



Rents and Services 2024/25

Consultation

Dear Tenant,

Annual Tenant's Conference:
Thursday 18 January 2024, 6pm

It's that time of year again when we look to the year ahead, projecting our anticipated costs, setting our budgets; and communicating with you, our tenants on the annual rent increase. Contrary to past approaches I seek to write to you on behalf of the Management Committee in an appeal to convey both my understanding of the impact of these challenging and enduring times, and with necessary candor.

Your views are integral to our vision of 'Shaping thriving communities' - to which we remain steadfastly committed. However, we have also been upfront, throughout the preceding 3 consecutive years of below-CPI increases in forewarning the need to consider future increases that help us to recover and avoid long-term impact on our investment programme and service delivery.

Your rent is the backbone of our services, ensuring a range of essential services that go beyond the physical walls of your home from responsive repairs, investment works and communal area upkeep to tenant services and community initiatives. Conversely we are acutely aware of the challenges to household budgets in the face of the current economic landscape characterized by a high CPI and a cost of living crisis. In our recent future services survey (2022) you outlined your highest concerns to be:

- increasing fuel/utility costs (64% of respondents);
- increasing food costs (55%); and
- council tax bills (19%)

Though we were pleased to confirm that a significantly lower proportion (19%) considered rent affordability as the predominant concern, and that 81% of tenants (independent tenant satisfaction survey, 2023) consider their rent represents value for money.

The unavoidable reality is that the enduring economic landscape presents us with continued increased operational costs in maintaining both our service provision and the quality of your homes. In the last year alone our reactive repairs service increased 30% and the cost of delivering essential health & safety works at St Vincent Terrace increased by £500k.

At GWHA we fully understand the importance of transparency and communication; In this leaflet I seek to outline the factors which influence this year's proposed rent increase of 6.7%, supported by a rent freeze for all 1Apt properties and continued suspension of the rent restructure programme. Following your review I encourage your active participation in the consultation process, though would kindly ask that your responses and views reflect proportionate consideration of the influencing factors, ongoing challenges and concessions to date.

Please be assured that we recognize and understand the impact of any increase and want to assure you that the proposed 2024/25 increase has been carefully considered, striking the necessary balance between the needs of the community and the economic challenges we collectively face.

Lastly, in recognition that this leaflet offers only a brief summary of the issues that influence the annual rent review, I would kindly encourage you to attend our upcoming Annual Tenants Conference on 18 January 2024 to take part in the full consultation. I look forward to seeing many of you there!



Isobel Gracie, Management
Committee Chairperson

As we continue to operate in a challenging environment, we are again faced with the incredibly difficult decision of reaching a fair and balanced outcome for tenants, across our three main rent policy influences:

Cost

Affordability

Comparability

Setting the scene...

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.

The Projected 5 Year investment (£27M) from 2023 includes a significant investment of energy efficiency improvement to approximately 750 homes over the next 5 years.



With investment of £700k, we are on track to fit new energy efficient, double-glazed windows in 49 households, with a further £1.1m investment planned for new windows before 2028.



Phase 1 Cyclical painting of 39 common closes across our stock (approximately 300 households), will be completed by the end of the year.



Phase 1 of our Kitchen and Bathroom replacement programme (£2.2M, x262 households) is underway, with a total £5.5m of similar planned investment over the next 5 years.

Summary Programme to 2028

Window Replacement	£1.8M
Stonework Maintenance	£3.1M
ENERGY: Heating & Hot Water Systems	£12.1M
Kitchens and Bathrooms	£5.5M
Cyclical Decoration	£1.1M



Work to replace the glass link corridors at St Vincent Terrace (£2.66M) is nearly complete, benefitting 182 households.

Our rental income also helps us to support the services that sustain tenancies and help our communities thrive, including welfare benefits and advice. Additionally, through schemes and initiatives such as:

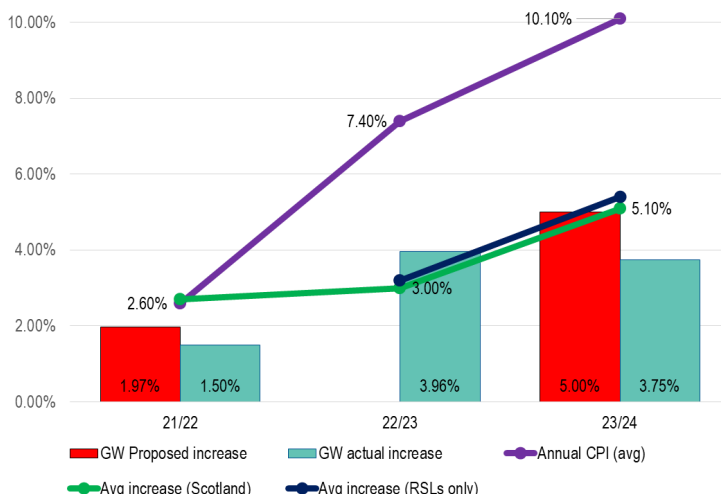
- Rent Reward
- Good close & garden
- Festive colouring
- Save with rent
- G3 Growers
- Jim Michael Community Award
- Bookworms
- Festive gifts
- Annual donation to a local foodbank

- a total of £17,178 was reinvested directly into our community last year alone. A further £4,025 from our GW community fund was distributed to 88 of our most vulnerable families (164 children) to bridge the gap in Cash for Kids funding.



If you would like to know more about any of these schemes please contact the office – our staff will be happy to help

GW's 23/24 increase was the 3rd consecutive below-CPI increase and the 2nd time in three years the increase was pared back following tenant consultation. Whilst Management Committee members were satisfied that these previous decisions were appropriate to ensure support to tenants amidst particularly challenging circumstances, we also forewarned on each occasion that increases at these levels were not sustainable without an aligned impact on service delivery/investment commitments.



Costs

Proposal for 2024/25

- 6.7% increase
- Rent freeze for 1Apt properties
- Continued suspension of rent restructure programme

6.7%

Size	Avg. Weekly Increase
1 Apt	£0.00
2 Apt	£5.75
3 Apt	£6.85
4 Apt	£7.98
5+ Apt	£8.76

Service charges are set separately from the rent, and reflect the projected cost of the services for the year ahead. Any surpluses or deficits are reconciled within the subsequent projection, meaning you only ever pay the exact cost of the services being provided, plus our 3% administration charge. This projected calculation is currently underway, though early indications are that increases will be in the region of 20%, reflective of the continued escalation in costs experienced by our environmental and common close cleaning contractors, which will be subject to a retender exercise within the upcoming year. Service charges for 2024/25 will be confirmed in the rent review letters.

Affordability

99%

First and foremost we acknowledge that affordability is entirely subjective, and that household budgets continue to be stretched amidst the ongoing cost of living crisis.

Affordability is one of 3 main policy drivers in our approach to the annual rent increase. As such, 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, a universal 6.7% increase to all properties would have resulted in 98% of GWha rents meeting the 30% test. However, this calculation evidenced projected rents would be affordable to just 14-74% of households in our 1Apt stock – a consequence of the rent restructure programme being suspended for the second year in a row.

Accordingly, this informs our proposal to apply a rent freeze to all 1Apt properties, resulting in 99% of all GWha households meeting the 30% test, with 85% meeting the more challenging 25% test, evidencing affordability compliance for a high majority of our households.

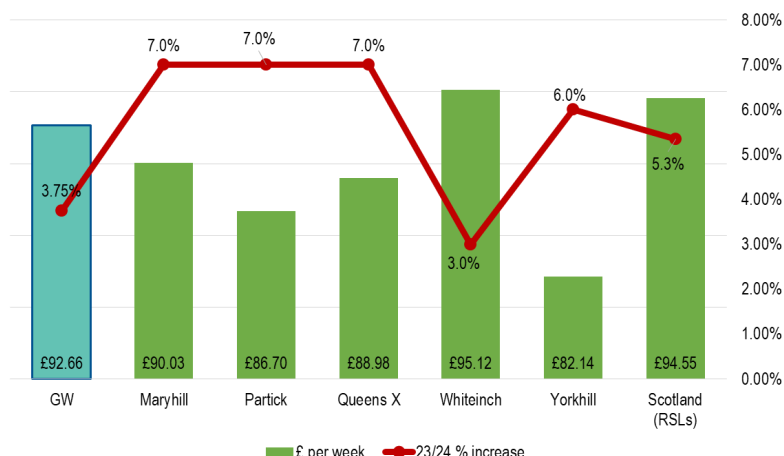


It is important that rent is paid on time and in full to ensure we are able to continue providing services: if you need support or advice about paying rent, or your entitlement to benefits (including universal credit), please contact our office on 0141 331 6665 as soon as possible.

Comparability

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

Over the last five year's GWha's rent increases have averaged out to 2.71% per annum, significantly lower than the national average of 5.34% for all RSLs.



We want your feedback!



Annual Tenant's Conference: Thursday 18 January 2024, 6pm @ The Mitchell Library

Before making a final decision on the rents and services that will be implemented from 28th March 2024, our Management Committee want to hear from you. This leaflet provides only a 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 18th January 2024 to take part in the full consultation and to find out more about our service delivery priorities.

If you are unable to attend, please share your views with us via the upcoming electronic survey (due to be circulated via text and email in early January). Deadline for responses: Monday 15 January 2024. Alternatively, please return the below tear off slip or email us at admin@glasgowwestha.co.uk

Name(s) _____ Address _____

Did this leaflet adequately outline the factors which have influenced this year's rent increase proposal?

Yes ☐

No ☐

Is there any additional information you wish to be shared in future rent increase consultations? Please detail:

Taking everything into account, do you support our proposal to apply a 6.7% increase, with a rent freeze for all 1Apt properties?

Yes ☐

No ☐

If not, what would you consider a reasonable increase?

_____ %

Are you satisfied that this consultation (leaflet, survey and Annual Tenant's Conference) offers tenants adequate opportunity to share their views on rent proposals?

Yes ☐

No ☐

Any other comments?