

Rent Changes from April 2020

FAQ's

Social Housing rent increases

Social Housing Rents are usually increased each year based on a formula laid down by the Government. For the last four years most rents have been decreased by 1% but from April 2020 rents will be increased again.

We have set out the FAQ below to help you understand the facts behind the rent increases and what it means to you as tenants.

Why are you increasing my rent?

We fully understand that any increase to your rent will not be good news. However, government legislation has changed and from April 2020 we are allowed to increase tenants rent by the Consumer Price Index (CPI)+1%. The CPI figure taken into account is that of September 2019 and this was announced by the government on 16 October 2019 and was 1.7%. This means we are able to increase our rents by a maximum of 2.7%.

Connect Housing has given the rent increase a lot of thought and discussed the issue with our board at length. We believe that in order to deliver our commitments as set out in the corporate plan we need to maximise the money we receive from rents and apply the full increase of (CPI+1%).

It has been a difficult but necessary decision to increase our rents by the maximum amount as we are also very mindful of the impact rent increases can have on affordability of our properties. However, in the coming year we have to make some major investments in some key areas of the business:

- In technology – we are changing the systems we use to ensure we can deliver a better streamlined service to all our customers;
- In climate emergency – we are in the midst of a climate emergency and we are passionate about protecting the planet and want to make sure Connect is part of the solution. We will therefore be making sure our practices are environmentally friendly and socially sustainable;
- In improving safety in our properties, especially our communal blocks. We want to ensure your homes are a safe place to live and will be upgrading key fire safety systems, etc.

Do you have to increase my rent?

No, we don't have to increase your rent, we could leave it as it is. However, this would mean that something would have to give. Within our financial plan we have budgeted for the rent increase from April 2020, which means we can deliver on our key investments in technology, safety and climate change, as well as our promises to you to build new homes, regenerate your neighbourhoods, and repair and invest in your homes. If we keep your rent as it is we simply can't deliver our promises or make the investments we need to and would have to make some tough choices to either build less or not at all, to invest less and to do less in your neighbourhoods, and we don't think this is fair.

By how much are you increasing my rent and how have you calculated this?

Rents will increase by 2.7% generally [CPI (1.7%) +1%] and we will write to you at the end of February to confirm how much this will be. However, we have also taken into account any impact of service charges on your total charges and have, where possible, not applied the maximum increase of 2.7% to ensure your charges remain affordable.

I pay a service charge, do the same increases apply?

Some service charges may increase but the same formula of CPI+1% will not apply. Please be assured that service charges are set based on actual costs which is in line with our service charge policy. The policy states we will set charges appropriately to cover the cost of providing the service to you with no hidden charges. We will provide you with a schedule of services with a breakdown of the cost per week of each service that you are being charged for when we write to you at the end of February notifying you of your rent increase. So you will see at a glance what it costs us to maintain your lifts, communal lighting, etc.

What will you spend the additional rental income on?

We have set out in our corporate plan what we want to achieve over the next [5/10 years]. The additional money we are able to raise from rents means we are on track to deliver these objectives. We will keep you informed regularly on how we are performing against the corporate plan objectives and our board will scrutinise our performance.

What do I do if I can't afford the increase?

Our priority is to support tenants to sustain their tenancies and we want to help prevent rent arrears occurring as much as you do. We have a dedicated money advice team – our Money Matters Service - working within the rent/income team who are trained to ensure you have maximised your benefits, help you manage your finances and support you through changes in circumstances. Please take advantage of this service now to help you prepare well ahead of the rent increase.

What if I refuse to pay?

We appreciate you might be unhappy with the proposed rent increase and consider refusing to pay. If you take this decision, unfortunately it will result in rent arrears building up on your account and we will have to take action to recover the unpaid rent that is due. We want to avoid this unpleasant and unnecessary situation as it may end up with you facing more debt and possibly legal fees which would only make your financial circumstances more difficult. A better approach would be to take advantage of our Money Matters service and contact one of our advisors.

I claim Universal Credit: will I have to re-apply and will this result in weeks of delays in my rent being paid and accumulating rent arrears?

We appreciate that completing a Universal Credit claim can be very stressful and facing weeks of delays for any benefit payment is something we want to avoid. Please be assured you will not have to complete a brand new claim with the Department for Work and Pensions (DWP). Once we write to inform you of the new rent you will simply need to inform them of this via your Universal Credit journal after the rent increase has been applied. It is important that you do this on 1 April 2020 as we will then be asked to verify the increase on the landlord portal.

What if Universal Credit doesn't cover the rent increase?

If your Universal Credit allowance isn't increased to cover the additional rent increase, we strongly recommend that you make an appointment to see someone in our specialist Money Matters Team who can help you budget for the increase. In some cases you may be eligible for Discretionary Housing Payments (DHP) to help you cover any shortfall and our Money Matters Team can help you make an application for DHP.

My rent is paid by Housing Benefit. Do I need to do anything?

*You are responsible for your Housing Benefit claim and making sure the correct amount is paid by Housing Benefit towards your rent. You may want to show them a copy of your rent increase letter if you wish, however, we will be notifying them of all our rent increases before April. You will get a notification from them informing you of your new entitlement just before April. If you do not receive anything you should contact them.

I don't claim benefits; do I have to adjust my Direct Debit mandate with my bank or will you do this automatically for me?

Don't worry, your Direct Debit will be adjusted automatically by our finance team – you don't have to do anything.

If you pay by Standing Order you will have to notify your bank to adjust your payments.

When we write to you at the end of February notifying you of your rent increase, we will spell this out.

Where can I get some debt and budgeting advice from?

We have a dedicated Money Matters Service working alongside the rent/income team who are trained to ensure you have maximised your benefits, help you manage your finances and support you through changes in circumstances. We encourage you to take advantage of this service. Please contact us to make an appointment with the service.

What is the timescale for this rent increase?

The rent increase notice letters formally informing you of the rent increase will be sent out to you with a minimum of one month's notice. We will usually aim to have the letter on your doorstep by the end of February 2020.

Why have some of my neighbours not got a rent increase?

We are not allowed to comment on the details of individual properties and tenancies. However, as a general rule any tenancies less than 12 months old will not get a rent increase as we are not allowed to increase the rent in the first year of the tenancy. Also we are only allowed one rent increase in the year (unless agreed in writing by the tenant).

Why is my rent different to my neighbour when we both live in a 3 bed house? Why do I pay more than my neighbour....?

As tenants move in at different times and we are not allowed to increase the rent in the first 12 months, over time 2 properties will end up having different rents charged. EG Tenant A moves in March 2019 and Tenant B moves in June 2019. Tenant A will get a rent increase in April 2020 but Tenant B will not get a rent increase until April 2021. When we increase the rent for tenant B in 2021 we are not allowed to increase in by more than the formula so it will never catch up with the rent for Tenant A.

Another reason for variances in rent will be fair rent tenancies (also know as Secure tenancies). These are old (Pre 1989) tenancies that have rent increases every 2 years and the amounts are fixed by an Independent Rent Assessment Committee. Hence their rents will not have increased at the same rates over the years causing the differences.

For some Kirklees tenancies further variances are caused because some tenants are charged over 52 weeks. Most Connect tenancies are charged over 48 weeks but some older tenancies have a clause which means we must charge them over 52 weeks. This means they may pay the same amount over the year but pay less on a weekly basis as their rent is spread over 52 weeks rather than 48 weeks.

Again we cannot disclose who pays over 52 and 48 weeks. We can only discuss the details of the individual tenant's tenancy and rent with them.

I'm not happy with my rent increase. What are my options? Can I appeal?

Tenants have the right to appeal the rent increase to a Rent Assessment Committee (RAC) anytime **before the start date of the rent increase**. This is in paragraph 4 of the guidance notes but it does not have the address details of the RAC as there are regional offices.

Our regional office details are:

Residential Property Tribunal Service

First Floor

5 New York Street

MANCHESTER M1 4JB

Tel: 0845 100 2614 or 0161 237 9491

Fax: 0161 237 3656

Email: northern.rap@communities.gsi.gov.uk

This office covers Calderdale, Kirklees, Leeds and Wakefield Metropolitan districts.