

Tenants Meeting  
Rents, Services & Investments  
24<sup>th</sup> August 2023  
Brian Gannon, CEO

[westscot.co.uk](http://westscot.co.uk)



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# Aim of the Presentation

- Explain what West of Scotland HA (and our subsidiary Willowacre Trust) are doing to support tenants with the Cost of Living Crisis
- Explain what your rent pays for
- Determine what is important to tenants between rents, services & investment in your homes.
- Set out more clearly what the choices are in respect of rents, services and investment
- To hear your views. What are your priorities?



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# Cost of Living Crisis Tenant Survey Results

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# Tenant Survey on Cost of Living Crisis (CoLC)

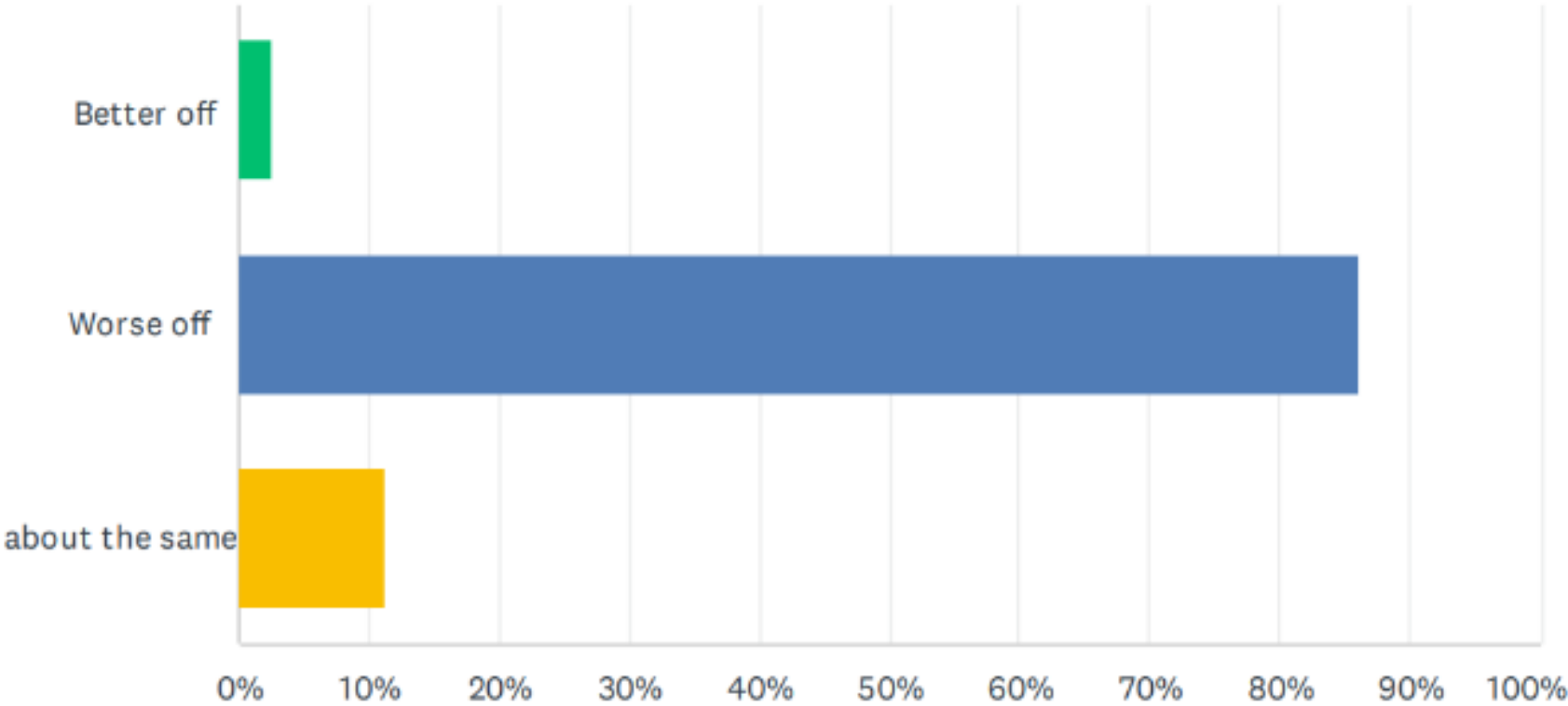
- In April 2023 we sent out an online survey to all our tenants. For those tenants who we didn't have email or mobile number, we sent a letter asking them to call us and we completed the survey with them.
- The aim of the survey was to better understand how the Cost of Living Crisis was affecting our tenants and their households and identify how we can better support them with the challenges they face.
- We had the highest response ever to a tenant survey - 748 Responses which is around 18% of our tenants.
- We know we can't solve the Cost of Living Crisis for our tenants but we can think about how best we can mitigate the worst of it for our tenants and their household.
- We developed a Cost of Living Crisis action plan to try to address the issues raised by tenants.



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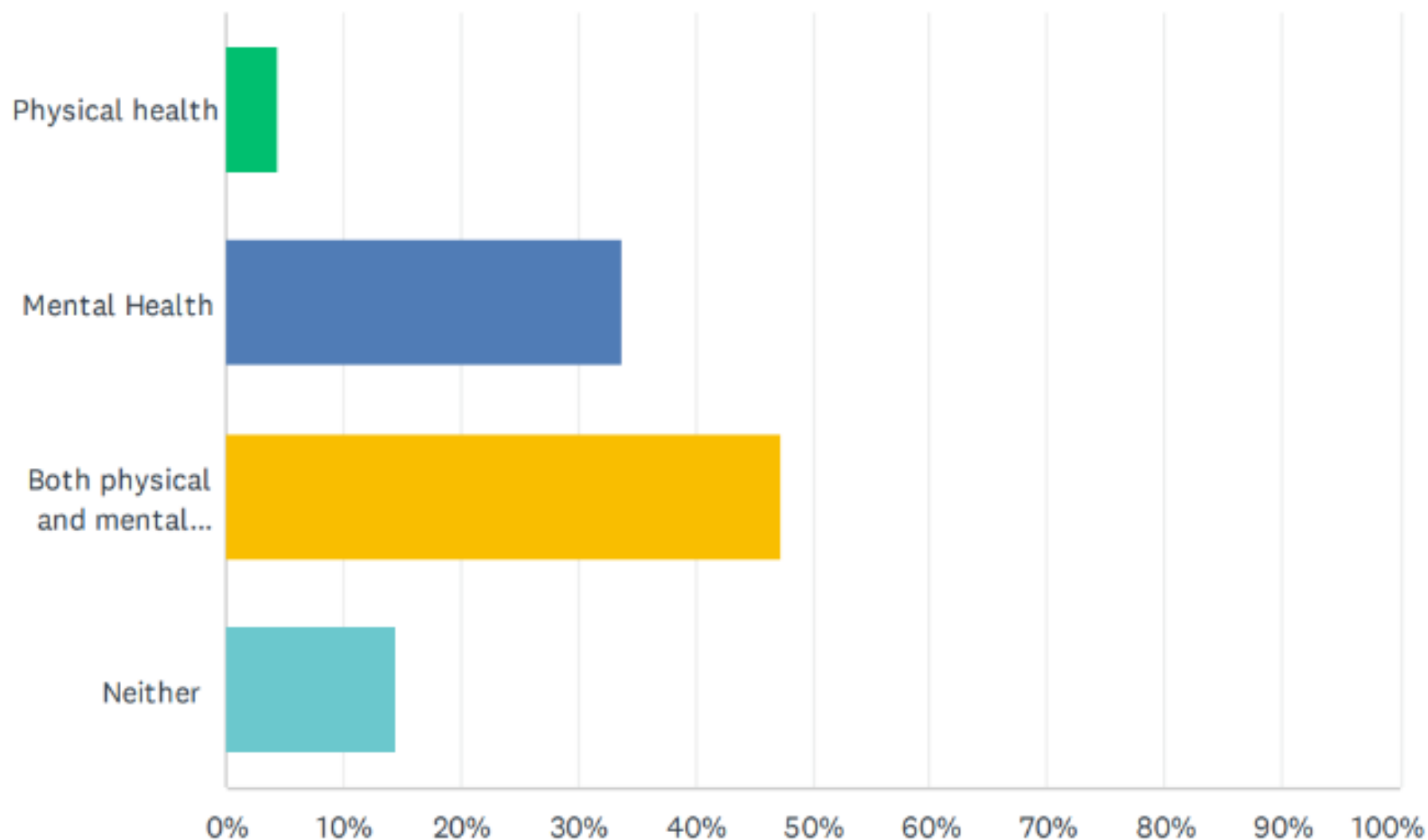
# Q1 Compared to this time last year, do you feel financially ..

Answered: 735   Skipped: 7



## Q2 Has the cost of living crisis affected your:

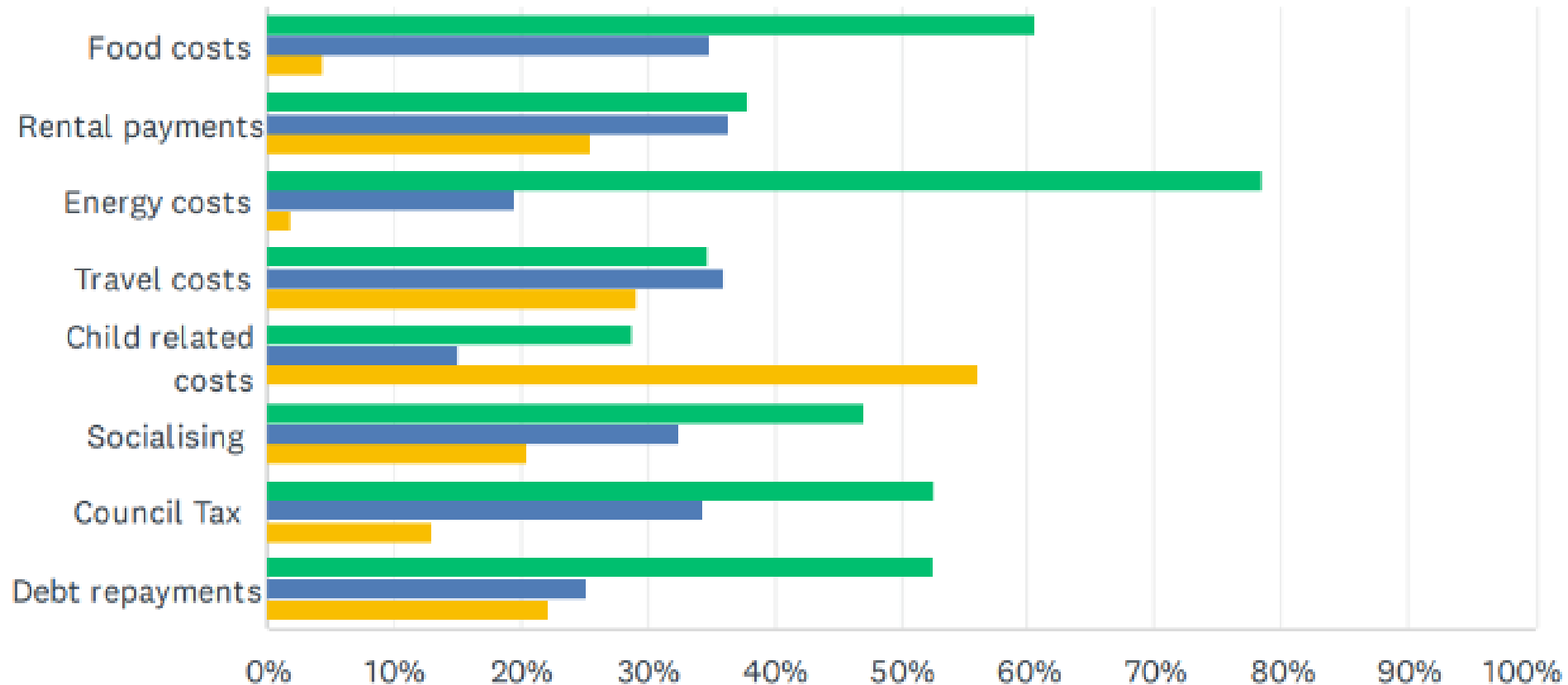
Answered: 737 Skipped: 5



# Q3 Are you struggling with any of the following?

Answered: 723 Skipped: 19

How worried are you?



## Q4 What steps have you had to take to cope with the cost of living crisis?

ANSWER CHOICES	RESPONSES	
Accessed food support (eg foodbank / food parcel)	19.39%	141
Pay day loan	5.64%	41
Borrowing money from friends or family	55.43%	403
Limiting contact with friends	54.75%	398
Limiting how often you use heating / lighting?	81.71%	594
Not paid rent on time	13.07%	95
Used credit card/ overdraft	37.96%	276
Missed meals	44.29%	322
Missed work as could not afford travel costs	4.81%	35
Other (please specify)	10.04%	73
Total Respondents: 727		



# The Cost of Living Crisis – Increasing Costs

- So, we have a good understanding of how this crisis has impacted on our tenants
- We also understand why there is a strong desire to have lower rents
- The main impact on tenants has not been rents however: it is the significant increase in food and energy bills

Household Cost 2022/23	Price Inflation
Food	20%
Gas	36%
Electricity	17%
Rents	5.9% (CPI Inflation was 11%)



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# The Cost of Living Crisis – Action we have taken so far

In addition to our existing welfare rights and tenancy support teams we have:

- Contacted all those who left details on the survey and beginning to provide individual support.
- Applied for and received grant funding for 2 new posts:
  - Wellbeing Advisor
  - Energy Advice Assistant
- 2 Social Work placement students helping out staff
- Funding to promote smart meter take-ups
- Applied for funding for fuel vouchers
- Befriending scheme for tenants is in place
- Tenant Assistance Programme – includes free counselling



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# Background Information on Rents, Services & Investments



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# What do we take in to account when we set rents?

- Affordability – Are our rents affordable for the significant majority of our tenants (rents are no more than 30% of household's income)
- Viability – Do we have enough rental income (are rents set at the right amount) to cover current and future commitments in services and investment in tenant's homes? NOTE: We have to increase the rents each year because our costs increase each year due to inflation.
- Comparability – How do our rents compare to other similar local landlords? We aim to make sure our rents are generally comparable with other landlords.



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# What income pays for the services and investment you receive ?

- We have two main sources of income that pays for services and investment in existing homes :

Type of Income	Source of Income	What does this income pay for?	% of income in 2022/23
<b>Rental &amp; service Charges</b>	From the annual rents that each tenant pays	<ul style="list-style-type: none"><li>• Repairs and maintenance service, component replacement (kitchens, bathrooms, windows, boilers etc),</li><li>• staffing costs (we employ around 105 staff),</li><li>• office overheads (heat and light, insurance etc.),</li><li>• Estate costs (grounds maintenance, bulk uplift, close cleaning etc.)</li><li>• Repayment of loans.</li></ul>	83.2%



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# What income pays for the services and investment you receive ?

- We have two main sources of income that pays for services and investment in existing homes :

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<b>Rents &amp; Service Charges</b>	From the annual rents that each tenant pays	<ul style="list-style-type: none"><li>• Repairs and maintenance service, component replacement (kitchens, bathrooms, windows, boilers etc),</li><li>• staffing costs (we employ around 105 staff),</li><li>• office overheads (heat and light, insurance etc.),</li><li>• Estate costs (grounds maintenance, bulk uplift, close cleaning etc.)</li><li>• Repayment of loans.</li></ul>	83.2%
<b>Grants</b>	From Government or other agencies.	<p>For example:</p> <ul style="list-style-type: none"><li>• Grants to pay for medical adaptations to a home.</li><li>• Grants to pay for community support services</li></ul>	16.8%

# What would happen if we have lower rents?

- As all rental income covers current and future expenditure then we would need to reduce our expenditure.
- We can change our expenditure in three main ways:
  1. Become more efficient and get better Value For Money so that our costs reduce. We have reduced our office overheads by around £340,000 per year due to efficiency savings (stripping out unnecessary costs that do not impact on the service tenants receive). This has helped us to have lower than inflation rent increases in recent years. We have very limited scope however, for any further efficiency savings.
  2. Grow as an organisation so that we achieve economies of scale – the cost of services is spread over more properties.
  3. Cut back on services (reduce frequency, stop some services all together etc.)

**Q)** What if options 1 and 2 are not possible (where there is nothing more to cut back or growth isn't possible)?

**A)** We will have to cut back on services so that we spend less.

- So lower rents can mean poorer services and reduced investment.



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# What is most important to you?

- Lower Rents or.....
- .....High Quality Services and Investment?
- “Why can't we have both?”
- For all non-profit businesses, Income needs to cover Expenditure. If we lower our income we can't pay our bills
- There are some tenant campaigning organisations that say HAs should freeze rents and improve services. They are arguing for something that is not possible.
- In simple terms, very low rents are not compatible with the highest quality services and investment.
- Some housing associations no longer exist because they did not get this balance right.



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# So, we want to know, what are your preferences?

- There are essentially 3 main considerations:
  - 1) Lower than planned rent increases = cuts in services and investment
  - 2) Stick to WSHA Planned Rent increases = maintain current commitments to service delivery or investment plans
  - 3) Higher than Planned Rent increases = additional services and a bigger or faster investment programme.
- What is your preference?

# Next Steps

- Looking to arrange some in person sessions.
- Tenant Satisfaction Survey starting in September which will have questions around rents and service priorities.
- Feedback to our Board on the outcome of these sessions and what tenants have told us.
- If anyone is interested in joining any of our tenant groups please contact Alistair Reid our customer engagement officer on 0141 550 5060 or email [haveyoursay@westscot.co.uk](mailto:haveyoursay@westscot.co.uk).

You are also welcome to contact us at any time on [haveyoursay@westscot.co.uk](mailto:haveyoursay@westscot.co.uk) or 0141 550 5600 with your views and comments.



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