

# RENT STRUCTURE REVIEW 2020/21

## WHAT DOES IT MEAN FOR YOU?

We want to make our rent charges fairer, more straightforward and easier to understand. Following consultation with tenants, a new rent structure was agreed by our Board in October. This will come into effect for all tenants on 1 April 2020.

This leaflet explains how your rent will be structured under the new policy. This is based on the current annual rent levels and will change depending on the annual rent increase from 1 April 2020. **You do not have to make any changes to what you pay just now.**

This restructure is not about raising more income from rents - all our rents will change. Some rents will increase, and some will decrease but the total amount of rental income won't change.

## HOW DID WE CONSULT YOU?



We first asked you what should be in the policy at our tenant conference, the Big Blether, in December 2018.

The Tenants Information Service (TIS) then carried out an independent postal survey on our behalf and held a workshop for tenants in April this year. We told you about the outcome of these consultations in our summer newsletter.

The Board then considered tenants' views before making a decision to adopt a simple points-based rent structure based on the features of each property.

Your rent for April 2020 will be calculated using the new points system based on features of your property.

From April 2020 we will work out how much rent you will pay based on:

- whether you live in a flat or a house
- how many bedrooms you have and whether they are doubles or singles;
- what type of heating you have;
- how energy efficient your property is; and
- the level of estates service we provide in your development.

We start off with a basic rent charge of £237.60 per month. This is equivalent to 72 points.



We then add/deduct points depending on the features of each individual property which is shown in the table below:

		Points
Type or property	Flat	+0
	Mid Terrace	+3
	End terrace or semi-detached	+6
	Detached	+9
Size and number	Each single bedroom	+9
	Each double bedroom	+15
Heating and energy efficiency	Electric heating	+8
	Gas central heating	+11
	Not meeting energy efficiency standard (EESH)	-3
Estates maintenance	Amount of grounds maintenance in your estate:	
	Small	+3
	Medium	+5
	Large	+7
	Block maintenance	+5

## WHAT ELSE IS NEW?

### Heating & energy efficiency

We recognise most tenants find electric heating more expensive than gas, so we have decided to take this into account by adding fewer points for electric than gas heating (8 for electric and 11 for gas).

The Scottish Government has set a national energy efficiency standard that all our properties need to meet, we are working towards ensuring that all our properties comply with this standard. We have a small number of properties which fall below the standard, therefore we will subtract 3 points i.e. charge a lower rent for these until such time as we are able to bring these up to standard.

### Spreading the cost of adaptations



Until now the cost of maintaining adaptations, such as hoists, specialist baths and toilets has been included in the rent paid by the tenants who use them.

We are committed to helping everyone live in their own home independently – and often it is these adaptations that make this possible. We will include the cost of maintaining adaptations as part of the service we provide and therefore there will not be an additional charged to individual tenants

Tenants we spoke to at the Big Blether last December agreed this was fair and told us ‘*you never know when you may need adaptations to help you*’.

## Affordability

As part of this review we wanted to ensure that our rents were affordable. We recognise that different households will find their rent affordable depending on their income and the number of people living in the household. Based on national standards which considers affordability for average moderate incomes, 14% of our rents were considered to be above the level of affordability. With our new points based structure, based the same calculations all of our rents are considered to be within the affordability level with over half over tenants well below the affordability benchmark.

## Block maintenance



We aim to keep our communal closes safe, secure and clean. Stairs and hallways are cleaned weekly, and windows and doors monthly. We pay for electricity to light the common areas and power-controlled entry systems. We also clean and clear the bin stores and maintain communal gardens. We carry out regular inspections to make sure common areas are free from items that cause a fire risk. Closes are painted every seven years (or sooner if required).

To reflect the additional cost for these works, 5 rental points are added.

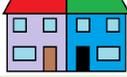
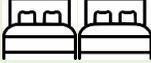
## Grounds maintenance

We haven't had separate service charges for grounds maintenance since 2014, however, part of the rent goes on providing this service. Up until now this has been a flat rate across all our developments although some estates take up to three times more hours to maintain.

We are now adding a different point level (3, 5 or 7) depending on the amount of work required in the development. Most tenants who completed the survey thought this was a good idea.

**ANY QUESTIONS?** If you have any questions regarding the new rent structure, please contact your Housing Officer on 0330 303 0089 or email [e-mail@horizonhousing.org](mailto:e-mail@horizonhousing.org).

## SOME EXAMPLES

<p>A semi-detached house with two double bedrooms and gas heating in an area with a large space of communal land</p> <p><b>A monthly rent of £415.80</b></p>	<p>Base rents of 72 points plus:</p>  semi-detached +6  double bedrooms +30  Gas heating +11  High level grounds maintenance +7
<p>A wheelchair adapted detached bungalow, 3 double bedrooms with gas heating, a wet floor shower and additional adaptations in an area where we do a medium level of grounds maintenance:</p> <p><b>A monthly rent of £468.60</b></p>	<p>Base rent of 72 points plus:</p>  Detached +9  3 double bedrooms +45  Gas heating +11  medium level grounds maintenance +5
<p>A flat with one double bedroom and electric heating in a communal close in an area with a small space of communal land</p> <p><b>A monthly rent of £339.90</b></p>	<p>Base rent of 72 points plus:</p>  Flat +0  One double bedroom +15  Electric heating +8  Low level grounds maintenance +3  Communal close services +5