

Rent Consultation January 2022

Introduction

Every year we review our rent setting policy to make sure we hear tenants' views on the rent they pay including how it is calculated and what determines affordability.

Rents for community housing in Wales are regulated by Welsh Government. Each year they issue guidance on the level of rent increase they will allow and the factors they expect community housing providers to consider when setting rents. This year they have told us the maximum increase they will allow from April is 3.1% which is in line with the increase in the Consumer Price Index. Welsh Government expect us to balance the need for tenant affordability against the cost of running our business, providing services and planning for a sustainable future.

Now, with the next year's housing budget in mind, the time has come to look at rent charges again and at the type of housing service you want to receive. Brexit, Covid health and safety measures and other increasing costs mean that being able to plan ahead and understand our spending is more vital than ever.

We know that the decisions we make about your rent, and how we spend the money we collect, are extremely important, particularly during such uncertain times. So that's why we're writing to all our tenants directly. We want you to have a say and influence the decisions we make.

This consultation relates mainly to our rental charges, we consult at a local level each year on Service Charges and any proposed increases and again we ask that you get involved when that time comes and have your say.

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Our Affordable Rent Policy

Our policy aims to ensure that we consider value for money whilst balancing affordability of rents and service charges for tenants, along with sustainability for the organisation in the carrying out of our landlord duties and the meeting of our ambition to build more affordable energy efficient homes.

Our rents are set within the Welsh Government Rent Policy requirements. Rent and service charges should be affordable and within reach of those in low paid employment, meeting a definition of Living Rent. We are working towards what we call a 'living rents' approach with the aim of rent not exceeding 28% of average workplace earnings for the Rhondda Cynon Taf region. This reflects the affordability criteria for rent setting in the communities we serve.

Important Considerations alongside Affordability

When setting our rent we consider how much costs have risen during the year. A number of factors such as fuel price increases and cost pressures as a result of BREXIT are outside our control.

The essential costs to build, manage, maintain, and improve your homes are increasing with the high level of inflation. We need to make sure we can cover these increased costs.

We need to continue to invest in our services and in your home. We also need to meet improved fire safety standards to keep you safe. We plan to build more affordable homes. We must also reduce our carbon footprint and improve the energy efficiency of our existing homes.

Investment in our staff is key for service provision and we are a committed living wage employer.

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What you have already told us...

In our 2020 Tenant Survey you told us that value for money remains an important topic for tenants and that the value for money of your rent was especially important. Survey participants told us that satisfaction with this remains high at 85% which is in line with the social housing sector average.

Tenants who took part in our recent 'Tackling Climate Change' survey rated the importance of tackling the issue 4.39 out of 5 stars. Tenants identified feelings of concern and worry regarding climate change especially about how climate might affect future generations, their children and grandchildren.

The top 3 highest scoring priorities from the tenant consultation were :



1. Improving energy efficiency and decarbonisation of homes – 72.5%
2. Tackling food poverty through locally grown food – 70%
3. Tree planting and local energy generation – 65% and 62.5%

How is each £1 of your rent spent?

- Employee salaries & operating costs = 29p
- Property repairs, maintenance & depreciation = 60p
- Empty homes & bad debts = 1p
- Loans & mortgage charges & repayments = 10p

