

Rent charges annual review: April 2017 to March 2018

INFORMATION FOR SECURE RESIDENTS

HOW RENTS & SERVICE CHARGES ARE CALCULATED

Q: Am I a secure tenant?

A: You are a secure tenant if before 15 January 1989:

- you were a tenant with us, or
- mutually exchanged with someone who used to be a secure a tenant with us, or
- were assigned your tenancy from someone who held a secure tenancy.

This means your rent will have been, and will continue to be assessed by the Valuation Office Agency (previously known as the Rent Service), a Government Agency. Tenancies which started after 15 January 1989 are not secure, they are assured and, as such, they are set by East Thames.

Q: Does the way my rent is set differ because I am a secure tenant?

A: Yes it does. Every two years we register a change to your secure rent with the Valuation

Office Agency (VOA). The VOA will send you a copy of our application to register a change of rent. The VOA use their own methodology to set the rent and they are not influenced by the amount we apply for. We will also register a new secure rent if we carry out major works and improvements on your property, in which case, the application to register a change of rent will be made earlier than the two year period. When a secure tenant transfers into another of our properties, we must charge the last rent registered for that property. If the property you have moved into has either not had a VOA assessment in the past two years, or never had a VOA assessment before (the last tenant might not have been a secure tenant), we will ask them to register a new rent. Where there has been no previous registration with the VOA, you will be charged an assured rent until registration is complete, and any overcharge payments you have made will be backdated to the start of your tenancy and applied to your rent account.

Q: Why am I getting an annual review when, as a secure tenant, my rent is registered every two years?

A: Here are some steps we take to make sure your secure rent is fair and comparable to others in similar homes:

- When we receive your VOA rent registration document, we will compare the new registered secure rent with the rent we charge to an assured tenancy in a similar type of home.
- If your registered secure rent is higher than the comparable assured rent, we will cap your secure rent at the same level as the assured rent.

OR

- If your property is not part of a block and we have no assured rents for a similar property, your registered rent will be compared with the target rent for your property.
- If the target rent is lower than your registered secure rent, we will cap your secure rent at the target rent level.

If the above steps have resulted in your rent being capped, an annual review takes place, at which stage the same steps are followed.

Q: Can I speak to the Valuation Office Agency?

A: When we apply to the VOA for re-registration of your rent, and you are unhappy with the amount we have submitted, you can request a consultation with them. They will invite us, as your landlord, along to this meeting. The rent officer at the VOA will then set a rent based on all the information provided.

Q: If I am unhappy with my new charge, what can I do?

A: You also have the right to appeal to the First-tier Tribunal (Property Chamber) Residential Property (FTT) if you are unhappy with the rent registered by the VOA.

The FTT is a public body which provides an unbiased service. To make an appeal to the FTT, you must first write to the VOA within 28 days of receipt of the new Rent Register. However, you will have to pay the registered rent until the Rent Assessment Committee, the reviewing body set up by the FTT, has made a decision. To appeal, please write to the First-tier Tribunal (Property Chamber) Residential Property (FTT), 10 Alfred Place, London, WC1E 7LR. Once the FTT have reviewed your rent, they will write to you, advising you of the new revised rent and/or service charge and the effective date. Please remember that if we have capped your rent, we may increase it to the level on the Rent Register the following year. If you wish to appeal against any potential increase the following year, it is important for you to do it when you first receive your register.

You will not be able to appeal this in the following year.

Q: If my rent has been capped to an assured rent level, how does East Thames work out assured rents?

A: In 2001 the Government introduced a ten year rent restructuring programme that aims to ensure that rents are set in a way that is fair for everyone. This means that all social landlords, including East Thames, calculate their rents in the same way. This is to make sure that rents remain affordable and reflect the size and location of the home. The Government's policy means that for each general needs affordable home we set a formula rent. This formula rent is calculated using the following factors as provided by the Homes and Communities Agency:

- 30% of the formula rent is based on relative property values;
- 70% of the formula rent is based on the relative local earnings; and
- Consideration is given to the number of bedrooms so that (other factors being equal) smaller properties have lower rents than larger properties.

East Thames has decided to reduce rents for secure residents by up to 1% in 2017-18 to ensure maximum fair rent charged is not above the relevant formula rent, in line with government guidelines. If a secure resident is paying below formula rent then their fair rent will remain unchanged .

Q: How does East Thames assess the value of properties?

A: East Thames uses a beacon approach to assess the value of homes. This involves selecting a few beacon properties in each postcode area and having

these valued independently. This value also takes into account additional factors, as follows:

- communal heating
- additional living/communal space
- additional bed space where property has two double bedrooms compared to one double and one single bedroom
- separate and secure utility room
- new kitchen, bathroom, double glazed windows or insulation
- recently redecorated (internal or external)
- private garden or access to a communal garden
- off-street, communal and secure parking
- private entrance, and
- new build property.

Q: How does East Thames work out service charges?

A: Service charges cover the cost of any communal services. The most common communal services include grounds maintenance, cleaning, replacing light bulbs and fittings and electricity usage. The charges also cover the cost of maintenance and repair to equipment within shared areas such as lifts, communal TV aerials, CCTV, electronic gates, door entry systems and fire equipment. These lists are not exhaustive.

Some residents also pay a personal service charge and this is shown as a separate charge on their schedule. We use a variable service charge system to calculate the charges. This means we estimate the cost of each communal service and charge you your share of that estimate. These estimates are calculated using contractual information or through analysing past costs.

Q: What happens if the estimate is lower or higher than we have been charged?

A: To make sure you pay the actual cost of the service, we annually compare our estimated cost with the actual cost over the past year and adjust the charge to take the difference into account. We tell residents whether the charge is more or less than the estimate within six months of the financial year end. For the financial year April 2016 to March 2017 we will be writing to residents by the end September 2017. This way, we can make sure you pay the actual cost of services rather than estimated costs.

Q: Why am I being sent a Rent Increase letter from the Valuation Office Agency (VOA)?

A: The letter sent to you from the Valuation Office Agency is not a rent increase letter. It is a Fair Rent Register, which tells us the fair rent that VOA has registered for your property. East Thames will increase your rent by providing 28 days' notice and rent increase letters are sent from East Thames only (as we are the landlord of your property) and not from the Valuation Office Agency.

HOW TO PAY YOUR RENT AND SERVICE CHARGES

Q: What's the easiest way to pay my rent?

A: You can choose to pay your rent by:

Direct debit or standing order

No need to fill out a form, we can set up your direct debit over the phone. Call **0300 303 7333** and select **option 2**.

Swipe card

Payment can be made where you see these signs:



Debit or credit card

Please call our Customer Contact Centre on **0300 303 7333** to make a payment or call our automated payment line 24 hours a day on **0844 557 8321**. You will need your rent card.

Internet banking

You can use the internet banking service provided by your bank. Quote our sort code **20 67 88**, our account number **103 272 20** and your rent account number.

Allpay payment app

Download the Allpay mobile phone app for free and pay securely anytime, anywhere.

Allpay text message

Use this facility to pay your rent or service charges by text. It is completely secure and is available 24 hours a day. You can sign up at **www.allpayments.net**.

By post

Make your cheques payable to East Thames Ltd. Please write your name and address and account number on the back and send it to: **29-35 West Ham Lane, Stratford, London E15 4PH**.

Q: Do I need to adjust my standing order or direct debit?

A: If you pay your charges by standing order, you need to contact your bank straight away to arrange for the payment to be adjusted from the effective date of increase. If you pay by direct debit, the amount will be increased automatically, so please ensure you have sufficient funds in your account.

Q: What can I do if I'm having problems paying my charges?

A: If you have problems paying your charges, coping with debt, or would like advice on welfare and benefits, please contact us for a free appointment with a welfare and debt advisor. Call our **welfare benefits line on 0208 522 2040 (Mon-Fri, 9.00am to 5.00pm)**, drop into our head office to speak to a member of our team at 29-35, West Ham Lane, Stratford E15 4PH (Mon-Fri, 9.00am to 5.00pm) or email **welfare.benefits@east-thames.co.uk**

Q: Are service charges payable by housing benefit?

A: In most cases, service charges which relate to communal services are covered by housing benefit. If you are in any doubt, please contact your local housing benefit office for advice. Any personal service charges you incur, particularly in relation to your own property, will not be covered by housing benefit.

Q: What do I need to do if I am on Universal Credit?

A: If you are in receipt of Universal Credit you will need to advise your local Jobcentre Plus of any changes to your rent. If you do not, you may not be able to backdate this award and may be asked to pay any shortfall resulting from your change in circumstances.

If you have any further questions

Call: 0300 303 7333 (Monday 8.00am to 8.00pm and Tuesday to Friday 8.00am to 5.00pm)

Email: rents&servicecharges@east-thames.co.uk

In person: 29-35 West Ham Lane, Stratford E15 4PH (Mon-Fri, 9.00am to 5.00pm)

Online: www.east-thames.co.uk/rents-and-service