

## **EastendHomes**

### **Rent Setting Policy**

- 1.1 As a Registered Provider of Social Housing, EastendHomes sees the need to keep rents affordable as a key priority. We shall comply with applicable regulatory requirements with respect to rent setting and will ensure that the right balance is struck between protecting EastendHomes financial viability, compliance with statutory requirements, and the desire to keep rents affordable for the longer term.
- 1.2 This policy covers EastendHomes properties let at social rents; intermediate rents; and private rents. Social rented properties will be let in accordance with the legislative and regulatory requirements in force at the time, and as per the provisions of this policy. Private rented properties will be let at rents based on similar privately rented properties in the locality. Intermediate rented properties will be let at rents which are derived from the same process and then reduced to 80% of that level.
- 1.3 Under its discretion available through legislative provisions, EastendHomes will not charge higher 'market' rents to social rented households who are in receipt of income in excess of a threshold defined by legislation.
- 1.4 EastendHomes is committed to compliance with the Rent Standard as set out in the HCA (Homes & Communities Agency) Regulatory Framework. Properties covered by the Rent Standard are EastendHomes' social rented properties. Actual annual increases or reductions will be approved by the Board each year, by reference to legislative and regulatory requirements.
- 1.5 Where practical, EastendHomes will show service charges separately from the property rent element. EastendHomes will endeavour to ensure that service charges eligible for benefit do not increase by more than the change in the cost of providing those services.

## **2. Operation of this policy**

**The Work and Welfare Reform Act 2016 means that from 1 April 2016 – 31 March 2020 total annual core rent for all homes covered by the HCA Rent Standard will reduce by 1% a year.**

- 2.1 Social rent increases or reductions will be applied annually on the Monday of the week in which the anniversary of the last rent increase occurs except when the anniversary occurs in the last week of March in

which case the rent increase will be applied from the Monday of the first week of April. The period from one rent increase until the next will be the “rent period”.

- 2.2 Intermediate and private rents will be rebased at the point of tenancy extension or re-let, in accordance with the process set out at 1.2.
- 2.3 When a property covered by the HCA’s Rent Standard is re-let, the rent for the new tenancy will be set by reference to the formula rent as at 8<sup>th</sup> July 2015, or the actual rent for the property at this date, whichever is the higher. This rent charge will then be increased or reduced to take account of subsequent changes in rent levels.
- 2.4 Where a tenancy for a new build property is let, the rent will be set at the relevant current year cap level (subject to a target rent assessment based on a valuation) and will increase or reduce subject to the rent cap as appropriate in subsequent years.
- 2.5 Where a tenant is temporarily re-housed on a short-term licence under EastendHomes’ Decant Policy, the weekly rent due shall be no higher than the rent due on the property for which they hold a tenancy.
- 2.6 Where EastendHomes does not charge rent, but levies a ‘use and occupation’ or licence fee this will be set at the same rate as if the property was rented.
- 2.7 This policy will be reviewed every three years or sooner if operational, legislative or regulatory changes require it.