

# Denbighshire Housing Rent Review 2024-25

This booklet includes information about your rent payments from April 2024, how we work out your rent, what your rent pays for, what our plans are for the future and other frequently asked questions you have.



## Where does the budget come from for Denbighshire Housing?

We are funded from:

- Rents from tenants are paid into the Housing Revenue Account (HRA). This account makes sure it is only spent on managing, maintaining, and increasing our housing stock and land. These activities must support our HRA Business Plan.
- The Welsh Government to support and maintain our tenant's homes. This includes our Optimised Retrofit Programme (ORP) for energy improvements.

We are not funded by Council Tax, and do not get subsidised by other Council services.

## How much is my rent increasing by and when?

Your rent will be increasing by 6.7% from 1 April 2024. The letter included with this booklet explains the new amount you will be paying from this date.

## Why is my rent increasing?

Our decision to increase rents is always taken after careful consideration. Although we work hard to find new ways to deliver value for money, we also look at the affordability of our rents, how much our costs are increasing, and how much investment is needed in our tenant's homes.

All income we receive is spent on our homes and services to continue:

- improving our tenant's homes,
- building new council homes,
- investing in making our tenant's homes more sustainable and cheaper to run in the long-term, and
- working towards the new Welsh Housing Quality Standards (WHQS) by 2029, we need to balance our accounts.

We have seen increased costs of maintaining and repairing homes and providing quality services. If we do not increase rent, then we will not be able to continue investing in our homes for our tenants and would not meet the WHQS 2023.

How do you check that our rents are affordable when setting the rent increase?

We use a nationally recognised Living Rent affordability model, the Joseph Rowntree Foundation (JRF), which says that rent is affordable when it takes up no more than 28% of a household's net income.

Over 70% of our households get some support with their rent, either through Housing Benefit or Universal Credit. Any increase in their rent will be met by their support benefit (assuming their circumstances do not change).

The diagram on page 4 shows how the affordability assessment model works for the 30% who pay their full rent. This uses up to date information on earned incomes in Denbighshire. Even with a 6.7% increase in rent, the weekly rent for households with earned income, will be below the threshold of 28% as a proportion of the lowest incomes on average.

For more information about how we calculate the rent increase, spend our budget and the affordability of our rent etc. please visit our website and click on the Cabinet Report link.



Who made the decision about the rent increase?

To be transparent and inclusive, we make sure that we take any rent increase information to the Denbighshire Tenant and Resident Federation (DTARF) for consideration. This group brings together all the tenants and residents associations across the county.

Then we take a report to the Council's Cabinet and Scrutiny panel. Once approved, we are then able to let tenants know. This takes about 2-3 months.

## Affordability

No one on the lowest 30th percentile of earned incomes should have a weekly rent of more than 28% of their income. The Joseph Rowntree Foundation (JRF) Living Rent Model allows us to calculate this.



### Family in 3-bedroom council house

With a 6.7% increase, the weekly rent for a family in a 3-bedroom council house in Denbighshire will be £123.97.

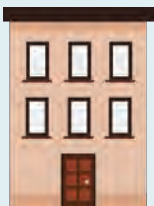
This is £4.55 per week less than the Living Rent Model.



### Family in 2-bedroom council house

With a 6.7% increase, the weekly rent for a family in a 2-bedroom council house in Denbighshire will be £112.70.

This is £7.26 per week less than the Living Rent Model.



### Single person in 1-bedroom council flat

With a 6.7% increase, the weekly rent for a single person in a 1-bedroom council flat in Denbighshire will be £91.77.

This is £2.48 per week less than the Living Rent Model.



### Single person in 1-bedroom council bungalow

With a 6.7% increase, the weekly rent for a single person in a 1-bedroom council bungalow in Denbighshire will be £101.44.

This is £1.38 per week less than the Living Rent Model.

## What does my rent pay for?

Your rent pays for, but not exclusive to:



Housing staff including finance, legal, personnel, housing officers, support staff and so on.



Our repairs and maintenance staff and work programme that includes day-to-day repairs, gas maintenance, home improvements and so on.



Repayments of loans taken out to pay for improvement and capital works.

For all of this, and more, the weekly average cost, per home is £108.90.

## What is not included in my rent?

In addition to your rent you may also have to pay a Service Charge. This could include the costs we have to pay for grounds maintenance, communal cleaning, fire safety etc. These charges are shown in your accompanying letter. For more information about this, visit <https://www.denbighshirehousing.co.uk/service-charge/>.

## What are you investing in for the future of your tenants, their homes, and communities?

Over the next 2-5 years, in addition to what we have mentioned earlier, we will be focusing our investments on:



Improving the energy efficiency of our tenant's homes, advising on how to reduce energy usage.



Providing advice and support for the cost-of-living situation and direct tenants where to go for more support and advice.



Working towards to WHQS 2023 Welsh Government standards. See pages 6 and 7 for more information about these.









Building new council houses.






Supporting tenants and communities to become more resilient.

# Denbighshire County Council Housing Revenue Account (HRA) Budget: 2024/25

Expenditure		Cash Budget £'000	Weekly Average Per Property
	Supervision & Management: The management of properties, including allocations, rent collection and all support services (for example, finance, personnel and legal services).	3,937	£22.95
	Repairs and Maintenance: Programmed works (for example, gas maintenance) and all day-to-day repairs.	6,841	£39.88
<b>Total - Management &amp; Maintenance</b>		<b>10,778</b>	<b>£62.83</b>
	Debt charges: Principal and interest repayments on loans taken out to fund improvement and capital works plus the Council's buyout from the HRA Subsidy system.	7,745	£45.15
	Provision for Bad Debts	158	£0.92
<b>Total Expenditure</b>		<b>18,681</b>	<b>£108.90</b>

Income		Cash Budget £'000	Weekly Average Per Property
	Rents (net of voids): Income from properties occupied during the year.	19,030	£110.93
	Service Charges	389	£2.27

Income (continued)		Cash Budget £'000	Weekly Average Per Property
	Other Income: Mainly from garages let to tenants.	351	£2.05
Total Income		19,770	£115.24
	Surplus / Deficit (-) for the Year	1,089	£6.34
	LESS Capital Expenditure from Revenue Account.	1,150	£6.70
Balance as at start of year		1,349	£7.86
Balance as at end of year		1,288	£7.51

## WHQS 2023

WHQS 2023 focuses on Affordable Warmth. The Target Energy Pathway of EPC C 75, is our biggest and most costly new pressure (see below). To meet this target by 31/03/2030, we will need an additional £3.8M per year.



### Solar Panels (PV)

We have 3,200 homes that will need PV at £4,500 per property = £14.4M.



### External Wall Insulation (EWI)

We have 615 properties in need of insulation at £8,000 = £4.92M.



### Air Source Heat Pumps (ASHP)

We have 450 off gas properties that will need upgrading with an ASHP at £8,000 per property = £3.6M.

## What do I do if I am struggling to pay my rent?

We are always here to help, listen and provide support to you. If you're struggling to pay your rent, please get in touch with us on 01824 706000, or have a chat with your housing officer. We can put you in touch with our partners for further advice and support.

### Advice and support available

Denbighshire Housing can provide assistance and advice with the following:

- Digital support and getting online.
- Budgeting support and managing your money.
- Applying for Council Tax reduction.
- Rent arrears management and managing your tenancy.
- Information on organisations that can provide low-cost IT equipment for use at home.
- Debt management.
- Applying for free school meals.
- Plus, much more.

Also, in partnership with Citizens Advice Denbighshire, we can provide each tenant access to a free and independent welfare rights, energy and debt advice service called 'Key To Advice'. In some instances, with your consent, we may refer you to other providers for assistance.

For more information, on any of the above, please contact us on:

Online: [www.denbighshirehousing.co.uk](http://www.denbighshirehousing.co.uk)

Email: [housing@denbighshire.gov.uk](mailto:housing@denbighshire.gov.uk)

Phone: 01824 706000

Facebook: Denbighshire Housing

X, formally Twitter: @DenbighshireHou

