



## **POLICY: RENT AND SERVICE CHARGE SETTING**

### **Sections**

1. Purpose and aim of the Policy
2. Rents
3. Service charges
4. Water rates
5. Equality impact assessment/Protected characteristics
6. Consultation arrangements

Copies of this Policy may be made available in alternative formats on request.

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## **POLICY: RENT AND SERVICE CHARGE SETTING**

All reference to 'we', 'our' or 'us' in this Policy should be read as meaning Sandbourne Housing Association.

### **1. Purpose and aim of the Policy**

- 1.1 A key aim of ours is to provide rented housing 60+ and rented housing 18+ to those who have limited financial resources and affordable to households in receipt of state benefits.
- 1.2 We will comply with all statutory and regulatory obligations with regard to rent and other charges to its residents.
- 1.3 We may undertake limited 'up to market renting' of properties, normally up to a maximum of five properties at any one time. They cannot have been social housing immediately prior to being market rented, except if they have been identified for disposal in the near future (normally within 12 months).

### **2. Rents**

- 2.1 All our properties (except market rented) are currently charged at 'social rents' (or their equivalent). We will not be charging 'affordable rents' and if we decide to in the future, we will require the Regulator's consent.
- 2.2 Rents for assured tenancies (those commencing on or after 15 January 1989) are known as 'social rents' and are set in accordance with the Regulator of Social Housing (RSH) current rent setting formula. Rented 18+ properties are charged at between 100% and 105%. The discretionary element (110%) has been applied to all rented 60+ properties. Rents are normally adjusted annually.
- 2.3 For all lettings (excluding any market rented properties), the social rent and service charge will normally be set at the maximum allowable.
- 2.4 It is our intention that assured rents (excluding any market rented properties) should be in line with fair rents, wherever possible, so that there should be no discontent between residents.
- 2.5 All residents have a right to appeal against their rents or service charges in accordance with the terms of their Tenancy Agreement and statute.

- 2.6 When we make an application for a fair rent this will reflect, but not exceed, the assured formula rent for that property.
- 2.7 Garage/carport rents will normally be charged and will be reviewed annually at the point of the rent and service review or applied to new tenants once the annual charge has been agreed.
- 2.8 Market rents will be based on the local area levels and will be reviewed annually. The rent will be inclusive of any service charges.

### **3. Service charges**

- 3.1 A variable service charge forms part of the gross rent, covering contributions towards maintenance and depreciation of installations, such as lifts, cleaning and lighting of common areas, heating, hot water (although not in all properties), garden maintenance, communal window cleaning and other expenses incurred for the benefit of residents. These costs are based on actual costs to us, and account is taken of any reasonable known or expected additional cost for the next twelve months. We will normally charge a 15% administration fee on these costs.
- 3.2 Service charges will normally be apportioned on the basis of the costs of each block/site and then apportioned to the residents within each block on each site. This will be based on a reasonable apportionment of those costs. Where a particular block or blocks has communal facilities available to all residents on that site, eg communal lounge, laundry, guest rooms, the additional cost of those services will normally be spread over all the properties on that site. The overall aim is to make each site and block meet its own and a reasonable proportion of shared costs.
- 3.3 A reasonable proportion of the service charges will be incorporated into the rent of any market rented properties.

### **4. Water rates**

- 4.1 Residents may pay their own water rates via an individual metered supply. For other residents in all other schemes, we endeavour to set the charges to residents to reflect the actual charge made to us. This is reviewed annually for accuracy and a proportion set to the communal services.

### **5. Equality impact assessment/Protected characteristics (as at 8 January 2019 or later amendments/additions)**

- 5.1 Neutral.

### **6. Consultation arrangements**

- 6.1 We will consult all residents and recognised residents' bodies on any significant changes to this Policy, other than for those required by legislation/regulation, and their views will be taken into account by the Board before approving it.