

Rent Policy

September 2025



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Links to other policies

This policy should be read in conjunction with our:

[Complaints policy](#)

Compensation Policy

[Equality, Diversity & Inclusion Policy](#)

1. Introduction and purpose

- 1.1 This policy explains how we set and review rents, apply service charges, and manage arrears for current and former tenants.
- 1.2 Our approach is designed to ensure consistency, regulatory compliance, and fairness, supporting residents while maintaining TDHA's financial sustainability.

2. Definitions

- 2.1 The following definitions are used in this policy.

- ❖ **Rent** – Refers to the core rental charge along with any applicable service charges.
- ❖ **Universal Credit** – A single monthly payment introduced by the government to support people on a low income, whether in or out of work. It replaces six legacy benefits and tax credits: Jobseeker's Allowance, Housing Benefit, Working Tax Credit, Child Tax Credit, income-based Employment and Support Allowance, and Income Support.
- ❖ **Housing Benefit** – A means-tested benefit administered by local authorities, designed to help low-income households meet the cost of renting their home. It may be paid directly to the tenant or, in some cases, to the landlord.

3. Policy aims

- 3.1 This policy is designed to support our strategic objectives and ensure regulatory compliance. Its specific aims are to:
 - ❖ Set fair and affordable rents in line with the requirements of the Regulator of Social Housing.
 - ❖ Ensure the accurate recovery of service charge costs for services provided.
 - ❖ Minimise rent arrears through proactive engagement, early intervention, and targeted resident support.
 - ❖ Communicate all rent and service charge changes clearly, transparently, and within required timeframes.

4. Rent Agreement

- 4.1 Rents are set in accordance with the Government's Rent Standard and relevant tenancy legislation. Formula rents are calculated using a national formula which ensures fairness and consistency. The calculation is based on:
 - 30% of the rent being determined by the property's January 1999 valuation relative to the national average.
 - 70% being based on local earnings compared to the national average.

- An adjustment for property size, applying one of five bedroom weightings to ensure smaller homes are charged proportionally lower rents.
- 4.2 In 2020, the Government introduced a new Rent Standard allowing annual rent increases of up to Consumer Price Index (CPI) plus 1%. This framework has been extended to 2030. Each year, a recommendation on the level of increase will be presented to the Board for approval.
- 4.3 In line with regulatory requirements, residents are given a minimum of 28 days' written notice (or the length determined by new national policy) prior to any rent change taking effect.
- 4.4 We have one private rented property. The Rent is reviewed annually in line with market evidence and any applicable tenancy agreement.

5. Additional Charges

5.1 Service Charges

Service charges are set annually to reflect the anticipated cost of providing specific services. This includes consideration of inflation, actual expenditure from the previous year, and any known or planned changes to service delivery.

5.2 Support Charge

This charge covers the cost of Scheme Managers who provide housing-related support. These staff also carry out functions that fall under 'intensive housing management', which includes helping with tenancy issues and liaising with other support services such as social care.

5.3 Heat and Hot Water

Charges are set to recover the actual cost of supplying heating and hot water to residents.

5.4 Water Rates Charge

This charge reflects the cost of supplying water to individual properties or schemes.

5.5 Administrative Fees

Calculating and applying service charges involves administrative effort. In line with permitted practice, an administration fee of up to 15% may be added to the base cost of service provision.

5.6 Fixed Charges

All service charges are fixed for the duration of the financial year. This approach provides residents with payment certainty. As such, charges cannot be amended mid-year, and there is no retrospective adjustment for either over- or under-recovery of costs.

5.7 Rent Collection Method

Rent is collected via Direct Debit on the 1st of each month. In exceptional cases, and where appropriate, an alternative payment method may be approved by the Chief Executive.

6. Charging Principles

6.1 Our approach to charging is underpinned by the following principles:

- All charges are based on actual or reasonable estimated costs and are not set to generate profit.
- We are committed to delivering value for money and will review supplier contracts regularly to ensure efficiency and cost-effectiveness.
- Residents receive annual statements clearly outlining the breakdown of their charges.

7. Rent Collection & Recovery

7.1 Rent Payment Methods

Rent is charged on a monthly basis and can be paid via Direct Debit, standing order or by online payment.

7.2 Housing Benefit

Residents in receipt of Housing Benefit may have payments made directly to the organisation by the Local Authority. However, ultimate responsibility for ensuring rent is paid in full remains with the resident.

7.3 Universal Credit

Residents receiving Universal Credit are generally expected to pay their rent directly, having received the housing element into their own bank accounts. Where there is a history of arrears or poor payment, we may request an Alternative Payment Arrangement (APA) from the Department for Work and Pensions, allowing rent to be paid to us directly.

7.4 Account Monitoring

We adopt a risk-based approach to monitoring rent accounts. Proactive contact is made with tenants who are in arrears or who show early signs of financial difficulty, enabling support to be offered before debt escalates.

7.5 Debt Recovery

Early intervention is critical. Smaller debts are more manageable and can often be resolved more quickly. We work with tenants to maximise income and connect them to support where needed. In some cases, support may be reduced if a tenant:

- Fails to engage;
- Provides false or misleading information;

- Fails to honour repayment agreements or tenancy obligations.
Prior to any legal proceedings, we will seek to identify and address any underlying support needs through engagement with relevant partners or agencies.

7.6 Legal Action

Where rent arrears exceed defined thresholds and no resolution has been reached, we may serve the appropriate legal notice and initiate proceedings. Any legal costs incurred will be added to the tenant's account but recorded separately from rent for reporting purposes. Evictions will only proceed following full review and formal approval by the Chief Executive.

7.7 Former Tenants

We actively pursue former tenant arrears where the outstanding balance exceeds £100. Higher value debts may be referred to a debt collection agency on a no-win, no-fee basis. Debts under £100 will be written off if recovery efforts within four weeks of tenancy termination have been unsuccessful.

7.8 Appeals

Tenants served with an eviction notice may appeal the decision on two grounds:

- Disputing the rent balance;
- Presenting significant mitigating circumstances that contributed to the arrears.

Appeals must be submitted in writing within ten working days, supported by relevant evidence. If a tenant is dissatisfied with the handling of their case, they may raise a formal complaint in line with our Complaints Policy.

8. Timetable

- 8.1 Rent and service charge increases take effect annually on 1st October.
- 8.2 Budget-setting is completed by April each year. Where significant changes are anticipated, we will begin engaging with residents in advance through meetings and newsletters to ensure transparency.
- 8.3 In line with legal requirements, formal notification of any changes must be issued to residents at least 28 days before the increase takes effect. Therefore, all residents will receive written confirmation of their new rent and service charges during August each year.

9. Sinking funds

9.1 Leasehold Properties

A sinking fund is maintained for our leasehold scheme at Summersbee Court. This fund is made up of reserved income specific to the scheme and is not

included in the organisation's reported surplus. It is intended to cover significant future liabilities such as major repairs or component replacements. Day-to-day expenditure and minor works are also paid for from the Summersbee Court Service Charges.

9.2 Rental Properties

For our rented homes, we maintain a works fund where budget permits. This fund is used to meet the cost of unplanned high-cost works or improvements that arise during the financial year and fall outside of routine repair budgets.

10. Governance and Monitoring

10.1 The Board holds overall responsibility for rent-setting and approves any changes to rents and service charges on an annual basis.

10.2 Rent arrears performance and recovery activity are reviewed and monitored monthly to ensure effective management and early intervention.

10.3 This policy is subject to review every three years, or sooner if required by changes in legislation or regulatory guidance.

Key Legislation and Guidance

This policy aligns with the following legislation and regulatory frameworks:

- *Pre-Action Protocol for Possession Claims by Social Landlords*
- *Protection from Eviction Act 1977*
- *Housing Act 1988*
- *Housing Act 1996*
- *Welfare Reform Act 2012*
- *Equality Act 2010*

11. Equity, Diversity & Inclusion (EDI)

11.1 We assess how rent setting, service charges, and arrears policies impact residents, particularly those on low incomes or with protected characteristics. Using resident data and feedback, we identify any disproportionate effects. This informs fair, inclusive decisions that promote equity and minimise hardship for our residents.