

## SHAL's Community Chat (cost of living and rent increase)

Tuesday 25 January 2022

Lee Barrett led a discussion about the cost of living and rent increases.

### Background

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Lee Barrett explained the annual rent increase is regulated and capped. Rents cannot increase by more than the Consumer Price Index (CPI) for the previous September plus 1%.

**This CPI for September 2021 was 3.1% meaning the rents will increase by 4.1% in April 2022.** This has been the case in previous years, apart from 2016, 2017, 2018 and 2019 when rents reduced by 1% each year.

The average rents for SHAL's home in 2022 will be: £84 (1 bed), £95 (2 bed), £102 (3 bed) and £121 (4 bed).

SHAL's Board know times are tough and the last couple of years have been hard for everyone. They discussed it thoroughly before agreeing to increase the rents this year.

We will do everything we can to help people who are struggling to make ends meet, especially with other cost of living increase like energy, food and fuel.

The feedback from the group was that the rent increase was inevitable but it could have been a lot worse than 4.1%. It was better to know now so we can prepare for when the increase takes effect in April.

## What we spend the money on

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We talked about what we plan to spend the money on in 2022/23. We talked about “property” costs (e.g. day to day repairs, safety checks, getting empty homes ready to be re-let and adaptations) and “operational” costs (e.g. salaries, rent, insurance and legal/professional fees).

We also talked about the £917,320 we plan to invest in our homes in 2022/23. Any plans that have been delayed because of the challenges of the past 2 years will be picked up in 2022/23. **No plans have been cancelled, they’ve just taken a bit longer to deliver because of the challenges.**

The group acknowledged SHAL has running costs as a business and these may also be increasing. Some suppliers have seen increases of up to 33%. This means it’s costing everyone more to do the same (e.g. we’re not putting more fuel in our cars it just costs more to fill it up).

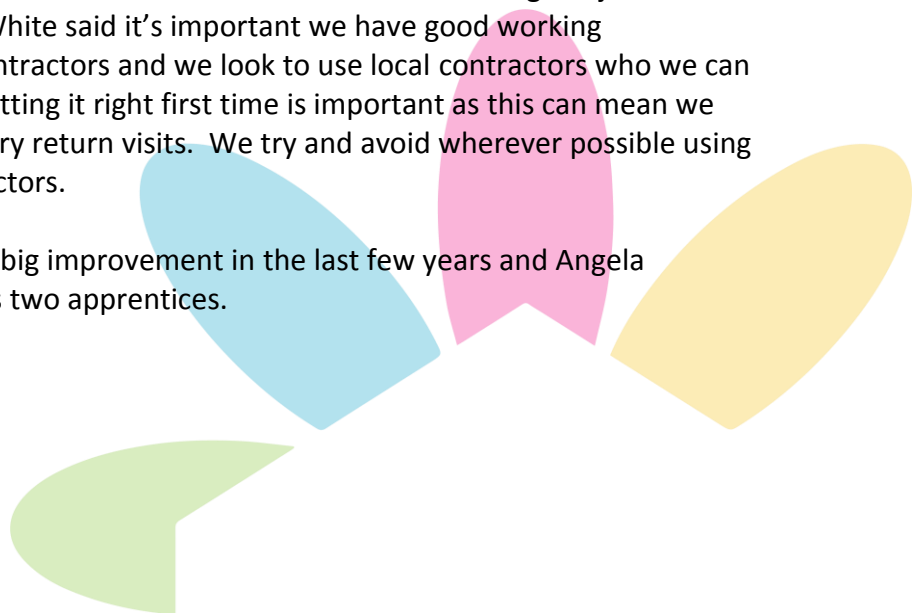
One tenant asked why we rent rather than owns our office. We rented our office in King Square and the tenancy was coming to an end. While the location was perfect, the building itself wasn’t practical. We did look into building our own office, possibly as part of a development with homes, or buying a building and refurbishing it. Both options would have been expensive (we’d have to borrow money) and we couldn’t find a suitable site.

The new offices at Crypton House are cheaper overall and a lot more user friendly and accessible. We have a flexible lease which keeps our options open.

We talked about how important it is to get value for money and access grants available to landlords to help improve their homes. Accessing these funds means we can invest in improving the energy efficiency of our homes and continue our day to day repairs, invest in our homes and build new homes.

We talked about how important it is to use contractors we can trust to do a good job and treat people with respect. Simon White said it’s important we have good working relationships with our approved contractors and we look to use local contractors who we can trust and who share our values. Getting it right first time is important as this can mean we waste money on making unnecessary return visits. We try and avoid wherever possible using contractors who employ subcontractors.

The group agreed there has been a big improvement in the last few years and Angela Gascoigne confirmed SHAL now has two apprentices.



## Helping people make ends meet

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The group talked about their different struggles to make ends meet and how difficult things are at the moment. While help is available it's not always clear/helpful. Some people commented it can be hard if you fall just short of the eligibility criteria.

We discussed our plans to recruit a Housing Officer with expertise in financial inclusion and how this would help tenants get the help and advice they need to maximise their income and access all the help and support they're entitled to.

**We're planning interview/assessment days on 30 and 31 March and we'll be asking tenants to be involved in that process.**

Our ability and willingness to help people as much as possible needs to be front and centre of our communications, especially in regards to the rent increase.

Our work to insulate homes and replace old and inefficient (and expensive) heating systems will not only help us meet the government's target to get all homes to EPC C by 2030 it will also mean homes are warmer and healthier and cheaper to run.



## Find out more

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If you'd like to find out more you can check out our website and Facebook page (and group).

If you're struggling to make ends meet and you'd like to talk to someone who can help you can call us on 01278 444344.

