RENTS WITH TRANSFER – THE FACTS

Existing tenants would receive a rent guarantee for the first five years after transfer – if transfer goes ahead.

This would mean rent increases of no more than inflation plus 2.4% for the first five years after transfer. This increase is lower than any of the increases imposed by the Council over the last five years. The Welsh Assembly Government’s rules on rents say tenants should pay a similar rent for a similar property in a similar area whether they rent from a Council or a housing organisation like Wrexham Housing – Tai Wrecsam. In short, the Assembly wants to create a rent system that is fairer to everyone.

This policy means that by 2015, all tenants would pay a similar rent whether they are with the Council or with Wrexham Housing – Tai Wrecsam. For those tenants who already pay the Welsh Assembly Government’s (WAG) benchmark rent or above, Wrexham would guarantee that their rents would be frozen until all rents reach the benchmark figure. They would then increase by inflation plus 0.5% per year in line with current Welsh Assembly Government guidelines.

Tenants can also be assured that rents would not go through the roof after the five year rent guarantee. Wrexham Housing – Tai Wrecsam’s business plan has been built around these rent assumptions:

- Benchmark rents would increase by the WAG guidelines of inflation plus 0.5% per year
- Rents above the benchmark level would remain frozen until the benchmark is higher and then that rent would increase by the WAG guideline of inflation plus 0.5%
- Rents below benchmark level would continue to increase at inflation plus 2.4% a year until the benchmark is reached.

If tenants vote against transfer and homes stay with the Council – things would not stay the same as they are now.

The Council is committed to being open and honest with you about the transfer proposal. We have set out what would happen if transfer goes ahead and, just as importantly, we want you to know the position the Council would be in – if there is a no vote.

In giving this information we are not trying to scare tenants, we are not trying to blackmail you. Instead we are giving you the facts, setting out the truth of the situation – so that ultimately you can make a decision about what to expect for your homes and housing service in the years after a ‘yes’ vote and in the years following a ‘no’ vote.

Regrettably staying with the Council would not mean things stay as they are now, in the future things would get considerably worse.

The Council will face enormous financial pressures to balance the books and will continue to seek changes in the rules from Government. However, to make any headway it will have to consider a combination of the following options:

- The closure of some or all of the estate offices and, as a result, consider reductions in staffing levels
- Increasing rents above the guideline increases
- Cease to provide certain discretionary services such as the OAP gardening scheme or consider introducing service charges to pay for such schemes
- Stop providing certain non-urgent and non-statutory repairs such as fencing and the decoration allowance for new tenants

The Housing Working Party, made up of tenants, councillors and other representatives, and the Wrexham Tenants’ Assembly, have discussed the financial problems facing the Council and considered a variety of options to meet the funding gap but it is evident that under current rules, the Council simply cannot meet the Welsh Housing Quality Standard by 2012 or set a legal budget without considering drastic cuts in services.

We would not be consulting tenants properly if we did not explain what staying with the Council would mean.

Please read all the information you receive, and make your own mind up about what you want for the future of your home.
The Council would still have to contribute to the cost of housing subsidy and would not have all the money needed to repair and modernise homes or improve services.

WHAT DOES THIS MEAN IN REAL MONEY?

The table below indicates the level of rent you would pay for the new five year guarantee period of five years. It is not more than inflation plus 2.4%. For the purposes of these tables inflation is presumed at 2.5%.

<table>
<thead>
<tr>
<th>Current Rent Per Week</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>£ £ £ £ £</td>
<td>30</td>
<td>31.47</td>
<td>33.01</td>
<td>34.65</td>
<td>36.33</td>
</tr>
<tr>
<td></td>
<td>35</td>
<td>36.72</td>
<td>38.51</td>
<td>40.40</td>
<td>42.38</td>
</tr>
<tr>
<td></td>
<td>40</td>
<td>41.96</td>
<td>44.02</td>
<td>46.17</td>
<td>48.44</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>47.21</td>
<td>49.52</td>
<td>51.94</td>
<td>54.49</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>52.45</td>
<td>55.02</td>
<td>57.72</td>
<td>60.54</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td>57.70</td>
<td>60.52</td>
<td>63.49</td>
<td>66.60</td>
</tr>
</tbody>
</table>

The above table refers only to the basic rent and not water rates, council tax or any other charges.

After the guarantee period between year six and year 10, following transfer, it is proposed in the business plan that Wrexham Housing – Tai Wrecsam rents will continue to increase at the same level i.e. 2.4% until reaching the benchmark rent level.

Wrexham Housing - Tai Wrecsam would be committed to keeping rents affordable and the Welsh Assembly Government would be checking that they do this.

There are two important points to remember:

- Whether or not tenants vote for transfer, rents will charge in line with the Welsh Assembly Government’s policy. This policy means, you will be paying a similar rent for your home whether it is owned by the Council or by Wrexham Housing - Tai Wrecsam. With Wrexham Housing - Tai Wrecsam there will be a written five year guarantee. The Council cannot give such a guarantee.
- Wrexham Housing - Tai Wrecsam plans to invest £274 million in the homes over the first eight years after transfer. Even though the Council’s rents would be similar, we would only be able to invest about £65 – £75 million over the same eight year period. This is because councils operate within different financial rules.

In introducing Wrexham Housing – Tai Wrecsam we would be independent not-for-profit, local housing organisation, officially known as a Registered Social Landlord (RSL), which would be paid by tenants of homes with very low and modest incomes and receive the Government’s housing subsidy.

The future of affordable homes in Wrexham.

It would be run by a voluntary Management Board made up of five tenants, five Councillors and five independent people chosen for their particular skills and experience.

The tenants would be appointed to the Board following tenant elections. The Shadow Board tenant members were selected by the Tenants’ Assembly at open public meetings earlier this year and Councillors were nominated to the Shadow board by the members of Wrexham Housing – Tai Wrecsam. All tenants would be paid to become members of Wrexham Housing – Tai Wrecsam.

The Board Members will use their combined skills and knowledge to make the best decisions and shape the future of affordable homes in Wrexham.

At its close the Board will only set up to shadow the future board but it would only exist if the transfer to the new local housing organisation goes ahead. The Board Members would all be unpaid volunteers.

And remember, the local housing organisation would be run on a not-for-profit basis. Any surplus cash would be paid back into improving tenants homes and services and would not be paid as dividends.

The new housing organisation would have to keep to its promises. The Welsh Assembly Government, the regulator of Registered Social Landlords, would monitor the new organisation’s accounts, make sure it followed its published guidance, rest its performance standards and prevent trends are kept.

The new housing organisation would also transfer over and continue to run the service but be able to say “yes” to tenants requests more often than they are able to do now.
HOMES FOR THE FUTURE
INDEPENDENT ADVICE FOR YOU

Tenants can get free, impartial advice about the Council's transfer proposal in the run up to the ballot from the Tenants' Independent Advisors, MSC Associates.

They were selected by tenant representatives to give tenants free, independent advice during the transfer consultation and up to the ballot.

Their job is to scrutinise on tenants' behalf the Council's offer to you including any publications the Council produces like this newsletter. If you do not understand anything said or you do not agree with what is written, you can ask their advice.

You can contact them on:
Freephone 0800 032 1981
or e-mail ita@msc-associates.co.uk or johnwmycock@aol.com

YOUR QUESTIONS ANSWERED

Here are the answers to some of the most frequently asked transfer questions.

Q: I’ve heard the Council has got extra money and can now afford the work needed on tenants’ homes?
A: The Welsh Assembly Government has increased its Housing Budget to £211 million for all 22 local authorities in Wales. This is for both public and private sector housing. This is just £4 million more than last year. It has a marginal effect on Wrexham’s finances and it does very little to address the £274 million Wrexham alone needs to bring homes up to the Welsh Housing Quality Standard. We will still be subject to the same subsidy rules and lose around £7 million a year.

Q: Who decides if transfer goes ahead?
A: You do. Transfer will only go ahead if the majority of tenants who vote in the ballot vote in favour of it.

Q: All these repairs and improvements sound great but would I have to pay extra rent for them?
A: No. There would be no ‘one-off’ rent increases if you have a new kitchen, bathroom or any other work promised in the Consultation Document, if the transfer goes ahead.

Q: How could Wrexham Housing – Tai Wrecsam not be run for profit?
A: Wrexham Housing – Tai Wrecsam would not be allowed to be run for profit. There would be no shares or shareholders so it would not be concerned with increasing its share price or paying dividends. Any surpluses made must be put back into the organisation – into improving homes and services and to run the organisation – for the benefit of tenants.

Q: Could Wrexham Housing – Tai Wrecsam sell tenants’ homes at a later date to a profit making landlord?
A: No, Wrexham Housing – Tai Wrecsam would be set up as a not-for-profit organisation with the purpose of providing a quality housing service which meets the needs of local people.

If you have any questions about transfer write to Michelle Berry at Transfer Project Team, Redwither Tower, Redwither Business Park, Wrexham, LL13 9XT or e-mail: michelle.berry@wrexham.gov.uk

The Welsh Assembly Government does not allow it to sell its homes to a profit-making landlord.

Q: I’ve heard the Board are going to get paid. Is this true?
A: Absolutely not. Contrary to some rumours Board Members are unpaid volunteers. The constitution of Wrexham Housing – Tai Wrecsam does not permit Board Members to be paid. The Welsh Assembly Government rules for all RSLs in Wales do not allow Board Members to be paid except for legitimate out of pocket expenses.

Council Freephone Information Line

Tenants with questions about the transfer proposal can ring the Council’s freephone information line on:
Freephone 0800 032 0736

If you receive information from sources other than the Council or your Independent Tenants’ Advisors, MSC Associates, please check the facts.

You can contact the Council’s Freephone information line on:
0800 032 0736

HOMES FOR THE FUTURE

CHECK THE FACTS

The Council is determined you will receive open, honest and fair information about the transfer proposal so that you can make up your own mind about what you want for the future of your home when the time comes for you to vote.

In the coming months you will receive more information from the Council about the transfer proposal and what it would mean for you, if it goes ahead.

Every piece of information the Council sends to you will have been through a rigorous approvals process.

It has been checked to ensure it is FAIR, BALANCED and ACCURATE by:
- The Welsh Assembly Government
- The Council’s lawyers
- MSC Associates, the Independent Tenants’ Advisors who were chosen by Wrexham Tenants’ Federation to work with tenants during the transfer consultation

You may have already received information about the Council’s transfer proposal from groups opposed to the idea.

Opposition material goes through no such process. The information is often misleading and sometimes plain WRONG.

If you receive information from sources other than the Council or your Independent Tenants’ Advisors, MSC Associates, please check the facts.

You can contact the Council’s Freephone information line on:
0800 032 0736

INDEPENDENT ADVICE FOR YOU

Tenants can get free, impartial advice about the Council’s transfer proposal in the run up to the ballot from the Tenants’ Independent Advisors, MSC Associates.

They were selected by tenant representatives to give tenants free, independent advice during the transfer consultation and up to the ballot.

Their job is to scrutinise on tenants’ behalf the Council’s offer to you including any publications the Council produces like this newsletter. If you do not understand anything said or you do not agree with what is written, you can ask their advice.

You can contact them on:
Freephone 0800 032 1981
or e-mail ita@msc-associates.co.uk or johnwmycock@aol.com

The Council is determined you will receive open, honest and fair information about the transfer proposal so that you can make up your own mind about what you want for the future of your home when the time comes for you to vote.

In the coming months you will receive more information from the Council about the transfer proposal and what it would mean for you, if it goes ahead.

Every piece of information the Council sends to you will have been through a rigorous approvals process.

It has been checked to ensure it is FAIR, BALANCED and ACCURATE by:
- The Welsh Assembly Government
- The Council’s lawyers
- MSC Associates, the Independent Tenants’ Advisors who were chosen by Wrexham Tenants’ Federation to work with tenants during the transfer consultation

You may have already received information about the Council’s transfer proposal from groups opposed to the idea.

Opposition material goes through no such process. The information is often misleading and sometimes plain WRONG.

If you receive information from sources other than the Council or your Independent Tenants’ Advisors, MSC Associates, please check the facts.

You can contact the Council’s Freephone information line on:
0800 032 0736