



linthouse
HOUSING ASSOCIATION



Annual Rent Consultation 2023/24

1 - Introduction

Emergency legislation was put into place by the Scottish Government at the beginning of October 2022 which applied a rent freeze to all social housing and private rented tenancies in Scotland until 31st March 2023.



The Housing Scotland Act 2001 and the Scottish Social Housing Charter places a duty on social landlords to consult with all tenants on rent levels and their priorities when it comes to spending and investing the rental income, so the new legislation in 2022 did not impact on social housing tenancies, as our rents are only increased once a year from 1st April. The Scottish Government have decided that from 1st April 2023 social landlords should continue to have responsibility for setting their own rent levels.

As Linthouse is a local community-controlled housing association all income raised from rents in Linthouse stays in Linthouse. It is reinvested in maintaining and improving your homes, our services, and in building new homes for the communities we are here to serve.

Linthouse HA carries out formal quarterly tenant satisfaction surveys and holds regular consultation and social events to get feedback from you our customer on your priorities for investment and service delivery. Our current understanding is that the majority of customers top priority is for us to continue with the window replacement and sandstone repairs in the pre-1919 tenements, to improve the quality of our existing homes, to improve our repairs service, to continue to deliver support services like welfare benefits, energy advice and the food larder, and where possible build new homes to meet our customers changing needs.

This rent consultation is the key annual opportunity to get feedback from you on your priorities for the service we provide and then link these into our business and service review plans. It helps us to gather your views and allows our committee to consider your views before reaching a final decision on the rent increase.

2 – Progress on the phasing in of LHA’s new rent structure.

In 2019/20 we carried out a review of our rent structure, to tackle inconsistencies in the structure and to devise a fairer and more effective rent and service charge system to try to meet both our customer and business requirements.

Following extensive tenant consultation, we agreed to phase in the new structure over a three-to-four-year period to ensure tenants did not experience hardship.

We are now in year four of rent restructuring with only 41 tenants still waiting to reach their correct restructured rents. Of these 35 tenants will achieve their restructured rents by 1st April 2023, and the remaining 6 tenants by 1st April 2024.

The rent restructure means that the vast majority of our tenants who have reached their new restructured rents are being asked to consider a 5% rent increase to allow us to progress our investment and service improvement plans, with only a small minority of customers facing a variable increase until their rent reaches the correct restructured rent level for the property.

3 – Progress on service delivery and investment since the last rent increase in April 2022

Everything starts with our Management Committee setting a clear vision for the future; in other words, the difference LHA wants to make now and, in the years, to come. LHA’s Business Plan sets out **7** key objectives that we will work to throughout the life of the Plan. Our current objectives are summarised in the box below.

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|--------------------|--|
| Objective 1 | Agree and deliver investment priorities to existing homes |
| Objective 2 | Service delivery transformation by embedding cultural change and use of technology to transform customer experience of our services |
| Objective 3 | Review and deliver on priorities for community support services |
| Objective 4 | Becoming more efficient/controlling costs |
| Objective 5 | Developing and reviewing capacity and appetite for a Comprehensive Plan for Growth |
| Objective 6 | Developing and delivering a Customer Engagement Strategy |
| Objective 7 | Developing our leadership and staff teams |

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3 – Progress on service delivery and investment since the last rent increase in April 2022

A core underpinning objective driving LHA without which none of the above will be achieved, is to ensure Committee demonstrate strong strategic governance and financial controls through directing our staff to work on our tenants' priorities.' However, all social landlords and tenants are in 2023/24 being affected by the current cost of living crisis and high inflation which will impact on how far our resources will stretch.

If you would like more detailed information on the Associations Income & Expenditure or future Planned Investment you can find this in the 2021/22 Annual Report on our website www.linthouseha.com or alternatively you can call the office or send us an email to request a copy.

We will now provide an update on our progress on what we think the top 3 most important objectives in 2022/23 for our customers:

Number 1 - Improving the quality of Existing Homes

LHA's top strategic objective is delivering significant levels of investment in our housing stock over a much shorter time frame than is the norm for most Housing Associations of our size and scale. During 2022/23 we will:

- By April 2023 complete Phase 3 of the double glazing and comprehensive sandstone/ external building repairs to a further 10 tenements close at a cost of circa £1.75 million
- Assess the level of borrowing required for Phase 4 windows and sandstone repairs and explore a potential partnership approach with Glasgow City Council (GCC) to part fund owners' share of the works
- Have fitted 9 kitchens and 3 bathrooms as part of void works
- Install 72 boilers and 6 heating systems from the £150,000 budgeted for boiler and heating system replacements.
- Replace the commercial boiler system at Elderhouse with works estimated at £80,000. These works are now out to competitive tender. Due to nature of works, it is hoped that work will now begin in warmer months.

- Carry out all day-to-day repairs. At end of December 2022, we have carried out 3315 repairs at a cost of £668,320
- Carry out medical adaptations. To end of December 2022, we have carried out 14 Medical Adaptations at a cost of £72,666 to adapt tenants' homes to better meet their medical needs
- Carry out repairs to properties that become vacant. To end of December 2022, we have repaired 103 empty homes with 66 voids fully invoiced to end December 2022 at a cost of £216,974
- We are currently delivering a cyclical maintenance programme to the value of £320,696 as detailed in the table below:

Painterwork	£42,310.78
Gas Servicing	£94,143.02
Gutter Cleaning	£18,558.00
Electrical Testing	£21,830.52
Legionella Testing	£4,019.40
Landscape Maintenance	£125,860.27
Smoke Alarms	£1,825.08
Lift Maintenance	£8,104.00
Fire Safety	£4,045.58
Total	£320,696.65

Number 2 – Review and deliver on priorities for community support services as defined by our customers

We have the key staff and services in place which often go beyond our traditional services to support our customers with welfare benefits, income maximisation, energy advice and bulk refuse collections. Customers tell us that they really value these services.

Linthouse in-house Welfare Rights Service has become an essential service to many of our customers. During 2021/22 this service assisted customers with a variety of welfare benefits and income issues, generating over £575,000 in additional financial support for customers and we are on track to exceed this record as we are heading toward £750,000 in financial gains for customers during 2022/23.

During 2021/2022 we introduced the post of Community Empowerment Officer to our staff structure. In addition to Tenant Participation and Community Engagement this Officer has been working hard to attract grant funding and opportunities to provide wraparound support services for our tenants and customers. During 2022/23 to date, they have secured over £26,000 in grant funding and 2 food support projects for the local community. We also agreed to a Linthouse Community Plan based on tenants' views on projects needed to improve social inclusion, their communities and wider role services.

During 2021/22 the Association added an Energy Advisor to the staff team which continued during 2022/23 and was funded by grant funding secured in partnership with other local Housing Associations. This service has secured over £153,000.00 in financial support for Linthouse customers from grants as well as non-financial gains. This has been a critical service as the cost of fuel and living in general has increased substantially. This service is due to end on 28th February 2023. However further grant applications have been submitted by the partners which if successful will allow us to extend this much needed and valued service.

We will continue to work closely with other agencies and partners across our area of operation to improve services and identify new funding opportunities to try to secure funding to provide additional support and services to LHA's customers.

If you are interested in finding out more about how you could get involved with the Association by becoming a member, joining our voluntary Management Committee or Residents Panel, please contact our Head of Housing and Community Empowerment Andrea Walker by telephone on 0141 445 4418 (press option 2) or email at andrea.walker@linthouseha.com



3 – Progress on service delivery and investment since the last rent increase in April 2022

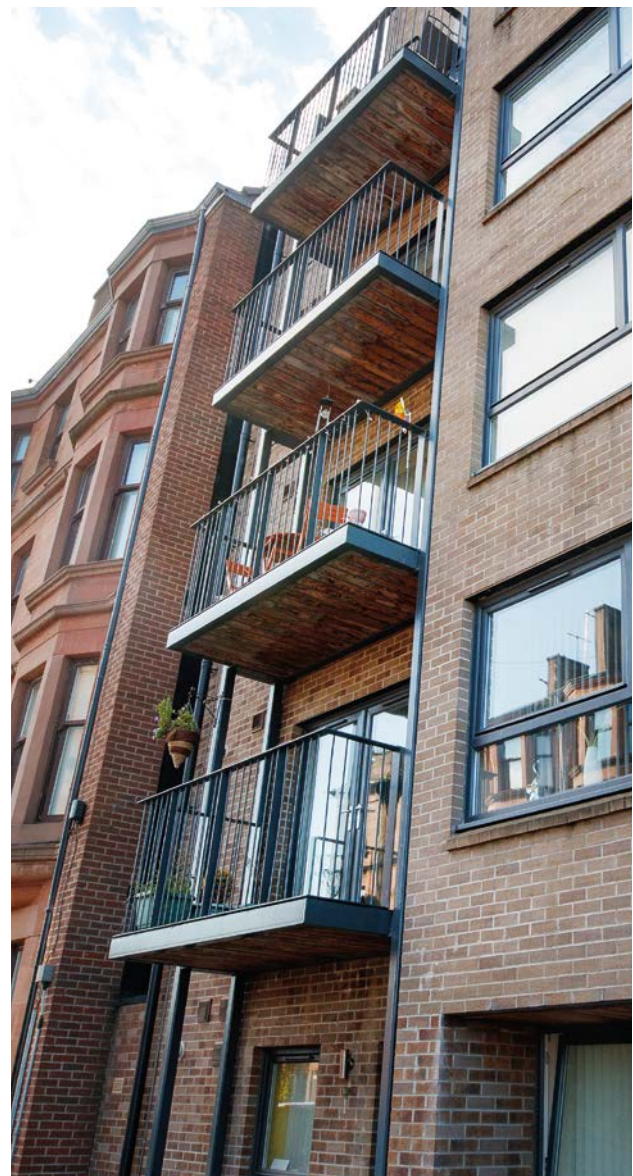
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Number 3 – Grow and diversify our housing stock to address changes more effectively in local housing needs and to take pressure of rents

LHA revalued our existing housing stock to provide our committee with an update on the organisation's capacity to borrow to deliver our number one key business objective which is to invest in tenants' homes as well as increase our income base to cover the costs of loans to improve existing homes. This valuation also enabled Committee to review and consider our capacity and appetite for developing a comprehensive growth plan.

In 2022/23, we:

- Completed the development of 49 much needed new high quality and attractive homes for social rent at Cromdale Square in Drumoyne
- Continued discussions with GCC about the future use of the former care home site at Davislea in the Langland's estate and secured a funding commitment for a feasibility study when GCC have decided on the preferred future use of the site
- Worked in partnership with other agencies involved in Glasgow Riverside Innovation District (GRID) to maximise the community benefits of Glasgow University and their partner Kadans locating in Linthouse
- Will grow through the acquisitions of existing stock to support our tenement improvement plans and to support GCC addresses homelessness in the city



Challenge of keeping Rent increase for 2023/24 as low as possible

The committee has already taken the decision to complete year 4 of the rent restructuring and to ensure we deliver a rent increase well below inflation in 2023/24. The impact of the cost-of-living crisis is at the heart of their thinking as they fully appreciate all the pressures being felt by all of our tenants, be it the cost of heating your home or the rising cost of food.

Linthouse is committed to keeping the rent increase as low as possible whilst balancing this key objective with generating enough income to continue to provide good quality housing services and with our ambitious investment plans to improve the quality of your homes.

The current financial climate is starting to have an impact on Linthouse and some of our costs

- We believe the cost of maintaining your home is rising by around 11%
- Increased costs of tender for improvement works like new windows, kitchens, boilers, and bathrooms will only become completely transparent when we put contracts for renewals and replacement out to tender during 2023/24.
- Before the cost-of-living crisis LHA paid around £12,382 a year for Gas across our supplies. This increased to £124,000 a year which represents an increase of approximately 901% and we have worked to secure a new deal for nearer £98,000 per year. This is still a 691% increase on pre cost of living crisis costs.
- Before the cost-of-living crisis LHA paid around £54,273 a year for electricity across our supplies. That increased to £207,703 a year which is an increase of 282.7%.

Some social landlords will respond to these cost increases by stopping major investment in their housing stock until prices start to fall again if they do when inflation drops.



At Linthouse the majority of our housing stock is pre-1919 tenements and we plan to continue our investment works subject to being able to continue to demonstrate value for money from tenders or framework agreements we use to deliver the works.

A further challenge for Linthouse is that the organisation has traditionally followed a policy in the past of very low rent increases as well as low levels of investment in component replacements. Whilst the low rent increase may have been popular at the time the lack of investment in the housing stock was not and the reserves or savings needed for future component replacements were not put aside. Linthouse now needs to use a combination of borrowing and other methods of increasing our income to be able to deliver much needed improvement to the pre-1919 tenements.

How LHA plans to adapt to these challenges whilst keeping rents affordable?



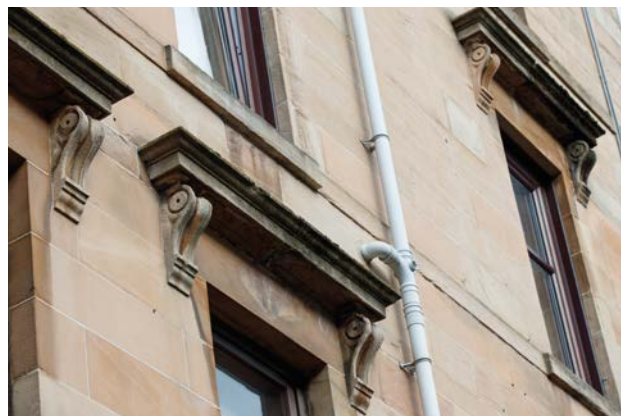
- We will review the impact of our rent restructure which we have phased in over 4-year period from 2020-2024 to ensure the intended outcome of making the rent charging system fairer, easier to understand, affordable and robust enough to cover future business needs
- We will review the impact of the proposed low 5% increase in 2023/24 against an inflation rate of 11.1% on future rent increases and our longer-term ability to generate the income required to cover the commitments we are making to improve the quality of the housing stock
- Implement new ways of working for staff to increase our efficiency and flexibility to deliver our services
- Continue to adapt our resources to face up to changing priorities so that we focus on achieving tenant priorities
- We aim to continue to invest in our properties and your homes to improve efficiency and reduce your heating bills
- We will work hard to create effective partnerships to deliver cost effective and high-quality solutions to energy efficiency issues impacting on our housing stock
- Work hard to attract grant funding into the Linthouse area to continue to deliver projects which take pressure of our rent levels, deliver community benefits, and support our tenants to sustain their tenancies when a little extra help is needed
- Continue to review our rent levels for comparability to other local social landlords, Scottish national averages and against SFHA's affordability tool.
- Review our rents against locally available mid-market and private rented offerings to ensure they remain amongst the most cost-effective way to rent a good quality home locally
- Grow our income base by acquiring new properties and building new homes where this supports our top business priority of investing in the existing housing stock

Making difficult choices

The cost-of-living crisis has resulted in your Management Committee taking the decision to cut the increase back to the lowest level sustainable for one year only which is 5%. With a 5% increase we aim to deliver key projects that we had in the programme for 2023/24, the only issue that may prevent us achieving this is if tender costs for the works are excessive and cannot be justified to you our tenants on the basis of value for money.

If this were to be the case, then we are currently working very hard to limit the impact of this on you and the length of time any work may be delayed until future years.

To make our investment plans work and to enable rents to be affordable during a year that has seen the highest rate of inflation in over 40 years, some programmes of work may be delivered in a different way.



Impact of a 5% rent increase

We need to review the amount of income required each year to deliver our services and investment plans and to ensure LHA remains financially viable in the longer term.

With a 5% increase, we would see our rents increase by an average of £3.69 to £5.84 per week for the majority of our tenants who have reached their restructured rents, variable increases will apply to the small number of tenants who have still to reach their restructured rent.

This would result in LHA rents for 1,2 and 3 apartments being lower than the estimated national average and our 4 and 5 apartments, slightly higher.





Let Us Know what you think

Your Views are Really Important to Us. Please complete the slip below and return it by either post using the pre-paid envelope provided or place it in the post box outside our office. Alternatively, you can call our office on 0141 445 4418 (**press option 2**) and a member of staff will be happy to record your feedback. The consultation will be open until the 6th February 2023. The results will be reported to the Management Committee at their February meeting and tenants will be informed of the decision by 28th February 2023.

If you need this document in a bigger text or a different language or require any help completing the return slip, please call into the office in person, telephone, or email. Our contact details are provided below

Thank you for taking the time to read this publication.

Linthouse Housing Association Contact Details

Address: 1 Cressy Street, Linthouse, Glasgow. G51 4RB

Telephone Number: 0141 445 4418

Press Option 1 - for all Repair and Asset Management enquiries, including to speak to someone in the Property Services Team

Press Option 2 – for all other enquiries.

Email Address: enquiries@linthouseha.com

Website Address www.linthouseha.com



Tenant Consultation Feedback Form

From the list of priorities below please tell us what is most important to you. Please rank these in order with 1 being the most important to you...

(Write the number beside each line making as many or as few choices as you like)

Priority	Ranking 1 – 5
Day to day repairs, maintenance	
Planned investment (such as kitchens, bathrooms, boiler)	
Completion of the window replacement and sandstone repairs to the pre-1919 tenements in Linthouse	
Support Services (such as welfare rights, energy advice)	
Maintenance of open spaces and communal areas	
Wider Community Regeneration initiatives like the food larder and food bank)	
Building more new homes	
Question 1 – Based on the information provided do you think the rent increase proposed at 5% is acceptable?	
Yes <input type="checkbox"/>	No <input type="checkbox"/>
Don't Know <input type="checkbox"/>	
Comments: (please tell us why you have selected yes, no or don't know)	
Question 2 – What is the biggest issue facing you in your home right now?	
Comments:	
Name	
Address	
Telephone Number	
Email Address	
Preferred Method of Contact	



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