

# Investing in our Communities

Our choices for next year's rent

Loretto Housing Association  
Rent Consultation 2018/19



# Have your say

We want to hear your views on our proposals for next year's rent and service charges. We aim to keep these costs affordable for you while still delivering excellent services and improvements to our homes and neighbourhoods.

Over the past year we have continued to invest in homes, communities and services. This booklet gives you an update on what we have achieved by listening to tenants and investing wisely, and on what we plan to do in the next stage of our five-year plan, **Investing in Our Futures**.

It also sets out the choices we have for next year's rent. Any service charges you pay would increase in line with rent, except where a specific service charge consultation was undertaken with tenants.

Please take the time to read this information and make sure you have your say on how we invest in communities next year, and on the levels of rent and service charges we set.

The closing date for this consultation is **Sunday 21 January 2018**.

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# What we delivered in 2016/17

At Loretto Housing we want to deliver what tenants tell us is important to them.



We listened carefully to what people told us were their priorities and the result was our five-year plan Investing in Our Futures which sets out what we will do between 2015 and 2020.

The plans, shaped by tenants, include improving and upgrading our homes further still, building more affordable homes, improving environments and our repairs service, creating more opportunities for people and delivering value for money.

Alongside the overall plan for Loretto Housing and our parent company Wheatley Group, we also have local plans, again developed as a result of people's feedback, which set out what we will do in each of our communities. You can see these at [lorettoha.co.uk](http://lorettoha.co.uk)

Here is an update on what we delivered over the year 2016-17

### Improvements to homes

We invested over £2.2m in our tenants' homes including:

- upgrading 151 central heating systems
- 163 new kitchens
- 97 new bathrooms
- 114 new window replacements
- 164 new front and rear door installations.

### New homes

We built 55 new homes and began work on a further 101. Our work on building new homes is helping bring much-needed affordable housing to our local communities, something people have told us is important.

### New Builds

Every new build must give a surplus to Loretto over the long term – in other words, repay the borrowing used to fund it plus an extra amount of return.

It takes around 20-23 years typically to repay all the borrowing used to build a new home. But the home should have a much longer life over which it can generate rental income to be reinvested in services.

Every house an existing tenant lives in was at some stage paid for by other people making a contribution – be it taxpayers in the form of grant or existing tenants in the form of rent paying for the interest costs in the short term.



### Environmental services

Tenants also tell us that the environment around their homes is a priority. We have introduced a new Neighbourhood Environmental Service across Wheatley Group which saw us recruit almost 200 new staff including apprentices and trainees. Many of them live in our communities.

### New repairs service

We consulted tenants about what they wanted from their repairs service. The feedback we received led to our parent company, Wheatley Group, becoming 50:50 joint owner – with Glasgow City Council – of City Building (Glasgow) LLP.

Plans are now under way for a new repairs service which will be more local, modern and efficient.

### Safer communities

Feeling safe is a key priority for tenants. We strengthened our Community Improvement Partnership, a ground-breaking partnership with Police Scotland and Scottish Fire and Rescue Service. By working closely with police and fire officers we can tackle issues such as anti-social behaviour quicker and more effectively.

### Customer satisfaction

Our focus on delivering local services which are tailored to individual people has helped us to increase overall customer satisfaction, now at 86%.

### Efficiency

We work hard at making what we do efficient so we can deliver great services and good value for money.

Along with other RSLs in our Group, **we delivered efficiencies** over the last 4 years by:

- reducing staff headcount from corporate and back office roles, not frontline staff (saving £12m)
- improving arrears and void performance
- achieving low interest rates on our Bond, a way to borrow money from investors for a set amount of time (saving £1m per year)
- gaining £6m new rental income from new build properties.

# Our plans for the next 12 months

Our plans for the next 12 months will continue to be driven by tenants' priorities.

### Investment

Our £8m five-year investment programme will continue to focus on delivering planned improvements in homes.

This programme protects our investment in our homes, replacing key items which have reached the end of their life cycle.

In 2018/19 we expect these items to include kitchens, windows, outside doors and bathrooms.

Our investment programme is influenced by what tenants tell us they want to see happen first.

We will also make environmental improvements.

### New homes

We will continue to deliver new homes with 114 for social rent due to be finished over the year. A further 140 homes with affordable rents will be built bringing the total investment to £19m.

### Our repairs service

We plan to invest over £950,000 in delivering a high quality, local and responsive repairs service. We will aim for our repairs teams to complete repairs in a single visit.

### Focus on efficiency and value for money

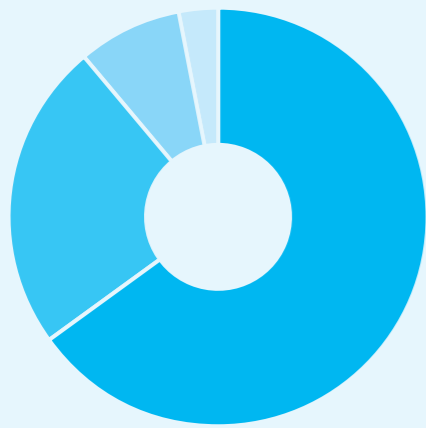
Value for money is a key focus for tenants. We will continue to drive value for money, including looking at how we can be more efficient, such as through technology.

### Helping tenants to save money

We will continue to support tenants in a wide range of ways by helping them to save money on their fuel bills and keeping their homes warm. We will also support tenants to develop budgeting skills and manage their money.

# How rent and service charges were spent last year

Here is the breakdown of how each pound was spent in 2016-17



- 65% Investment and maintenance
- 24% Staffing and administration
- 8% Funding new homes
- 3% Activities supporting communities

Investment and maintenance can include responsive repairs, cyclical and planned maintenance, and larger scale capital improvement work.

## Investing in communities

The vast majority of our income was spent on maintaining and improving homes because we know this is important to all our communities.

Our local staff continue to be based in our communities where they are best placed to support people, some of whom still face hardship as a result of welfare reform.

We have introduced a wider range of services to help people such as money, budgeting and fuel advice, help with furnishing a home, getting online and putting food on the table. We also worked hard to create more opportunities for people in our communities to access jobs, training and apprenticeships. Over the year we created four training places and apprenticeships for people from Loretto Housing homes.

As well as our housing, environmental and repairs staff who are all out and about in neighbourhoods responding to customers, we have a 24/7 customer service centre.

# Challenges

We have worked hard at making what we do efficient so we can deliver great services and good value for money. But, like most social landlords, we face challenges such as rising inflation which is pushing up the cost of goods and services.

In particular the price of the materials we require to deliver our investment programme, repairs and new build are affected by inflation.

Rent reviews have each year been based on RPI (Retail Price Index) plus 0.5%. We have in the past managed to bring rent rises down from that through careful planning and budgeting.

We are proposing a base rent increase below RPI inflation. This year, based on RPI (September 2017) plus 0.5%, we would be looking at increasing rents by 4.4% to deliver services and commitments. With careful planning and budgeting, we have again been able to reduce this to 3.2% without any impact on services or plans to improve homes.

## How we compare with others

### Comparing average rent

Although our average rent is higher than the Scottish average for social landlords, we are 14.5% lower than the average for other specialist providers.

14.5%

### Lower operating costs

Our operating costs are the fifth lowest in the UK for large housing groups like Wheatley our parent company.

5th

### Customer satisfaction

We have continued to increase customer satisfaction, now at 86%.

86%

# Listening to you

We've improved the way we consult our tenants on rents this year so we can hear from more people about what's important to them.



We began talking with tenants in May this year, listening carefully to their views on rent, whether it provides value for money and what they thought our priorities should be.

We have also:

- › Included questions in the annual satisfaction survey during August – October;
- › held over 20 focus groups in October with Loretto tenants and tenants of all landlords in Wheatley Group;
- › focussed on rent during our month of engagement events in November.

This has allowed us to engage with and receive feedback from tenants of all ages and backgrounds across all our homes and communities.

These conversations have given us a deeper understanding of what is important to tenants and what we should consider when making decisions about rents, improvements to our homes and services.

Our tenants are increasingly diverse and so have a range of priorities. For the people we talked to, the three common priorities were:

- › a responsive repairs service
- › further improvements to homes
- › making communities safer.

# What tenants have said so far

During these discussions with tenants in this early phase of the rent consultation we asked tenants what specific priorities they had within those three themes and our services more widely.

They consistently told us that:

- › they want a local repairs service that is more responsive
- › Loretto Housing should continue with improvements like new kitchens and bathrooms
- › we should look at more investment inside homes
- › keeping communities safe is vital
- › providing 24/7 customer service is essential for many tenants
- › support services like benefits and fuel advice play a key role in helping our more vulnerable people affected by welfare reform
- › we should continue to keep all our neighbourhoods clean and tidy.

## Have your say

To complete our online feedback form, [click here](#).

The closing date is  
**Sunday 21 January 2018.**

# Options for next year's rent

Taking all factors into account, including tenants' feedback so far, affordability, costs of services and delivering what tenants have told us are their priorities, we are proposing three options for 2018/19 rent and service charges.

**OPTION 1**  
**Increase rents by 3.2%**  
Average rents would go up by £2.90 per week

Increasing rents by 3.2% would mean we could keep delivering the services we currently provide and meet our commitments such as improving the repairs service and investing more in keeping neighbourhoods clean and tidy.

We would be able to carry out our planned programme of improvement work in homes, continue with our Community Improvement Partnership, 24/7 customer service and our support services for tenants who need help. This would also allow us to carry out further improvements around fire safety in all our neighbourhoods.

**OPTION 2**  
**Increase rents by 3.7%**  
Average rents would go up by £3.35 per week (an additional 45p per week on option 1)

This would allow us to deliver all of our current services and commitments and, in addition, carry out more improvements than planned in homes. These would be based on customers' priorities.

**OPTION 3**  
**Increase rents by 4.2%**  
Average rents would go up by £3.80 per week (an additional 90p per week on option 1)

This would allow us to deliver all of our current services and commitments and, in addition, carry out even more improvements than planned in homes. These would be based on customers' priorities.

As rent, and any applicable service charges, varies based on property type, property size and other factors, Loretto average rent (based on rent and service charges across lettable Loretto properties) is used to help illustrate what each option could mean. Loretto average rent in 2017/18 is £90.49 per week. This figure can change slightly if our stock profile changes.

## Options 2 and 3

Examples of additional improvements that some tenants have so far told us they would like considered include:

- replacement floorboards, skirtings and internal doors
- increased path lighting
- improved/new play areas.

Any additional improvements would be based on customers' priorities.

# What happens next?

Response to the consultation will go to our Board. They will look at the feedback as well as other factors and make a final decision on rent and service charges for 2018/19.

We will publish their decision and the results of the consultation on our website [lorettoha.co.uk](http://lorettoha.co.uk) and in **Loretto News**.

We will let you know what your new rent and any service charges you pay for 2018/19 will be by letter. Your new rent level will be due from April 2018 onwards.

## Have your say

[Click here](#) to fill out our feedback form saying which of the three options you support.

Alternatively, you can also send back the form we sent to you, or email us [consultation@wheatley-group.com](mailto:consultation@wheatley-group.com) (add **Loretto Rent** in email subject)

You can also call us with feedback on this consultation **0800 011 3816** (Monday–Friday 9am–5pm, excluding public holidays)

Closing date is  
**Sunday 21 January 2018**

