



Rent and service charge setting policy

FIN 06

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Issued: March 2016

Reviewed: November 2025

Next review: April 2028

1. Policy statement

This policy covers the setting of rents and service charges for new properties and at annual review:

- in order to recover housing management and service costs
- in compliance with statutory and other regulatory requirements including the Rent Standard as published by the Regulator of Social Housing
- to reflect, where applicable -
 - the nature of our tenure of a property
 - the terms of our letting or sub-letting to (or other relationship with) our licensees or tenants

2. Our tenure

We hold or occupy property as follows:

- freehold
- under long leases
- under short leases from:
 - local authorities
 - other registered providers of social housing
 - private landlords
- under management agreements with other registered providers

3. Client tenure

Our clients occupy accommodation as follows:

- as our tenants under assured shorthold tenancy agreements
- as tenants of other registered providers (where we manage the property)
- as licensees under licence agreements (where we are the landlord)
- as licensees under licence agreements with other registered providers (where we manage the property rather than lease it)

4. Rent setting and review

4.1. General principles

- accommodation at hostels is let on licence agreements
- accommodation in flats or bedsits is let on assured shorthold tenancy agreements, with the exception of flats or bedsits which are included in temporary accommodation contracts which are let on licence agreements
- all our licensees or tenants' rents are charged weekly

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- reviews of accommodation charges are implemented on the first Monday of April each year
- properties subject to target rents (see 4.2 below) are subject to rents derived from the rent plan, and are varied annually in accordance with the Regulator of Social Housing Rent Standard and Rent Determination
- rents for properties let within the Rough Sleepers Accommodation Programme are set based on the rent the superior landlord charges us and services are set to recover around £20 per week plus the superior landlord service charge, though this is variable depending on the property.
- properties where 'affordable rents' apply (properties developed after 2012 with grant from the Homes and Communities Agency) have a rent set at 80% of the market rent for that type of property in that geographical area
- other properties' rents are set to over-recover estimated management costs (currently to make a surplus of 3%)
- service charges are set to recover costs including a management charge
- the same accommodation charge (or rent and service charge) is levied for similar accommodation (bedspace or unit) within each individual hostel
- discussions with housing benefit departments about rent levels and service charges take place annually before new charges are levied

4.2. Target rents

Properties held as freehold or on a long lease and acquired with public funds, or held for social housing use, are subject to the 'Rent Restructuring' regime introduced by the government in 2001/02. This was based on regional average earnings & property valuations and generated a target rent figure, which was achieved by 2011/12.

Subsequent changes to target rents are subject to the Regulator of Social Housing's Rent determination.

5. Policy review

This policy will be reviewed every three years by the executive director of finance and IT or whenever relevant legislation or circumstances change.

6. Links to other policies

- [OPS 09 - Rent Payment and supporting clients with former arrears policy](#)