

## For Decision

Agenda Item 13  
Date of Meeting: 27/11/24

**To:** The Management Committee

**From:** The Management Team

**Subject:** Annual Rent Review 2025/26

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### 1. Introduction/Purpose

- 1.1 The purpose of this report is to present Committee with information to assist with its initial decision on what the proposed rent increase should be for 2025/26, which will be put out for tenant consultation.
- 1.2 As part of the annual rent review process, Committee is asked to consider the following:
  - Whether the business plan commitment of inflation only increases can be delivered for the 2025 rent increase and in the future;
  - Whether it is feasible and appropriate to offer tenants a choice of rent increase options.
- 1.3 There is a crucial balance to be achieved when setting and reviewing rent levels. Whilst it is an important aim for us to provide affordable rents to our tenants which provide value for money, it is equally important that rents are sufficient to cover our commitments. These include running costs, loan repayments, and our ability to provide services and maintain and improve our housing stock.

### 2. Business Plan Commitment

- 2.1 Committee is aware that it first made a commitment in its Business Plan 2016-2021 to cap any rent increases to inflation only and it continued this commitment into its current 5-year Plan 2021-26. Rent increases had not exceeded inflation for the last 13 years up to and including the increase for 2020/21. For the next 3 years we applied below inflation increases and in 2024 we resumed an inflation only increase, more information about this is set out in Section 3.
- 2.2 As we are now typically holding the annual rent review meetings in November, the September inflation rate will be used. The two inflation rates we consider are RPI and CPI, which are 3.1% and 1.7%

respectively. Additionally, included in appendix 2 for consideration is CPIH, which includes housing costs which for the same period was 2.6%.

2.3 Committee will need to consider whether future inflation only increases will be feasible.

### **3. Factors for Consideration**

#### **3.1 Previous Below Inflation Increases**

3.1.1 Since the 2021/22 rent increase, the Management Committee has decided to apply below inflation increases and matching inflation in 2024/25. The decision was in response to Covid-19 and the financial hardship many of our tenants were facing through the cost-of-living crisis which saw energy prices soaring, rapid inflation rises and interest rates.

3.2 Rental income is the primary source of income for the association. Making it fundamental to Rosehill's financial viability, and its ability to meet the standards and requirements in an ever-changing world.

3.2.1 From continued cost growth through inflation and supply chain issues, to the pending Social Housing Net Zero Standards, which will require significant investment, and the possibility of grant funding is unknown and not guaranteed (Appendix 6).

3.2.2 Fiscal changes in the UK since the new labour government took power and the Chancellor announced their budget as outlined in section 6.8 of this document.

Table 1 below shows the rent increases applied for the last 4 years compared to inflation rates.

Table 1

Year	Rent Increase Applied	RPI	CPI
2021/22	0.9%	1.3% (October)	0.7% (October)
2022/23	3.1%	4.9% (September)	3.1% (September)
2023/24	5%	12.6% (September)	10.1% (September)
2024/25	6.7%	8.9% (September)	6.7% (September)

3.2.3 Appendix 1 shows the rent increases applied since 1994 and Appendix 2 shows the 3 rates of inflation over the last year.

## 4. Key Comparisons

### 4.1 Rent Level Comparisons

4.1.1 As part of the rent review it is an important exercise to compare Rosehill's rent levels with those of other landlords. The information gathered by the Regulator, through the ARC, and published on its website provides a good basis for comparison. The information the Regulator has published provides the Scottish Average figure across all key performance information including rent levels. The information is not readily available in terms of comparing performance within Peer Groups as previously. However, The Regulator does publish a complete dataset of all the ARC results for all RSLs and Councils. From this extensive dataset we can extract performance and contextual data including rent levels for any RSL we wish. In addition, we are also able to compare our results using a comparison tool on the Regulator's Website. From this we can compare our information against a maximum of 4 other landlords at a time. The following information is based on the 2023/24 ARC. It compares our rent levels against Barrhead, Glen Oaks, Sanctuary, and Wheatley Homes Glasgow to provide a local comparison and also against the Scottish Average.

Table 1a Average weekly rents for 2023/24 by apartment size

Apt Size	Rosehill	Barrhead H.A.	Glen Oaks H.A.	Sanctuary Scotland H.A.	Wheatley Homes Glasgow	Scottish Average
1 apts	64.42	74.38	N/A	71.20	76.91	82.24
2 apts	76.51	85.91	92.44	89.45	88.06	87.87
3 apts	86.76	97.94	97.96	102.88	94.57	90.29
4 apts	86.06	106.59	106.45	113.45	109.91	98.30
5 apts+	91.53	125.41	131.42	122.05	120.58	108.29

4.1.2 As can be seen from Table 1a, Rosehill's average weekly rents compare favourably with the average rent levels shown for the other landlords and Scotland as a whole. Our rents for all property sizes are lower than the other landlords and the Scottish Average.

4.1.3 When comparing the rent levels for our 4 and 5 plus apartments the difference is more significant. Our rents for these sizes are £12.24 and £16.76 per week lower compared to the Scottish average. However, when we compare our 4 apt and 5 apt rents against the 4 other RSLs the difference is even more significant as follows:

Compared to Barrhead our rents are £20.53 and £33.88 a week lower  
Compared to Glen Oaks our rents are £20.39 and £39.89 a week lower

Compared to Sanctuary our rents are £27.39 and £30.52 a week lower  
 Compared to Wheatley Homes Glasgow our rents are £23.85 and £29.05 a week lower

4.1.4 Another way to consider the difference is that our average 4 apt weekly rent of £86.06 is lower than the average 2 apt weekly rents of Glen Oaks, Sanctuary, Wheatley Glasgow and the Scottish Average. In addition our average weekly 5 apt+ rent of £91.53 is lower than Glen Oaks' average weekly 2 apt rent. Our 5 apt+ rent is lower than the average 3 apt weekly rents of each of the other RSLs.

4.1.5 The above information demonstrates that our rents are relatively low across the board when compared with the Scottish average and the other local RSLs.

4.1.6 From information taken from The Regulator's website we can also compare our average weekly rents to the RSL average. In the tables above the Scottish average figure includes local authority rents which typically, across the country, are lower than RSL rents. Table 1b below shows how our rents compare to the RSL average.

Table 1b Average weekly rents 2023/24 by apartment size

Size	Rosehill £	RSL Average £	Scottish Average £
1apt	64.42	88.36	82.24
2apt	76.51	96.33	87.87
3apt	86.76	97.65	90.29
4apt	86.06	107.46	98.30
5apt+	91.53	118.66	108.29

4.1.7 Tables 1b shows that the average weekly rents for all apartment sizes in the RSL sector are higher than the overall Scottish averages. This demonstrates the findings that council rents are typically lower than Housing Association rents. Our rents across all apartment sizes are lower than the RSL averages.

4.1.8 What might be a more interesting comparison is our rents against the local authority (LA) average. Table 1c below sets out the comparison.

Table 1c Average weekly rents 2023/24 by apartment size

Size	Rosehill £	LA Average £	Scottish Average £
1apt	64.42	69.59	82.24
2apt	76.51	78.49	87.87

3apt	86.76	83.70	90.29
4apt	86.06	90.74	98.30
5apt+	91.53	97.82	108.29

4.1.9 Table 1c above shows that in the case of 3 apts our average rent is slightly higher than the LA average, being £3.06 a week higher. However, in terms of 1 and 2 apts and the larger properties, 4 and 5 apts, our average rent is lower for these compared to the LA average.

4.1.10 All of the above comparisons not only show that our rents are lower than other local landlords, but also that they are lower than the Scottish and RSL average and, more importantly, are on a par or lower than the LA average.

4.1.11 To further assist the comparisons with other landlords, we have obtained the current average weekly rent levels (2024/25) for the other 2 community-based housing associations – Barrhead and Glen Oaks. Table 1d below sets out the comparison.

Table 1d Current Average Weekly Rents 2024/25

Size	Rosehill £	Barrhead £	Glen Oaks £
1apt	68.73	82.47	N/A
2apt	81.63	93.86	96.13
3apt	92.57	105.21	101.88
4apt	91.82	114.78	110.71
5apt+	97.66	130.21	136.67

4.1.12 The above table shows that our rents continue to be lower, across all apartment sizes compared to the 2 other community-based housing associations.

## 4.2 Rent Increase Comparisons

4.2.1 The following information is based on the ARC 2023/24. It compares our rent increase applied in April 2024 against Barrhead, Glen Oaks, Sanctuary, and Wheatley Homes Glasgow to provide a local comparison. It also compares our increase against the Scottish, RSL and LA averages.

Table 2 – Rent Increase (April 2024)

	Rosehill	Barrhead H.A.	Glen Oaks H.A.	Sanctuary Scotland H.A.	Wheatley Homes Glasgow	Scottish Average	RSL Average	LA Average
Rent Increase	6.7%	6.6%	4%	5.8%	7.5%	6.05%	6.2%	5.6%
Variance to Rosehill	0%	+0.1%	+2.7%	+0.9%	-0.8%	+0.65%	+0.5%	+1.1%

4.2.2 As can be seen from the above Table, our rent increase for April 2024 was higher than 3 of the other landlords, the Scottish Average, the RSL and L.A. Averages. However, our increase was lower than Wheatley Homes Glasgow. This is due to Rosehill matching inflationary changes and taking into account the historic trend of below inflation increases

4.2.3 From the Glasgow and West of Scotland Forum annual exercise of collating the proposed rent increase from its members (Appendix 3). It can be seen that the majority of increases from the 19 respondents that, 18 will propose above inflation increases while only one will be in line with inflation. Most respondents will be using the October CPI as their base which at 2.3% is 0.5% greater than the September CPI used by Rosehill. The highest proposed Rent increase is 6.9% and the lowest (excluding matching CPI) is 2.7%.

4.2.4 Additionally, of the 19 respondents 5 RSLs will offer options to their tenants. The lowest option provider proposes a 3.5% increase, and the highest option provided is a 6.9% increase.

4.2.5 While comparisons are valuable in allowing us to assess the level of our rents compared to other organisations our rents must be set to allow us to achieve the objectives of our own short and long-term business plan.

### 4.3 Affordability

4.3.1 As Committee is aware, since we ended our membership of HouseMark we no longer have access to the SFHA affordability tool. For the last few years, we have looked at the standard calculation of affordability to assess the affordability of our rents. This looks at a moderate-income, this is the minimum income earned without being eligible for any housing related benefits. If the rent equates to less than 25% of this, it is classed as affordable. The moderate-income levels for each family size are calculated annually by the Joseph Rowntree Foundation and Loughborough University.

4.3.2 It should be noted that rent is still deemed to be affordable up to 30%. The amber flag of rent levels between 25% and 30% is to enable closer monitoring of these rents.

4.3.3 The results from this assessment are set out below.

Key

If the rent is less than 25% of the moderate income
If the rent is between 25% and 30% of the moderate income
If the rent is 30%+ of the moderate income

4.3.4 Carrying out a check of our highest rent levels for 1 apt, 2 apt, 3 apt, 4 apt and 5 apt properties, produced the following results:

1 Apt (Studio)

% of Moderate Income Spent on Rent				
Highest Weekly Rent	Single Person	Couple	Pensioner Couple	Single Pensioner
£68.73	17.3%	N/A	N/A	15.8%

4.3.5 Currently we only have two occupied 1 apartment properties. The rent for this property shows that it would be deemed affordable at the current rent on a moderate income.

**2 apt (1 bedroom)**

% of Moderate Income Spent on Rent				
Highest Weekly Rent	Single Person	Couple	Pensioner Couple	Single Pensioner
£90.37	22.8%	15.2%	15.2%	20.7%

4.3.6 The results show that for our highest 2 apt rents, the rent would be deemed affordable at the current rent on a moderate income for all household types. Therefore, all our 2 apt rents would be affordable and fall below 25%. The table below shows the range of income spent across all of our 2 apt rents for each household type.

**2 apt weekly rents (all, 124 properties) – range of income spent on rent**

Single Person	Couple	Pensioner Couple	Single Pensioner
22.8% - 17.7%	15.2% - 11.8%	15.2% - 11.8%	20.7% - 16.1%

**3 apt (2 bedroom)**

% of Moderate Income Spent on Rent		
Highest Weekly Rent	Single Parent 1 child	Small family/2 children
£101.90	16.1%	12.2%

4.3.7 The above shows that our highest 3 apt rents remain well below 25% of the moderate incomes for the household types shown. Therefore, all of our 3 apt rents would be deemed to be affordable. The range of income spent on rents for our 3 apts is as follows:

**3 apt weekly rents (all 3 apts, 435 properties) – range of income spent on rent**

Single Parent 1 child	Family
16.0% - 12.3%	12.2% - 9.3%

**4 apt (3 bedroom)**

% of Moderate Income Spent on Rent		
Highest Weekly Rent	Single Parent Family	Family
£112.00	17.7%	13.5%

4.3.8 The above demonstrates that, even using our highest 4 apt weekly rents, our rents are affordable, being significantly less than the below 25% of moderate-income measure. This, therefore, means all our 4 apartment rents are affordable. The range of income spent on our 4 apt rents is as follows:

**4 apt weekly rents (all 4 apts, 356 Properties) – range of income spent on rent**

Single Parent Family		Family	
17.7%	-	13.5%	-
12.7%		9.6%	

**5 apt (4 bedroom)**

% of Moderate Income Spent on Rent	
Highest Weekly Rent	Family
£119.20	14.3%

4.3.9 The above demonstrates that, even using our highest 5 apt weekly rents, our rents are affordable, being significantly less than the below 25% of moderate-income measure. This, therefore, means all our 5 apartment rents are affordable. The range of income spent on our 5 apt rents is as follows:

**5 apt weekly rents (all 5 apts, 109 properties) - range of income spent on rent**

Family	
14.3%	-
11.5%	

4.3.10 As demonstrated above, all our rents are deemed as affordable.

**4.4 Value for Money**

4.4.1 The findings from the 2023/24 ARC show that on average in Scotland 81.6% of tenants think their rent represents good value for money. Our results in the 2023/24 ARC, which are based on the tenant satisfaction survey carried out in 2022, compare favourably, sitting at **87.6%**.

4.4.2 Other satisfaction levels (Rosehill 2022 survey) that may link with tenants' views of rent being good value for money are:

Satisfaction with overall service – **86.2%** (Scottish Average 86.5%)

Satisfaction with our contribution to the management of neighbourhood – **79.5%** (Scottish average 84.7%)

Satisfaction with quality of home - **84.5%** (Scottish average 84%)

Satisfaction with repairs service – **95.2%** (based on monthly in-house surveys) (Scottish Average 87.3%)

4.4.3 Committee is aware that across the ARC tenant satisfaction indicators our results fell, following the 2022 survey. The company who carried out the survey previously reported to Committee that factors such as Covid-19 and more recently the cost of living crisis had a negative impact on satisfaction results and this was a trend they had seen across their other clients.

4.4.4 As part of the Landlord Reports, The Regulator publishes each August, there is a section entitled “Value for Money” under which 3 ARC indicators are set out. From our 2023/24 Landlord Report (based on new year-end 31<sup>st</sup> March) these results are as follows:

Total rent collected (current and past rent) as a % of total rent due – Rosehill **99.4%** compared to the Scottish Average of 99.4%

% of Rent not collected as a result of empty properties – Rosehill **1.2%** compared to the Scottish Average of 1.4%

Average time to relet empty homes – Rosehill **59** days compared to the Scottish Average of 56.7 days

4.4.5 Value for money is a key consideration in our procurement processes and we ensure that where appropriate we assess quality, cost and sustainability. In all high value procurement activities we ensure that the most economical advantageous tender (MEAT) is selected and approved. We make use of frameworks and traditional tendering processes to give the opportunity to benefit from bulk procurement exercises ensuring we procure goods and services in the most effective manner. Achieving and demonstrating value for money is an important objective within our Business Plan.

4.4.6 We demonstrate value for money through achieving affordable rents (see Section 4.3). Our Welfare Benefits Advisor plays a key role in maximising tenants’ income through carrying out benefit entitlement assessments.

4.4.7 In addition to affordable rents, we aim to demonstrate value for money across the Organisation as a whole. This can be evidenced with our ongoing efforts to reduce overhead costs wherever possible. Contracts are reviewed at each renewal date to ensure value for money, and if required, we enter into a retendering process. Even when tied into

contracts, we remain committed to looking at ways we can reduce outgoings, for instance lowering our energy consumption, which as well as having a positive environmental outcome, will reduce costs. We continue to work to reduce staff absence levels, and associated costs, by managing any concerns via the revised Attendance Management Policy as well as considering other options to minimise days lost to ill health, such as offering flu vaccination vouchers, access to employee counselling and occupational health.

4.4.8 We will consider the potential and feasibility of sharing services if this would be a cost effective and efficient way of providing services. With Glasgow City Council introducing charges for bulk uplift to residents, we continue to monitor whether it may become necessary for Rosehill to provide such a service and whether a shared service approach with neighbouring RSLs would be the feasible option.

## 5. Financial Viability

5.1 When considering the proposed rent increase we must ensure that our rental income generates enough money to pay for the goods and services which will allow us to carry out the objectives stated in our business plan.

5.2 Each year we prepare financial projections which estimate our income and expenditure over a thirty-year period. These financial projections form part of our business plan.

5.3 Our financial projections assume that rents increases will be restricted to inflation.

5.4 The following table illustrates the impact that various below and above inflation (CPI) rent increases will have on our rental income in the short, medium and long term.

Increase	Rental Income Short Term (1 year)	Rental Income Medium Term (10 years)	Rental Income Long Term (30 years)	Difference (over 30 years)
1.7% (CPI)	£5,024,895	£55,021,201	£203,858,873	n/a
CPI minus 1%	£4,975,486	£54,480,186	£201,854,361	<b>-£2,004,512</b>
CPI plus 1%	£5,074,304	£55,562,216	£205,863,385	<b>+£2,004,512</b>
3.5%	£5,113,831	£55,995,028	£207,466,995	<b>+£3,608,121</b>
4%	£5,138,536	£56,265,535	£208,469,251	<b>+£4,610,377</b>

- 5.5 Committee should note that the financial impact of not applying an inflationary increase to our rents for a prolonged period of time would be substantial. For example, if we took the decision not to increase our rents for the next five years then this would have a significant impact on our financial position with a total loss of income of over £60m (based on a long-term inflation rate assumption of 2%) over a 30-year period. The reduction in income in these cases could seriously affect Rosehill's ability to carry out its strategic objectives.
- 5.6 Moreover, Committee should be aware of the underutilisation of assets. Currently, Rosehill's average rents are far below that of the Scottish average and of the average of the four "local" landlords in our operating area.

Table 1: Rent generation compared to Rosehill (per week per unit)

Apt Size	Rosehill	Barrhead H.A.	Glen Oaks H.A.	Sanctuary Scotland H.A.	Wheatley Homes Glasgow	Scottish Average
1 apts	64.42	+9.96	N/A	+6.78	+12.49	+17.82
2 apts	76.51	+9.40	+15.93	+12.94	+11.55	+11.36
3 apts	86.76	+11.18	+11.20	+16.12	+7.81	+3.53
4 apts	86.06	+20.53	+20.39	+27.39	+23.85	+12.24
5 apts+	91.53	+33.88	+39.89	+30.52	+29.05	+16.76

Table 2: Rent loss compared to lowest peer weekly rental charge.

Apt Size	Rosehill unit No.	Lowest peer variation	Weekly Rent Gain/Loss	Monthly Rent Gain/Loss	Annual Rent Gain/Loss
1 apts	2	+6.78	-13.56	-54.24	-705.12
2 apts	135	+9.40	-1,269	-5,076	-65,988
3 apts	443	+7.81	-3,459.83	-13,839.32	-179,911.16
4 apts	357	+20.39	-7,279.23	-29,116.92	-378,519.96
5 apts+	110	+29.05	-3,159.5	-12,782	-166,166
Total	1,047		-15,217.12	-60,868.48	-791,290.24

- 5.7 From the tables above, we can see that the assets held by Rosehill are generating far less rental income than our peers. Table 1 shows the variations in weekly rental charges compared to Rosehill. All peers charge more per week for each property type than Rosehill do. Table two shows the lowest variation from table 1 by property and shows the impacts of rent generation compared to peers.
- 5.8 From this we can see that Rosehill are generating around 791k less income than our peers would using the same asset. If Committee continue to apply inflation or below increases, this disparity will grow further.

- 5.9 In terms of the matter of rent options and whether Committee offer more options for rent increases to Tenants, it should be noted that whether options are offered and at what level they are offered should still be considerate to meeting Rosehill’s strategic objectives.
- 5.10 Offering tenants options is feasible but not binding and Rosehill may still select the option not in consensus of our Tenants, to ensure future viability. The options offered should be as a minimum an option that meets Rosehill’s strategic objectives already set and increase from that point onwards to include additional services.
- 5.11 The core of offering tenants options will be to analyse what the tenant gets for paying the higher rate. Table 1 shows the increase in income from rents at the different illustrative rates. Committee should also note that CPI increased in October 2024 to 2.3% as noted in Appendix 2.

	CPI (1.7%)	2%	3%	4%	5%
Total Rental income	£5,168,451	£5,183,697	£5,234,518	£5,285,338	£5,336,158
Total additional funds	£0	£15,246	£66,067	£116,887	£167,708

- 5.12 Committee currently do not have any clear decision in what additional services they would want to provide and thus providing enough detail and analysis to tenants on what they will get for each option cannot be evidenced. Committee should consider what value there is in offering Tenants options at this time and in future and how they see this forming and achieving the proposed service improvements.
- 5.13 With a lack of additional services at this time and continued cost pressures in supply chain, Committee should keep in mind the potential of future services Rosehill may provide and the impending Social Housing Net Zero Standards, which may see targets implemented as early as 2030. Committee should ensure that the future associated costs are considered when agreeing the future programmes desired for Tenants and Social Housing Net Zero Standards, which is likely to be costly, as detailed in Appendix 6. To ensure that Rosehill is well placed to cover these future costs when they do rise or come to fruition by “smoothing the curve” and avoid trying to catch up in future through higher rent increases and time constraints.

## 6. Inflation Rate

- 6.1 Traditionally RSLs, including Rosehill, have used RPI to set their rent increases.
- 6.2 RPI although still calculated and widely used is no longer recognised by the Government as a national statistic. The Government now uses CPI

as its official inflation rate for statistical purposes and for setting future inflation targets. Some Government benefits are also linked to CPI.

- 6.3 The Government has indicated that RPI will be phased out by 2030 and brought into line with CPIH. CPIH differs from CPI as it includes housing costs such as council tax. CPIH was 2.6% in September 2024. The Office of National Statistics use CPIH as their headline inflation rate.
- 6.4 Although some RSLs now link their rent increases to either CPI or CPIH many will find that they will need to impose CPI / CPIH plus rent increases if their costs increase at a rate higher than CPI / CPIH. Below or in line with inflation rent increases is not sustainable for any business, nor Rosehill. Maintenance costs have increased significantly over the past years by 27% since pre covid spend, and 18% in the last two reporting periods and are likely to continue to increase in the coming years as new technology and supply chain demand increase through improvements in home quality. The new UK Chancellor's Budget announcement, which increases the levy's applied to contractors, and achievement of Net Zero targets.
- 6.5 Additionally, Insurance costs have risen significantly over the last few years. Insurance costs have risen 16.8% in the past year and 282% since 2021.
- 6.6 It should be noted that inflation relating to new works and Maintenance and repairs were 2.5% and 0.9% respectively in September 2024. Additionally, services inflation stood at 3.3% for the same period
- 6.7 Our second largest cost, after our maintenance costs, are our salary costs. Our salaries costs have been linked to CPI in recent years.
- 6.8 Further, the UK Chancellor announced that there would be changes to the National insurance threshold and rate for the employer's contribution. The threshold has been reduced from £9,100 to £5,000 and the rate has increased from 13.8% to 15%. Current estimations would see this add 1.1% to Rosehill's overall salary costs.
- 6.9 Unite the union who collectively bargain with EVH over salary inflation annually is reported as discussed at the GWSF on 20<sup>th</sup> November 2024, Unite initial position on salary rises would be in the region of 4-5% for 25/26 awards.

## **7. Impact on Tenants**

- 7.1 Appendix 4 show the average monthly increases for each property type for options around the inflation measures of RPI – 2.7% and CPI – 1.7%

at September 2024. The illustration shows the changes in rent levels for 2%, 3%, 4% and 5%.

7.2 Appendix 5 shows the potential rent increase options by highest and lowest rents.

7.3 Appendices 4 and 5 are provided for illustration purposes only. It is for Committee to decide what level of rent increase should be put out for tenant consultation.

## **8. Tenant Consultation**

8.1 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:

### **1. Equalities**

Social Landlords perform all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

### **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.

### **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.

- 8.2 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 2nd December until Monday 13<sup>th</sup> January 2025.
- 8.3 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.
- 8.4 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) during the week beginning 6<sup>th</sup> January 2025.
- 8.5 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](mailto:admin@rosehillhousing.co.uk)
  - Write to us at Rosehill Housing Co-operative Limited, 250 Peat Rd, Glasgow, G53 6SA.
- 8.6 If the decision is to offer tenants at least two options for the rent increase, a survey will be issued for tenants to complete.
- 8.7 The outcome of the consultation process will be presented to Committee at its meeting on 22<sup>nd</sup> January 2025 for consideration and to take into account prior to making its final decision on the rent increase.

## **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 applied in the 3 years, 2021, 2022 and 2023, with a return to an inflation only increase in 2024. 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 2023/24 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 prepared in sections 5 and 6 clearly show that a rent freeze next year will have significant effects on our cash balances going forward.
- 9.4 We will undertake a consultation process as set out in Section 8 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 13<sup>th</sup> January 2025.
- 9.5 Committee is invited to discuss this report and is then asked to decide which options for the 2025/26 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.

## Appendix 1

### Rosehill Rent Increases from 1994 to present

Year	Rent Increase Applied
1994	3%
1995	2%
1996	3.5%
1997	3.5%
1998	4.7%
1999	4.5%
2000	3.5%
2001	3.9%
2002	1.7%
2003	3.9%
2004	3.8%
2005	4.5%
2006	2.2%
2007	4.4%
2008	5%
2009	3.8%
2010	2.4%
2011	4.8%
2012	4.5%
2013	3%
2014	2.7%
2015	2.3%
2016	0.7%
2017	2%
2018	4%
2019	3.3%
2020	2.1%
2021	0.9%
2022	3.1%
2023	5%
2024	6.7%

## Appendix 2

### RPI, CPI, CPIH September 2023 to October 2024

<b>Month</b>	<b>RPI</b>	<b>CPI</b>	<b>CPIH</b>
September 2023	8.9%	6.7%	6.3%
October 2023	6.1%	4.6%	4.7%
November 2023	5.3%	3.9%	4.2%
December 2023	5.2%	4%	4.2%
January 2024	4.9%	4%	4.2%
February 2024	4.5%	3.4%	3.8%
March 2024	4.3%	3.2%	3.8%
April 2024	3.3%	2.3%	3.0%
May 2024	3.0%	2%	2.8%
June 2024	2.9%	2%	2.8%
July 2024	3.6%	2.2%	3.1%
August 2024	3.5%	2.2%	3.1%
September 2024	2.7%	1.7%	2.6%
October 2024	3.4%	2.3%	3.2%

### Appendix 3 – GWSF survey results

<b>Name of HA</b>	<b>Increase in April 2024</b>	<b>Proposed increase April 2025</b>
Milnbank HA - [3-apt £77.88	6.9%	Consulting on 4.9%, 5.9% and 6.9%
Cadder HA - [3-apt £95.87]	5.1%	3.2%
East Kilbride HA - [3-apt £98.95]	6.5%	1.7%
Hillhead HA - [3-apt £97.63]	6.6%	Oct CPI plus 1%
Whiteinch and Scotstoun HA - [3-apt £103.02]	5.5%	5.5%
New Gorbals HA - [3-apt £99.49]	6.7%	2.7%
West of Scotland HA - [3-apt £98.76]	5.6%	Oct CPI plus 1%
Yorkhill HA - [3-apt £88.59]	5.6%	Provisionally Oct RPI plus 1%
Prospect Community Housing - [3-apt £94.68]	6%	2.7%
Craigdale HA - [3-apt £87.70]	6.6%	Provisionally Oct CPI plus 2%
Homes for Life Housing PartnershiP - [3-apt £96.94]	5.5%	3.5% or 4%
Linthouse HA - [3-apt £90.12]	6%	CPI plus 1%
Maryhill HA - [3-apt £95.00]	5%	3.5% or 4.5%
Spire View HA - [3-apt £80.26]	4.6% (3.6% for TOE)	CPI or CPI plus 1%
Queens Cross Ha - [3-apt £94.00]	5%	3.1%
Easthall Park HA - [3-apt £79.60]	5%	3.5%, 4% or 4.5%
Hawthorn Ha - [3-apt £89.52]	5.2%	Oct CPI plus 1%
Cathcart and District HA - [3-apt £97.30]	5.6%	3.5% and 4.5%
Partick HA - [3-apt £95.81]	5%	4%

## Appendix 4

### Illustration of Rent Increase at 2%

House Type	2024/25 Actual £	2% £	Monthly Increase £	Annual Increase £
2 apt semi-bungalow (newb)	391.59	399.42	7.83	101.81
3 apt semi (rehab)	342.84	349.69	6.86	89.14
3 apt tenement flat (Nitshill)	360.04	367.24	7.20	93.61
4 apt mid terrace (rehab)	387.96	395.72	7.76	100.87
4 apt 4 in a block (rehab)	376.12	383.64	7.52	97.79
4 apt semi (newb)	469.68	479.08	9.39	122.12
5 apt semi/end terr (rehab)	416.51	424.84	8.33	108.29
5 apt semi/end terr (newb)	516.53	526.87	10.33	134.30

### Illustration of Rent Increase at 3%

House Type	2023/24 Actual £	3% £	Monthly Increase £	Annual Increase £
2 apt semi-bungalow (newb)	391.59	403.34	11.75	152.72
3 apt semi (rehab)	342.84	353.12	10.29	133.71
3 apt tenement flat (Nitshill)	360.04	370.84	10.80	140.41
4 apt mid terrace (rehab)	387.96	399.60	11.64	151.30
4 apt 4 in a block (rehab)	376.12	387.40	11.28	146.69
4 apt semi (newb)	469.68	483.77	14.09	183.18
5 apt semi/end terr (rehab)	416.51	429.01	12.50	162.44
5 apt semi/end terr (newb)	516.53	532.03	15.50	201.45

### Illustration of Rent Increase at 4%

House Type	2023/24 Actual £	4% £	Monthly Increase £	Annual Increase £
2 apt semi-bungalows (newb)	391.59	407.25	15.66	203.63
3 apt semi (rehab)	342.84	359.98	17.14	222.84
3 apt tenement flat (Nitshill)	360.04	378.04	18.00	234.02
4 apt mid terrace (rehab)	387.96	407.36	19.4	252.17
4 apt 4 in a block (rehab)	376.12	394.92	18.81	244.48
4 apt semi (newb)	469.68	493.17	23.48	305.29
5 apt semi/end terr (rehab)	416.51	437.34	20.83	270.73
5 apt semi/end terr (newb)	516.53	542.36	25.83	335.75

## Appendix 4 - Continued

### Illustration of Rent Increase at 5%

<b>House Type</b>	<b>2023/24 Actual £</b>	<b>5% £</b>	<b>Monthly Increase £</b>	<b>Annual Increase £</b>
2 apt semi-bungalows (newb)	391.59	411.17	19.58	254.53
3 apt semi (rehab)	342.84	359.98	17.14	222.84
3 apt tenement flat (Nitshill)	360.04	378.04	18.00	234.02
4 apt mid terrace (rehab)	387.96	407.36	19.40	252.17
4 apt 4 in a block (rehab)	376.12	394.92	18.81	244.48
4 apt semi (newb)	469.68	493.17	23.48	305.29
5 apt semi/end terr (rehab)	416.51	437.34	20.83	270.73
5 apt semi/end terr (newb)	516.53	542.36	25.83	355.75

## Appendix 5 – Rent Increase Options by Lowest and Highest Rents

### 2% Increase

	Lowest Rent £	Highest Rent £	Average £
Monthly Rent	319.75	553.21	419.11
Annual Rent	3,828.01	6,638.5	5,029.27

### 3% Increase

	Lowest Rent £	Highest Rent £	Average £
Monthly Rent	322.13	558.64	423.22
Annual Rent	3,865.54	6,703.59	5,078.58

### 4% Increase

	Lowest Rent £	Highest Rent £	Average £
Monthly Rent	325.26	564.06	427.33
Annual Rent	3,903.07	6,768.67	5,127.89

### 5% Increase

	Lowest Rent £	Highest Rent £	Average £
Monthly Rent	328.39	569.49	431.44
Annual Rent	3,940.60	6,833.75	5,177.19

