

Wornington Green Rent Guarantee

Kensington Housing Trust's (KHT) pledge to existing Wornington Green tenants (as at 2011) is that KHT will 'charge the same rent levels as you have now'.

What this means in practice, is that KHT will ensure that all existing tenants re-housed because of the redevelopment will not be disadvantaged by having to pay higher rent levels as a result of their move. In reality, not all tenants will move on a 'like for like' basis (due to changes in housing need/household composition), so the Rent Guarantee takes into account moves into larger and smaller properties as well as moves to same sized properties. The Rent Guarantee applies to both temporary and permanent moves.

The table below sets out how this will apply to existing assured and secure tenants and eligible hidden household members and adult household members who will be granted a new tenancy.

All secure tenants also benefit from 'fair rent' protection. When a secure tenant moves into a new property, if the fair rent falls below the target or capped rent, the fair rent will be applied.

A glossary is also provided to explain some of the technical rent terms.

Move to same sized KHT property

Tenants will be charged exactly the same rent as they currently pay on their existing property on Wornington Green, plus the service charges applicable to the new property. The rent will then increase in line with the government's rent re-structuring framework.

Move to a smaller KHT property

The rent for the new property will be calculated using the tenant's rent for their existing property on Wornington Green with a deduction applied (of a set amount) for each bedroom given up, plus the service charges applicable to the new property. The reduction applied for giving up a bedroom is based on the average difference in capped rent charges between bedroom sizes e.g. a one bed and a two bed at the time of the move (i.e. £6.74 for 2010/11 and £7.07 for 2011/12). If the re-let rent for the new property is lower, this will be applied. This ensures that tenants will not have to pay a higher rent if they downsize. The rent will then increase in line with the government's rent re-structuring framework.

Move to a larger KHT property

The re-let rent for the new property will be applied plus the applicable service charges. Target rent or capped rent will be applied whichever is lowest. The rent will then increase in line with the government's rent re-structuring framework.

New KHT tenancies for Adult Household Members/ Hidden Households

All adult household members and hidden households who are eligible to be re-housed separately will pay the re-let rent for the new property. Target rent or capped rent will be applied, whichever is lowest.

Temporary moves into private rented properties

Temporary moves into private rented properties will only be used as a last resort and it therefore unlikely to affect many tenants.

Tenants in employment/not eligible for Housing Benefit

If the rent and comparable service charges are higher than those charged for a similar sized property on Wornington Green Estate KHT will pay the difference.

Tenants eligible for Housing Benefit

If the rent and service charges (eligible for housing benefit) are higher than the housing benefit threshold, KHT will pay the difference to the landlord.

Moves to another social landlord

KHT has no control over rent levels set by other social housing landlords or local authorities. Tenants will be responsible for paying the rent and service charges set by their new landlord.

Glossary

Target Rent

Target rents are set by the government (see rent restructuring below). The rent for each property is calculated using a set formula that takes into account – value, number of bedrooms, average earnings (in greater London) and the location of the property. Target rents rise at the rate of inflation plus ½ % each year (plus up to £2).

Capped Rent

Capped rents were introduced to ensure that rent remains affordable in expensive areas such as Kensington and Chelsea. Capped rents set the maximum rent that can be charged for each bedroom size. They rise at the rate of inflation plus 1% each year.

Re-let Rent

The standard re-let rent for a property is the target rent (for that financial year), or the capped rent if this is lower. Service charges for the property are calculated separately.

Registered Fair Rent

All secure tenants benefit from 'fair rents' protection and if this falls below the target rent (see above), the fair rent will be applied.

Rent Re-structuring

The Government says that all social landlords (councils and housing associations) must use the same method for working out rent, which is called rent restructuring. The aim is that eventually everyone in the country whose landlord is a council or housing association should have their rent set in the same way. Every property has a target rent (see above) which is worked out using a formula set by the Government. If rents are currently less than target or capped rents, the following formula will be applied every year: Current rent X (RPI* + 0.5%) + up to £2

*RPI is the retail price index, which is a measure of inflation.

The Wornington Green Rent Guarantee should be read in conjunction with KHT's Rent Policy.