

Yorkhill Housing Association

Report

Management Committee – 14th December 2023 Agenda item 6

Does this report require to be approved? Yes No

Ref MC/2023/RI/GK Date 14/12/23

Rent Increase 24/25

From Grant Kennedy, Housing Services Manager
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Executive Summary

The Management Committee decided on 9th November 2023 to consult tenants on a proposed rent increase of 7.7%, while awaiting the release of October’s CPI rate on 15th November 2023.

The consultation responses from tenants have now been received, and the CPI rate has been released at 4.6%. This information is presented to committee for the purposes of making a confirmed decision on the rent increase for 2024/25.

Recommendations

It is recommended that the Management Committee note the information provided and **approve a rent increase rate of 5.6%** from 1st April 2024 for Scottish Secure Tenancy (SST) tenancies.

Authorise the Housing Services Manager to draw the two winners from the prize draw.

Regulatory Standards

Standard	Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay
Sub Category	3.4 The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases

1. Background

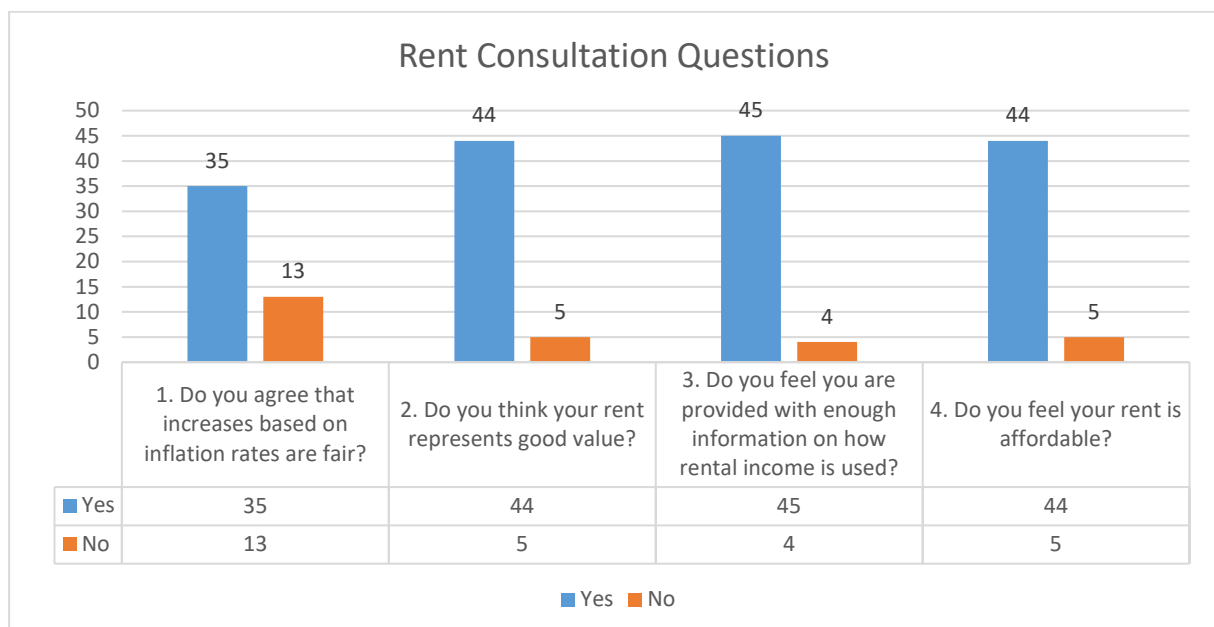
- 1.1 At the Management Committee meeting of 9th November 2023 the committee agreed to consult with tenants on a proposed rate of 7.7%. This figure being calculated as the most recent Consumer Price Index (CPI) rate available at the time of 6.7% plus 1%, in line with the Association's Business Plan.
- 1.2 On 15th November 2023 the Office for National Statistics (ONS) released October's CPI rate, which is 4.6%.

2. Report

- 2.1 On 13th November the rent consultation letter was sent to all tenants. This year thanks to Homemaster only 264 required to be physically posted, with emails being sent to the remaining tenants and joint tenants. Additionally a page was created on our website allowing tenants to return the survey electronically. The physical letter also offered our website to return the survey.
- 2.2 A reminder email was sent on 20th November, along with information on our Energy Advisor.

Consultation Results

- 2.3 A total of 49 responses were received from the 432 tenancies surveyed – tenants on a Fair Rent were excluded from this figure, as are voids and temporary furnished flats. This results in an over 11% response rate and is comparable with previous years; 50 responses in both Dec 2021 and Dec 2022 – a further consultation was carried out in January 2023 where a further 48 responses were received.
- 2.4 33 responded by post, with 16 responding via our website. A graph of the responses is provided below, along with all comments provided verbatim.



Question 1: Do you agree that increases based on inflation rates are fair?

Yes	35 (71.43%)	No	13 (26.53%)	Blank	1 (2.04%)
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Responses:

- *My salary does not increase by inflation rates*
- *Increase is far too much and the rent never comes down*
- *I don't think it is fair as wages are not rising in line with the inflation rate.*
- *Given that I'm pretty certain that if my flat was a private let I could be paying perhaps 3 times as much I think 7.7% is reasonable.*
- *not at this time because cost of living is so high*
- *7.7% seems like quite a jump. For me personally it represents a significant increase*
- *Will average wages go up by the same amount?*
- *Rent has increased every year for the past 5 years despite the cost of living crisis you risk pushing vulnerable people in to further debt and depravetiy*
- *Think its quite high considering it was 6% increase last year. As you say cost of living is high and people are struggling with their own bills, food shop etc. I understand you need to put up rent no one is debating that but to put it 7.7% i think is quite high.*
- *I think that the services provided by the association are excellent, and that in order to retain them, the increase is fair.*
- *That's how the market is. Social Housing having to work within a private/profit based economy.*

Question 2: Do you think your rent represents good value?

Yes	44 (89.80%)	No	5 (10.20%)	Blank	5 (0%)
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Responses:

- The reason I have said no is because I resent paying my rent when my weekend was ruined again by the noise from upstairs. Two beautiful days and the children did not leave the flat once from Friday after school until late afternoon Sunday with the result that they were climbing the walls and running about crazy. I don't blame them, then when father has had enough of the noise himself he shouts at them to shut up which I find upsetting. I am actually getting accustomed to it which is a worry and put my tv up loud to drown it out. I hope I am not disturbing [REDACTED], I will have a word with them.*
- I think we live in a nice area but the rent is creeping up and up every year. Above inflation*
- Yes, overall - although with rents gradually raising every year above the rate of wage rises, the value is decreasing annually.*
- The HA has always been helpful and quickly responsive to any problems and, considering where I live and the view from my windows, it's good value.*
- Windows are overdue repairing*
- no with council tax to high for the Yorkhill area*
- Currently, I still believe the rent represents good value, but the proposed increase would make this less so.*
- We receive no further service fore the cost we are still awaiting windows to be replaced after 5 years of sky high energy bills. we do not receive regular bin collections or close cleaning from the contractors and are continually have to complain and fight for the basic essential services in order to live a semi comfortable flat with a rat infestation and the back courts do not get cleaned further feeding the infestation there is still rat droppings all over the back court areas which has never been cleaned or jet sprayed.*
- At the moment*
- It's good value, especially in terms of excellent first class repairs, but the only thing that's currently being experienced which is difficult is the inconsideration of a few neighbours, and perhaps if it were possible to remind them of their tenancy obligations and responsibilities this would be too. Otherwise, everything is very delightful.*
- Less than before. But compared to Private Market still v.good. Also if Hoping for new windows/kitchen but doesn't appear to be on list of projected projects.*
- Definitely fair*

Question 3: Do you feel you are provided with enough information on how rental income is used?

Yes	45 (91.84%)	No	4 (8.16%)	Blank	0 (0%)
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Responses:

- *Yes I am aware rental income goes towards upkeep and improving properties*
- *I'd like more specific information in some categories. Some should be broken down in to sub-categories to provide more detail.*
- *I have yet to see the benefits of any increase and feel that the housing do not do enough to support their residents until the energy fund supporting in the last couple of weeks when we are in the middle of winter season and already at a huge cost with energy prices*
- *It has never been made clear what our rent is used*
- *It's interesting to see the breakdown of the financial rent income, and it all seems in order, etc.*

Question 4: Do you feel your rent is affordable?

Yes	44 (89.80%)	No	5 (10.20%)	Blank	0 (0%)
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Responses:

- *For the moment. Having to cut back on things though like everyone else.*
- *I work full time and can currently manage my rent*
- *I can afford my rent but it effects other areas of my life*
- *For me, personally, I am currently receiving benefits, so won't be affected by the proposed increase. However, I am usually a support worker, a very low paid job. This rent increase will impact lower paid workers disproportionately. Higher paid workers will be better able to pay the increase, while most of those on benefits won't be impacted much, as the government will pay."*
- *Although I'm paying rent arrears I have never had any receipts of Yorkhill Housing much is left*
- *Most finance goes on fuel bills*
- *I live myself so and my wages just cover my bills and with food so high and I need a car for work and the cost of parking Im my own street if I can get park..*
- *Only just at the moment, the proposed increase would be a major impact.*
- *4 years of increased is reducing the affordability of this area and in my eyes placing a burden on it residents who may have to look worse where for cheaper housing options.*
- *Its just manageable just now*
- *But I would worry as the trend for the moment is increasingly for part time jobs, and some people like myself, if well enough would prefer to work from home, but I feel it might be difficult to secure a job in this regard, which would be suitably financed so that all bills, expenses and rent were able to be affordable.*
- *Taking up (with energy, food costs etc) larger and larger part of our family income.*

Question 6: Any other comments?

Responses:

- *If any member of staff would care to spend the weekend in my flat to experience the level of noise please get in touch.*
- *One potential area for savings is in the regular new kitchens/ bathrooms installed by the association. In my previous flat before being given a transfer ([REDACTED]), a new bathroom was installed. It was very expensive, but unnecessary. The previous bath, sink etc were in great condition and were actually superior in quality to the new ones. I think maybe, instead of installing a new kitchen every x years, it could be based on whether it is actually needed, so more flexible.*
- *So send me the info much is left of these housing arrears*
- *Claiming to be substantially below-inflation does not help if in the long run future increases would be above inflation to cover the shortfall. Other associations may provide more value for money.*
- *I am very happy in my house and would not like to move any other place*
- *Thank you*
- *You are very good association any repairs are always done so rent is very fair*
- *Pensioner rent paid for me thanks*
- *Yorkhill Housing Association is one of the best and fairest, well done! I love living here and feel safe. Also the staff are very good at their job and dealing with me and my support workers*
- *All seems very fair, if you are a working tenant you get no help at all. Yet if you have expenses, fares, lunches, dental - no help with gas - electric yet you hear people will receive £300 or £500 hundred pounds to help them it does seem unfair (but - rent wise very fair)*
- *While the rent is below other associations, it's a worrying trend that they go up by more than average wage rises.*
- *Residents want a clean safe environment to live with the rodent infestation the hold up on the glazing being replaced and inconsistent levels of service throughout is lowering my perception of what was a decent area to live*
- *I just wanted to add that the professionalism of all staff and the staff from other associated repairs staff is outstanding, as is politeness, consideration and commitment. Thank you so much.*
- *YHA works hard as organisation. Understand these unpopular decisions have to be made.*
- *I think the rent for my wee hoose is brilliant can't complaint*

Other information

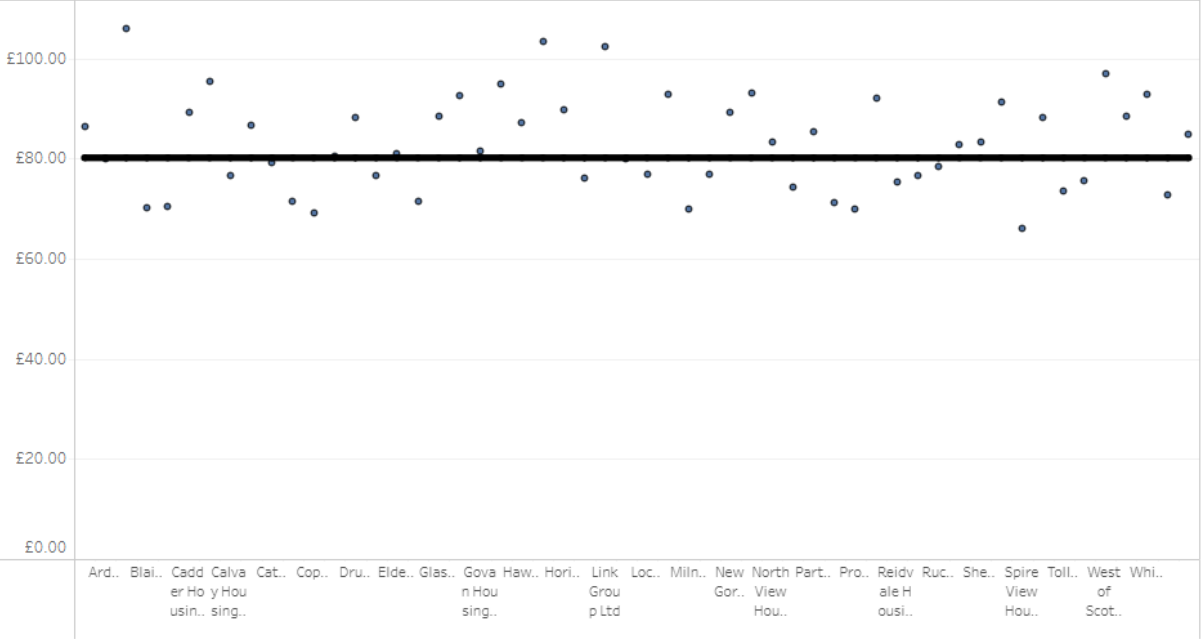
- 2.5 The Association has received funding to support tenants with their fuel bills. In addition to last years £12,000 successful funding application, over £57,000 has been received this year to directly support tenants. This has included the temporary employment of an Energy Advisor, direct payments to tenants of £50 (cap of 2x payments per year), and energy efficient appliances such as slow cookers, air fryers, draught excluders, heated throws etc. This work is ongoing and should be completed by March 2024.
- 2.6 We also offer free advice to all tenants via a referral to Drumchapel Money Advice, or through a Welfare Rights Officer service bought in from Glasgow West HA. These services have brought in over £68,000 to our tenants so far this financial year.

2.7 Yorkhill HA's rents are low compared with surrounding RSLs (Registered Social Landlords):

	Last Year's Increase	1apt	2apt	3apt	4apt	5apt
Yorkhill	6%	£68.14	£80.13	£87.17	£99.34	£102.69
Maryhill	7%	£75.02	£86.81	£91.63	£95.26	£104.90
Partick	7%	£59.77	£79.73	£89.84	£108.59	£120.36
Whiteinch & Scots	3%	£82.71	£90.16	£97.20	£107.79	£120.32
Glasgow West	3.8%	£68.01	£85.11	£101.08	£119.58	£129.91
Scottish Average		£73.10	£85.05	£93.65	£103.46	£113.40

2.8 These rents are substantially below the Scottish Average, even when excluding organisations who provide supported accommodation – these typically have higher rent charges – the black line represents our current 2apt rent charge, and the dots are other RSLs 2apt rent charges who hold stock in Glasgow:

Comparison with 23/24 rents (uplifted from 22/23 & inclusive of service charges)



2.9 A comparison of other RSLs intended rent increases is enclosed as Appendix 1. Glasgow and West of Scotland Housing Forum (GWSF) survey its member RSLs each year and distribute the responses. An average increase of the responses is 5.64% (taking an average, or most likely increase if multiple options are listed).

3. Recommendations

- 3.1 At the November Management Committee meeting it was agreed to consult on a potential increase of 7.7%, with the agreement that this rate could be reviewed once the consultation results were received, and October's CPI rate (Consumer Price Index) was known.
- 3.2 The CPI rate has reduced sharply to 4.6% in October. Our Business Plan assumes an increase of CPI+1% - which is where the 7.7% was calculated from, and our Rent Setting Policy states October's CPI rate should be used as the basis for discussion. As such **an increase rate of 5.6% is recommended.**
- 3.3 All responses are entered into a prize draw, and two will be randomly drawn to win a £30 shopping voucher. **Committee are asked to note this and delegate the draw selection to the Housing Services Manager and another member of staff.** Winners will be announced in the next newsletter.

4. Measures of success

- Rents which are affordable, yet sustainable for the organisation
 - Rents which compare well against peer organisations and nationally
- High tenant satisfaction

5. Supporting documentation

- Glasgow and West of Scotland Forum (GWSF) Rent Increase Survey results attached as Appendix 1.

Grant Kennedy
Housing Services Manager

5. Impacts

<p>5.1 Equality and Diversity Implications Does the report contain information that has equality or diversity implications? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact.</p>
<p>5.2 Financial impact Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact.</p> <p><i>Rent is the Association's primary source of income. A balance must be drawn between rents which are affordable to tenants, while ensuring the Association is able to operate on a sound financial outlook.</i></p>
<p>5.3 HR policy impact Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact.</p>
<p>5.4 Regulatory, Legal, Constitutional impact Does the report contain any regulatory, legal and constitutional impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact.</p> <p><i>All RSL rent increases are reported annually through the Annual Return on the Charter, and shared by the Scottish Housing Regulator.</i></p>
<p>5.5 Data protection impact Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact.</p>
<p>5.6 Technology / Digital impact Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact.</p>
<p>5.7 Environmental / Carbon impact Does the report / project / practice contain information that has an impact on any environmental or carbon matters? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact.</p>
<p>5.8 Communications, Consultation impact Does the report contain any information that has an impact on the Association's communications or consultation activities? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?</p>

The rent increase consultation is an annual process which tenants are encouraged to give their opinion.

5.9 Risk impact

Is there a risk impact?

Yes No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Project Risk Registers), and how they are managed?

Rent is the Association's primary source of income. A balance must be drawn between rents which are affordable to tenants, while ensuring the Association is able to operate on a sound financial outlook. There is therefore a risk that the rents will be unaffordable to tenants, or insufficient for the organisations financial well-being.



GWSF rent increase survey for April 2024 – second results edition – 23/11/23 (new/updated entries in red)

Name of HA	Increase April 2023	Proposed increase for April 2024	Does/will your consultation cite <i>existing</i> tenant feedback on services, VfM etc.? [Yes/no plus any brief info]	Any contextual remarks on the specific circumstances for your HA
Glasgow West HA [3-apt £101.08]	3.75%	6.7% MC meeting 07/11/23 [Rent freeze for 58 1-apt properties]	Consultation process commences from mid-Dec 23 towards Annual Tenants Conference in Jan 24. Consultation will include info on satisfaction levels and feedback from Future Services Survey carried out late 2022.	For context, GW's 2023 increase was the 3 rd consecutive below-CPI increase and the second time in three years the increase had been pared back following tenant consultation. Whilst MC members were satisfied that these previous decisions were the right decisions in support of tenants in particularly challenging circumstances, there was also forewarning for tenants that increases at these levels were not sustainable without an aligned impact on service delivery/investment commitments. With escalating costs to date, and predictions for substantial increases in pending

				procurement, 6.7% is the minimum required to meet the Business Plan. Mindful of our affordability data, there will be a rent freeze for one apartments; and our focus remains on achieving efficiencies and on delivering service enhancements without corresponding increases.
Elderpark HA [3-apt £86.25]	6%	5%	No, we will explain the rationale behind the increase, highlight the factors which have been considered when reaching this conclusion and seek feedback on this one option.	Generally our stock is in good condition, our staff costs are proportionate with the sector, our rents are comparable with the sector and our loans while significant do not present high debt per unit and with 80% of our stock unencumbered this provides opportunity for future borrowing in a more stable finance market. On this basis we have considered the current inflation rate and the economic outlook over the economic forecast for the following 12 months together with our 30 year plans etc. and on this basis an increase which is comparable with anticipated inflation is feasible and ensures that we have sufficient funds available to deliver on our plans for future years.
Govan HA [3-apt £85.15]	5%	6.25% or 6.5%. Vote, so likely to be 6.25%	Yes we are asking if we provide value for money on our additional services we provide Bulk Uplift that was removed from GCC and our additional services Money and Energy Advice.	Vote will be binding on the Association.

West of Scotland HA [3-apt £93.74]	5.9%	October CPI	Yes – see comment in next column.	We have been engaged in ‘conversations’ with tenants over the summer period on this issue, including a recent survey (not yet complete) asking what is more important to them – low rents or quality services/investment. The responses so far indicate it is services and investment that are more important therefore we are unlikely to provide options during the formal consultation.
Argyll Community HA [3-apt £93.12]	6%	5%, but also with options of 6%, 7% and 8%	No.	5% being used as basis for drafting budget. Rent consultation also includes options for 6%, 7% and 8% increases.
Partick HA [3-apt £89.84]	7%	5% tbc	Accompanying newsletter article, etc.	Phase 1 Tenant Consultation: Views/ ranking of tenant priorities, service quality and VFM, etc. Letter, Survey Monkey and face-to-face sessions (Nov-Dec 2023). Phase 2 Tenant Consultation: Feedback on likely 5% increase (Jan 2024). Board decision: 24 Jan 2024.
Glenoaks HA [3-apt £92.44]	6%	4% or 5%	Yes – feedback that tenants wanted more planned maintenance to be carried out	Below inflation increase proposed to help tenants during this difficult time of high cost of living.

Yorkhill HA [3-apt £87.17]	6%	7.7%	Yes. We cited last year's customer feedback in terms of overall satisfaction, keeping tenants informed, and opportunities to participate.	Last year we agreed a 6.0% increase in the acknowledgement that this was below-inflation. In our consultation with tenants last year advised them that future increases would be above-inflation. Our business plan assumed inflation+1% which is where our proposed figure of 7.7% is calculated. We are awaiting the release of October's CPI, and the results to our consultation, before the Management Committee makes its final decision.
Tollcross HA [3-apt £78.66]	5%	Looking at 7.5% but no decision yet	We haven't considered this as yet.	Still looking at the budget so not yet able to confirm our plans.
Hawthorn HC [3-apt £85.26]	5%	Likely to be in region of 5% to CPI + 1%	Possibly.	Initial thoughts are that we may not offer options this year.
Prospect CH [3-apt £91.22]	4%	4%- 6%	N/A	We consulted last summer on 4% over the three year period of our business plan. However we are now re-consulting on an increase of up to 6%.
East Kilbride HA [3-apt £94.24]	5%	5% or 6.5%	Yes: we will refer to the latest TSS and the outcome of last year's rent consultation.	Tenants agreed to the highest rent increase proposal on the table last year, on condition that we didn't go above inflation for the following three years.

Southside HA [3-apt £101.97]	6%	5%-6%	Yes, there will be reference to the full TSS carried out in 2023.	
Rosehill HC [3-apt £82.61]	5%	6.7%	No.	Committee recognised that for the last three years below inflation increases have been applied and that this could not be sustained. Although proposed increase equates to CPI at September, Committee also recognised that our contractors, suppliers, etc still apply increases based on RPI. Last year as part of the consultation document we issued to tenants we showed the cost of replacing a boiler, kitchen and heating two years ago compared to what it was now going to cost us. The increase for these component replacements ranged from 33% to 92%. Committee has decided that such a comparison should be included again this year to demonstrate our rising costs. Consultation will run from early December to mid January, with Committee making its final decision on 24/01/24.
Milnbank HA [3-apt £72.92]	6.9%	Consulting on 6.9%, 7.5% & 7.9%	Consultation to begin 19/12 and run until 19/01. Satisfaction levels will be part of it along with what additional funding will be spent on.	We have completed an extensive tenant engagement plan from Aug-Oct to identify the priorities for tenants and get their feedback on our current services.

Homes for Life HP [3-apt £96.94]	4%	4.5% or 5%	Yes, consultation includes the previous position and an opportunity to provide feedback on services and VFM.	5% being used as basis for drafting budget. Rent consultation also includes options for 4 and 4,5% 5%, increases.
Maryhill HA [3-apt £91.63]	7%	5% or 6%		We are consulting on 5 and 6% linked to different investment options.
Whiteinch and Scotstoun HA [3-apt £97.20]	3%	5.5%	No. An explanation and detailed breakdown of how this increase has been arrived at has been provided to all tenants. This is the only figure being consulted on.	The rent increase has been set in line with the projected costs with our financial plan. The consultation has been completed and the overall response has been favourable. Most of the concerns raised have been in relation to pressures attached to the increased cost in fuel, food and lack of inflationary linked salary uplifts.
Easthall Park HC [3-apt £79.60]	5%	5%, 6% or 7%	Yes, our recent tenant satisfaction survey identified that our rents were affordable to 43% of respondents. VFM was identified at 58.4% and very good value for money 31.2%.	Paper will be presented to members during November 2023 along with October CPI figure and this will be used to determine the way forward. Our Business Plan recognises a 5% +1 inflation making a total rent increase of 6% in the 30-year plans. We are awaiting the results of a stock condition survey and this will also be taken into consideration when members are discussing the proposals.

Molendinar Park HA [3-apt £77.57]	5.6%	6.6%	No.	October CPI + 2. Our Business Plan assumes CPI + 1 however due to the half inflationary increase last year and the impact of that on the 30yr projections Committee agreed that CPI + 2 is not unreasonable to consult on. Also, our rents are still below average for Glasgow.
Rutherglen and Cambuslang HA [3-apt £87.32]	5%	5% or 5.6%	Yes – we'll give responses from satisfaction survey re: difficulties in paying rent, VfM, services etc.	The Committee considered 4.6% (CPI at October), 5% (assumed in draft budget) and 5.6% (CPI +1% - assumed in business plan). Main driver for decision was recognition that previous below inflation increases could not be sustained. Consulting on choice between 5% and 5.6% but much discussion on point of offering choices, so likely this won't be the approach in future.
Trafalgar HA [3-apt £73.05]	5%	Probably October CPI (4.6% +1%-1.5%)	Yes will probably cite most recent TSS results.	Rents vary from 14 to 18% below Scottish Average.
Pineview HA [3-apt £79.28]	Variable, but 833 out of 852 tenants had a 2.88% rise	Consulting on 5%, 5.65% and 6.75%	No. Will seek feedback as part of consultation but do not refer to previous as could be out of date.	

Calvay HA [3-apt £79.57]	5%	5.6% or 7.6%	No	
Cadder HA [3-apt £91.30]	5%	5.6%	Our satisfaction survey is being conducted in Jan 24, so our existing feedback is out of date. We will be explaining that our below inflationary increase last year needs to be recovered and highlighting money advice, tenancy support and cost of living services that are available.	Our existing BP notes annual increase of CPI only. However, as we increased significantly below CPI last year, proposals are that we increase by CPI + 1% until the new BP is developed in 2025.
Oak Tree HA [3-apt £92.53]	6%	6.1%	Accompanying rent increase leaflet sent with survey.	With increasing costs and a volatile economic environment, the Association is proposing a rent uplift in line with RPI inflation, as this best reflects the cost increases the Association are facing (albeit some costs are increasing above RPI). The Association cannot continue to offer below inflation rent uplifts without significantly impacting our ability to meet services and maintain long term financial stability.

Spire View HA [3-apt £72.09]	5%	3.6% - 4.6%	Yes we will be carrying out an extensive consultation process from early December 2023 by means of telephone surveys, online surveys, face to face, text messaging, email and we will also hold a drop in event in early January.	We will be recommending to our Management Committee that we consult the former Copperworks tenants on a rent increase of 3.6% and Spire View tenants on 4.6%, to be implemented from 1 st April 2024. This increase will allow us to continue to deliver on our investment programme and our wider role services which are financial capability, money advice, tenancy support and digital engagement.
Shire HA [3-apt £89.56]	5%	5.1% or 6.1%	Yes - the consultation document details results on VFM from our 2022 Satisfaction Survey.	As part of the process, we have reviewed our underlying costs, and planned asset investment whilst taking account of the cost pressures facing our communities. As a result, our consultation will be giving tenants two options, with the option of 6.1% delivering a higher level of investment in our stock.