



Your Rent Is Changing – Rent Restructure

We have listened to tenants' comments about how complex and difficult to understand our rent structure is, and after talking to tenants last year, we are now changing rents to reflect what you asked us to do.

Rent is the amount you pay for living in your home. Rents can be different according to the size, type and features of a property.

Our current rent structure is complicated with 445 different rents across our 1,412 properties. Some customers living in the same size and types are paying different

rents. This is usually caused by the way we originally became the landlord through stock transfer and the complex system of our previous rent setting system. Over the last year, we've worked closely with tenants and specialist consultants to change differences in our rents. **This booklet explains the changes which will take effect from 1st April 2020.**



What does the rent money pay for?

We collect around £7m in rent each year. We spend most of it delivering direct services including:

- Supporting tenants with a huge range of housing queries and issues.
- Providing a high quality repairs service.
- Home improvements such as new windows, kitchens, heating and hot water systems, close upgrades and secure entry systems.
- Working to improve and maintain common areas and neighbourhoods.
- Keeping properties and neighbourhoods clean and safe.
- Expert money, welfare and fuel cost advice.

Did you know...

Not all our homes have rents which have been set by Cloch. The ones that don't are:

- Tenants who have a Secure Tenancy which usually started before 1988. These are set by the Scottish Government's Rent Service every three years, but are based on Cloch's rent setting policy.
- Homes transferred from Scottish Homes in 1997.
- Homes transferred from Clyde Housing Association in Inverkip.

During the rent discussions we had with tenants in late 2018, most of you felt a rent structure based on property size and type was easier to understand and fairer. You also told us that some relevant property features should be included in rent setting like having a driveway, a recessed kitchen (not separate) and/or having a 2nd WC.

- **86% agreed that rents should vary according to the size of the property**
- **76% agreed that rents should be different for different property types**

You told us that the most popular property types, in order of preference, are:

- 1. Detached house**
- 2. Semi-detached house**
- 3. End Terrace house**
- 4. Mid terrace house**
- 5. Four in a block**
- 6. Tenement/ flat**

To make rents fairer we have also agreed to take account of how old the property is when calculating the rent a newer property of the same type will likely be charged more rent as explained in the age band information table on page 5.

All our rents will now be based on the same rent setting policy whether Cloch built them or if they were part of a stock transfer.

What will the changes mean?

Rent charges for some homes will increase, while others will be frozen at current levels. It will give us a fairer and clearer rent structure, with 77 different rent levels, instead of 445.

Taking your views into account, the Board of Cloch Housing Association agreed the following at their meeting on 6th August 2019:

Rent charges will be changed to reflect the property, type, size, age and the relevant property features only - (see page 5) – known as “the target rent figure”.

- Any increases will be capped, so in any one year, increases are no more than £20.00 per month (excluding our usual once-a-year increase).
- We'll apply the rent changes gradually and it will take around 4 years before all rent charges reflect the new structure - some rents will reach “the new rent figure” in year 1 or year 2 and others could take up to 4 years.

Putting in place this model will reduce the number of rent levels from 445 to 77 making our rent structure fairer and easier to understand – tenants in the same close in the same size and type will now pay the same rent. This does not happen at the moment.

How Will My Rent Be Calculated?

Base Monthly Rent is 2019/2020 figure.



Property Size:

(figures based on 2019/2020 rent figures)

Bedsit



One Bed



Two Bed



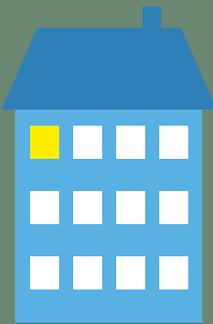
Three Bed



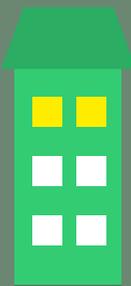
Four Bed



Property Type



Tenement
No additional charge



**Flat/
Maisonette**
+£7.17



**4 in a
block**
+£14.33



**House (not
detached)**
+£43.00



**Detached
House**
+£64.50

Relevant Property Features:

extra monthly charge

Driveway / Own Parking Space

+£0.26



Additional WC (toilet)/Shower Room

+£10.42

Recess Kitchen

No extra charge

Separate Kitchen

+£10.42



Age Band (Year Built)	Pre 1919	1919-1944	1945-1964	1965-1982	1983-2002	Post 2002
Extra Monthly Charge	No extra Charge	+£0.65	+£1.30	+£1.95	+£2.61	+£3.91

For example, 3 Apt, Semi Detached House with Driveway (No additional WC) built in 2011

Base Rent



£290

Size



2 Bed

+£31.27

Type



House (not detached)

+£43.00

Driveway



Yes

+£0.26

Kitchen



Separate

+£10.42

Age Band



Post 2002

+£3.91

New Rent is per month: £378.86

How will this affect me?



For around half of our tenants, their rent will be frozen, some for 1 year, others for longer.



Tenants in Ex Scottish Homes properties will see their rents increase over a few years to the same levels as tenants in our other flats and houses. The rents in these areas are very low compared to other areas. This will affect around 125 tenants.



Tenants in new build houses may see an increase depending on what facilities their property has.



Tenants who have a Secure Tenancy will not see any change. These tenancies usually started before 1988. The rents for secure tenancies are set by the rent officer every three years, this process will not change.



Once-a-Year Rent Increase / Service Charges

This rent restructure is separate from our once-a-year rent setting process. Rents will continue to be reviewed and increased on a once-a-year basis taking account of with inflation and the Association's business plan. We aim to keep these increases to a minimum.

The rent restructure does not affect service charges like the Close Cleaning charge. These are charged separately based on the actual cost of providing the service.



How We Will Make the Changes

Rents are usually set at the time a property is first let. Each year, the rent charges increase by an agreed amount to take account of inflation or other cost changes, but the relationship between how high the rents are in different properties generally remains the same. This will now change slowly as the new rent setting policy is applied.

We are making major changes to the rent setting structure and know that some tenants will be directly affected by rent increases. We intend to make these changes over a long period of time to make this easier, but no longer than 4 years.

We will also reset the rent whenever properties become empty. This will mean that around 10% of homes will be reset each year without affecting existing tenants.

What happens next?

A letter has been sent with this booklet which details your property, size, type and relevant features; please check these details are correct. If they are not correct, please contact us immediately, we may need to visit you to confirm your details. If these details are correct you do not need to do anything right now.

We will now carry out the usual rent increase consultation in late 2019 which will allow us to confirm your rent for 2020/2021. **We will write to you in early 2020 to confirm what you must pay, including any service charges, from 1st April 2020.**



Housing Benefit and Universal Credit

If you get Housing Benefit or Universal Credit, please note that the Association has notified the Housing Benefit Section and the Department for Work and Pensions of the changes to our rent setting policy.



Need help with paying your rent?

Remember, we can help if you have any concerns or difficulty paying your rent. Just get in touch and a member of our Housing Services Team will help you connect with services who can help you manage your money, claim all of the benefits you are due and help you to save money on your fuel bills.



Further Information

We always welcome feedback from our tenants. Therefore, if you would like any further information on the rent restructure, please contact us on **01475 783637** to speak to a member of our team. Or, please email **office@clothhousing.org.uk** or write to **Cloch Housing Association, 19 Bogle Street, Greenock PA15 1ER.**

