

Rent Policy

Your guide to this policy

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1. What is the purpose and scope of this rent policy?

The purpose of having a rent policy is to explain how Bron Afon sets the amount of rent that you pay for your home and the homes we provide to other tenants.

For the purposes of this policy, when we talk about “rent” in this policy we mean the basic amount you pay for your home excluding any water charges and service charges that we collect from you. Your tenancy agreement will tell you whether you are responsible for additional charges like these and we write to you every year to let you know about any changes to them.

2. How does Bron Afon set our rents?

The Board of Bron Afon has decided that we will set tenants’ rents taking into account three factors:

- The size of the property they live in
- The type of property they live in
- The location they live in

3. How does Bron Afon assess the size of my home?

We assess the size of the property by the number of bedrooms in your home. To count as a bedroom for this assessment the room must have a minimum floor area of 5 square metres and an opening window that provides natural light and ventilation. The room must have independent access off a hallway, corridor or staircase and cannot be used as a means to access other bedrooms or living rooms in the home or have to be accessed through them. For example, rooms adapted by

the provision of through floor access lifts will not be defined by Bron Afon as bedrooms.

Rooms that have been converted or subdivided by current or former tenants that do not conform to either this definition or the building regulations that apply at the point they subsequently become available for letting will not be regarded as bedrooms and Bron Afon may choose to reinstate homes to their original layout at that point.

4. What are the different property types that are taken into account?

There are four property types:

- Bedsits
- Flats
- Maisonettes
- Houses & bungalows (which are treated the same)

5. How does Bron Afon take location into account when setting rents?

Bron Afon divides the Borough into two areas; the North and the South of the Borough.

Bron Afon charges a different rent according to whether your home is situated in North of the Borough or the South of the Borough.

Any home situated in the following areas is defined, for rent setting purposes only, as being in the North of the Borough:

Abersychan, Blaenavon, Garndiffaith, Penygarn, Pontnewynydd, Pontypool, St Cadocs, Talywain, Trevethin and Varteg.

Any home situated in the following areas is defined, for rent setting purposes only, as being in the South of the Borough:

Coed Eva, Croesyceiliog, Cwmyrnscoy, Fairwater, Greenmeadow, Griffithstown, Henllys, Hollybush, Llantarnam, Llanyrafon, New Inn, Northville, Oakfield, Old Cwmbran, Ponthir, Pontnewydd, Sebastopol, Southville, St Dials, Thornhill, Two Locks, Ty Canol, Upper Cwmbran and West Pontnewydd.

6. What happens if my home is recategorised with less bedrooms than before under this policy?

The rent you should pay under this policy will be reduced if the number of rooms you have which we count as bedrooms is reduced. You will not move to a new target rent immediately but will move gradually to the new rent as set out in the transition arrangements below. If the recategorisation is in response to your request, any rent reduction will be backdated to the date on which you requested a recategorisation. Otherwise it will take effect on the date it is recategorised.

If you are subject to housing benefit deductions because of under occupation under the Housing Benefit rules (the so-called “bedroom tax”) we will notify the Council that the number of bedrooms has changed and this may mean that the deduction from your housing benefit stops or is reduced. Please contact us if you have any difficulties with this so we can help you.

7. What should I do if I think I have less or more bedrooms than Bron Afon assess me as having?

Please contact your Community Housing Officer and let them know you think you have been assessed as having too many or too few bedrooms. We will arrange for a survey to be done of your home and advise you of our view. If you are unhappy with the outcome of this, you can lodge a complaint and we will review the decision.

The decision on how many bedrooms you have for housing benefit purposes is made by the Housing Benefit team in the Council. In practice, they use the information we supply them with. However, you have the right to appeal their decision to an Independent Tribunal if you think they have assessed you as having too many bedrooms. So if you don't agree with our assessment or the Council's you can appeal to the Tribunal.

8. Why has Bron Afon chosen size, property type and location as the three factors to determine our rent?

First of all, the Board of Bron Afon wanted to chose factors that were easily measured from our existing records and were as simple as possible to understand. So they didn't want to chose too many factors that required all properties to be surveyed e.g. how close they are to a bus stop or whether they have a garden.

In terms of the factors chosen, property type and size were widely supported by tenants as fair and reasonable factors to use to assess rent when we consulted tenants in December 2013.

The board decided to also take into account location and to split the Borough into North & South for the following reasons:

- The cost of the living in the North is more expensive than in the South of the Borough. This includes the cost of transport (buses and petrol and diesel prices), food (shops in the North of the borough are more expensive than the supermarkets in the South where there is more competition) and fuel for heating because temperatures in the North are mainly lower than the South.
- Private sector rents are lower in the North than the South and we want to keep our rent well below private sector levels.
- We have lower demand for properties in the North and so it is expected that there will be a slight incentive for people to choose to live in the North of the borough to balance out the level of demand.

9. How are these factors taken into account in setting the rent?

Each of the three factors has been given a weighting. Property Type and Number of Bedrooms are seen as equally important and have the same weight. Location is less important and has half the weight of the other two. These weightings are then applied to the base rent, which is taken to be a bedsit in the North. In 2014/15

- 1) The base rent for a bedsit in the North is £43.02 for 2014/15 for a 50 week rent year;
- 2) Every additional bedroom will cost an extra £8.60 per week;
- 3) A change in Property Type from e.g. a bedsit to a flat will cost an extra £8.60 per week;
- 4) A move from North to a similar property in the South will cost an extra £4.30 per week.

The amount for each weighting will change each year depending on the rent increase for that year.

The base rent and the amount of each weighting has been set to ensure that Bron Afon does not lose or gain any additional rent income from the change in the rent policy.

10. What do I do if I don't agree with the location or type of property that Bron Afon has assessed my home as in?

If you think we have got this information wrong about your home then please let us know as soon as possible. Let us know and we will discuss this with you and work to resolve the issue. If you are not satisfied by our decision then you can complain to us and this will lead to the initial decision being reviewed. Simply write or email us asking us to make a complaint or simply tell us on the telephone.

11. What are the rents for different locations, property size and property type?

The rents for all the different size, type and located properties for the year from April 2014 to March 2015 based on paying rent for 50 weeks per year are attached as an appendix to this policy. This appendix will be changed each year as rents increase each year because of inflation and we will publish a new table and put this on our website and have it available on request. .

12. The rent shown in the policy is higher than the rent I am now paying. Will my rent go up?

Yes. Each year your rent will go up by an inflation increase (set each year by the Bron Afon Board) plus a maximum of £2 per week until you reach the level of rent that is the right one for your property as set out in the Appendix. Note that the appendix shows the figures for 2014-15 and these will be changed and increased each year.

13. The rent shown in the policy is lower than the rent I am now paying. Will my rent go down?

Each year your rent will go up by the inflation increase (set each year by the Bron Afon Board) and an amount will then be deducted from this increase.

If the amount needing to be deducted to reach the right rent level is less than £2 then the deduction will be the amount needed to reach the right rent level.

If more than £2 needs to be deducted to reach the right rent level then the reduction will be a minimum of £2 that year.

Worked example

Two bed flat in the North

Your rent in 2013-14 is £80.46

The right rent for your property under the policy is £68.83

The inflation increase set by the Bron Afon Board for April 2014 is 4.2%

Your rent from 2013-14 will go up by inflation increase from £80.46 to £83.84
£2 will be deducted from this figure so your rent for 2014-15 will be £81.84

14. What about new tenants or tenants who move home?

If the correct rent for any home that we are letting is higher than the rent of the person who last lived there, then we will charge anyone moving in the new higher rent. This includes new tenants and anyone transferring from another Bron Afon home.

If the correct rent for any home that we are letting is lower than the rent of the person who last lived there, we will charge the rent that the person who left would have been paying at that time if they hadn't moved out. Paragraph 13 will then apply just as it would for the previous tenant.

15. Does this mean that Bron Afon make money from the new policy?

No. Bron Afon will not make any money from the new policy.

There may be extra money generated by the number of tenants moving to homes with rents that have gone straight up to the new correct levels. When this occurs, we will use that extra money to enable us to reduce the rents of tenants whose rents are above the correct levels more quickly than at the rate of £2 per week. So Bron Afon is implementing the new policy in a way that does not raise any additional income.

16. Are there any exceptions to this rent policy?

Yes.

Bron Afon participates in the Torfaen Council mortgage rescue scheme. Residents of Torfaen whose homes have been purchased to avoid them being evicted and who

have therefore become tenants of Bron Afon pay market rents at local housing allowances levels. This is outside this rent policy.

Shared Ownership properties are also excluded from this policy. The rent set is subject to the agreement entered into at the time of purchase.

The Bron Afon Board also has discretion to authorise exceptional rents to be charged where they consider this to be appropriate in any particular case or cases and may choose to build or acquire and let properties at market rents or intermediate rents in future outside this rent policy.

Document History	
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Who this policy applies to	Resources and Community Housing & Support staff
Who is responsible for the policy	Director of Resources
Reporting arrangements	TBC
Risks of not having this policy	
Links with legislation	Welsh Government rules
Links with other policies	Complaints Policy
Who has been consulted	SMT & heads of service, tenants
Document Control	
All enquiries with regard to this document should be addressed to the Director of Resources	
Expired issues of this document will be retained by the Policy & Research Officer	