

## My rent – Frequently Asked Questions

### Why are you asking me to pay more?

Last year the government capped rent increases at 7%. Without this cap, your rent could have increased by as much as 11.1%. This year the government has not imposed a cap and annual rent increases have returned to the Consumer Price Index (CPI) as at the previous September plus an additional 1%.

**That means your rent this year is increasing by 7.7%, similar to last year's increase.**

We remain committed to provide safe, warm and affordable homes in our community and we'll continue to: create a strong community; build strong relationships; provide quality homes and services; include, listen and understand; be transparent and accountable.

It's still costing us more to do the same and increases in materials and labour are higher than the increases in rent.

### Is everyone putting the rent up?

Rent increases in April each year are based on the Consumer Price Index (CPI) as at the previous September plus an additional 1%. Most housing associations have taken the decision to increase rents by 7.7% from April 2024.

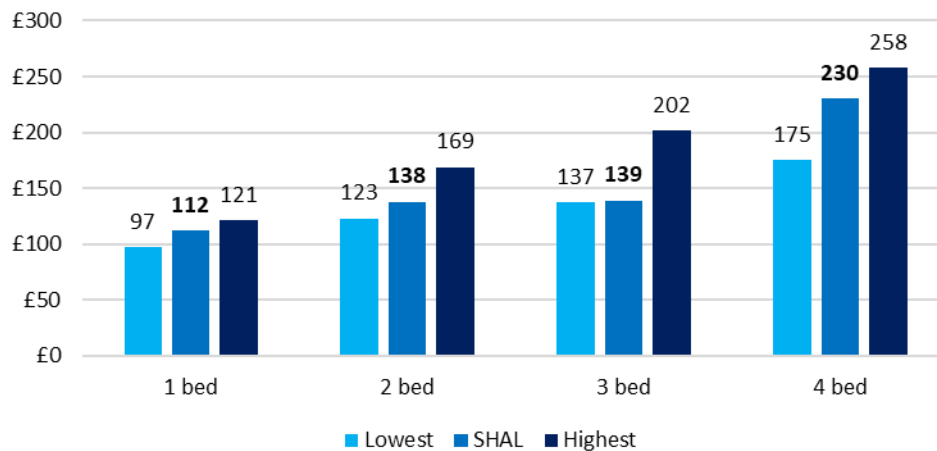
76% of you said  
you're happy with  
how we handled  
the rent increase in  
2023

## What's the average rent?

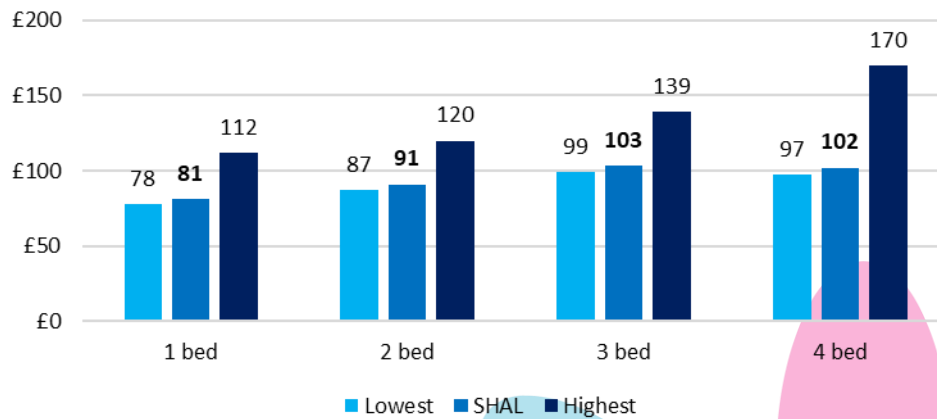
The amount of rent tenants in social housing varies between landlords across the country. SHAL's rents are below average which means that some rents elsewhere are higher and some are lower.

We looked at the average rents for homes advertised on Homefinder Somerset:

*Average "affordable" rents in Somerset*



*Average "social" rents in Somerset*

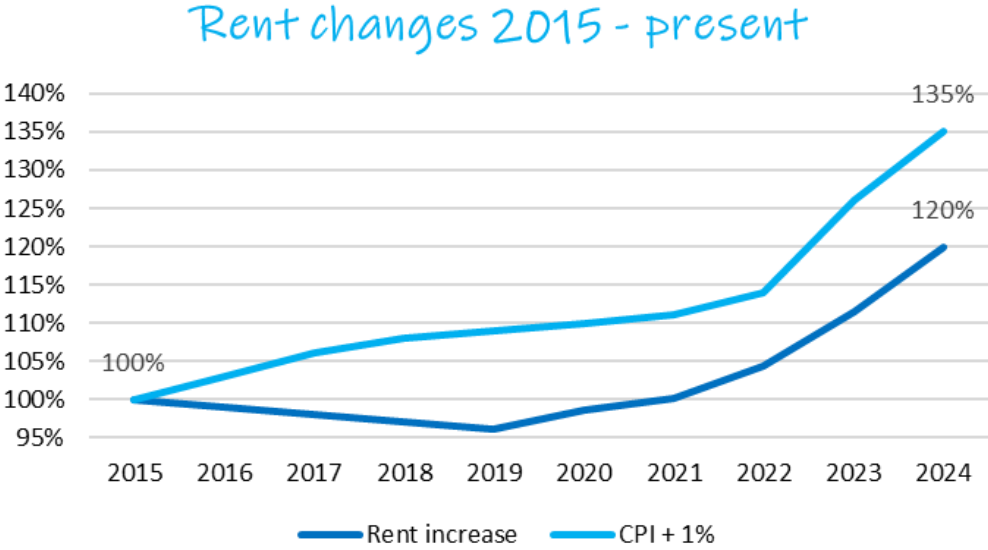


# History of SHAL's rents

Annual rent increases are normally CPI plus an additional 1%. However, between 2016 and 2019, rents reduced by 1% each year before starting to increase again from 2020. Additionally, last year's rent cap at 7% meant rents were 4.1% lower than the potential increase of 11.1%.

Because of that, rents in 2024 are 15% points lower than we had planned. This, combined with larger increases in the cost of labour and materials, means there's a big gap between our planned and actual income.

We can't "catch up" and get that lost potential income back.



## What do I get for my money?

We're only able to provide our services, invest in our homes and build new homes because you pay rent. SHAL's services include housing and neighbourhood management, community investment and what you told us were your priorities in our tenant satisfaction survey in 2023.

It also includes our day-to-day repairs service, including access to an emergency repairs service where either ourselves or one of our specialised approved contractors will come out to you and make sure you're safe in your home 24/7. We'll then complete any necessary repairs as soon as possible during normal working hours.

We're sometimes able to get grants from the government to help towards the cost of building new homes but most of the money we spend providing services and investing in homes comes from your rent. We're currently applying for funding from the government to help us with the cost of improving the energy efficiency of all our homes and meet their targets. Again, these grants mean every £1 we spend goes further and we can improve more homes at the same cost to SHAL.

78% of you said your rent and service charge are affordable

We're able to borrow money from banks but that means we have to pay interest and other costs each time we want to access the funds available. Sometimes we have to pay finance costs just so we're able to have access to the funds.

**In our tenant survey in 2023, 84% of you said you're happy you're rent is value for money. While that's down on 2019, it's still above the benchmark for other housing associations who asked the same question. 41% of you said you're happy your service charge is value for money.**

## What about my service charge?

All our service charges are reviewed each year at the same time as your rent. Our service charges are variable which means they can go up as well as down depending on what we've spent to provide the service.

If we need to add services or make substantial changes to the services we provide we consult everyone who pays that service charge and not simply increase them each year. Any changes are then applied equally to all tenants if they apply to more than one home.



## Is SHAL charging more but doing less to save money?

No. The 7.7% increase in rent doesn't match the increase in the cost of labour, materials and other overheads we're facing as an organisation. Last year we advised you we've seen increases between 13% and 33%. These previous increases have been compounded this year by additional increases of around 10%.

**We always “shop around” to make sure we get value for money and we don't believe in paying more than we should for good quality products and services.**

However, SHAL is strong financially and people's homes are safe. We've had to find new ways of working and it's not always been easy.

We're continuing to change the way we work to be more effective. It's a bumpy ride ahead but we'll get through it. Things may be delayed or changed but they won't be cancelled or forgotten. We've made some minor changes to our day-to-day repairs and planned investment services that bring us in line with other social and local authority housing.

**We're always trying to make every £1 we spend go further. We “shop around” and find ways of getting better value for money; we always negotiate. We're not paying more just because suppliers are charging more. Where necessary we'll re-tender the contracts.**

## Labour and materials

We now have a team of 10 multi traders, including one recently qualified apprentice. This means we can manage the cost, quantity and quality of the work we do more effectively – and do more of that work ourselves, saving even more money.



## What about the money SHAL doesn't spend?

Each year we make a surplus (i.e. more money comes in than goes out). This isn't a "profit" as every £1 is put back into building new homes, investing in existing ones and providing our services. It's also used to fund long-term projects (e.g. energy efficiency improvements and planned improvements).

This surplus is also used to help us apply for funds, grants and investments from other organisations. We're also required to have a surplus in the bank to comply with financial and governance regulations.

## Salaries and other costs

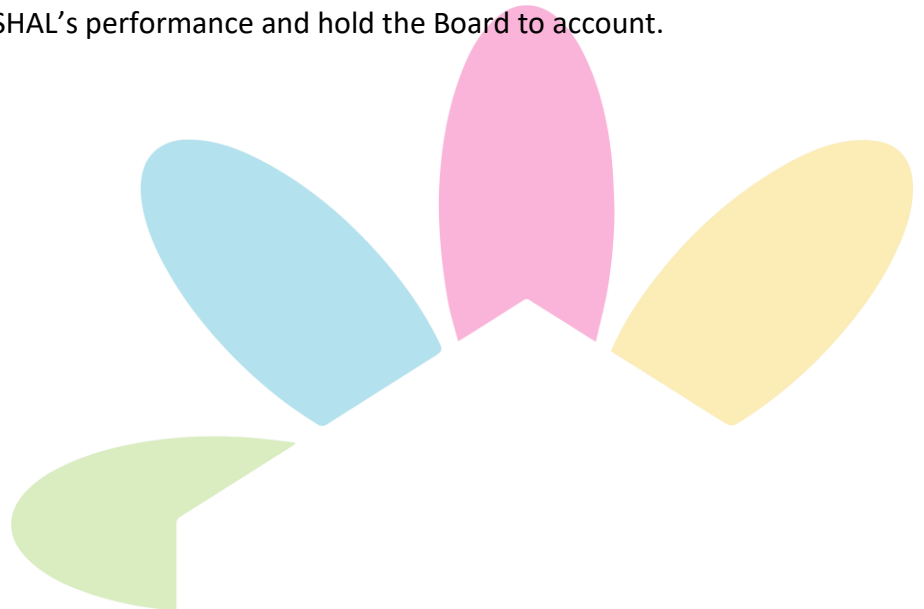
Our employees are paid a salary that is benchmarked independently across the housing sector. This is reviewed each year and any increases are discussed with Unison and agreed by the Board. Staff are paid the median salary for their role, based on similar roles across the housing sector.

## Board members and shareholders

Our Board members are not paid (apart from reasonable expenses for travelling to and from meetings although most, if not all, meetings are now virtual). They are recruited for their knowledge and skills and volunteer their time to help SHAL and ensure we're doing the right things for our tenants.

As a registered not for profit organisation and social housing provider we're required to have shareholders. They each pay a nominal £1 to become a shareholder but do not receive dividends or returns on their investment.

Tenants can become shareholders too. Each year we hold an Annual General Meeting (AGM) at which shareholders meet to review SHAL's performance and hold the Board to account.



## Housing Benefit

### Will you tell the Local Authority?

Yes. We'll tell your Local Authority what your new rent is and they'll up-date your claim for housing benefit. Remember all of Somerset's Local Authorities as well as Somerset County Council became a Unitary Authority called "Somerset Council" in April 2023.

### How much do I need to pay?

If you receive full Housing Benefit (i.e. your rent is paid in full each week) you don't need to make a payment yourself unless you have outstanding arrears. If you receive partial Housing Benefit (i.e. your rent isn't paid in full each week) you'll need to know how much rent you need to pay yourself and make regular payments to cover it. You'll need to pay an additional amount if you have outstanding arrears.

## Universal Credit (UC)

### Will you tell the Department for Work and Pensions (DWP)?

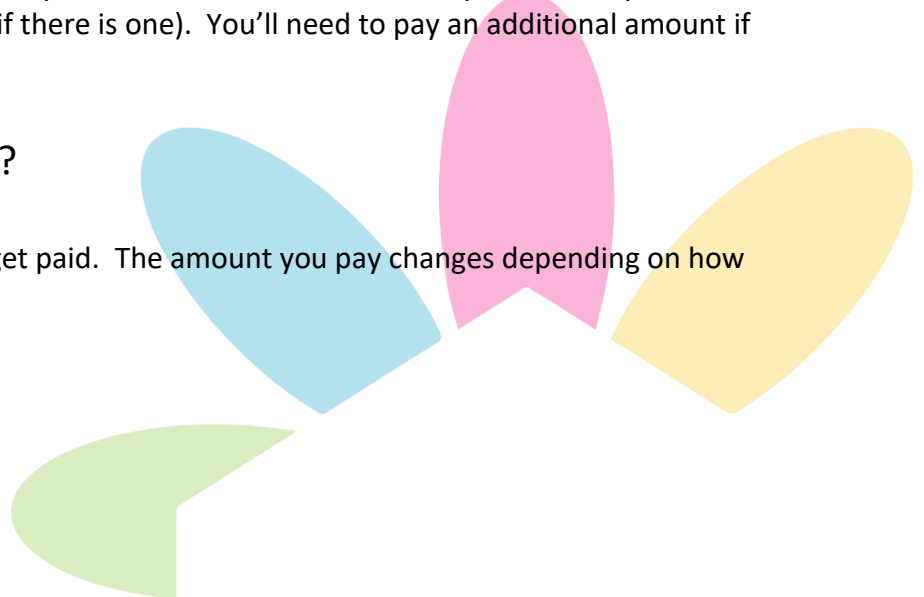
No. If you receive an element towards your housing costs in your monthly UC payment you'll need to tell the DWP what your rent will be and the date it changes so they can up-date your claim. If you don't tell them they'll continue to pay the lower amount and you'll begin to get into arrears. **The DWP may not backdate your claim and you'll be liable for the arrears.**

### What do I need to pay?

UC is calculated and paid to you monthly. You'll need to work out what your monthly rent is and you'll need to pay the shortfall (if there is one). You'll need to pay an additional amount if you have outstanding arrears.

### How often do I need to pay?

It's best to pay your rent when you get paid. The amount you pay changes depending on how frequently you pay.



## Why do I get into arrears if the DWP pay you directly?

If the DWP pay us directly they'll send us the payment automatically but it's not that simple...

Although the DWP pay you monthly they may pay us every 4 weeks. That means we receive the payment on a different day each month and once a year they don't send us a payment for 8 weeks. This is called a "Missing Managed APA Payment" and this delay means you fall into arrears.

However, it doesn't mean your money goes missing; it simply means it's held by the DWP for longer than normal. Over 12 months we receive everything they tell you they send us – just not necessarily at the same time! Currently, there's nothing we're able to do about this except be aware of those affected but the DWP are beginning to change the way they make payments and pay your rent to us at the same time they pay you.

**If you're not sure what your actual balance is you can give us a call and we'll work it out for you.**

## Why should I pay more for services I don't want or need?

We asked all our tenants what their priorities were as part of our tenant survey in 2023. The top 5 were:

1. Invest in maintaining and improving the standard of our homes
2. Invest in improving the energy efficiency of our homes
3. Support people who are struggling financially
4. Do more to help people with disabilities get the support they need
5. Support people who want to maintain and improve their homes themselves

We appreciate these may not be priorities for all our tenants. We'll work through the findings of last year's survey with you.





## What do I need to pay if I'm in arrears?

If you're in arrears you'll need to pay extra to cover your weekly rent and reduce your outstanding balance. You can text **BAL** to 07984355553 to get your balance 24/7. You can contact us if you're not sure how much you need to pay and we can come to an agreement.

If you're worried about being able to pay enough please contact your Housing Officer as there may be ways in which we can help. You can text **RENTS (plus your message)** to 07984355553 and they will get back to you and arrange a meeting to discuss your options.

## Where can I get help to budget?

If you think you need help managing debts or need money advice there are organisations that can help (e.g. Citizens Advice). **However, if you're not sure where to start you can speak to your Housing Officer.** You can text RENTS (plus your message) to 07984355553 and they will get back to you personally.

**We can also help if you're struggling to pay your rent and make ends meet. Don't suffer in silence. If you're struggling please get in touch and we'll do everything we can to help you.**

[www.shal.org/making-ends-meet](http://www.shal.org/making-ends-meet)

## How can I pay my rent?

You can pay your rent in a number of ways. Direct Debit is the easiest, quickest and cheapest way. Alternatively, you can pay online and over the phone using a debit card. You can text **PAY** to 07984355553 for further information about your payments options or text **DD** and we'll contact you about setting up or changing your direct debit.



## I don't accept the new rent

We hope all the information we've provided you with has answered all your questions and explained why your rent has increased. However, if you have questions or concerns about the changes to either your rent or your service charge you need to speak to us.

If you don't accept the proposed new rent, and do not wish to discuss it with us, you can refer this to the tribunal. You must do this before the starting date of the proposed new rent. You should tell us that you're doing so, otherwise we may assume you've agreed to pay the proposed new rent.

To refer it to the tribunal, you must use the form called *Application referring a notice proposing a new rent under an Assured Periodic Tenancy or Agricultural Occupancy to a Tribunal (Form 6)*. This is available online.

The tribunal will consider your application and decide what the maximum rent for your home should be. In setting a rent, the tribunal must decide what rent the landlord could reasonably expect for the property if it were let on the open market under a new tenancy on the same terms. The tribunal may therefore set a rent that is higher, lower or the same as the proposed new rent.

