

Current plans

As you will know there has been a sharp increase in the cost of living. This will mean people will experience a fall in their disposable income as a result of an increase in costs such as taxes, housing costs, fuel costs and cost of food, and this has been increasing month on month since late 2021.

We understand that the increases in general living costs will be having an impact on your household budget.

Energy costs have been increasing steadily in recent times and are set to increase further once the second price cap is raised in October 2022. Many groups are lobbying for the UK government to review these actions. The price cap sets the limit on what energy providers can charge and it is set to rise again in October following the first increase in April 2022. This is not something that Ruchazie HA or any other social landlord has any control or influence over.

Since the pandemic the Management Committee have been mindful of the impact on tenants and their financial circumstances, especially for those who were furloughed or lost their job as a result. We have been able to source funding to support tenants but this is not always going to be available.

In the year 2020/2021 we set our rent increase at xx%, lower than inflation but at a level that allowed us to deliver on our plans. For this year we set our rent increase at 3.5%. Again, this was lower than inflation and has an impact on our income, not just in this year but in subsequent years to follow. We use this income to provide services and manage our homes. This includes staff costs, repairs, tenant safety requirements, maintaining grounds and gardens and ground maintenance and replacing the components in your home, i.e. kitchens, boilers, etc.

Since March 2020 we have made investments in your homes as below

2018/2019

Renewed	⋮	Renewed
9	⋮	2
kitchens	⋮	boilers

2019/2020

Renewed	⋮	Renewed	⋮	Renewed
2	⋮	14	⋮	21
close doors	⋮	kitchens	⋮	boilers

2020/2021

Renewed	⋮	Renewed
28	⋮	29
kitchens	⋮	boilers

2021/2022

Renewed	⋮	Renewed
28	⋮	50
kitchens	⋮	boilers

All of this work is generally carried out on a phased basis, and each component has a life cycle. Due to the impact of Covid some of this work will have been delayed.

In the last two years we have made savings by joining Scotland Excel. Scotland Excel allows us to draw down

contracts for works. These contracts have been awarded by the Scottish Government and support organisations to make savings due to the high number of works undertaken.



Future

The Management Committee make decisions about the strategic direction of the Association. You may recall in 2018 the Scottish Housing Regulator intervened when there was a change in leadership. This resulted in costs to the association and this was publicised by the regulator and the report on the outcome of that intervention can be found on our website at www.ruchazieha.co.uk/documents.

This intervention was at a cost, however Ruchazie remains as an independent housing association, continuing to provide local services to our tenants. However we cannot ignore the real challenges ahead not only for you as our tenant but for us as a business. Any surpluses we make

are then invested into the services we provide as outlined above.

In this year 2022/23 we plan to replace xx kitchens and xx boilers, as well as other works including external painterwork at Phase 4.

The increase in costs affect Ruchazie HA too. We have seen increases of up to 30% in materials and labour charges for contractors. This will impact on our plans and we may need to consider the next steps we will take to ensure that Ruchazie HA remains financially secure and our tenants continue to get the standard of service they expect.

There are a few things that we must consider (this list is not exhaustive), the three main areas are

What level of rent increase we apply in the coming years – inflation is predicted to be high, and this affects costs to the association for repairs and running costs.

Making changes to our planned programme for kitchens, bathrooms, other replacements and maintenance programmes.

Consider any finance options available to us

The Management Committee will only make a decision on any of these crucial matters once they have all the relevant information and have consulted you.

We will be holding a tenant consultation event in August of this year to bring you the information we have and ask for your opinion. This will be the start of your rent consultation for 2023/24.

This document, and any others produced by Ruchazie Housing Association are available in a variety of alternative formats. We can provide documents in a larger print, on audio tape or in a variety of community languages. If you require this or any other documents in another format, please contact us on 0141 774 4433 or pop in to our office.