



PEAKS & PLAINS
Housing Trust

The Trust

Rent Setting and
Service Charges
Policy

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1. INTRODUCTION

1.1. Purpose and scope of policy

- 1.1.1. The purpose of this policy is to set out the principles and guidelines that Peaks and Plains Housing Trust (the Trust) commit to in terms of setting rent and service charges.
- 1.1.2. This policy should be read in conjunction with the Rent Setting Procedure (Appendix A)
- 1.1.3. In setting rents the Trust will secure rental income to meet its business plan commitments including operating costs, investment/improvement programmes and meet the loan repayment requirements of its lenders.
- 1.1.4. Where applicable the Trust will ensure rents are set in line with formulae developed by Government for the social housing sector and approved by the Regulator for Social Housing (RSH), within the Rent Standard of the Regulatory Framework.
- 1.1.5. The Trust will also set rents in accordance with the most up-to-date guidance produced by the Ministry of Housing, Communities and Local Government (Capital Funding Guide) where this applies to properties let through one of the Homes England affordable homes programmes.
- 1.1.6. We will inform our tenants of how the rent has been set in the annual rent notification letter.
- 1.1.7. We will inform all new and existing tenants of the potential impacts of any welfare reform measures, including those already introduced and any scheduled, on their income and rent payment liabilities.
- 1.1.8. The Trust Board will review and approve any changes to rent setting on an annual basis.
- 1.1.9. Market rents are not subject to the Rent Standard and will be set in accordance with the current market.

2. POLICY STATEMENT DEFINITION

- 2.1. The Trust is committed to providing good quality affordable housing to a diverse group of customers, which includes people on modest incomes. To recognise the diversity of our customers and provide affordable housing to people on a range of incomes, the Trust offers a variety of tenancy and rent options. This variety of rent options includes: social rent, affordable rent, intermediate rent, and shared ownership rent.
- 2.2. All of the Trust's rents are set in accordance with legislation and guidance from the Regulator of Social Housing ('RSH') on calculating rent to ensure they are broadly comparable with other housing providers local to our areas of operation and are affordable to existing and potential new customers.

3. POLICY

- 3.1. The Rent Setting and Service Charge Policy and the accompanying procedures will be approved by the Board.
- 3.2. The Trust will review the rents it sets on an annual basis. Changes to rent charges will be on the first Monday in April each year. We will inform all customers in writing of any changes to their rent, giving a minimum of 1 calendar months' notice before the changes come into effect, outlining how the rent has been calculated.
- 3.3. In line with the RSH regulatory standard the Trust will exempt the following categories from social rent and the Rent standard:
 - Affordable rent (Properties let at 80% of market rent)
 - Shared ownership
 - Intermediate rent (including rent to buy)
 - Market rent
- 3.4. Rent Flexibility – the rent set may include an upwards tolerance called rent flexibility. This allows social rents for properties at re-let or for new developments to include the flexibility of :
 - For supported housing accommodation, up to 10% of formula rent
 - For non supported housing accommodation, up to 5% of formula rent

The Board will review the option to apply the application of the rent flexibility taking into account local factors and circumstances and affordability in consultation with customers.

- 3.5. The accompanying procedures provide details of the rent methodology for each tenure type for both existing tenancies and re-lets taking account of the relevant legislation, regulations and guidance.
- 3.6. Where the Trust develop new build properties for affordable rent and on completion of schemes, RICS Red Book valuations to confirm the market rent will be obtained.

As local market conditions determine demand, the Trust reserves the right to set rents at Local Housing Allowance. (LHA)

3.7. SERVICE CHARGES

The Trust is committed to providing effective quality services that are affordable within the income generated, ensuring at all times that it remains cost effective and viable in its provision of services. Prior to and up to 1st September 2011, rent has been charged which includes an element for services provided. This type of service charge is "fixed" and "pooled" across the whole stock. All new social rent tenancies since 1st September 2011 are charged for the services relevant to the property and services received. These will be charged on a variable basis. This means that the charges will be based on actual cost with any under or over recovery of cost being carried forward to the following year's charges.

3.8. Legal Framework

- 3.8.1. From 2020 rents and rent increases will be governed by a new Rent Standard issued by RSH permitting annual increases of CPI + 1% from 2020 for at least five years.
- 3.8.2. In summary, the changes to rents and service charges from April 2020 are:

Social Rents	Rent increase of CPI +1%
Affordable rents (up to 80% of market rent)	Rent increase of CPI +1%
Shared Ownership	Rents set in accordance with lease
Service charges for Peaks & Plain tenants	Set to recover cost of services in accordance with the tenancy agreement

CPI is the consumer price index figure from the previous September.

3.9. **Definitions – refer to the accompanying procedures**

3.10. **Link to Strategic Objectives**

- 3.10.1. This policy supports our Corporate Objective of:
- To be a great landlord

4. EQUALITY AND DIVERSITY IMPLICATIONS

- 4.1. The Trust will follow its Equality and Diversity Policy and take into account individual need when communicating and dealing with customers regarding rent setting and service charges.

5. RESPONSIBILITY

- 5.1. The Trust's Board is responsible for approving variations to rent on an annual basis. The Director of Resources is responsible for the effective implementation of this policy. The Trust's Director of Resources is also responsible for ensuring that all appropriate staff are aware of and are trained in the Trust 's Policy and associated procedures.

5.2. IMPLEMENTATION

The Trust's Finance Team are responsible for the Trust's rent plan and the setting of rents for Trust properties as outlined in the procedures.

- 5.3. It is the responsibility of the Board of the Trust to take the appropriate decisions in relation to rent setting in accordance with recommendations from the Director of Resources and the Chief Executive/Interim Chief Executive.

6. PERFORMANCE

- 6.1. The performance of Peaks & Plains in setting rents annually and providing the appropriate notification to tenants of any changes in rent will be assessed by the RSH.

Any failings in this area or performance on rent collection which affects the viability of Peaks & Plains may be subject to regulatory control measures.

- 6.2. Performance on setting rents and sending appropriate notification will be reported to the Board and will also be subject to scrutiny by internal and external auditors

7. CONSULTATION AND MONITORING

The Trust will consult with tenants in the development of this policy. The Trust will regularly review internal procedures to ensure they are fit for purpose and in line with best practice. Changes in legislation may also impact on this Policy. If a change in procedure or legislation affects this Policy, the Policy will be updated and reviewed by Board for approval.

The Policy also had an external legal review in December 2019.

8. COMPLAINTS

- 8.1. Complaints received regarding the setting of individual rents or in communicating the rent to customers will be handled in accordance with the Compliments, Comments and Complaints Policy.

9. ASSOCIATED DOCUMENTS

- The Trust's Rent Plan
- Rent Setting Procedures and Flowcharts
- Rent Collection and Arrears Management Policy
- Corporate Debt Policy
- Debt Write Off Policy
- Former Tenant Debt Collection Policy
- Tenancy Management Policy
- Compliments, Comments and Complaints Policy
- Scheme of Delegation
- Customer voice strategy

POLICY INFORMATION

Policy Name:	Rent Setting and Service Charges Policy
Status:	V2
Approved by:	
Drafted By:	Assistant Director of Finance
Date approved:	
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