Welcome to our rent consultation newsletter

About your rent for 2022

This newsletter aims to provide you with all the information you need about the proposed rent and service charge increase from 1st April 2022.

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

We're consulting with you on our proposal to increase the rent by 4.1% due to take effect from the 1st April 2022. 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 increase proposed for service charges is individual to your home or estate and details of these are included in the attachment.

About the proposed rent increase

Like all organisations we plan ahead how we're going to spend the money we expect to receive from you, this is the only income we have to manage services and invest in your homes. In the preparation of these plans we make assumptions on inflation (cost increases). We use the Consumer Price Index (CPI) as the indicator to measure how our costs are going to increase and we assumed in our Five-Year Financial Plan that rent would increase by CPI +1%. CPI is currently 3.1%. The cash flow on page 2 explains how all money received is spent, we need to generate a surplus in order to invest in both existing homes and new homes.

If we increase the rent by CPI of 3.1%, we will have limited funds to invest in your homes especially as the costs of many materials are increasing by more than CPI. We are very aware of the pressures on our customers incomes and the continuing increases in fuel costs. We want to support our customers and ensure that we can provide more advice and financial support.

We feel a 4.1% rent increase will enable us to fully meet the commitments planned in our Five-year Financial Plan, our maintenance works as well as meet all the cost increases. A 4.1% increase will also enable us to increase our support to help our customers to combat challenges such as fuel poverty.

As you may know, we have recently undertaken an independent rent affordability assessment, which revealed that the majority of our properties are affordable. Where our customers are struggling, we want to be able to provide advice and support. We do this through our Financial Inclusion Partners, and we plan to expand this service in 2022.

We also compare our rents across Scotland and with our peer group of 12 Housing Associations in the areas in which we operate. Over the last three years, our rents have increased by 6%, our peer group by 6.9%, and the Scotland average by 6.7%.

Rent increase proposal	4.1%		
Your current rent per month	£273.95	£415.00	£565.54
Increase in cost per month	£11.23	£17.02	£23.19

We are very proud of the contribution our Viewpoint team make and would like to extend this further with more customers. Post Covid-19 we will engage with customers more often and on a broader basis. This will include projects to increase our digital offer, working with customers on achieving carbon-neutral targets, and improving tenancy sustainability.

Our board and colleagues always take into consideration the wider economic situations our customers are facing, such as the decrease in Universal Credit, the increase in heating costs due to gas shortages, and the 1.25% increase in National Insurance next April, and the increasing costs of repairs and maintenance.

We recognise this proposed rent increase is higher than we have recently experienced, but it is important to note that our costs are increasing at a rate far higher than previously assumed in the Five-Year Financial Plan.

Rent increases since 2013/2014	Home in Scotland Ltd	Peer Group	Scottish Average
2013/2014	3.7%	3.5%	3.6%
2014/2015	2.8%	2.5%	2.7%
2015/2016	1.3%	1.5%	1.9%
2016/2017	2.5%	2.1%	2.3%
2017/2018	3.0%	2.9%	3.2%
2018/2019	2.0%	2.7%	3.0%
2019/2020	2.5%	2.6%	2.5%
2020/2021	1.5%	1.6%	1.2%
8 year average	2.4%	2.4%	2.6%

What money do we receive and how do we spend it?

£36m in

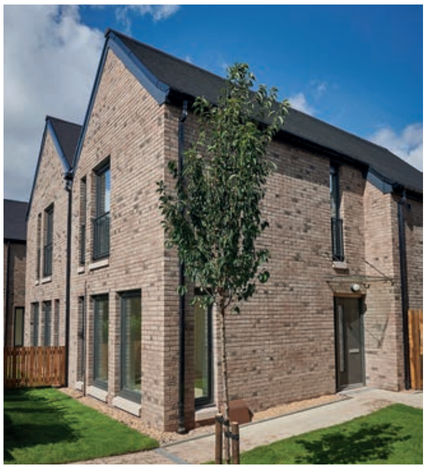
- Rent and service charges **£21m**
- Other income e.g. new loans, sale of existing properties, and disability adaptation grants **£3m**
- Grants to build new homes **£12m**

£36m out

- Bank loan repayments and interest costs **£12m**
- Management costs **£3m**
  Repairs and maintenance costs **£6m**
  Service charge costs **£1m**
- Development of new affordable homes **£14m**

What does your rent pay for?

- Repairs and maintenance costs including general repairs and planned maintenance.
- Management costs, which include the cost of our staff, offices and costs related to managing our properties, such as property insurance.
- Bank loan repayments and interest costs, which are the cost of funding the original purchase or development of our properties.
- In addition to rent, some customers pay a service charge, which pays for costs relating to the upkeep of communal areas.



Muirskeith Road, (Glasgow)

What we achieved in 2020/21

Between 1st April 2020 and 31st March 2021 we:

- Let **281** houses
- Collected **97%** of rent (including arrears and pre-payments)
- Built **39** new homes for social rent

Your opinion matters

Thank you for the great response last year where 219 customers replied to the rent consultation, providing us with their views, but we would still like to hear from more customers. Could you help us by replying this year? Larger responses will be key in providing a more representative range of views, helping influence the board's decision and shape future outcomes. As a result of previous feedback, we recruited Estate Liaison Officers for a more visible on-site maintenance presence, a Financial Inclusion team to respond to customers with money worries, and enhanced our Value for Money reporting, amongst other changes. We also contacted all customers who requested additional information or required a response.

Repairs, maintenance and improvements

This year and through challenging Covid times and current material shortages, we have continued to deliver maintenance services. Our plan remains on track to spend £6.6m completing repairs and services, investing in property and void improvements.

We're currently on track to complete 900 component replacements (kitchens, bathrooms, boilers, electrical, fencing, render, roofing, windows and doors) by March 2022 and we continue to ensure that your home is safe, completing 100% of our gas service inspections. During the year we also replaced and upgraded smoke and heat alarms in over 4,600 properties.

We've competitively re-tendered our repairs and maintenance services appointing Novus Property Solutions and Dumfries and Galloway Housing Partnerships as our primary contractors with the aim of delivering an improved service to all of our customers.

Springburn Way, (Glasgow)

Next year (2022/23), based on our current business plan and subject to the final outcome of the rent consultation, we will:

- Continue to invest at least £6.6 million to repair, maintain, improve, and ensure our properties are safe, servicing all gas boilers over a 10 month period.
- We'll 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.
- From the £6.6m, we will invest £1.4m to complete our planned programme and replace at least **900** components based on information held in our stock condition database.
- Externally we plan to improve external lighting to **160** properties and replace door entry systems to **50** properties. We'll continue to complete external decoration works and improve, through re-tender, our cleaning and grounds maintenance contracts.
- To maintain your safety and improve energy efficiency we'll be replacing **110** gas boilers and upgrading existing electrical installations and lighting to **70** properties. Insulation will also be topped up in **70** properties.
- In improving property standards, we plan to install **150** windows, **70** canopies, upgrade **60** balconies, fit **50** doors, **50** bathrooms and **30** kitchens (items per property).
- We've also identified **60** properties where footpaths and steps will be replaced.

About service charges

The proposed service charges for next year are detailed in the attached schedule which outlines your detailed service charge for 2022/23.

- ground maintenance
- lift maintenance
- stairwell lighting
- communal cleaning
- door entry repairs
- bulk uplifts/fly tipping*

Our service charges are reviewed yearly and a large part of this covers communal cleaning and grounds maintenance. Both of these contracts are due to be renewed in 2022. Workshops and other consultations have already taken place this year to ensure that customer priorities are being included. You can help to keep these costs down by not leaving unwanted items in communal areas for us to remove. **Please note that you are only charged for the services you receive.**

We are aware of the considerable pricing instability in the energy (gas & electricity) markets and are monitoring the situation with our independent energy broker. We may increase or decrease your service charge for 2022/23 from the amount provided on the attached schedule depending on how energy prices move over the coming months. If you have any concerns about any of the above, please contact your housing manager.

We always look to get the best value as well as quality when appointing contractors to carry out communal work around your home.

*If customers responsible for leaving unwanted items are identified, they will be recharged the cost of uplift and disposal.

How to give us your feedback

There are various ways that you can give us your feedback on our proposed rent increases:

- Complete the enclosed reply slip and send this back to us in the freepost envelope
- Complete the survey online – **www.surveymonkey.co.uk/r/RSCCA22**
- Email your reply slip to **feedbackscotland@homegroup.org.uk**

Please let us know your thoughts by **Monday 6th December 2021**

We will be hosting two Q&A forums via Microsoft Teams from 2 to 3pm and 6 to 7pm on Monday 6th December. If you have questions you would like to ask about the rent consultation, and would like to take part in a forum, please contact us at **feedbackscotland@homegroup.org.uk** stating which forum you would like to join, and we will forward you the appropriate link with instructions.

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.**

Mill O'Mains, (Dundee)

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 you 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 2020/21, four out of ten Scottish customers had some level of rent arrears and our total rent arrears in Scotland was £1.32 million – if this had been collected, it would have been reinvested to carry out works to your homes.

Worried about paying your rent?

We'll help you stay on top of your rent by letting you know about any overdue payments straight away before they escalate into bigger debts. Small arrears are easier to pay than if they get out of hand.

We're committed to supporting customers who may be experiencing difficulties.

We understand that many may continue to have concerns in regard to meeting rent costs due to changes in circumstances. Our Housing Managers will always provide advice and support to anyone getting into difficulty.

Please remember, we now have a Financial Inclusion team to assist with maximising income and who can provide in depth support with your wider budgetary needs.

We are also aware that moving into winter, some of our customers may struggle with heating their homes so please take time to look at our recent Homelife magazine or log onto our website for guidance on how to stay safe and warm. **homegroup.org.uk/winter**

For any further information **phone: 0345 141 4663** **www.homegroup.org.uk**

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