



## Rent Setting and Service Charges policy

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# Rent Setting and Service Charges policy

## 1. Statement of Intent

- 1.1 Two Rivers Housing (TRH) aims to set and maintain rents in accordance with the Homes and Communities Agency (HCA) rent standard for socially rented properties, and in accordance with the conditions of any lease for Shared Ownership properties. It intends that rents and service charges will be set at levels within the reach of those in receipt of a low income whilst ensuring that all management, maintenance and other costs of Two Rivers Housing are met.

## 2. Rent Setting

- 2.1 Two Rivers Housing will set rents for all tenants either with the target/formula rent system (assured tenancies) or at 80% of market rent (affordable tenancies and Rent to Homebuy tenancies), or under the conditions of the lease for shared ownership properties.
- 2.2 These annual rent change will become effective from the first Monday in April each year for all tenants. Changes to rent levels will be based on guidelines set by the government for social rents, currently for affordable and assured tenancies that is a 1% reduction in the previous rent level (this applies for the next three financial years, 2017/18 to 2019/20). For shared ownership and intermediate rent properties the change will be as detailed in the agreement/lease.
- 2.3 One month's calendar notice will be given prior to any rent or service charge increase; rents will only be increased once in any year unless otherwise agreed with the tenant.
- 2.4 New build property rents will be set based on a target rent for assured tenancies or calculated as 80% of market rent for affordable rent.
- 2.5 If a tenant requests that Two Rivers Housing install additional facilities in their home, and TRH agree the works are necessary (i.e. in curtilage parking), the tenant will be informed of the increase in rent prior to the works being carried out. Provided the works are agreed to be carried out, and the tenant accepts the change in rent level TRH can increase the rent on the completion of these works

### **3. Service Charges**

3.1 Where appropriate, Two Rivers Housing will set service charges by taking into account the following factors:

- the full cost of the service provided;
- value for money;
- a provision for the maintenance and replacement of equipment used in the supply of the service;

and in the provision of new services:

- tenant and leaseholder views on the service to be provided.

3.2 Where Two Rivers Housing considers introducing a new service charge, it will at first consult with tenants prior to any charge being introduced. Following the consultation process and a decision to introduce a service charge, TRH will inform service charge clients in writing, giving at least one month's notice, of the commencement of that service charge including details of the amount of the charge.

3.3 In general, service charges will be reviewed annually and tenants will be given at least one month's notice prior to the implementation of any change to the charge. These annual service charge changes will become effective from the first Monday in April each year for all clients.

3.4 Service charges can be altered more than once a year if there is a change in the service being provided. Tenants and leaseholders will be consulted before any change is implemented and given at least one month's written notice of any change to charges. Leaseholders will be consulted with in Line with Section 20 of the Landlord and Tenant Act.

3.5 All service charges will be issued with a summary of tenants' rights and obligations annually. This document lays out how a determination (appeal) can be made to the first tier tribunal and the upper tribunal regarding service charges.

### **4. Implementation**

4.1 Two Rivers Housing has detailed procedures for rent and service charges setting for tenants and leaseholders. It will ensure that this policy and the procedures attached to it are implemented in accordance with TRH's Customer Care Policy.

- 4.2 It is the responsibility of the relevant Two Rivers Housing employees to ensure that this policy and the procedures related to it are correctly applied.
- 4.3 Two Rivers Housing will provide training in rent and service charges setting and any related issues in order to ensure that this policy is implemented by experienced and qualified staff.
- 4.4 Two Rivers Housing will ensure that this policy and the procedures attached to it are implemented in accordance with TRH's Equality and Diversity Policy.

## **5. Monitoring**

- 5.1 Two Rivers Housing's Head of Finance is responsible for monitoring this policy to ensure it is correctly applied.
- 5.2 Two Rivers Housing will consult with its tenants, using existing consultation mechanisms, should the need arise to review its rent and service charge levels.

## **6. Review**

- 6.1 Two Rivers Housing's Head of Finance will be responsible for ensuring that reviews of this policy are carried out.
- 6.2 In the absence of any other trigger for a review, the policy will be reviewed at such other times as the Board of Management may from time to time determine.

Date of last amendment: December 2016