



**Your Views are Important**

**Have Your Say.....**



**Rent Consultation  
2024/25**

# Your Views are Important

## Welcome to our Rent Consultation for 2024/25.....

We are keen to hear your views on the proposal we have for next year's rent charge.

Every year Forgewood Housing Co-operative consults with our tenants on the proposed level of rent increase for the following year.

It is very important that we understand what matters to you, our tenants, when it comes to how we invest in your homes and in the housing services we deliver to you.

We want our rents to remain affordable as we understand the cost-of-living crisis continues to present a number of financial challenges.

We appreciate this year has been yet again challenging not only for the Co-operative but for you as tenants. Some tenants may be worried about a further increase in household costs.

The same factors that impact you such as increased costs, high inflation and higher interest rates, impact on our budget and what we can do as well.

Inflation and interest rates increases mean it costs the Co-operative more to carry out repairs, maintenance and investment works as materials, labour and contractor costs increase. It also means what we pay on interest in relation to loans increases, as do our running costs.

As we are reviewing our budgets, we are facing some difficult decisions. We are looking at how we can balance increasing costs, prioritise what we do, invest in our homes, and manage how we keep our rents affordable to our tenants.

This makes it especially critical that we find the right balance between affordable rents and the need to maintain our services and continue investment in our homes.

Every year we ask tenants to give their views on the proposed rent increase from 1 April.

Your feedback is important to us and your views on rent will help us to balance keeping rents affordable, with having enough money to spend on improving homes and services.

# Your Views are Important

## Do rents have to increase?

Every year we review our rent charge in line with its Business plan projections and budgets for the next financial year. The Co-operative looks at the money spent over the past year and calculates how much we need to invest in our homes and run our services for the coming year while making sure our rents remain affordable.

The Co-operative must set our budget for 2024/25 to ensure that we remain financially viable in the short and longer term and continue to provide the best standard of service we can for our tenants.

We want our rents to remain affordable and are therefore trying to keep our rent increase as low as we can while ensuring we invest in your homes to keep them in good condition.

This makes it especially critical that we find the right balance between affordable rents and the need to maintain our services and continue investment in our homes.

## Challenges.....

We appreciate that due to the continued financial challenges any increase in rent will affect household's finances.

Given this, we know that any rent increase will be unpopular, however the rising costs are also continuing to have an impact on the Co-operative's budget and what we can do.

Inflation and interest rates increases mean it costs the Co-operative more to carry out repairs, maintenance and investment work as materials, labour and contract costs increase. In addition, more to pay for interest on loans and for the overall running costs.

Upon a recent review of our Business Plan our rent inflation assumptions have been projected at 5% for 2024/25.

Historically, when considering a rent increase our Business Plan projections have been Consumer Price Index (CPI) plus an additional 1%.

Given this, should the same formula be applied this year it would result in the following rent increase:-

Consumer Price Index (CPI) at November 2023 (October) was  $4.6\% + 1\% = 5.6\%$  OR  
Consumer Price Index (CPI) at October 2023 (September) was  $6.7\% + 1\% = 7.7\%$

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## Value for Money

We are not complacent in this area and are always looking for ways to deliver our services more efficiently to keep our cost down without negatively impacting on the quality of our service.

We use the income from our rents to carry out repairs, invest in our properties and cover the costs of offering our services to tenants. In our most recent Tenant Satisfaction Survey, carried out in November/December 2022, 81.43% of our tenants considered our rents offer good value for money which compares slightly less than the Scottish Average of 81.79%.

However, the overall satisfaction with our services compares favourably at 91.43% with the Scottish Average 86.70%.

## Are our Rents Affordable?

We remain committed to keeping our rent levels affordable as possible, while continuing to deliver on your priorities and ensuring high levels of tenant satisfaction.

The table below shows rent increases over the past six years in comparison with neighbouring Registered Social Landlords and the Scottish Average.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Forgewood</b>	4%	3.1%	2.5%	1.7%	3.1%	5%
<b>Trust</b>	2.9%	1.7%	1.5%	4.2%	7%	7%
<b>Abronhill</b>	2.5%	3.4%	2.5%	1.7%	4.2%	7%
<b>Clydesdale</b>	3.8%	3.2%	2.7%	1%	2%	7.5%
<b>Lanarkshire</b>	2.8%	3.2%	2.7%	0%	2%	4%
<b>Scottish Average</b>	3.21%	2.97%	2.49%	1.22%	2.98%	5.14%

The table below shows our rent levels for our one bedroomed properties are historically below the average of neighbouring Registered Social Landlords and the Scottish Average.

Average weekly rent for 1 bedroom	Forgewood	Trust	Abronhill	Clydesdale	Lanarkshire	Scottish Average
<b>2022/23</b>	<b>£80.46</b>	<b>£127.52</b>	<b>£84.34</b>	<b>£80.80</b>	<b>£76.84</b>	<b>£83.46</b>
<b>2021/22</b>	<b>£78.03</b>	<b>£122.58</b>	<b>£81.10</b>	<b>£79.24</b>	<b>£76.84</b>	<b>£81.34</b>

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The table below shows our rent levels for our two bedroomed properties are historically below the average of neighbouring Registered Social Landlords and the Scottish Average.

Average weekly rent for 2 bedroom	Forgewood	Trust	Abronhill	Clydesdale	Lanarkshire	Scottish Average
2022/23	£78.38	£97.54	£88.23	£86.53	£90.14	£86.28
2021/22	£76.02	£95.56	£84.45	£84.82	£90.14	£84.18

The table below shows our rent levels for our three bedroomed properties are historically below the average of neighbouring Registered Social Landlords and the Scottish Average.

Average weekly rent for 3 bedroom	Forgewood	Trust	Abronhill	Clydesdale	Lanarkshire	Scottish Average
2022/23	£79.07	£98.45	£93.84	£94.79	£98.89	£93.96
2021/22	£76.69	£97.10	£90.40	£92.96	£98.95	£91.48

The table below shows our rent levels for our four bedroomed properties are historically below the average of neighbouring Registered Social Landlords and the Scottish Average.

Average weekly rent for 4 bedroom	Forgewood	Trust	Abronhill	Clydesdale	Lanarkshire	Scottish Average
2022/23	£88.45	£93.34	£100.30	£112.25	N/A	£103.72
2021/22	£85.78	£92.70	£85.06	£110.08	N/A	£100.74

## Affordability Measures

We have utilised the Scottish Federation of Housing Associations (SFHA) Rent Affordability Toolkit. This allows the Co-operative to consider our rents using a recognised measure of affordability based on tenant's various income streams/scenarios.

Using these measures, we found that the majority of our rents are affordable, with the exception of those who live alone in a 3 bedroomed house where it was classified as "less affordable."



# Your Views are Important

## Proposal

Given the content of this document our Management Committee have agreed **not** to impose the historical Consumer Price Index (CPI) +1% which would have resulted in either a 5.6% or 7.7% rent increase.

**Instead, a 5% rent increase is proposed across all properties.**

The 5% will allow us to remain within our Business Plan assumptions and below the Consumer Price Index (CPI) + 1% of 5.6% or 7.7%.



### Proposed Rent Increase

5 % rent increase for all properties from  
1 April 2024.

### What does this mean to my rent charge?

A rent increase of **5%** will add **£4.17 per week** to  
the **average rent** across all properties.

## What happens Next?.....

Please complete the Rent Review Questionnaire sent along with this document about the proposed rent increase by **8 January 2024**.

All feedback will be reported to the Co-operative's Management Committee in January.

We will write out to all tenants by the end of February 2024 to advise you what your rent will be from **1 April 2024**.



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## What help can we offer?

We recognise that many of our tenants may be struggling due to the cost-of-living crisis with the rising costs for fuel, food etc.

If you are struggling to make ends meet or pay your rent contact Susan Kane, your Housing Officer as soon as possible at [susan@forgewoodcoop.org.uk](mailto:susan@forgewoodcoop.org.uk) or phone on **07776 990405**.

We would also urge you to contact the office direct on **01698 263311** if you wish an appointment via our AFTAR Project with Robert our Income/Money Adviser. He can assist with maximising your income and obtain advice with benefits, finance and budgeting.

They also have Energy Advisors who can talk to you about your energy bills and where possible assistance with fuel vouchers.

Should you wish an appointment with a Client Support Advisor from Social Security Scotland to assist with their benefits, please call **0800 182 2222** and they can arrange one for you.

## Do you need a referral for a food bank?

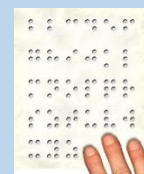
### Please remember help is at hand.....

Are you affected by the cost of living crisis or your circumstances has changed which is leaving you with a reduced income?

Please contact the office on **01698 263311** or email [yvonne@forgewoodcoop.org.uk](mailto:yvonne@forgewoodcoop.org.uk) to get a referral sent through to our community foodbank.

## Different Formats

If you would like help, including translation, to complete this questionnaire, please ask any member of staff, call **01698 263311** or email [enquiries@forgewoodcoop.org.uk](mailto:enquiries@forgewoodcoop.org.uk).



# We Need You!.....



## Have Your Say!

As part of the rent consultation process a Rent Review Focus Group Meeting is scheduled for **17 January 2024** and the feedback will be taken to the Management Committee Meeting at the end of January 2024.

If you are interested in taking part in this Focus Group please contact [elaine@forgewoodcoop.org.uk](mailto:elaine@forgewoodcoop.org.uk) for further details.

In addition, you can “*Have Your Say*” by completing the attached Rent Consultation Feedback Form.

All feedback from the consultation process is important and will help the Management Committee make their final decision. You will receive a letter in February advising of their decision with details of your rent charge from 1 April 2024.

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