other operating costs. Given the uncertainty, it was thought prudent to consult on a figure which can be pared back if hopefully we have greater cost certainty when the budget is set in February.
Whiteinch & Scotstoun HA	0%	2.5%	A report is going to Committee on 1 December proposing that 2.5% is the figure to be recommended to tenants, with 3.2% and 4.0% offered for consultation purposes as “safer” in terms of ensuring works and services are delivered as planned.
Rutherglen and Cambuslang HA	2%	2.5%	Subject to approval by the management committee.
Cathcart and District HA	1.7%	4% or 4.5%	Both options being offered through the tenant consultation.

Spire View HA	3%	5.5%	We appreciate this is quite high however the rationale behind the proposed increases for both is to support our business plans and we are aware that our rents are currently some of the lowest in Scotland.
Copperworks HA	1.7%	5%	We appreciate this is quite high however the rationale behind the proposed increases for both is to support our business plans and we are aware that our rents are currently some of the lowest in Scotland.
Thenue HA	1.1%	3.1%	No decision until after the consultation closes at the end of January.