



## **Cathcart & District Housing Association Ltd Rent Consultation 2024-25**

### **Introduction**

CDHA is committed to providing high quality services to meet the needs and aspirations of our tenants. Our Management Committee agrees our rent review every year to ensure both affordability and viability for the tenants of the Association. Some of our rents continue to be amongst the lowest in the sector. This year once again, has presented difficult decisions for all Associations.

In putting together this consultation we have:

- Considered the effects of the cost-of-living crisis and trying to keep rents affordable.
- Considered our commitment to you to continually invest money in your houses.
- Considered the current inflation rate of 4.6% and what effect that will have on rents and our ability to carry out improvement works next year.
- Considered the impact it will have on our cash reserves if costs are set higher than income provides for.

The proposals on our rent review will still see CDHA rents compare favourably to other landlords, still be affordable to most tenants, and will improve longer-term financial planning to support the continuing investment in housing which we believe is very important to our tenants.

We are committed to consulting with our tenants, and wider stakeholders in the formulation of all our policies that affect our tenants. We are therefore consulting with tenants on the principles of the new proposed rent increase, and we want to hear your views on what a fair and consistent rent increase would look like. Your views are extremely influential and important to us.

The rent increase levels must balance the aspiration of making CDHA's rents affordable against the requirement to maintain the income needed to deliver the Association's Business Plan Objectives.

This guide outlines the proposed rent increase and gives you the opportunity to put forward your views and comments.

Responses to the consultation should be returned by **12 January 2024**.

## **Investment and Planned Improvement Programme**

Our Maintenance Team is responsible for managing all repairs and our planned improvement works programme that we carry out in our properties. This comes with the responsibility to invest in your home and balance the investment needed to ensure our properties are well maintained to meet the changing aspirations of our tenants. The rent review influences the amount of money we have available to manage and look after your homes, including repairs, planned maintenance, investment works, improving energy efficiency, and ensuring the area surrounding your home is safe and well maintained.

Over the last 5 years, the Association has invested **£1.5m** in your homes that included:

- **Kitchens Installation**
- **Bathrooms Installation**
- **Central Heating Systems**
- **Window Installations**

Going forward we are considering what we may be able to deliver based on current costs and likely rent increases. We are therefore consulting on two options.

### **OPTION 1**

A 5.6% increase will allow us to carry out improvements that are deemed necessary which will be:

- Replace boilers as per our stock condition survey requirements.
- Replace dilapidated kitchens as per our stock condition survey requirements.
- Replace bathrooms as per our stock condition survey requirements.

### **OPTION 2**

A 7% increase will allow us to carry out improvements in line with our stock condition survey along with the postponed close decoration which has been held over for two years during the cost-of-living crisis.

- Decoration to some of the closes that were held over from this year.

## Additional Services We Provide

Our rental income helps us to support all the services that continually improve tenancy sustainment and support our community to be vibrant and thrive, including our additional specialised Welfare Rights and Money Advice Services that have generated almost **£1.5 million** over the last 5 years for our tenants in a variety of ways to help maximise income and mitigate the effects of welfare reform, including the implementation of Universal Credit full service.

We show below how our rents compare with other similar landlords in Scotland.

Size of home	No. owned	CDHA	Scottish Average excl. specialist HAs & local authorities	Difference from the Scottish Average (All RSLs)
1 apartment	80	£66.42	£75.95	-15.1% **
2 apartment	253	£74.69	£81.32	-10.5% **
3 apartment	204	£86.71	£84.18	0.5% **
4 apartment	55	£98.71	£91.48	5.1% **
5 apartment	4	£101.34	£100.74	- 2.3% **

*\*\* As per the Scottish Housing Regulator's website (November 23)*

### How do CDHA's current rents compare with others?

CDHA rent levels for most of our flats are slightly lower in comparison to the Scottish average. This figure has been ascertained by comparing only with mainstream providers similar to CDHA. CDHA charges rent to tenants currently monthly on the 1<sup>st</sup> of each month in advance.

Each organisation is responsible for setting their own rents and we do not expect to be a penny for penny the same. However, each Registered Social Landlord (RSL) delivers similar services and has similar accounting policies, so the Scottish Housing Regulator publishes these figures each year for the purpose of benchmarking against other similar providers.

In setting this rent consultation this year we have taken account of what other organisations are proposing and can confirm we are proposing similar levels.

Some of the services that have added additional expense in recent times are:

- Bulk uplift provided on a fortnightly basis.
- Taking our Digital inclusion further and extending it to our tenants and residents
- Giving consideration to our duty to achieve Net Carbon Zero by 2045
- Meeting the Scottish Housing Quality Standard (SHQS) and the second Energy Efficiency Standard for Social Housing (EESH2) by 2032.
- Meeting our landlord compliance duty to carry out Gas safety, Electrical safety, Energy performance certificates, safety checks for legionella, gutter cleaning, and door entry systems which we have still to assess.

## **Rent Review and Affordability**

The impact of the two options on average rents will be:

Current rent - £323.65, 5.6% = £341.77, 7% = £346.30 (2 apt)

Current rent - £368.98, 5.6% = £389.64, 7% = £394.80 (3 apt)

We are conscious that many of our tenants are on low or fixed incomes. Around 58% of our tenants receive support for some or all of their rent through Housing Benefit or Universal Credit.

Glasgow has the second lowest level of disposable income per household in Scotland at £18,496. This compared to £19,630 for Scotland as a whole. In simple terms, earnings are lower in Glasgow than many parts of the rest of Scotland and any rent review needs to recognise this.

In developing the proposals for consultation, we are mindful that it has to balance a rent structure which meets the needs of the organisation but also takes account of affordability to tenants. We have applied the SFHA affordability test to the proposed new rents and are satisfied they all pass the affordability test which determines that they fall within the Local Housing Allowance for anyone on full benefit and within the parameters of affordability for anyone on lower income in that less than 25% will be spent on housing costs.

We continue to operate in a challenging environment with economic uncertainty and the cost-of-living crisis still affecting everyone. We are continually meeting higher levels of regulation, reduced local authority services, and financial pressures for tenant's household budgets. Our Management Committee is again faced with the difficult decision of reaching a fair and balanced outcome for tenants against our main rent priorities of affordability, comparability and costs.

If you receive full Housing Benefit or full Housing Element of Universal Credit the increase will be covered automatically by your entitlement to these benefits.

### **What are the Association's proposals?**

Our proposed Rent increase is detailed on the previous page. We want to continue to provide a good repairs service and to be able to invest in our homes as investment becomes necessary.

Last year we carried out a stock condition survey that informed the Association of the work that was needed over a 30-year period. Our 30-year projections are based on current costs and estimated costs going forward. The current document requires us to take into account inflation on the cost of goods e.g. construction and material inflation rates which are currently higher than our proposed rent increase. Any rent increase less than inflation +1% will have to be accounted for by reducing the work that we can do. If the rent increase is lower than inflation this means that rent increases in the future will require to be higher in order to ensure our investment figures stack up over the next 30 years and we can continue to deliver investment to our houses.

## Frequently Asked Questions

Question	Answer
<b>Housing Benefit pays my rent; will this change if the new rent review is implemented?</b>	The level of housing benefit you receive is based on your personal circumstances. If you are on full housing benefit it is unlikely there will be any change. If you are in receipt of partial housing benefit, then your individual circumstances will be assessed but if the only change is the rent increase, then it is unlikely there is no change. <b><u>If you are paid Housing Benefit directly then you will need to advise Housing Benefit of the increase in your rent increase.</u></b>
<b>Can I get assistance with my Housing Benefit in light of these changes?</b>	Yes, you can make an appointment with our Welfare Rights Team at any time by phoning our office on 0141 633 2779 or emailing <a href="mailto:advice@southside-ha.co.uk">advice@southside-ha.co.uk</a>
<b>Universal Credit pays my rent; will this change if the new rent review is implemented?</b>	All tenants on Universal Credit (UC) are responsible for updating their own claims with any change to rent increase. UC claims should prompt claimants a 'to do' it is imperative all claimants complete this to ensure the rent increase is updated on or after the 1 <sup>st</sup> of April each year. <b><u>If in doubt, contact your Housing Officer for immediate advice.</u></b>

### Cathcart & District Area

We pride ourselves on the Cathcart area being a high amenity area with a relatively low crime rate compared to other areas of Glasgow. The area provides excellent transport links with everyday shopping facilities. These factors add to the wellbeing of living a healthy and safe life. Currently, rents in areas with fewer amenities and with higher crime rates for similar sized tenement flats are considerably higher. We feel this represents an imbalance and this review seeks to address that.

Other local providers (average weekly rent 2 apartment)

Property	CDHA	Govan Housing Association	Govanhill Housing Association
2 apt	£74.69	£77.51	£88.80

(SHR Website November 2023)

**RETURN SHEET**

**Consultation Questions**

Do you think it is important for the Association to have funds in place to meet all our repair and improvement targets? Yes/No

Do you agree Cathcart is a good place to live? Yes/No

Do you agree being allocated a property in Cathcart provides a better life balance than other areas in Glasgow? Yes/No

Do you believe CDHA continues to invest in our properties? Yes/No

Are you aware of the Government requirement to address climate change and net carbon zero by 2045? Yes/No

Do you think it is a reasonable aim to be at least on a par with the national average for rental charges in Cathcart? Yes/No

Do you think we have set our proposals at a reasonable level? Yes/No

Please indicate which proposal you support:

**OPTION 1** **5.6% increase from 1 April 2024**

**OPTION 2** **7% increase from 1 April 2024**

Would you like to add any comments?

Name and Address (optional) .....

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Please return this form to Cathcart & District Housing Association, 3-5 Rhannan Road, Glasgow, G44 3AZ, or by email to [info@cathcartha.co.uk](mailto:info@cathcartha.co.uk) by **Friday 12<sup>th</sup> January 2024**.

Alternatively, please click on the following link <https://forms.office.com/e/dn3Gc5dDDL> or scan the QR code on your phone or tablet to access the form.

