

thenue rent news

DECEMBER 2022



www.thenuehousing.co.uk

DELIVERING VALUE IN EVERYTHING WE DO



***THIS IS AN IMPORTANT PUBLICATION
- PLEASE TAKE TIME TO READ IT***



Welcome to our annual rent consultation. It's the time of year where housing associations are thinking about their budgets for the next financial year and this consultation gives you an opportunity to have your say before any decisions are made.

Your views are VERY important to us.

This year the situation is very different to previous years. You will probably be aware that all rents for social housing and private rented tenants have been frozen by the Scottish Government until the end of March 2023.

It is unclear what the Scottish Government intends to do beyond the end of March 2023 and we will not be informed until January 2023. However, as a responsible landlord we want to explain the situation and what it may mean to you and Thenue.

We understand that the news around rent freezes may be confusing. We hope this special publication helps to clarify the situation and guides you to understand our thinking. But if there is anything that you require more information about, please contact us on the following email: rent@thenuehousing.co.uk



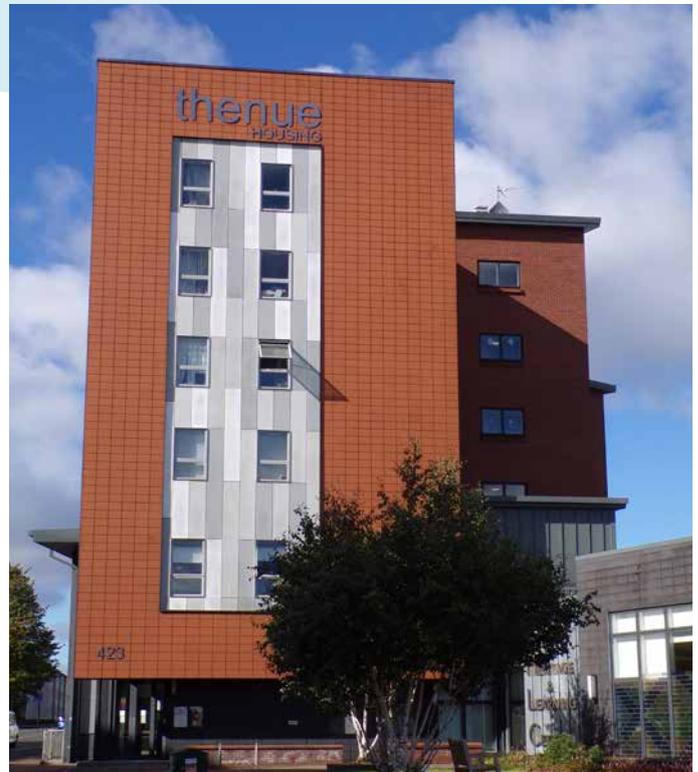
WHAT IS THE CURRENT SITUATION?

Emergency Legislation in the Scottish Parliament passed at the beginning of October allowed a rent freeze to be applied to all social housing and private rented tenancies in Scotland. This freeze will be in place until the end of March 2023.

This action does not impact social housing tenancies at present as our rents are only increased once a year from April.

Housing Associations will be told by mid January 2023, whether a rent increase can be applied from April 2023 and at what level.

Both the Scottish Government and the Scottish Housing Regulator are aware that housing associations are still legally required to consult with tenants on rent levels and their priorities when it comes to spending. It is important that we get feedback to help us understand **your** priorities for the services which we provide. This enables Thenue to propose new rent levels from April 2023 to the end of March 2024, should the Scottish Government agree.



We have decided that it would be helpful to have a **2 part consultation process**, which is detailed below. We also wanted to reassure you that we are committed to keeping rents as affordable for tenants as possible whilst being able to deliver the best services for all our tenants.

Our consultation will be as follows:

PART 1 (Late November/Early December until 31 December 2022)

Establishing your priorities in terms of how we deliver our services. We need your input into our decision making, to inform our decisions should the Scottish Government extend a rent freeze or decide on a rent cap.

PART 2 (mid January until 31 January 2023)

We will report back on your priorities and inform you on the final rent level proposal which covers what you pay from April 2023 until March 2024.

KEEPING RENTS AS AFFORDABLE AS POSSIBLE IS PART OF OUR COMMITMENT TO YOU

The last couple of years have seen low rent increases of

1.1% and 3.1%,
in a direct response to the challenges faced by the Covid-19 pandemic.

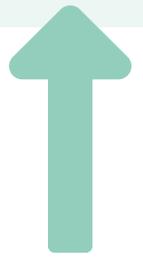
This was the right thing to do, and now more than ever we are committed to doing everything we can to keep rent increase levels as low as possible this time around.

The impact of the cost of living crisis is at the heart of our thinking and we fully appreciate all the pressures being felt by all of our tenants – whether that is the cost of heating your homes or the cost of food. We recognise that costs have been rising

and we need to play our part to ensure tenancies are affordable.

Current inflation is sitting at

**11.1% - a
40 year high**



- and this provides challenges for everyone - for you as tenants and for us as your housing provider.

However, we want to reassure all our tenants that at Thenue, we are committed to keeping any rent increase as low as possible, for the third year running, while balancing it with the cost of providing a good quality housing service.

THE CHALLENGES THENUE FACES

The current financial climate is having an impact on Thenue and we want to share some of the challenges we are facing:

The cost of **maintaining your home** rising by at least



10%

Increased cost of

tenders for improvement works, including

kitchens, boilers, and bathrooms.



Increased energy costs

which are higher than inflation.

Increased building costs

and the need for increases in grants.



HOW WE PLAN TO ADAPT TO THESE CHALLENGES AND KEEP RENTS LOW

To achieve a rent increase below inflation that is realistic for you to pay, we've been working hard on the ways in which our services are delivered to ensure tenants receive value for money. This includes:

- Implementing a new working model to increase our efficiency and flexibility to deliver our services.
- We've adapted our resources to face changing priorities and focus, so we are able to deliver much more with our existing resources.
- We want to continue to invest in our properties and your homes, particularly in the fabric of homes to improve efficiency and reduce your heating bills.
- We want to work with our partners to deliver cost effective and high quality new homes where it is financially viable to do so.
- Working alongside our wonderful Area Associations to attract funding and grants to continue the delivery of community beneficial projects.

WHAT WE HAVE DONE SINCE THE LAST RENT CONSULTATION A YEAR AGO

- Our Financial Inclusion Team have worked to access over £1 million in unclaimed entitlements for our tenants over the last year. REMEMBER THIS IS A FREE SERVICE YOU SHOULD MAKE USE OF IF YOU NEED IT.
- Delivered 77 new and much-needed properties at Abercromby Street.
- Relunched our "Tenant Scrutiny Panel."
- On "voids" – the word we use to record properties where we aren't collecting any rent, we ended the financial year 2021/22 on 0.5% of our rental income and have achieved void rent loss of 0.4% by end of September 2022. The Scottish registered social landlords' average for 2021/22 was 1.37%.
- On the turnaround time it takes us to relet void properties we ended the financial year 2021/22 on 20.5 days, and achieved 17 days as an average between tenancies by end of September 2022, which helped sustain our income levels. The Scottish registered social landlords' average for 2021/22 was 46.91 days.
- Adapted our in-house repairs service structure to aid future delivery and communication and help us to manage the repairs contracts more effectively - improving both service and satisfaction. Satisfaction with repairs has increased to 88%, but we know there are still improvements to be made.
- Delivered energy support help with beneficial outcomes for tenants, such as £39,625 of energy savings in 2021/22.
- Worked alongside our Area Associations to deliver projects throughout our communities.
- Continued to deliver 100% gas servicing compliance which helps keep you safe.



SUPPORTING YOU AS FUEL BILLS RISE

In addition to the support provided by our Income Maximisation and Financial Inclusion Teams, we will keep offering Energy Advice and understand the importance of this service given the continued rise in fuel costs. Julie Broadley, our Energy Advice Officer is happy to help on a range of energy related issues, including:

- Reviewing your fuel costs
- Switch your supplier
- Help manage your fuel debt
- How to Use Your Heating System Efficiently
- Deal with fuel debt
- Pre-payment meters
- Smart Meters
- Top tips on Saving Energy
- Ways to Pay for your energy



For support or more information please e-mail Julie at energyadvice@thenuehousing.co.uk.

MAKING DIFFICULT CHOICES

We know we need to keep your rent increase as affordable as possible, and any increase reasonable. This means we may not be able to deliver all we had planned in 2023/24, but we are working to limit the impact of this and the length of time any work may be delayed until future years.

We have been very focused looking at all the options and planning to ensure that we are prepared for difficult choices should the Scottish Government implement any further restrictions which may affect our budget planning. Your opinion and input into establishing the priorities for spending is KEY in making final decisions and why Stage 1 of this year's rent consultation focuses on this.

To make our investment plan work and to enable rents to be affordable, some works WILL need to be delayed. The lower the rent increase is, the bigger the impact on timeframes and future rent increases. It's important that a **balance** is found to ensure the quality of homes is maintained and that rent remains affordable.

Tenants and customers have previously expressed that they value the welfare rights/financial inclusion support, energy advice and bulk collections that often go beyond traditional services. We share your concern about the impact of cutting such services as they help to sustain tenancies, support YOU when you need it and the ability to manage our neighbourhoods effectively.

In terms of our new build properties, could we stop building? Currently our new build properties are funded by a combination of grants from the Scottish Government and financed loans repaid from the rent of customers living in those homes. Stopping our development programme would not necessarily save Thenue money or have an impact on the rents of existing customers. We already commit to fully risk assessing all future developments to ensure that they do not end up costing and impacting on rents in the future. Building new affordable homes helps us to positively impact on the high demand shown on our waiting and transfer lists. Constructing homes is also a key task of any housing association.

RENT LEVELS IN MONETARY TERMS

Although we are not at this stage going to commit to a final proposal for your rent levels for next year, we wanted to give you an indication of what a rent increase would mean in cash terms per week.

Please note that this is not our rent proposal and SHOULD BE INTERPRETED AS AN EXAMPLE ONLY:

A 3 apartment property with a 5% rent increase would represent a £4.53 increase in weekly rent.

Between now and the second stage of the consultation in January 2023, we will be working to provide you with a firm, value for money proposal when we are able to do so in January.

THE CONSULTATION PROCESS

To reduce confusion, we intend to come back to you with a **rent level proposal** in January once the picture is clear and we have Government Guidance to share with you. We are committed to this figure being as low as possible and well below inflation.

However, it is possible that the Scottish Government may take the decision to cap social housing rents lower than we would have anticipated. If this is the case, then we will need to remove further elements from our budget, **but it is vital that we understand what is important to you as our tenants.**

Therefore, **as the first part of the consultation**, we would like to ask you what you think the Association's financial priorities should be?

Ways in which you can tell us what you think:-

- Post the slip in this publication to us at Theue Housing, 423 London Road.
- E-mail us at rent@thenuehousing.co.uk
- Phone us on **0141 550 3581**
- Take the online survey at www.thenuehousing.co.uk
- Contact us through the self-service app



CONSULTATION SLIP

Name

Address

Postcode

Telephone

Mobile

Email

Age

Do you receive support towards your rent currently, such as Universal Credit or other Housing Benefits? (PLEASE CIRCLE)

YES

NO

What in your opinion are the Association's financial priorities and what is most important to you?

Please rank these in order, with 1 being the highest priority.....

(WRITE THE NUMBER BESIDE EACH LINE MAKING AS MANY OR AS FEW CHOICES AS YOU LIKE)

- Day to day repairs, maintenance.
- Planned investment (such as kitchen, bathroom, boiler and window replacements)
- New affordable accommodation within our neighbourhoods.
- Support Services (Such as budgeting assistance, energy advice and tenancy support)
- Maintenance of open spaces and communal areas (common areas and bin stores)
- Wider Community regeneration projects and initiatives.

Please add any further comments you have regarding rent levels

Do you require any additional help or benefit advice from our Income Maximisation and Financial Inclusion Teams? (PLEASE CIRCLE)

YES

NO

thenue HOUSING

English not your first language?

No problem. We are a 'Happy to translate' accredited organisation. Just let us know your language preference, and we'll do the rest.



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