Welcome to our rent consultation newsletter

About your rent for 2023

This newsletter aims to provide you with all the information you need about the proposed rent increase from 1st April 2023.

We're consulting with you on our proposal to increase the rent by 7% due to take effect from the 1st April 2023. The amount of rent you pay is subject to a review each year and this is your chance to tell us what matters to you and what these proposed increases would mean for you.

The external environment and where we are now

We know it's been a difficult year and understand that rising living costs continue to affect everyone. Landlords and other businesses are affected too, as explained in the attached covering letter.

We would like to seek your opinion on our proposal to increase rents by 7%, with effect from 1st April 2023. Normally our long term financial planning calculates the proposed rent increase as current rate of inflation plus 1%. This would have given an 11.1% rent increase. However, we believe a 7% increase achieves the right balance between continuing the provision of support and services you require, and still maintaining financial stability.

We want to provide quality information that is clear and understandable, and demonstrate that we want to help you get advice and support when it's needed. In this newsletter we will provide examples of what we spend your money on, what our plans are with your money, the impact the cost of living crisis has had on our plans, and what we can do to help you.

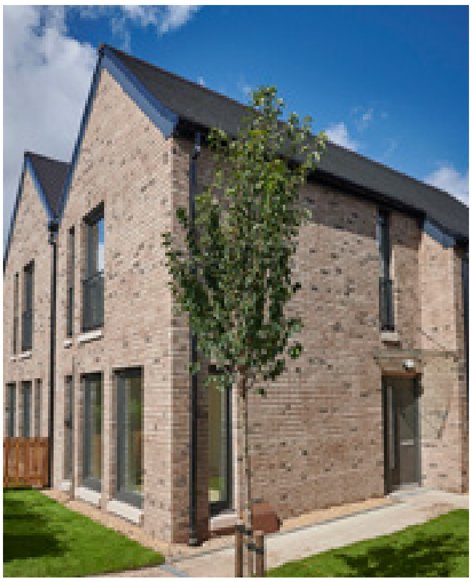
We want you to be involved in decisions that affect your home and surroundings and understand the challenges we all face.

Rent increase proposal	7%		
Your current rent per month	£287.08	£444.38	£564.16
Increase in cost per month	£20.10	£31.11	£39.49

Five year financial plan

Like all housing associations, we are required to prepare a five year financial plan. Our rent policy has been to consult with customers on an inflation +1% rent increase. However if we limit the rent increase next year to 7% rather than basing it on inflation, our income will reduce by £1.0m next year, and by the end of our five year financial plan our overall income will have reduced by £4.7 million.

Springburn Way



Muirskeith Road

How we spend our income

Every single penny generated from rents and service charges is reinvested into supporting our services and properties, which help fund our investment in your home.

How we spent your money 2021-22

Income

- Rent **£17.9m**
- Service charge income **£1m**
- Grants for disabled adaptions **£0.4m**
- Other income **£0.5m**

Expenditure

- Salaries **£1.7m**
- Maintenance and building safety works **£4.9m**
- Rent, rates, electricity and gas **£0.6m**
- Cleaning and gardening **£0.5m**
- Management overheads **£0.9m**
- Other costs **£0.3m**
- Depreciation of our homes **£3.7m**
- Interest paid on borrowing **£2.1m**
- Surplus to be invested in our homes **£5.1m**

Maintenance and planned works

Under challenging circumstances that have impacted every housing association, we have continued to deliver maintenance services. We are planning to spend £7.1m this financial year on reactive repairs, investments in empty homes, keeping our properties safe, and planned maintenance. We are also on track to complete our planned component replacement programme by March 2023, spending £2.7m on replacements of kitchens, bathrooms, boilers, electrical rewiring, fencing, render, roofing, windows, and doors. We have completed 100% of our gas and electric services, ensuring we keep homes safe, and we are also on track to complete our cyclical decorations programme (spending £0.3m) this financial year.

We've competitively re-tendered our decorations services and our communal cleaning services, appointing Bell Group and Abby Cleaning as our primary contractors. A competitive tender for our grounds maintenance services is currently ongoing with a new contract to be in place from 1st April 2023.

Next year (2023/24), based on our current business plan and subject to the final outcome of the rent consultation, we will:

- Continue to invest at least £7.1 million to repair, maintain, improve, and ensure our properties are safe, servicing all gas boilers over a 10 month period.
- Inspect and check lifts and lifting equipment, fire alarm and emergency lighting systems and identify and complete any fire safety works following our fire safety inspections.
- Invest £2.7m from the £7.1m to complete our planned investment programme and replace various components based on information held in our stock condition database.
- Maintain your safety and improve energy efficiency, by replacing 213 boilers, 162 full heating systems, and completing 392 electrical rewires and upgrades.
- Improve property standards, by planning to install 320 external lighting upgrades, replace 157 front and rear entrance doors, install 100 kitchens, and 100 new windows.

Proposed service charges

Each year we review our service charges against actual costs from the previous year and we also estimate any changes which may arise in the coming year.

As you are aware, some of the changes are out-with Home Group's influence. For example, we have had to make an adjustment to take into account the increases that have been announced for electricity and gas. We know that unlike personal usage in your home, there is no support from government towards communal areas to help to reduce the impact of the increases.

Many of the charges remain unchanged as we have fixed contracts and this will apply to services such as our monthly fire safety checks and lift maintenance. We have re-procured our communal cleaning contract and this resulted in an increase. We are tendering a new grounds maintenance contractor from April and though our procurement process will try to keep costs as low as possible, we do expect this cost to increase.

We have delayed issue of the service charge schedules this year as we are still working to ensure that they are a true reflection of the costs which will be incurred.

Mill O'Mains

Worried about paying your rent?

Our financial inclusion team are specially trained to give you free, one to one support with your finances. The team really can support you to better manage your money. Over the past year, they've helped thousands of customers with their finances.

There are lots of ways you can ask for a referral to the financial inclusion team:

- Speak to us on live chat at homegroup.org.uk
- Call our customer service centre on 0345 141 4663
- Speak to your housing manager

Financial inclusion team case study

Miss A was referred by her housing manager as she needed benefit advice; she was working part time and finding it hard to make ends meet after a change in circumstances. She had rent arrears on her account and a wage arrestment due to non-payment of Council Tax.

A telephone appointment was booked and a benefit entitlement check was carried out. Miss A was claiming Tax Credits, however, we found out she would be better off making a claim for Universal Credit and Council Tax reduction. We provided help applying online and filling in the necessary forms, this helped Miss A get £521.98 more each month.

We also helped Miss A apply for a Discretionary Housing Payment (DHP) because Universal Credit was reduced since she had a spare bedroom. The DHP meant she was able to pay her full rent and start to tackle her rent arrears.

With support from Miss A's housing manager, an application to the Local Authority Tenant Grant Fund was submitted and a DHP of £3051.06 was awarded due to rent arrears caused in part by covid. This helped clear the rent arrears and maintain ongoing rent payments.

How to give us your feedback

We will be issuing you with a separate email shortly with a SurveyMonkey web link attached. Please let us know your thoughts by filling in the online form and submitting it before Friday 27th January 2023.

Last year, we received 262 responses to the rent consultation, which is around 7% of our customers. It is really important that we hear from as many of our customers as possible on the proposed rent increase. To support us with this we have appointed an independent research company, Research Resource, to contact a random selection of customers by telephone.

Your feedback will be collated, and we will write to you again in February to update you with the outcome of this consultation.

Rents will not be increased without you being informed by letter.

Maxwell Road

How else can I get involved?

Did you know there are many ways you can get involved at Home Group? These range from being involved in customer assessor estate walkabouts, to giving your feedback during our viewpoint team meetings, to joining our digital review group **anyone@home**.

If you would like to find out more about involvement opportunities, contact our lead engagement advisor for Scotland by emailing **eveline.armour@homegroup.org.uk**, or calling **0191 731 1892**.

For your information

Any surplus we make is reinvested into the organisation to make sure we continue to manage our existing homes, build new homes and deliver the support services our customers need.

In 2021/22, four out of ten customers in Scotland had some level of rent arrears and our total rent arrears in Scotland was £1.23 million. If this had been collected, it would have been reinvested to carry out works to your homes.

We want to help you as much as we can

Our Scottish Fuel Poverty Team has recently secured £55,000 in funding from the Scottish Government Fuel Support Fund, which enabled us to help 482 customers in reducing fuel debt. The team has also distributed over 200 energy saving packs which will benefit customers over the cold winter months ahead.

Keeping our costs down

As mentioned, our costs are lower and we achieve greater value for money than similar organisations. For example, we use Microsoft Teams to host the majority of our meetings to help cut down on travel costs and be more environmentally-friendly. We now issue the Annual Report online (with paper copies only available on request). We recently downsized the Edinburgh office, saving money on lower energy and rent costs. Our transition from postal to digital formats has also saved you many thousands of pounds.

We would like to thank the **viewpoint team**, who contributed to the production of this consultation document.

For any further information call us on **0345 141 4663** or visit our website **www.homegroup.org.uk**

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