



## FOR INFORMATION

# FAIR RENT & SERVICE CHARGE REVIEW

---

**SUBJECT:** Trivallis is carrying out a review of its current Rent Policies and Service Charges. Any changes to the Rent Policy and approach to charging for services could affect around 10,800 tenants and leaseholders in Rhondda Cynon Taff.

### SUMMARY

- Trivallis is the largest Registered Social Landlord in RCT, managing around 10,800 tenanted & leasehold properties.
- Trivallis is a 'not for profit' organisation that re-invests its rental income back into its homes & communities within RCT.
- Throughout the summer 2018, Trivallis will be carrying out a consultation exercise with its staff, tenants and stakeholders with regards to a new policy for rents and service charges.
- This new policy could take effect from April 2019.

### BACKGROUND

Trivallis' current model for setting rents was decided over 10 years ago, following stock transfer in 2007. This model sets rent by property type and size (number of bedrooms) only. Our rent increases each year by a percentage that is restricted by the Welsh Government.

It's felt that a review of this model is well overdue, particularly when in some sub-market areas our rents are higher than the private sector. This also correlates with high turnover of tenancies in those areas.

One of the initial drivers for this review was Welfare Reform and the proposed expansion of the introduction of the Local Housing Allowance to all social housing tenants. This would have aligned Housing Benefit payments for social housing tenants with payments to tenants renting in the private sector.

Although the UK Government has now abolished this approach, it is clear from our initial research that our current policy approach isn't flexible, does not reflect the challenges in our diverse communities, or the needs of our tenants.

Analysis of Trivallis 2017/18 rent levels compared with the Private Rented Sector allocations that:

- On average Trivallis rent charges are higher than the PRS for single-person accommodation in greater Aberdare & the Rhondda Valleys by approximately £5.00 per week.
- In the Upper Rhondda valleys our rents for two bedroom properties are higher than the average PRS rents.
- The areas are hotspots for high tenancy turnover; which may be attributed to the competitive rents of the PRS.
- Trivallis average turnover for single-person accommodation is 15.6%, this rises to 24.3% in Treherbert, and 27.2% in Maerdy.

## CONSIDERATIONS

The review will consider a number of factors that aim to improve affordability and protect against the impact of Welfare Reform, improve tenancy stability, demand, whilst maintaining and improving rental income levels.

We think that a measure of affordability needs to be a key component in our new model, and the socioeconomic differences in our communities should be reflected. Our approach to affordability will comply with the Welsh Government's Rent Envelope and be appropriate for our dwellings in the local market. This is important with the on-going welfare reforms as more customers will need to start making contributions towards their rent.

We want our tenants to influence this process so we are embarking on a consultation exercise throughout the summer 2018. We plan to engage with as many of our tenants as possible to listen to their views on their rent and service charges. This will then influence how rents are set in the future.

We are keen to stress that tenants should not be concerned about this review, and there will not be any rent increases for existing tenants outside of the boundaries currently set by Welsh Government. This review aims to ensure that our rents are fair and affordable, and our service charges provide value for money. For existing tenants, any changes in rent will be phased over a number of years; before converging to the new rent levels.

## FURTHER INFORMATION

You can find more information about this project on our website [www.trivallis.co.uk](http://www.trivallis.co.uk) we will also be carrying out some of our consultation through this portal.

If you'd like to speak to a member of the Fair Rent Review Project Team you can make enquires via our website and we'll get back to you by email or phone.