

Your 2018/2019 rent

How the rent for your home was set

This leaflet is also available in Welsh
Contact us if you want a copy

Contents

Introduction	2
Setting the Rent Policy for MVH	3
How the decision was made	3
Changes to the way we calculate your weekly rent	4
How we compare to other housing associations' rent	6
The 2018/2019 rent	7
How your 2018/2019 rent is calculated	7
Looking to the future	9
Get involved and be part of the decision making	9



Every housing association in Wales is directed by Welsh Government on setting rent. The Welsh Government sets a target rent for each type of property within an area and advises on the maximum rent increase we can put in place.

Our Rent Policy for 2018/2019 is as we've used before:-

- We want to set a rent that is fair and affordable for all households.
- All properties of the **same type should have the same rent** and we will work over a number of years to achieve this.
- Our Rent Policy would **comply with the Rent Setting Policy of Welsh Government.**
- The Policy would be **in line with the promises made at transfer (in 2009)** and rent increases would not be greater than would have occurred under the Council.

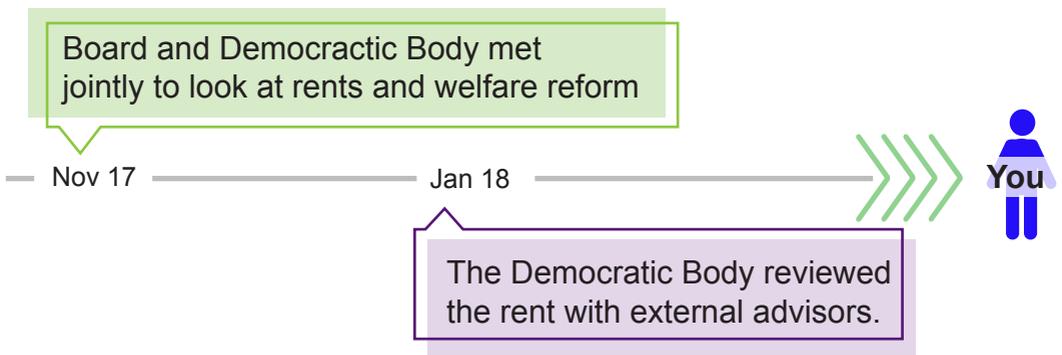
Setting the Rent Policy for MVH

Throughout the year the Board and Democratic Body (our elected tenant and employee Members) have worked hard looking at our budgets and have been making significant efficiency savings. They've also been looking at the changing UK Government policy on Housing Benefit and Universal Credit.

We have also been looking at how much of a person's income is used to pay rent and how hard it can be to move from Universal Credit or Housing Benefit into work. One of our goals was to make sure that our rents are not trapping people on benefits.

It is important for us to get the rent levels right so we can continue providing services, whilst balancing this with a rent that is affordable and fair. As a not for profit organisation any extra money is put back into repairs, improvements and services and the Democratic Body is instrumental in deciding where this money is allocated.

How the decision was made



In January 2018, the Democratic Body looked at the different rent setting options available and this year they recommended to the Board a new affordable and fair rent policy which we have called 'living rent'.

Living rent

The living rent for a 3 bedroom house has been set at 28% of the published average wage for Merthyr Tydfil. This has been adjusted for different property sizes.

Changes to the way we calculate your weekly rent

We have previously taken the total rent payable for a year and divided it by 48, so that you pay your rent over 48 weeks and have four “rent free” weeks each year.

Following a consultation with Members by email, telephone and open posts on Facebook, we have decided to change this.

In order to calculate your weekly rent from April this year, we will be dividing the annual rent by 52 weeks instead of 48 weeks.

This will make it much easier for the 1400+ tenants who pay their rent by direct debit.

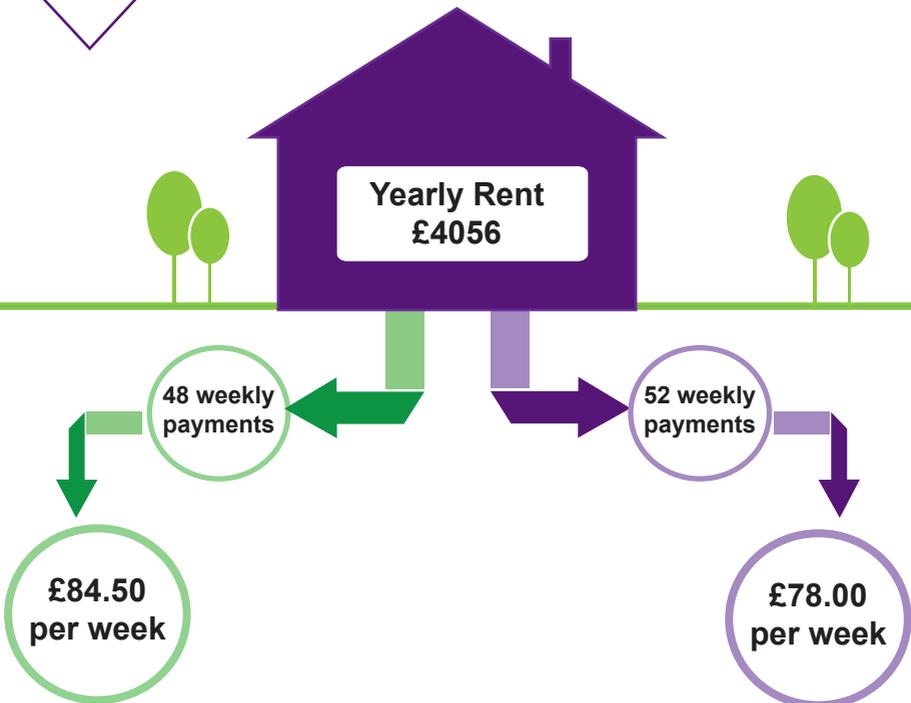
Also as Universal credit rolls out in Merthyr Tydfil this year, people transferring to this sort of benefit will be paid an element of rent based on 52 weeks rent. So rather than go into arrears and have the confusion of claiming the wrong amounts we want to charge all tenants over 52 weeks rather than 48 weeks.

The difference for you is that you will need to pay rent every week throughout the year and there will not be any automatic “rent free” weeks.

As a result of the different way we are calculating rent, the total annual rent will go up in April (in accordance with our rent increase policy) but the weekly payment may appear to be reduced.

Please be assured that the total rent which you pay over the year has not changed as a result of the decision to change the way we calculate the weekly rent.

You would pay the same amount in total, whether we calculate it over 48 weeks or 52 weeks.



We think that this will make it much more simple for everyone.

However, if you still want to be able to have some “rent free” weeks, you can do this by making regular overpayments of your rent, so that you put your account in credit.

For example, if by Christmas you have made overpayments totalling at least two weeks’ rent, you could take a payment holiday for up to two weeks. This is on condition you have built up sufficient credit on your account before taking the free weeks.

If you want to discuss the option to make overpayments, and how much you need to overpay by in order to have some “free weeks” please contact us to discuss it.

If you pay just the weekly payment as per the notice enclosed and no more you must pay rent throughout the year and not take any “rent free” weeks.

How we compare to other housing associations’ rent for a typical 3 bedroom house



The 2018/2019 rent

We have hundreds of different rents and the amount paid depends on the size of the home and when your tenancy started.

We think some of the **big differences between rents for similar properties are unfair** and therefore our rent policy is to gradually move rents closer to the living rent to create a fairer rent for everyone.

This year we have increased those rents that are a lot lower than other people pay for the same property and are well below the living rent. We appreciate that this might mean bigger rent increases for some but the increase is on a much lower rent.

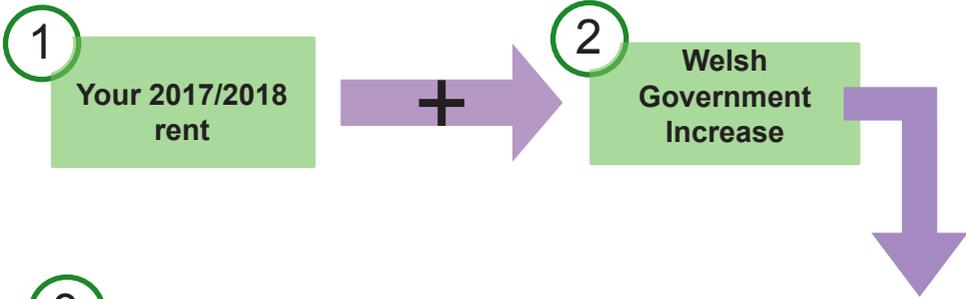
How your 2018/2019 rent is calculated

Welsh Government will only allow us to annually adjust rents by an inflationary-based figure plus or minus £2 per week.

MVH has agreed that:

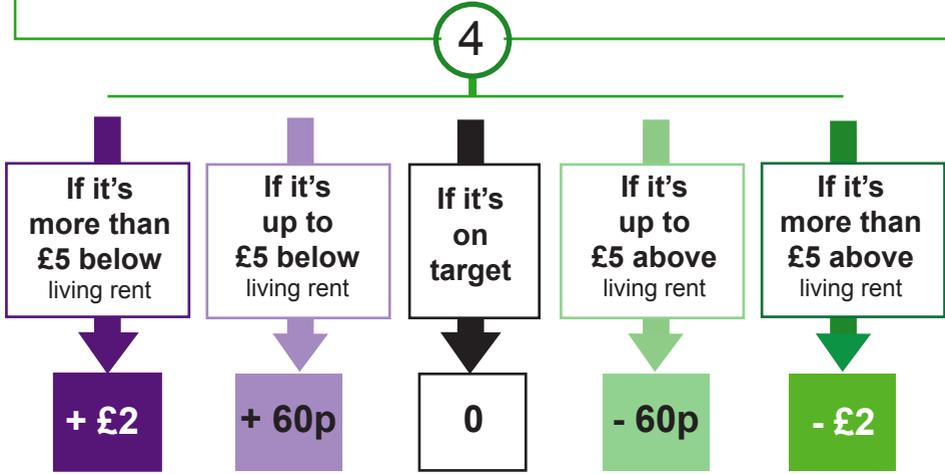
- Those rents that are **more than £5** away from the living rent would adjust by plus or minus £2.
- Those **within £5** would adjust by plus or minus 60p.

The diagram on the next page explains how adjustments will be made to bring your rent in line with the living rent



3 We then compare this amount with the living rent for different property types (based on 52 week rent)

Houses				
1 £79.49	2 £84.17	3 £93.52	4 £102.87	5+ £112.22
Bedsit	Flats		Sheltered	
1 £65.46	1 £70.14	2 £77.15	3 £84.17	1 £72.48



This gives your new 2018/2019 rent which is stated in the rent letter attached.

Looking to the future

We expected a new Rents Policy from Welsh Government in 2017, but this has been delayed and it is now due in the spring.

It's our view that rents should be set locally following detailed conversations with Members.

Get involved and be part of the decision making

If you are interested in how we set rents and budgets and you're not yet a Member of Merthyr Valleys Homes, why not become a Member and get involved?

Membership is free and there are lots of ways to sign up and have your say.



0800 085 7843 or 01685 727772



membership@mvhomes.org.uk
www.mvhomes.org.uk

Visit our website for more information on Membership and our Mutual.

We're moving

From the 30th of April 2018 our offices are moving to Gellideg.

Our new address will be:

Ty Brychan
22 Lansbury Road
Gellideg
Merthyr Tydfil
CF48 1HA

All our telephone numbers will stay the same.

t: 0800 085 7843
01685 727772
f: 01685 722480
e: info@mvhomes.org.uk
www.mvhomes.org.uk