

For Decision

Agenda Item: 12
Date of Meeting: 26/11/25

To: The Management Committee
From: The Director
Subject: Annual Rent Review 2026/27

1. Introduction and Purpose

- 1.1 As part of the business planning event held on 22nd November, Committee discussed the annual rent increase. To assist the discussion, the Finance & IT Manager and I presented key information relating to our costs and projected costs, inflation rates, our current rents and affordability assessment, comparison of rents with national and local averages, value for money, impact on tenants based on a range of increases and scope for rent increase options.
- 1.2 The purpose of this report is to seek Committee's formal decision on the proposed rent increase for 2026/27 (including whether options are possible) to be put out for tenant consultation.

2. Annual Rent Review Session

- 2.1 As the business planning event was only a few days ago, it is not the intention to repeat all the information provided at the event within this report. However, to aid Committee's further discussion on the matter and to enable it to make its initial decision on the proposed rent increase for consultation, a copy of the Annual Rent Review presentation is attached. Also attached is the latest results from the GWSF's survey on proposed rent increases.

3. Discussion at BP Planning Event

- 3.1 During the large group discussion on the annual rent review, some consideration was given to the feasibility of offering options for the proposed rent increase. The general feeling was that this would prove challenging as we are not in a position to increase our planned maintenance works or to propose a launch of a new service e.g. a more formal bulk uplift service. However, there was some discussion about the potential for building a community fund, with tenants having a say on how the money could be spent e.g. additional community events or a hardship fund. Committee concluded that this would need further consideration

and planning and intimated, therefore, that there wasn't sufficient time this year to develop this proposal which would allow us to give tenants rent increase options. It was agreed this should be something that is developed in time for next year's annual rent review.

- 3.2 Committee considered the outcome of the affordability assessment which showed that all of our rents are deemed affordable (accounting for less than 25% of the moderate income). However, it was recognised that the moderate income basis does not necessarily reflect the actual income of our tenants and, therefore, does not mean that our rents would be viewed as affordable to all of our tenants.
- 3.3 It was recognised that Committee decided an inflation plus rent increase for 2025, as we now needed to prepare for the introduction of net zero measures. It was acknowledged that this is likely to be the new model for rent increases going forward. Committee discussed the likely level of increase required to meet business needs. It was discussed that the minimum needed would be 4% but that an increase of CPI plus 1% would be the most favourable outcome, long-term.

4. Tenant Consultation

- 4.1 As Committee is aware we are required to consult with tenants over various matters, and this includes any proposal to increase the rent. We must:

“consult all tenants affected by the proposal and have regard to the views expressed during the consultation period”

By doing so, we are ensuring we comply with The Scottish Social Housing Charter, in particular the following outcomes:

2 Communication

Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.

3 Participation

Social landlords manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

13 Value for Money

Social landlords manage all aspects of their businesses so that:

tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

14/15 Rents and Service Charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them. Tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

- 4.2 As Committee will only be making its decision about the rent increase (or rent increase options) at this meeting, the consultation pack can not be fully finalised until after the meeting. However, an initial draft will be presented at the meeting for Committee's consideration. It is intended the consultation will run from week beginning 1st December until Monday 12th January 2026.
- 4.3 The consultation process will involve some face-to-face sessions as follows:
- Attend a maximum of 3 of the weekly Breakfast Club events held in The Hall Peat Road on Tuesdays (likely to be 2 in December and 1 in January);
 - Offer 3 drop-in sessions (attended by the Housing Services Manager or Director and 1 Committee Member) – dates and times to be confirmed.
- 4.4 We will also contact approximately 10% of our tenants by phone (random selection but will be based on tenants who pay full or partial rent – pay at least 50% of the rent) during the week beginning 5th January 2026.
- 4.5 In addition to the above, tenants have the following options for giving their feedback.
- Telephone us on 0141 881 0595.
 - Email us: admin@rosehillhousing.co.uk
 - Write to us at Rosehill Housing Association Limited, 250 Peat Rd, Glasgow, G53 6SA.
- 4.6 As, first introduced last year, we will issue a survey for tenants to complete, if the decision is to offer tenants at least two options for the rent increase, this will be incorporated into the survey.

4.7 The outcome of the consultation process will be presented to Committee at its meeting on 21st January 2026 for consideration and to take into account prior to making its final decision on the rent increase.

5. Risk

5.1 When carrying out the annual rent review process, we have considered the associated risks and have identified the main risks under the following risk categories and the measures we have taken to mitigate such risks, where possible.

Risk Category	Mitigating Measure
<p>Financial</p> <p>The rent increase is not sufficient to meet business needs and plan effectively for delivering commitments such as net zero measures.</p>	<p>Various rent increases are tested and ran through financial projections to determine what is needed.</p>
<p>Legislative/Regulatory</p> <p>Tenant consultation requirements. If insufficient could lead to breach of Charter and Regulatory requirements</p>	<p>Committee approve tenant consultation process which includes issuing consultation pack, holding face-to-face sessions, phone round of random selection of tenants (pay full rent or at least 50%) providing various options for sharing views on rent increase proposal(s)</p>
<p>Customer</p> <p>Tenants unhappy with proposed rent increase;</p>	<p>As above re: consultation process; Rents are tested against affordability assessment (moderate income basis); Rents compare favourably against other neighbouring landlords – lowest in area</p>

6. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Annual Rent Review process including plans for tenant consultation	2) Engage effectively with our tenants and service users 3) Deliver value for money 7) Achieve the highest standards in all that we do

7. Application of our Core Values

Area	Related Core Value(s)
Annual Rent Review process including plans for tenant consultation	<ul style="list-style-type: none"> • Engaged and Responsive; • Fair and approachable; • Accountable and Compliant;

8. Compliance and Assurance

- 8.1 Undertaking the annual rent review process including the plans for tenant consultation over the proposed rent increase(s) means we are compliant with legal and regulatory requirements.

Compliance Source	Details
The Scottish Social Housing Charter	<p>2. Participation - Social landlords: manage their businesses so that: tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.</p> <p>3. Participation - Social landlords manage their businesses so that: tenants and other customers are offered a range of opportunities that make it easy for them to participate in, and influence their landlord's decisions at a level they feel comfortable with.</p>

	<p>13. Value for Money - Social landlords manage all aspects of their businesses so that: tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.</p> <p>14/15. Rents and Service Charges - Social landlords set rents and service charges in consultation with their tenants and other customers so that: a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them; tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.</p>
<p>The Standards of Governance and Financial Management for RSLs</p>	<p>Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p>Guidance 2.4 - The RSL actively seeks out the needs, priorities, views, concerns and aspirations of tenants, service users and stakeholders. The governing body listens to its tenants and service users and takes account of this information in its strategies, plans and decisions.</p> <p>Standard 3 - The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.</p>

	<p>Guidance 3.4 – The governing body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.</p> <p>Standard 4 - The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation’s purpose.</p> <p>Guidance 4.2 – The governing body ensures that the RSL provides tenants, residents and service users with easy and effective ways to provide feedback and raise concerns, and ensures that the RSL considers this and provides a quick and effective response.</p> <p>Guidance 4.4 - The governing body identifies risks that might prevent it from achieving the RSL’s purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>
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8.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> Report for 26/11/25 meeting and appendices 	<ul style="list-style-type: none"> Scottish Social Housing Charter: 2, 3, 13 and 14/15 Regulatory Standard 2 – Guidance 2.4 Regulatory Standard 3 – Guidance 3.4 Regulatory Standard 4 – Guidance 4.2 and 4.4

8.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

9. Conclusions and Recommendations

- 9.1 Our rent levels must always be determined by the requirements we have set out in our business plan. It is our responsibility to ensure that we have sufficient income to continue to provide a good quality service to our tenants in the long term. To maintain our current financial position in the long term we need to apply an inflationary increase to our rents. However, it is recognised that the continued cost of living crisis has the potential to increase the financial hardship many of our tenants are facing and that Committee will want to keep rents as low as possible. This should be considered in the context that below inflation increases had been previously applied for 3 years, returning to an inflation only increase in 2024 and applying an inflation plus increase in 2025, for the first time in several years. As reported to Committee previously such reduced increases cannot be sustained in the long-term.
- 9.2 Our rent levels are currently amongst the lowest in the Sector and the comparisons from the ARC 2024/25 data demonstrate this, along with the comparison of current rent levels with the other 2 community-based Housing Associations – Barrhead and Glen Oaks.
- 9.3 The analysis contained in the annual rent review presentation, clearly show that a rent freeze next year will have significant effects on our cash balances going forward.
- 9.4 Some information on the discussion that took place at the BP Planning Day about the annual rent review is covered in Section 3.
- 9.5 We will undertake a consultation process as set out in Section 4 of this report. It is envisaged we will begin the consultation on the rent increase or rent increase options in early December and run it to 12th January 2026.
- 9.6 Risk is considered in Section 5.
- 9.7 Section 6 shows how carrying out the annual rent review process including our plans for tenant consultation contributes to the delivery of our strategic objectives.
- 9.8 Section 7 shows how carrying out the annual rent review process including our plans for tenant consultation contributes to the application of our core values.
- 9.9 Section 8 shows how we are compliant with legal and regulatory requirements.

9.10 Committee is invited to discuss this report and attachments and, is then asked to decide which option(s) for the 2026/27 rent increase it wishes to put out for tenant consultation. This will include deciding on whether an above inflation increase is required and whether rent increase options are feasible and appropriate for tenant consultation.