

# INFLUENCING RENTS AND SHAPING SERVICES



*Your Views Shape Your Services*





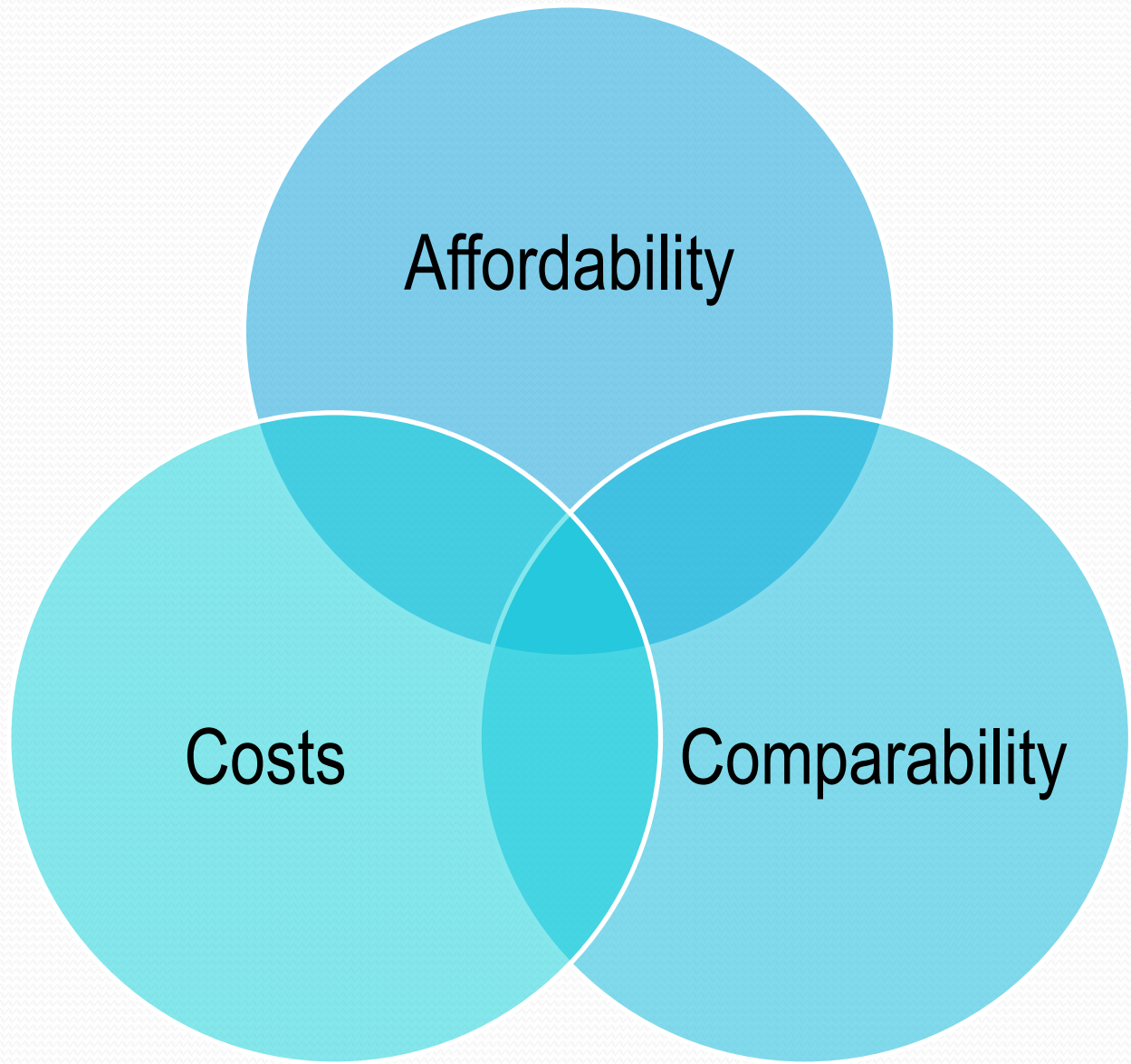
28 October 2022

Cost of Living (Tenant Protection) (Scotland) Act 2022

Emergency legislation introducing a rent cap and a temporary moratorium on evictions until 31 March 2023

12 January 2023

Formal update to Parliament that the Scottish Government will expire the powers created by the Cost of Living (Tenant Protection) Act 2022 in relation to social sector rents from March 2023 - and there will be no rent cap or freeze in place for social landlords from that date.





# Rent and Services 2023/24: Consultation

The annual review influences the amount of money we have available to manage and look after your homes, including repairs, planned maintenance and investment works, improving energy efficiency, and ensuring the area surrounding your home is safe and well maintained.

Window Replacement	£4.1M
Stonework Maintenance	£3.6M
ENERGY: Heating & Hot Water Systems	£9.15M
Kitchens and Bathrooms	£3.6M
Cyclical Decoration	£1.5M

With investment of approximately £815k, we are on track for ensuring over 95% of our properties meet the Fire and Electrical Safety regulatory requirements: and we are continuing to push for access to the remaining 5% of properties. This year, we will renew the glass link corridors at St Vincent Terrace, benefitting 182 residents; in addition to replacing windows in 52 flats, painting 39 closes benefitting approximately 300 households, and addressing stonework maintenance at Byres Road across 50 flats. Projected 5yr investment from 2023 of £26.9M (see summary programme) includes a mix of kitchen / bathroom replacement works, and energy efficiency improvement to approximately 750 homes in the next 3 years, with anticipated £7.6M of the spend budgeted for 2023/24.

Our rental income also helps us to support the services that sustain tenancies and help our communities thrive: including welfare benefits and advice; support for our GW children through our bookworms initiatives; and our Rent Reward and Save with Rent Schemes. Additionally, with the £20k gratefully received from the Scottish Government Fuel Support Fund, we made a donation of £5,000 to the Fuelbank Foundation to support utility meter top-ups for 102 households, and we matched this with a top-up amount for 150 households with dry meters. Winter bedding items were provided to 132 households, and, in the absence of the Cash for Kids grant, our Management Committee stepped up once again to support this long standing tradition, distributing £4,650 to support 186 GW children.

As we continue to operate in a challenging environment, our Management Committee is again faced with the incredibly difficult decision of reaching a fair and balanced outcome for tenants, across our three main rent policy influences as outlined in this leaflet. Service charges are set separately from the rent, as noted below.

## PROPOSED INCREASE: 5%

Consistent with other business, our costs are soaring in this current financial climate, with our repairs service costs alone escalating by more than 30%. As demonstrated in table 1, we determined a minimum increase of 10.32% is required to balance our income with our projected costs, however, we are also very much aware of the pressures on household budgets at this time, and we are therefore proposing a much reduced increase of 5% across all our stock; with the caveat that we may need to consider increases of more than 10.32% in future years to help us recover from this year, and avoid a longer term impact on our investment programme. The 5% increase will be accompanied by a one-year suspension of our rent restructuring programme to help further mitigate the impact on the properties still affected by this programme.

Our average rent increase in the last two years was less than CPI, and the proposed 5% for 2023/24 is slightly less than the average proposed 6% increase across the housing association sector.

Our rent review process has been impacted by the Cost of Living (Tenant Protection) (Scotland) Act 2022 which introduced rent controls up to 31 March 2023, and accordingly we will provide formal notification of the new rent charge in April 23, contrary to the normal February timescale.

### Service Charges 2023/24

Our environmental and common close cleaning contractors have also experienced escalating costs this last year, with unavoidable increases of 7-8% agreed during the current year to ensure continuity in these services. Early indications are of increases of around 20-25% for 2023/24, substantiated by increasing fuel, material, energy and wages costs, as well as parking charges. We are liaising with the contractors in this regard and will present further information to the ATC: charges will be confirmed in the rent review letters.



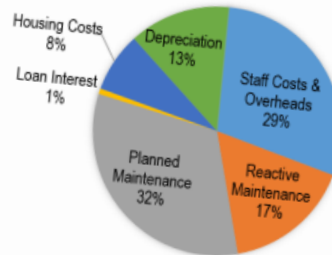
Table 1

- 0% £707k savings
- 5% £364k savings
- 7% £227k savings
- 10.32% Balanced budget

Table 2

Size	Av. Weekly Increase
1 Apt	£1.86
2 Apt	£3.83
3 Apt	£4.93
4 Apt	£5.51
5 Apt	£6.30

## How is your rent spent?



## Affordability

GWHA has adopted the measure of affordability recommended by the Scottish Federation of Housing Associations. This determines rents as affordable if they are between 25-30% of income, measured using the "moderate incomes" approach for a range of typical households. Applying the SFHA measure, 100% of GWHA rents meet the 30% test, with 99.86% meeting the more challenging 25% test, evidencing affordability compliance for all of our households. It is important that rent is paid on time and in full to ensure we are able to continue providing services: if you need support or advice about paying rent, or your entitlement to benefits (including universal credit), please contact our office on 0141 331 6665 as soon as possible.

99.86%

## How do our rents compare with others?

Whilst our average rents are higher than some local RSLs, they are comparable with the Scottish average.

GWHA's proposed rent increase of 5% for 2023/24 is less than the average proposed increase of 6% across the sector.



Before making a final decision on the rents and services that will be implemented from April 2023, our Management Committee want to hear from you. This leaflet provides only a very brief summary of the issues that influence the annual rent review and we strongly encourage you to attend our **Annual Tenants Conference** (a hybrid event, accommodating in person or virtual attendance) on **Thursday evening, 19th January 2023** to take part in the full attend, please complete the electronic feedback form that will be sent to you in early January, or arrange an appointment to speak with a member of our staff. Alternatively, please refer to the tear off slip below as a basis for your feedback, or email us [admin@glasgowwestha.co.uk](mailto:admin@glasgowwestha.co.uk).

## 2023/24 Rent Consultation Tear Off Slip

Do you agree with our proposal to apply an average 5% increase?

Yes  No

If not, what do you consider a reasonable increase?

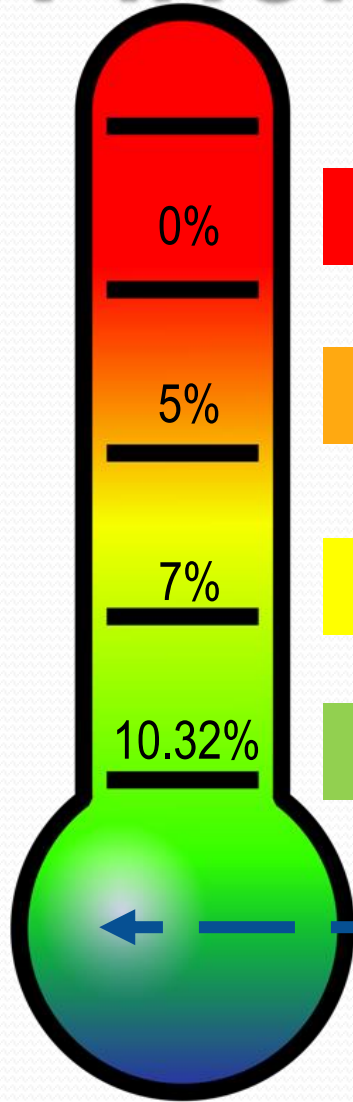
£ \_\_\_\_\_ per week \_\_\_\_\_ %

Are there any new or enhanced services that you would be willing to pay more for? Or any existing services that should be reviewed to deliver savings? If so, please provide brief information

Any other comments

# RENT INCREASE

**Proposed:  
5%  
rent  
increase**



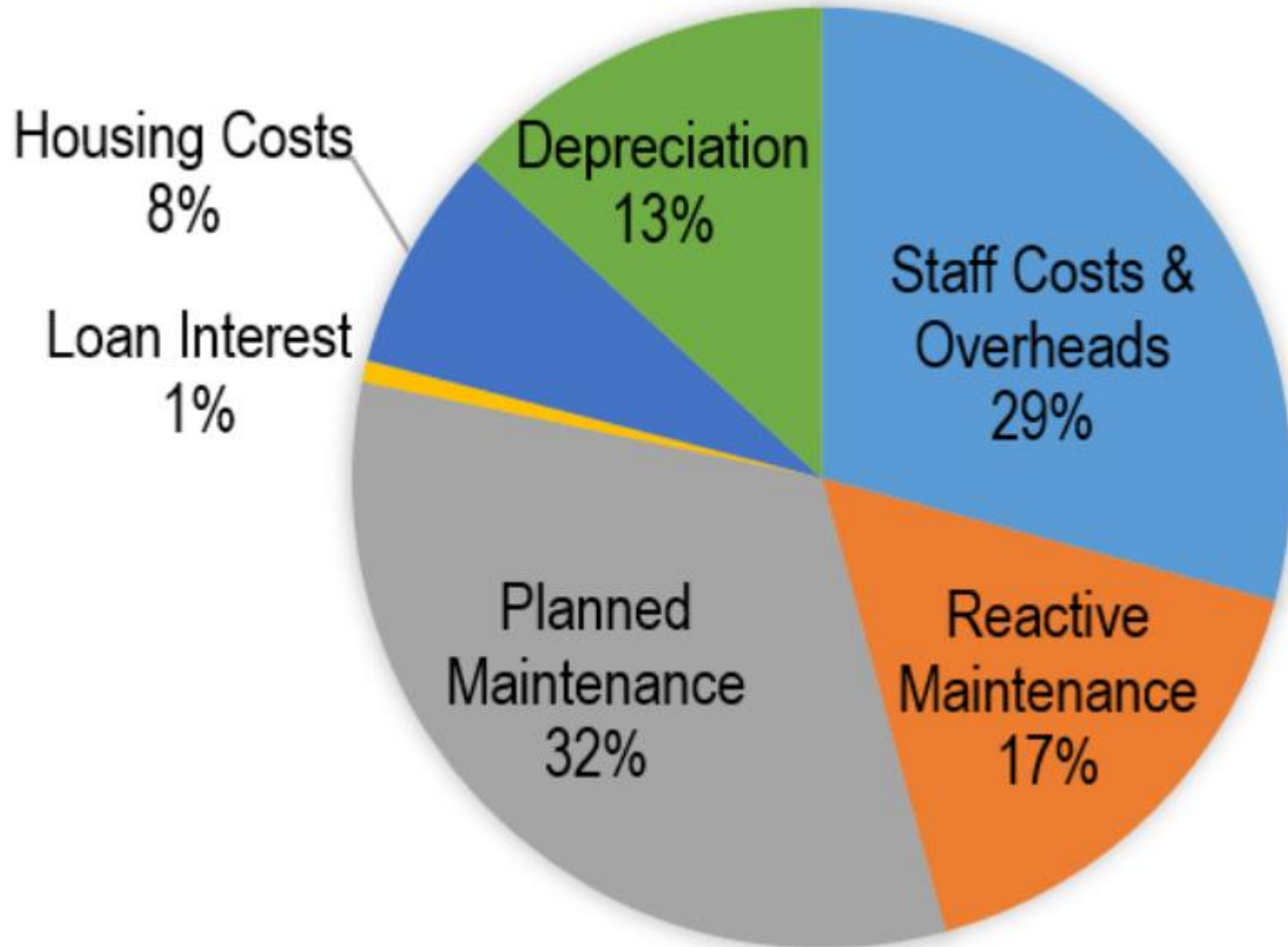
- £707k savings
- £364k savings
- £227k savings
- Balanced budget

CPI as at October 22

**CPI  
11.1%**



# How is your rent spent?



# GWHA Services

## Estates

- Close inspections
- Contractor management
- Concierge service
- Estate patrols
- Garden grants
- Total Homes partnership

## Technical

- Major works
- Health & safety, including regulatory compliance
- Cyclical Inspections
- Investment works

## Tenancy

- Voids and allocations
- Anti-social behavior
- Tenancy sustainment
- Tenancy management
- Welfare Rights
- Engagement and participation
- Wider role activities

## Repairs

- Reactive repairs (Emergency & non-emergency)
- Contractor management
- Annual Gas Servicing
- Void repairs
- Medical Adaptations
- Pre and post inspections



# GWHA Services

**2022/23 (to date)**

## **Awarded Contracts:**

Project Consultants (multiple)  
Building Surveys (stonework)  
Energy Efficiency Consultants  
Waste Management (Total Homes)

CCTV Security Enhancements  
Fire Safety (detectors) SHQS  
Electrical Safety (checks) SHQS  
Windows replacement (x52) SHQS  
Close painting (x39)  
Common water tank inspections (all)

## SHQS – Safety Priorities

	2021/22 EoY	2022 Q3	
Fire Safety	28%	96%	↑
Electrical Certificates	27%	87%	↑
<b>Overall Pass</b>	<b>12.5%</b>	<b>56%</b>	↑
Failing SHQS	74.8%	28.08%	↓
No access	0.6%	5.8%	↑
Exempt	11.98%	9.97%	↓

x60 access issues key  
SHQS works (c4%)





# GWHA Services

## **Imminent Contract Award / Procurement:**

Glazed Curtain Walling replacement (182 homes c£2M, 12% SHQS)

Kitchen / Bathroom replacement (c252 homes, c£2.5M, 2% SHQS)

Phase 1 Stonework Repairs (Byres Road, c£1M, c1.5% SHQS)

## **Initiatives (in development) :**

Lift Modernisation (c£100k inc fees)

Renewal of windows / heating and hotwater systems (x182 homes, c£4M)

Renewal of heating and hotwater systems (x316 homes, £2.4M)

External Insulation replacement and internal upgrades (x9 homes, £800k)

Stonework (x40 closes, £2.6M)



# Pressures on rental income

TENANT  
INCOME

COST TO THE  
ASSOCIATION

Rising inflation

Paid income: Wage freezes,  
zero-hour contracts

Welfare Reform: Universal  
Credit, Benefit Cap

Withdrawal of public  
services

Investment in older stock

Development

SHQS + EESSH



# Challenges faced by RSLs

## COVID-19

## VIABILITY

- Diminishing council services

## AFFORDABILITY

- Investment in housing stock

## QUALITY OF SERVICE

- Reactive repairs
- Wider role activities

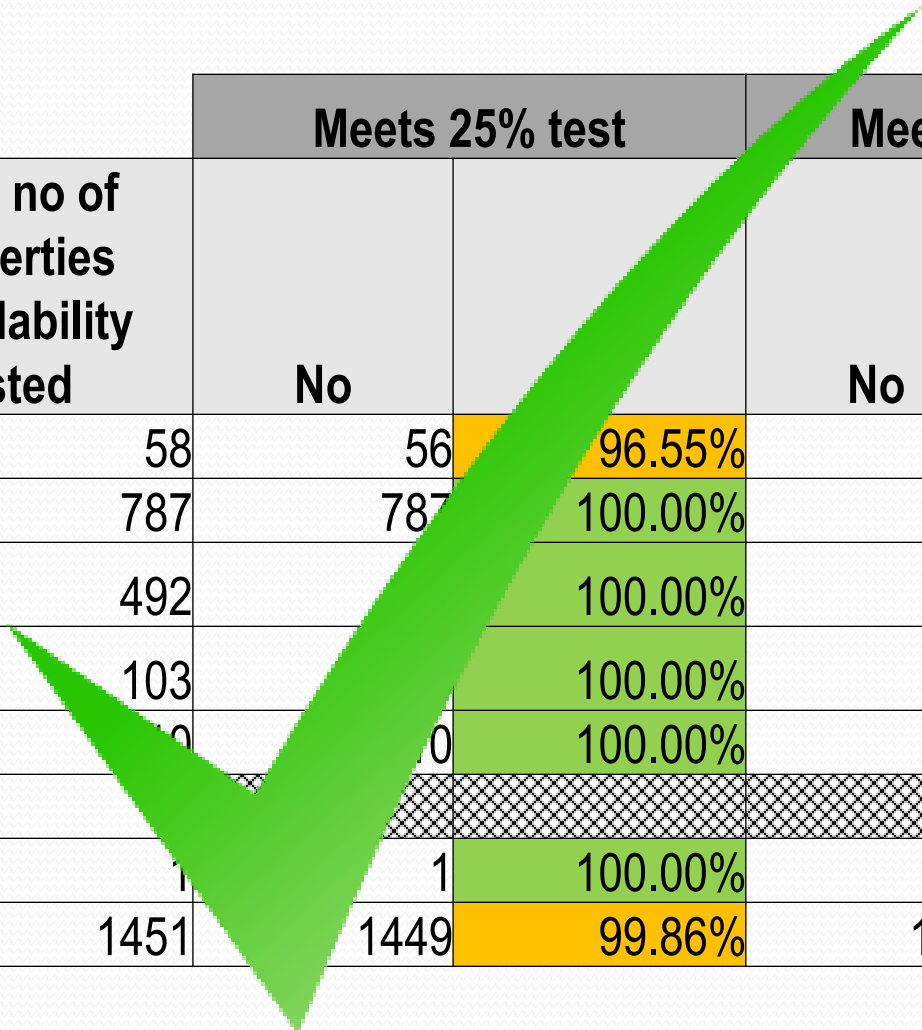
## REGULATION & COMPLIANCE

- EESSH
- Fire Safety
- Scottish Housing Regulator
- Scottish Charities Regulator
- GDPR
- Freedom of Information



# Affordability

	Total no of properties affordability tested	Meets 25% test		Meets 30% test	
		No	%	No	%
1Apt	58	56	96.55%	58	100.00%
2Apt	787	787	100.00%	787	100.00%
3Apt	492		100.00%	492	100.00%
4Apt	103		100.00%	103	100.00%
5Apt	10	10	100.00%	10	100.00%
6Apt					
7Apt	1	1	100.00%	1	100.00%
Total	1451	1449	99.86%	1451	100.00%



## Tenancy Sustainment Initiatives

Welfare benefits and advice

Bookworms

Annual festive colouring competition

Festive chocolates

Rent Reward Scheme

Save with rent Scheme

## Support and Intervention

Fuel payments

Winter bedding

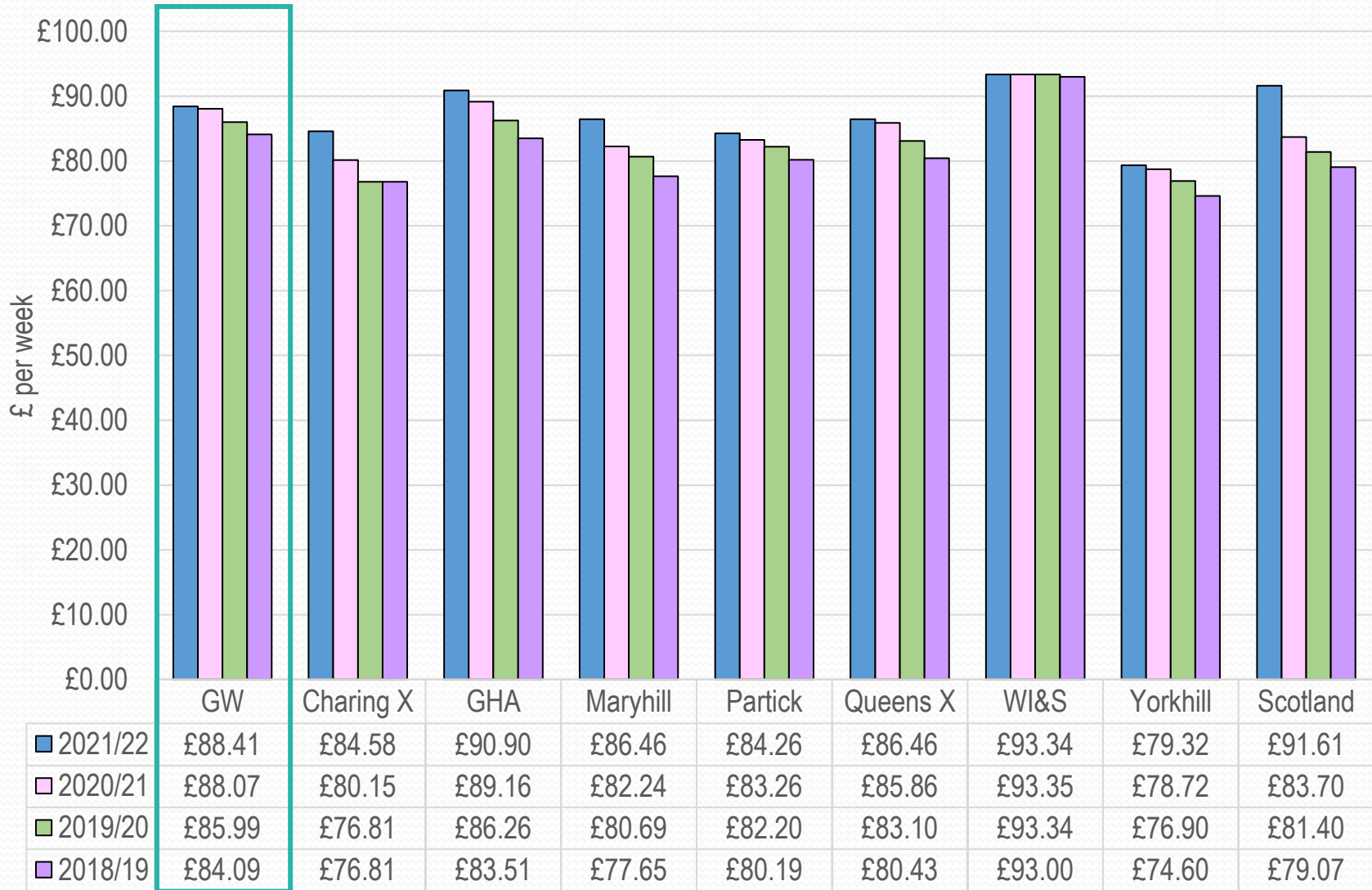
Emergency fund

Food support

Partnership working with Pyramid in Anderston

Cash for kids

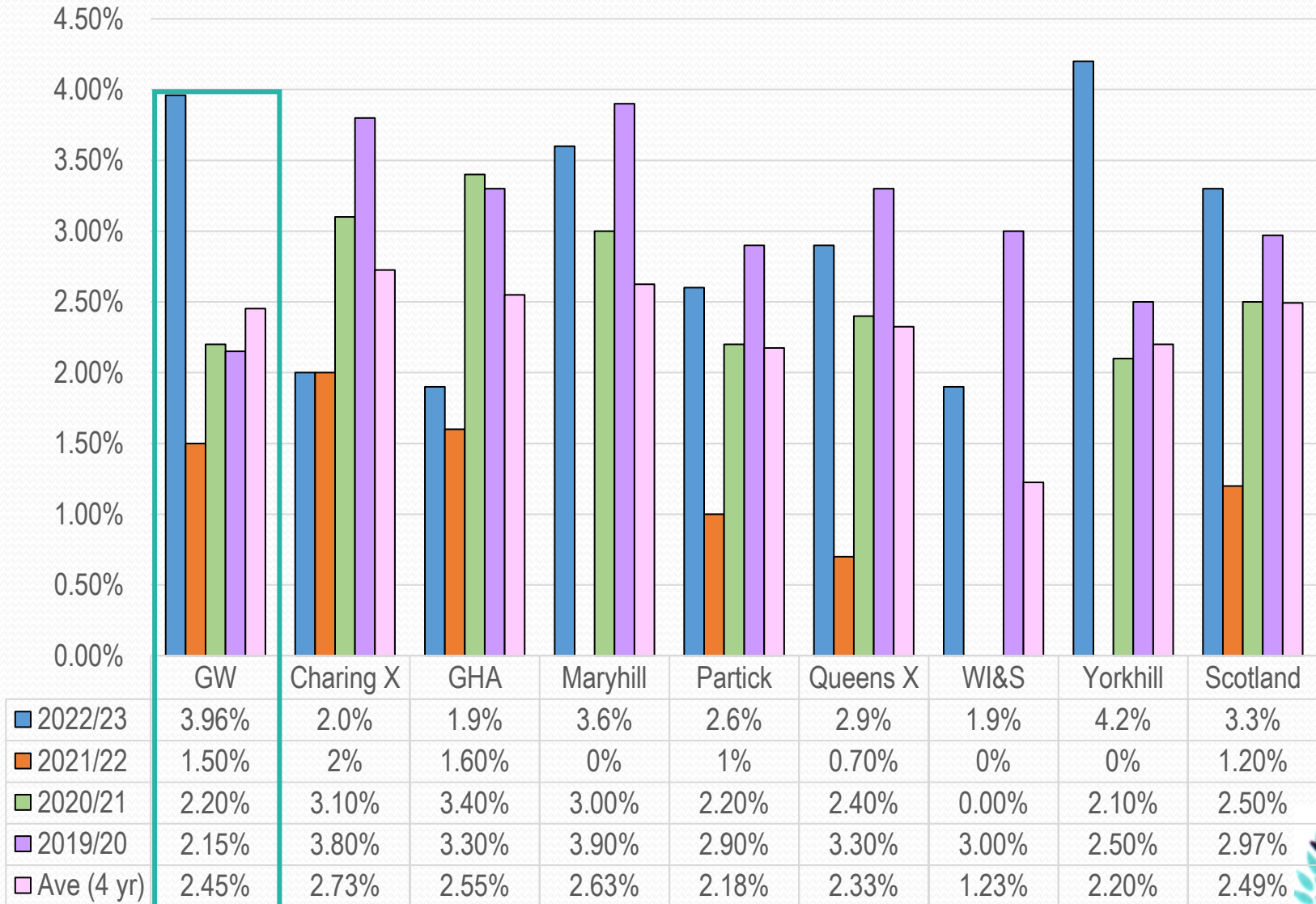
# Average weekly rent comparisons



Now WSHA



# Average rent increase comparisons



# Average increase per week

Size	Av. Weekly Increase
1 Apt	£1.86
2 Apt	£3.83
3 Apt	£4.93
4 Apt	£5.51
5 Apt	£6.30



Bespoke letter to each Tenant at least  
4 weeks before payment changes





# Comparisons for 2023/24

Queens Cross

• 7% or 9%

Partick

• 7%

Sanctuary

• 7%

Scottish average

• 6%

Yorkhill

• 6%

Charing Cross (now WoS)

• Between 5-6%

Whiteinch & Scotstoun

• 3.5% or 5%



GWhA

# RENT PROPOSAL

5%

*Your Views Shape Your Services*

