

# ALL CHANGE TO COUNCIL HOUSE RENTS

From April, the Council is changing the way in which Council house rents are set. This is to make sure that the rent you pay reflects the property in which you live, and is known as "rent restructuring". All tenants will have received a newsletter in the summer of 1998 explaining rent restructuring and will also have been sent a letter last July notifying them of the information held by the Council about their property and asking them to tell us about any wrong information.

## How are the new rents calculated?

The new rents are calculated using a mixture of a "points formula" and a base rent in order to give the Council sufficient money to balance the books - something we have to do by law. Points are awarded against various property features and a value is given to each point, as follows.

<b>Weekly base rent (2000/01):</b>	<b>£28.3021*</b>
<b>Weekly value per point (2000/01):</b>	<b>£0.18292*</b>
<b>(*based on a 48 week rent cycle)</b>	
<b>Type of property:</b>	
Detached house or bungalow	<b>50 points.</b>
Semi-detached/end of terrace house or bungalow	<b>40 points.</b>
Terraced house or bungalow	<b>35 points.</b>
Ground floor flat	<b>30 points.</b>
Flats above ground floor (including those served by lifts)	<b>20 points.</b>
Flats above two storeys (without a lift)	<b>10 points.</b>
Bedsit	<b>No points.</b>
Designated defective dwellings	<b>minus 5 points.</b>
<b>Number of bedrooms.</b>	
For each bedroom	<b>10 points.</b>
<b>Internal living area.</b>	
Internal living area less than 45m <sup>2</sup>	<b>No points.</b>
Internal living area 45m <sup>2</sup> to 74m <sup>2</sup>	<b>5 points.</b>
Internal living area 75m <sup>2</sup> to 94m <sup>2</sup>	<b>10 points.</b>
Internal living area 95m <sup>2</sup> and above	<b>15 points.</b>
<b>Central heating (points per radiator to a maximum of 8 radiators).</b>	
Mains gas central heating	<b>2 points.</b>
Other type of central heating	<b>1.5 points.</b>
<b>Other heating.</b>	
Storage heaters (per heater)	<b>1 point.</b>
Solid fuel (no radiators)	<b>No points.</b>
Warm air electric heating	<b>No points.</b>

### Glazing.

Full double glazing	10 points.
Partial double glazing	5 points.
All other forms of glazing	No points.

### Other features.

Two internal toilets	2 points.
Exclusive use of garden	5 points.
Shared garden	2 points.
House with no garden	minus 5 points.
Sheltered property with resident warden	5 points.
Sheltered property without resident warden	2 points.

Please note this list does not include any additional charges that you may have to pay (such as water or sewerage charges that may be payable with the rent, or for garages let as part of your house tenancy). These will be charged separately and notified to you in your annual notice of rent.

*It is also important to note that restructuring is taking place at the same time as the Council is increasing its rents by 4.5% in order to provide sufficient money for repairs and maintenance. This has been taken into account in the base rent and points value.*

### How does rent restructuring work in practice?

Here is an example of how rents will look as a result of restructuring.

A three bedroom semi-detached house, living area of 80m<sup>2</sup>, with mains gas central heating and 8 radiators, double glazing and its own garden will attract the following rent.

Base rent:		£28,3021.
Semi-detached house or bungalow	40 points	
Three bedrooms	30 points	
Internal living area 75m <sup>2</sup> to 94m <sup>2</sup>	10 points	
Mains gas central heating (8 radiators)	16 points	
Full double glazing	10 points	
Two internal toilets	2 points	
Exclusive use of garden	5 points	
<b>Total points</b>	<b>113 points</b>	<b>£20.67</b>
<b>Weekly Rent (48 weeks)</b>		<b><u>£48.97</u></b>

Any other charges you may have to pay (such as water, sewerage, alarms or garages let as part of your house tenancy) will be in addition to those set out in the above example.

### What does this all mean for rents?

Rents will more accurately reflect the type of property in which you live not where you live. It is not a means for the Council to increase rents across the board. Some rents will go up as a result of rent restructuring but just as many will come down.

### **Will big changes to rents be imposed in one go?**

No. Tenants whose rents increase by more than £3 per week as a result of restructuring will have the increases phased in. The larger the increase the longer the increase will be phased in. However, because the Council has to balance its books, rent reductions will also need to be phased in according to the same principle.

Where a property becomes empty, the new rent will be applied to the new tenancy straight away.

### **What if the Council carries out improvements to my home - will this affect my rent?**

Yes, if the improvements involve an increase in property points. The Council wants to improve its properties and to safeguard the long-term interests of tenants (both current and future) and regards modernisation and improvement as an essential part of this strategy. Tenants will not be able to refuse works to be carried out because they fear it might mean an increase in rent.

### **What do I do if I think the Council is charging me the wrong rent?**

If you think that the Council has got it wrong – for instance we are charging you for a three bedroom house when in fact you live in a one bedroom flat - please contact your local Area Office as soon as possible. Our officers will investigate your query and put right any mistakes we have made. Your rent will then be recalculated.

#### **Here, then are some important things to remember about the rent restructuring exercise.**

- *All properties will attract a "base rent" of £28.30 a week in 2000/01.*
- *The value of each point for 2000/01 will be £8.78 per year or £0.1829 per week.*
- *Yes, a lot of rents will go up, but just as many will come down!*
- *The same type of property will be charged the same rent, wherever it is in Powys.*
- *All property information is thought to be correct at 31<sup>st</sup> August 1999. All improvements carried out after this date that have a points value will need to be taken into account in future years.*
- *If you think we've based your rent on the wrong information, please get in touch with your local Area Office.*
- *Rent restructuring is taking place at the same time as the Council is putting up rents by 4.5%.*