

## Important Information about your rent – please read carefully

As I hope you are aware, the Trustees of RBMHO are committed to ensuring that your home is kept in good condition and as energy efficient as practicable; and that we meet all the varying requirements for landlords across the UK. The Board are morally obliged to make sure your home is good quality and recognise that in the past not enough may have been done. Unfortunately, our current level of income is not sufficient to enable us to do all of this.

Last year the Trustees set up a working group to review our rent policy to ensure that we can maintain all our properties to a good standard and cover the costs of running the Organisation. This group reported to the Trustees at the end of last year and their recommendation to increase rents significantly over the next 2 years was agreed to enable us to better meet our commitment to our tenants.

I am therefore writing to you to explain why we need to make this change, inform you of the time frame for the changes, and provide some information about how you may be able to get financial help should you need to. We will write again with specific information about your rent in the spring, ahead of any change later in the year.

### The costs of maintaining our properties

Following a review of condition surveys and commissioning a further 110 surveys in February 2025, we have undertaken over £3.5mn worth of repairs and major maintenance over the last 2.5 years. We anticipate undertaking a further £900,000 in major repairs over the coming year.

We've been fortunate that much of this expenditure until now, was funded through the sale of properties we no longer required. While this work has made a significant difference to some of you, there is and will always be more work to do.

Just over half of our properties are now more than 50 years old and consequently at the stage where we anticipate needing to undertake major work such as replacing the roof, or rewiring. Properties which are newer than this may require new windows, kitchens or bathrooms for example. To maintain your homes properly we're needing to ensure that we can undertake this necessary work which means we need to have the required finance in place.

A key part of the review process has been to analyse the information we have about our properties, as well as industry guidelines on the life expectancy of major elements of buildings and estimating what it costs on average annually to maintain each property over the time we will own it.

Anyone who owns their own property will know from experience that there is a certain amount of routine maintenance that needs doing every year and then there is work that needs to be done as a one off or very infrequently. We have estimated that over time, this costs us on average £3,830 per year per property. While in any given year we may not spend that amount on your property, when we need to undertake major work, we will spend considerably more! A new roof for instance currently costs us around £16,000. A kitchen replacement is a similar figure.

We have become aware that on occasions some tenants have paid for repairs and improvements to their home which really should have been undertaken by us as the landlord. In future we will undertake this work in a planned way.

As tenants, you are only expected to keep the interior decorated, replace carpets as necessary and maintain the garden. On our website ([rbmho.org](http://rbmho.org)) you'll find a list of the items we are responsible for in 'Tenants Information', select 'Emergency callout, Servicing and Maintenance' and scroll down to 'Landlord and Tenant Property Responsibilities. We will continue to survey the properties and ensure that needed works identified are actioned as well as responding to issues you draw to our attention.

We try to keep our organisational costs as low as possible, currently £1,390 per property per year. This figure includes the cost of the buildings insurance cover which averages around £345 per property. By comparison our running costs are less than two-thirds of the amount that a typical property

management company charges a landlord for a property with a rent of £1,140 a month (UK average outside London).

It is also important to us to make sure we adhere to all the relevant legislation and the Renters Rights Bill (which gained Royal Assent in October 2025) increases the requirements for the private rented sector in England giving greater protection to tenants and applying the Decent Homes Standard. This previously only related to Social Housing. Northern Ireland, Scotland and Wales have previously updated their legislation, although the requirements are different in all 4 nations.

## Sources of Income

Historically RBMHO/S has been greatly blessed by the generosity of members of Baptist Churches who chose to leave their homes to us, or to make a significant gift in their wills.

For many years legacy income was the largest contributor to our finances. Between 1992 and 2002 the rent remained constant at £22pw as there was no need to increase it.

In the 2010s legacies were often more than £750,000 per year but since 2018 they have decreased very significantly to the point where we no longer budget to receive them unless we have already been notified.

The result of the decrease in legacy income is that we now depend almost entirely on our rental income to be able to fund our expenditure. While some churches and individuals do still support us, we do not believe it's a viable option to plan for a significant increase in this income while giving to Home Mission continues to decline.

We have considered other options to enable us to balance income and expenditure

We have considered several alternative ways of balancing our income and expenditure but for reasons outlined at the end of this document they have been rejected.

The Trustees have therefore concluded that the standard rent charged will need to be raised to a level which enables us to cover our landlord responsibilities including future major repairs and our organisational running costs. Over time, as the standard rent rises, we will phase out the rent based on income and no longer require anyone to declare their income other than to qualify as a tenant when they apply.

## Details of the rent changes

The rise will be phased in, in July 2026 and July 2027 (October in Scotland). The intention is that from July 2027 we should be able to run a balanced budget.

The standard rent will rise to £450pcm (before inflation) by July 2027. If you currently receive a discount to your rent that will continue to be applied at the same rate. After the rise in 2027, we anticipate that the rent will then rise at the same rate as state pension each year (subject to periodic review).

While we understand this rise in the standard rent is proportionately very large, in hindsight we believe it is something that we should have done before now. The new rent will be similar or below the rates charged for social housing, and well below the market rate. It is significantly lower than the rent charged by the Church of England for their retired clergy.

We realise that a rise of this level will be a significant challenge for some of you.

If you're on a low income you may be able to get some help through Housing Benefit and Council Tax Reduction. Unfortunately, the amount of Housing Benefit you may receive varies from one local authority to another so it's not straightforward to illustrate income and benefit entitlement.

At the end of this letter, we have provided more information about how the system works and where you can find out more about your entitlement, if any.

#### RBMHO and BUGB

We want to assure you that the rise in the standard rent will only be used to cover RBMHO's costs in maintaining your homes and our running costs. While our assets appear within the Baptist Union of Great Britain's consolidated accounts, we are independent and none of our finances are used to support the Union. (See Further Details below for more information)

#### What happens next?

You will receive more detailed information before Easter letting you know what your rent will be from 1 July 2026 and a provisional figure for 1 July 2027 (October in Scotland). At that point I will be happy to discuss your circumstances with you. In exceptional circumstances we may be able to reduce your rent rise.

In the meantime, I can respond to more general concerns or questions about this change, so please feel free to get in touch.

Revd Andy Hughes - General Manager

## Further Information

There are various potential sources of financial assistance as well as organisations who may be able to advise you and help with an application. As an organisation we are unable to provide any financial advice, but we can offer you the following information to assist you.

Below you will find information about Housing Benefit and how to apply as well as details of other grant making trusts.

We have also provided you with further information about the rent review process.

### Housing Benefit and Council Tax Reduction

If you're retired and above state pension age on a low income you can make an application for Housing Benefit (HB) to assist you in paying the rent. The level of eligibility varies across the country by local authority so it's not possible to provide a simple guide.

If you visit the Government website there is guidance available: [www.gov.uk/housing-benefit](http://www.gov.uk/housing-benefit) for England and Wales.

If you are in Scotland [www.mygov.scot/claim-housing-benefit](http://www.mygov.scot/claim-housing-benefit) provides similar information.

**Eligibility:** The amount of HB you may be eligible for depends on several factors including where you live, who you live with, whether you claim other benefits, your income and your savings.

- If you have savings of more than £16,000 you will not normally be eligible for HB. (Please see section below regarding Interest Free Loans if this is relevant for you). If you have savings between £6000 and £16,000 this will reduce your HB accordingly.
- If your spouse is younger than state pension age this will also affect your ability to apply for HB.

**Local Housing Allowance:** Each local authority sets a Local Housing Allowance (LHA) which determines the maximum HB you can normally get. It's based on the rent paid by people in your area with the same number of bedrooms in their property. This is called 'Broad Rent Market Area' (BRMA). If you live in a more expensive part of the country the LHA will be higher.

- If your rent is higher than the LHA, you will be expected to pay the difference. If your rent is below the LHA, the rent figure will be the maximum you will receive.
- A couple or a single person living in one of our properties are normally only entitled to the LHA for a one-bedroom property regardless of how many bedrooms you have.
- If, due to disability or a medical condition, you need separate rooms the allowance should cover 2 bedrooms.
- Fortunately, the 'bedroom tax' does not apply as we are a private housing provider, so you will not be penalised for having more rooms than the government consider to be necessary.
- To find out the LHA in your area you can visit <https://lha-direct.voa.gov.uk> This service is provided by the Valuation Office Agency.

**What can I claim?** You can find out what HB you may be entitled to by using online calculators recommended by the Government. These can be found at: [www.gov.uk/benefits-calculators](http://www.gov.uk/benefits-calculators)

- Please note that RBMHO is a private sector provider of housing. We are not a housing association. This affects the amount you may receive.
- To complete the calculator, you will need details of your income, savings and any benefits you are already receiving.
- If you pay service charges you will also need to know how much you pay.

The calculator should provide you with an estimate of the HB you are eligible to receive, any help you can get with Council Tax and potentially other benefits that you may be entitled to receive.

- If you are eligible for HB, then you can make an application to your local authority.
- If you are applying for Pension Credit the HB will be arranged as part of that application.
- If you do not have a copy of your tenancy agreement, we can provide you with one along with a covering letter confirming the rent and what it includes. Please get in touch with Andy Hughes. Similarly, Andy can let you know the service charges if you don't have that information.

Interest Free Loans: Some tenants made an Interest Free Loan (IFL) to enable a more expensive property to be purchased. The IFL will only be repaid at the point that the tenancy ends and the property returned to the Organisation.

The review group have taken legal advice to clarify whether the IFL should be declared as savings when an application is made. We were concerned that it might adversely affect your eligibility for HB. The advice that we have received is that because at the point of application the money is not available to you, and it will not be available during the tenancy it does not meet the definition of capital within the legislation. You therefore do not need to declare it as savings.

We will be issuing revised documentation for IFLs which will ensure that the terms and purpose of the loans are very clear. This will not change the original intention of the loan.

Help Applying: You may be able to get help in applying for HB from:

Citizens Advice	England	<a href="http://citizensadvice.org.uk">citizensadvice.org.uk</a>	
	Wales	<a href="http://citizensadvice.org.uk/wales">citizensadvice.org.uk/wales</a>	
	Scotland	<a href="http://citizensadvice.org.uk/Scotland">citizensadvice.org.uk/Scotland</a>	
Age UK	England	0800 055 6112	<a href="http://ageuk.org.uk">ageuk.org.uk</a>
	Wales	0300 303 44 98	<a href="http://agecymru.wales">agecymru.wales</a>
	Scotland	0800 12 44 222	<a href="http://agescotland.org.uk">agescotland.org.uk</a>
	N Ireland	0808 808 7575	<a href="http://ageni.org">ageni.org</a>

## Grant Making Organisations

Psalms and Hymns Support Fund provide grants to retired Baptist Ministers and Missionaries and their spouses / widow/ers. Information can be found on the Baptist Together website. The Trustees of the fund can make annual and one-off grants.

[www.baptist.org.uk/Groups/365462/Psalms and Hymns.aspx](http://www.baptist.org.uk/Groups/365462/Psalms_and_Hymns.aspx)

Baptists Together also have a Pastoral Fund, but applications should be made to Psalms and Hymns in the first instance.

Lady Hewley Trust was established in 1705 and provides help to Baptist ministers and their spouses / widow/ers. Information can be found on their website <https://theladyhewleytrust.org.uk> or you can contact their clerk Neil Blake, [clerk@theladyhewleytrust.org.uk](mailto:clerk@theladyhewleytrust.org.uk).

## Further Details Regarding Rent Review

Other options considered to enable us to balance income and expenditure

We could sell more property as it becomes vacant. However, this would mean that we would have to turn away ministers and their spouses who have anticipated us providing them with a house in retirement. We know that demand from retiring ministers remains high for more than a decade so that's not a viable option.

We could look to mortgage some of our properties but that will create an ever-increasing level of debt to service and would put the long-term viability of the Organisation at risk or mean we would have to charge even higher rents in future.

We've also considered raising the proportion of income that we charge in rent for those tenants with higher incomes, but as the way in which pensions operate has changed, it would be increasingly complex to administer requiring tenants to inform us every time they draw down some of their funds and then changing their rent for the following year.

Finally, we considered charging rent as a proportion of the market rent in the area a property is located. This would increase our administration costs and be highly subjective, penalising tenants who live in areas where rents are higher.

## RBMHO, BUGB and the Family Solution

You may be aware that as part of the Family Solution when the Baptist Ministers Pension Scheme had a deficit of around £140mn, we provided security for a £20mn loan from the Baptist Union Corporation (BUC) via us to the Baptist Union of Great Britain (BUGB) which was then used to reduce the deficit.

The Trustees want to make it very clear that the funds produced by the increased rent will not be used in any way to facilitate any reduction in the loan. The costs of the loan to RBMHO from BUC are covered in full by BUGB.

We are aware that there is sometimes some confusion about the relationship between RBMHO and BUGB / BUC. While 50 years ago BUC transferred some properties to RBMHS and made some finances available to get the society started, we have not received any money from BUGB in the intervening years. Although our assets appear within BUGB's consolidated accounts (due to technical accounting regulations regarding the right to appoint some of our trustees and being the ultimate trust beneficiary) we are an independent charity and have full control of our funds. BUGB will not benefit from the rise in your rent.