



# Rent, Service Charges and managing my finances



**Grŵp Cynefin**

Mwy na thai • More than housing

## Rent and Service Charges



## Rent setting policy

## Changes to your rent

## Assured, starter tenants, and assured shorthold tenants

We aim to set rents and service charges as low as possible whilst making sure we have enough money coming in to provide a good standard of service.

When you start your tenancy the amount of rent you must pay is shown in your tenancy agreement. This covers the cost of providing you with your home and the services you receive, including any repairs and maintenance.

Your rent does not include water, gas, electricity, TV license, Council Tax or home contents insurance unless this has been specified in your tenancy agreement.

Our aim is to:

- Cover our costs of providing good quality services, including the repair and maintenance to our properties and management of the tenancies
- Repay, over a reasonable period of time, any loans for the original cost of providing our homes
- Keep rents at an affordable level
- Reinvest any surplus income that is generated back into our homes

The Association's Board of Management has the responsibility for setting the rent level for all tenancies created after 15th January 1989, and this is done on an annual basis. The Association may increase or decrease the rent on your home but will not increase the rent over the level which is set by the Welsh Government.

Sometimes, if you live in a Supported Housing property, your Support Provider sends you the annual rent review regarding rent and service charges.

## Secure tenants

For those who have been tenants of the Association since before 15th January 1989, different arrangements apply and it is the local Rent Officer Service and not the Association that sets the rent. In the case of Secure Tenants the Association can only apply for a rent review every two years.

If you receive Housing Benefit or Universal Credit, you need to tell the Council or Department of Work and Pensions (DWP) about any changes to your rent or service charge so that they can re assess your entitlement. We will also notify the Council of the changes for those tenants who have arranged for their housing benefit to be paid direct to us. Likewise if we have Alternative Payment Arrangements (APA's) DWP will send payments directly to us.

## How will you keep me informed?

We will help you keep on top of your rent payments and promise to:

- Send you a rent statement periodically and on request
- Give you a minimum of 28 days notice in any change to your rent
- Enter you into a quarterly prize draw if you pay promptly and maintain a clear account
- Help you apply for Housing Benefit or Universal Credit and any other benefits you may be entitled to
- Direct you to other advice and support services

You can ask us for information on how our rents and service charges are set.

Your rent statements will detail all rental payments that have been made into your account.

## What is a service charge?

A service charge is a charge payable to the Association towards the cost of providing and maintaining predominantly services to communal areas you share with others. Please refer to your tenancy agreement and or the service charge statement that the Association provided to you when you moved into your home. A service charge is typically a charge that is in addition to your weekly rent.

## What services am I charged for?

These are the kinds of services we provide, for which a service charge could apply:

- Communal grounds maintenance – lawns, shrubs, trees, litter clearing
- Communal equipment – e.g. lift, fire alarm system
- Communal lighting and heating
- Communal cleaning of internal shared space
- Individual specialist equipment e.g. hoist, stairlift in individual homes with the authorisation of the tenant - who accepts the need to be charged to maintain and service the equipment. Housing benefit will not cover this particular cost.

## What is a variable service charge?

The Association operates a variable service charge scheme. This means that we review the service charge you pay each year as this ensures you are only charged the actual cost for the services you receive. The service charge is based on an estimate of the cost of the preceding 3 year's service costs, with an adjustment for any under or over charging for the previous year (in existence since April 2018).

We will give you a minimum of 28 days notice of any increase or decrease in the service charge. A service charge can be changed more than once a year if needed.

## **Varying or introducing a new service charge**

The Association reserves the right to vary existing charges or issue proposals to introduce new services from time to time, but will consult with those tenants affected prior to doing so. The Landlord and Tenant Acts 1985 & 1987 (as amended) contain statutory guidelines and impose conditions that must be followed by all Registered Landlords when consulting with tenants. Please refer to our Service Charge Policy for further information.

## **Managing my finances**

It is important that you pay your rent on time as the money we receive pays for the services we provide to you. Therefore you need to budget well and ensure you pay us when you need to. We have a Welfare Team who can visit to help you with this.

## **How much and how often do I need to pay my rent?**

To avoid going into arrears you need to get your payment for the coming week to us on, or before, the Monday on which it is due. Those with a weekly tenancy therefore are encouraged to pay weekly, and those with a monthly tenancy on the 1st of the month. For those whose tenancy started mid week, we will calculate what is owed and round it up with the following week's rent. It is acceptable however for tenants to pay fortnightly, four-weekly or monthly in advance, provided that the payment is made before the beginning of the period for which it is due.

## How do I pay my rent?

Whether you receive Universal Credit, Housing Benefit or pay the rent yourself, you must make sure that your rent is paid on time.

We want to make it easy and as flexible as possible for you to pay your rent, so you can choose from one of the following options:

- Direct Debit. You can set this up easily by phoning the Association or visiting our website
- At any Post Office or outlets which display the Pay Point sign, using the payment card that was given to you
- Paying online [www.grwpcynefin.org](http://www.grwpcynefin.org)
- Paying by debit card on 0300 111 2122
- Paying at the Association's offices, either in person, or by sending a cheque in the post.
- Allpay app

It is important to never send cash through the post.

If you decide to pay by direct debit each week, you are allowed to pay on any day of the week, as long as it is paid in advance.

## How do I keep track of payments?

Whenever and wherever you pay in person you will get a receipt. Keep this safe as it is your proof that you have paid. If you choose to pay by direct debit through your bank, or via your debit card, each payment will show on your bank statement. You also have the assurance of receiving rent statements from us which list all payments made.

**What happens if I don't pay my rent?**

Arrears is the term we use for rent you have failed to pay us. If you owe us rent don't delay, contact us and explain why and this will allow us the chance to discuss the situation with you. We will do what we can to help you catch up. Together we can work out a reasonable arrangement for paying what you owe us over an agreed period of time. This will be based on how much you can afford.

If you allow the arrears to increase on your account you will be in serious breach of your Tenancy Agreement. The Association will be entitled to take legal action against you, and this may result in you losing your home. You will still have to pay the rent arrears and you will also have to pay any court costs the Association incurs.

**I think the balance on my account is wrong what can I do?**

If you think something is wrong, please contact us. We will check the amount and the record of payments, as well as any Universal Credit or Housing Benefit you could claim. We will explain to you how the arrears have happened. If a mistake has occurred we will correct this immediately and will adjust your account.



## What if I am having problems paying my rent?

If you are genuinely having problems paying your rent, please **contact us immediately**. Don't ignore the problem, it is better to talk to us rather than think the problem you may be facing will go away.

You also need to contact us if you are expecting problems due to changes in your income, as we may be able to give advice and information to help you overcome any financial difficulties you might be facing.

We have a Welfare Team and the officer can come to see you to help you get the most money you are entitled to.

You can also ask us for a copy of our Rent Arrears Policy.

**Please do not hesitate to contact us - It's better to do so early - we are here to help you and will do as much as possible to advise you.**

**Our aim is to help you manage your home.**

## Help with your housing costs

Universal Credit or Housing Benefit can help with the cost of rent if you are not in work or have a low income.

Universal Credit is paid differently from other benefits. It's paid once a month, usually into your bank account. The amount of Universal Credit you can get can depend on your circumstances and income. It can include help towards your rent costs. If you receive Universal Credit, you need to pay your rent directly to the Association from your payment. If you live with your partner and you both claim Universal Credit, you'll receive a single payment that covers you both.

You must claim Universal Credit on-line and you'll get your first payment from the DWP around 6 weeks after applying on-line if your application is successful.



Universal Credit is gradually replacing Housing Benefit, and you can only receive one or the other.

Housing Benefit can be claimed in person or on-line through your local Council Office.

You could also be entitled to council tax reduction and you need to apply for this through your local Council.

If you think you may be entitled to claim Housing Benefit and council tax benefit, or for any other general advice on rent and financial issues, please contact us and we will do our best to support you. Alternatively contact your local Council or the DWP. You can find the telephone numbers on the useful numbers page in the “Additional Support Services and Useful Contacts” section.

Where Universal Credit or Housing Benefit is paid to meet all or part of your rent, you must complete the housing benefit review forms correctly and return them as soon as possible or with Universal Credit apply on-line. If you have any problems, we have staff to help you with any questions you may have.

Once you are in receipt of Housing Benefit or Universal Credit, all changes in your circumstances must be reported to us and your local Council or DWP straight away, as such changes could affect the amount of Housing Benefit or housing costs that you are receiving. If you do not disclose the changes you may not be paid the correct entitlement.

This means that you could be entitled to more, or possibly have been paid too much which could result in an overpayment. We co-operate with local Councils and the DWP anti-fraud initiatives, and are required to inform them of any factors relevant to your claim.

**What should I do if I'm in arrears because my housing benefit has not been paid?**

You are responsible for your Housing Benefit and Universal Credit claim. It is important that you apply as soon as possible and that you give all the information needed to process it. If there is information missing this will delay your claim being processed. You will therefore need to contact the Housing Benefit or Universal Credit office in the Council or the DWP on-line to ensure they have received all the information they require from you in order for your claim to be processed.

**Can I claim Housing Benefit or Universal Credit for more than one property?**

No, this is not normally allowed. However if you are currently a tenant of another landlord and your notice with them does not end until after your tenancy with us starts, provided you move into the new property on the first week of your tenancy you can claim Housing Benefit on both homes up to a maximum of 4 weeks. Such claims however are at the discretion of the Council.

This facility will not be available through Universal Credit, so you must carefully inform all relevant landlords when you move.

**Staying debt free**

We know that not having a basic bank account, and not being able to get advice about money and affordable credit, such as Credit Unions, can result in people facing financial exclusion.

People without bank accounts are often forced to pay more to access cash or arrange a loan. They are also unable to take advantage of direct debit discounts when paying for gas, electricity, and other services. Those same individuals can often find difficulty in finding employment.

People without money or credit are tempted to borrow from very high cost lenders, or worse, illegal loan sharks. We would strongly advise against this and would ask you to contact us for advice first.

## Basic Bank Account

If you do not have a bank account we can give you advice on where to go and how to set one up.

With a basic bank account you:

- don't get a cheque book
- can pay cheques in for free
- can take money out at cash machines
- pay bills by direct debit or standing order

When choosing a bank account check which bank and think about which account would be best for you.

For example do you:

- have access to cash machines near where you live or work?
- have access to a branch of the bank/building society near where you live or work to enable you to pay in money?
- get the option to set up a direct debit or standing order to pay household bills, such as electricity, gas?

Some banks/building societies will allow you to open an account even if you have bad credit, for example if you have a County Court Judgement (CCJ) against you.



## Credit Unions – an affordable way to obtain credit

Credit Unions are not for profit financial co-operatives, which are owned and run by their members for the benefit of their members. They are regulated. They offer savings and great value loans, and they are local. Many credit unions offer a range of services, including a current account, into which you can have your wages or your benefits paid into.

Ideally you should be saving regularly into your credit union account, before applying for a loan. However, in an emergency you might be able to take out a loan without saving.

- members are encouraged to save whilst repaying the loan
- you will get a dividend on your savings
- all loans come with free insurance

A loan from a credit union is cheaper and safer than from a private money lender i.e doorstep lender. Ask your Housing Officer about Cambrian Savings and Loans - which is your local credit union.

We are working with the Rental Exchange - a way to show that you are paying regularly, and therefore, building a credit history - so that you can get access to more affordable credit. If you do not want us to share data with Rental Exchange, please contact your Housing Officer.

## **Door step credit / Pay day loans**

These types of loan companies collect repayments from your home. Some offer vouchers to spend in certain shops, whilst others provide you with cash loans. The repayment amounts are often quite small, however the repayment periods can be long, and therefore the total cost of the loan can be very high.

As door step credit and pay day loans are easily available you may be tempted to consider this type of borrowing, but could quickly find yourself in a cycle of never ending debt. Try to avoid the temptation of accepting this type of credit and think about contacting your local credit union instead. Contact us for advice.

## **Free impartial debt advice**

If you do get into debt, it is important that you obtain advice before the debt gets out of hand. Don't be tempted to borrow more money to pay off other debts, as this can lead to other problems.

See the contacts page for details of debt advice agencies.

Please be wary of Debt Management Companies offering you free debt advice; usually such companies recover their costs from the monthly amount you pay them towards paying your debtors.

Remember, you have a Welfare Officer who can help you with benefit advice and help you maximise the benefits payable to you. Just contact your Housing Officer to ask for help.

## Priority debts

Some debts called priority debts are more important to deal with than others as you may face serious consequences if you fail to pay.

Priority debts are:

- Rent arrears – you could lose your home
- Gas and electricity arrears – your supply could be cut off
- Water arrears – see water bills below
- Council Tax – The Council could get a Court order to let them send bailiffs to take furniture from your home or to take part of your earnings from you, or you could face imprisonment
- Magistrate Court fine – seizure of property by the bailiff or imprisonment
- Maintenance/Child Support – Attachment from Earnings
- T.V Licence – Court fine, seizure of property by bailiffs, imprisonment

There are many charitable organisations where you could apply for help to clear your debts. Many are based on the types of employment you have had, for example if you or a member of your family is serving or has served in the armed forces.

Your local CAB will have a list of such charities and can advise you on making a claim.

## Water bills



Water companies can no longer disconnect your water supply if you are in arrears, however, they can obtain a County Court Judgement (CCJ) against you. Some water companies have set up trust funds that may be able to help you pay your water bills if you are in financial difficulties. Ask your water company if they run such a scheme and what help they can offer you, we can help you.

## Help with your water bill

If you are in arrears with your water rates there are various schemes that could help you. Arrangements can be made to clear or reduce the arrears but this must be done via the Citizens Advice Bureau, Welfare Officer or your Housing Officer. There are various tariffs also available if a member of your family suffers with an illness which increases the use of water.

## Help with your fuel bills

If you are a pensioner or are classed as a vulnerable customer, you may be entitled to extra help with your gas and electricity bills during the winter months, including the Warm Home Discount Scheme.

## What is the Warm Home Discount Scheme?

If you are on a low income, you may qualify for the Warm Home Discount Scheme. This gives a rebate to pensioners on low incomes and some other customers on low incomes.

The Warm Home Discount Scheme is run by energy companies. The largest ones are required by law to offer this rebate.

If you're not a pensioner on a low income, you may still be eligible for the Warm Home Discount Scheme. Each energy supplier has different criteria, so contact your supplier to check whether you're eligible.

## Energy Wardens

Grŵp Cynefin is involved with the delivery of the 'Community Energy Programme'. The service assists householders with behaviour change and energy efficiency methods, and the wardens provide advice and support with financial assistance applications.

## The Welfare Team

There is a team of Welfare Officers who offer support and advice in maximizing tenants' income, help with budgetary advice and signposts to other agencies to help with debt negotiating.

