



Queens  
Cross  
Housing  
Association

## *RENT OPTIONS FOR 2023/24 - HAVE YOUR SAY*

This leaflet explains this year's rent increase and the options that we want your views on.

### Can Queens Cross Housing increase rents in April 2023?

You may have seen in the news an announcement from Scottish Government that landlords are not allowed to increase rents before 31 March 2023.

The rent freeze applies only to rents that will increase by 31 March 2023. The Scottish Government has not ruled out any rent increases in April.

The Association normally applies a rent increase

annually, usually on 1 April. Before making any changes to rents however every housing association is required by law to consult with tenants about the proposed change and what it means for them and for services.

We usually consult with tenants in autumn so that the Association's Board can take tenants' views into account when they set the next year's

rents in January. This ensures we can give all tenants the required four weeks' notice of the change to their rent.

At this point in time, we don't know if the Scottish Government will tell us what rent increase to charge from 1 April 2023. We won't know this until the middle of January 2023 so it is still important that we ask for your, our tenants', views.

**FREE PRIZE DRAW:** All forms returned to us by 14 January 2023 will be entered into a prize draw with the chance of winning a £100 Love2Shop voucher.



# What about the cost of living crisis?

We know that many people are struggling with higher food, energy and general living costs. Tenants on low incomes are facing big challenges to afford even the essentials now and in the months ahead.

The Association has always tried to keep rents as affordable as possible, particularly for tenants who get no benefits or are working. Rents are only increased by the amount needed to maintain services and keep homes in good condition.

## Do rents have to increase?

We know that any rent increase will be unpopular however the costs to the Association of providing services and keeping neighbourhoods safe and tidy have gone up massively in the last year and are expected to keep rising.

Our biggest expense is carrying out repairs and maintenance services as well as investing in homes and neighbourhoods.

Last year we said that the cost of our 5 year major works programme\* had increased by 20%. This year some contracts have doubled in price. Our energy prices have increased fivefold.

(\*Major works = new heating systems, windows, kitchens and bathrooms as well as roofs and environmental works)

## HOW OUR COSTS HAVE CHANGED

Year	Kitchen	Bathroom	Rewire
2020	£3,240	£2,484	£2,881
2022	£4,286	£3,164	£3,843
Increase %	32%	27%	33%

Over the last six months we had to make savings because we set a rent increase in April 2022 that was below inflation - the rent increase was 2.9% when inflation was 7.8% (CPIH\* April 2022).

(\*CPIH is a Government measure of increasing costs or inflation)

Since then we have made savings in many ways including not filling staff vacancies quickly and reviewing contracts to make sure they give best value.

However inflation has continued to go up and is currently sitting at 10.1% (August 2022). It is the highest rate for 30 years.

However if rents do not increase we will need to make significant savings by cutting back on repairs and maintenance, cancelling or delaying major works and reducing our services and possibly staff levels.

## What would happen if we don't increase rents at all?

The Association's financial plan includes the cost of major works to homes of around £6.8 million every year.

If we do not increase rents in April 2023, we will need to reduce our spending by £14 million over the next 5 years.

Any increase below inflation has an impact on the money we have to deliver services not just in the one year but every following year too.

The table below shows how much money will be lost by the Association over 5 years as a result of below inflation rent increases for two years while inflation is at 10%.

Impact of rent increases below inflation			
April 2023	April 2024	Inflation	Reduction in money available for services and major repairs over 5 years
Freeze	5%	10%	£14 million
5%	5%	10%	£10 million
7%	5%	10%	£8 million
9%	5%	10%	£5 million

**If we apply below inflation rent increases and do not reduce spending, the Association risks running out of money.**





# So, what are our choices for the April 2023 rent increase?

If we increase rents in line with inflation, we would expect to spend around £28 million on major repairs in the next 5 years and would continue to increase rents at rates reflecting inflation.

We understand that a 10% rent increase is unaffordable to tenants so we need to make some difficult choices in order to reduce costs.

- **We could cut the money we spend on major repairs and home upgrades**

That means we would only do works we're already contractually bound to do and works that keep homes safe as well as wind and watertight. We would stop doing boiler and heating renewals (unless the heating cannot be repaired) and wouldn't renew bathrooms and kitchens.

We would aim to start again when inflation reduces, but tenant satisfaction and the quality of homes will suffer.

- **We could reduce services**

In this case, we would focus on delivering core services such as lettings, housing management and maintenance. We could stop doing bulk uplifts, giving benefits and energy advice and providing community support activities. However we know these services are particularly important when people are struggling to manage financially, and will have the biggest impact on the most vulnerable tenants.

- **We could change our future plans on rent increases**

If we reduce the rent increase for two years, we could raise the rent increases applied in years 3 onwards to a level higher than inflation.

- **We could look for ways to be more efficient**

We are already making savings that don't reduce services and will continue to look at ways we can be more efficient in how we deliver services. But this alone will not be enough to reduce our costs as much as will be needed.

- **We could stop building new homes**

Our new homes at Hamiltonhill and Burnbank are funded through grants from Scottish Government and loans which are paid using rent income from the new homes. If we stop building new homes, the Association would not save money or help keep rents affordable for existing tenants. We would also miss out on future rental income. So we will keep building new homes.





## What increase is our Board recommending?

Board members are concerned that, if we increase rents by only 5%, we will not be able to maintain homes to the standards tenants deserve.

**Therefore we are recommending a rent increase in 2023/24 of either 7% or 9%. This is below the current rate of inflation.**

The table on page 6 gives examples of an average rent for different Queens Cross properties and an idea of how much the monthly rent would increase.







Size / type	Current rent per month - examples	7% increase	9% increase
1 Apartment	£323.41	£22.63	£29.11
2 Apartment	£366.66	£25.67	£33.00
3 Apartment	£384.19	£26.89	£34.58
4 Apartment	£427.84	£29.95	£38.51

## How we intend to improve our services

We know that repairs and maintenance is one of the most important services we provide. It's also the part of the business where we spend most money.

Customer feedback this last year has been clear that we have room to improve the repairs and maintenance service.

We carry out over 15,000 repairs every year and 80% of these are completed in one visit. But tenants have complained about repairs not being carried out correctly or taking too long. There have been real issues for contractors this year with the supply of labour and materials, but we need to get better at telling tenants why a repair hasn't been carried out or why it is taking so long to get parts.

We will have a new repairs contracts starting in April 2023. In the meantime, we are working with the Bell Group on improvements to the quality of the repairs service including communication with tenants.

## Are our rents affordable?

We understand that many tenants are struggling financially, particularly this year. Every year we run checks to make sure rent levels in Queens Cross homes are affordable to those on low incomes.

We try to keep the annual increase as low as possible and aim to charge rents that are similar to those of other local social housing providers, like Maryhill HA and NG Homes. We use the Scottish Federation of Housing Association's affordability tool which confirms we are generally well within levels considered affordable for families, single parent families and couples. The rent level for some of our 1 bed flats are on the cusp of affordability for single people on low incomes.

We also know that the rents charged by many private landlords are not affordable in our area for people on lower incomes.

## Help we can offer

If you are struggling to make ends meet or to pay your rent, our Financial Wellbeing team can help.

You may be entitled to benefits and grants you're not yet aware of and that's where our Money and Benefits Advisors can help. We also have an Energy Advisor who can talk to you about energy bills.

Call us on 0808 143 2002 for an appointment. Advisors can meet you at home, at our office or online at a time that suits you.

## WHAT HAPPENS NEXT?

Tenants' responses to this rent consultation will be reported to the Association's Board in January 2023.

The Scottish Government will let us know whether there are going to be rent controls in place by mid-January and the Board will take this into account when making a final decision on the rent increase to be applied from April next year.

Tenants will be written to in February and given notice of any change to their rent from April.

## HAVE YOUR SAY - CHOOSE HOW YOU WANT TO TAKE PART IN THIS RENT CONSULTATION

**Write:** complete the consultation form and return it to one of our offices

**Online:** complete the consultation form on our website at [www.qcha.org.uk](http://www.qcha.org.uk)

**Email:** email [contactus@qcha.org.uk](mailto:contactus@qcha.org.uk) with the heading 'rent consultation'

**Talk/Video Call:** speak to your housing officer

**Phone:** call us on 0808 143 2002

## Need help to reply? Translation into Polish, Mandarin or another language?



If you would like help to complete this questionnaire, including translation, please ask any member of staff, call **0808 143 2002** or email **contactus@qcha.org.uk**

## Did you know that most of our Board members are tenants?

Having a majority of tenants on the Association Board means that tenant voices are at the heart of every decision we make.

If you want to make a difference to your community, why not think about joining us?

There are lots of ways to get involved and influence what happens in your neighbourhood.

If you would like to know more, call **0808 143 2002**.

# FREE PRIZE DRAW

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45 Firhill Road, Glasgow, G20 7BE

Call: 0808 143 2002

Email: [contactus@qcha.org.uk](mailto:contactus@qcha.org.uk)

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