RENT SETTING AND RENT COLLECTION POLICY

Aims of the rent setting and rent collection policy

The following are the aims of the rent setting policy:

- To set and collect rents, varying them annually to ensure affordability for members and long-term viability
- To set service charges and vary them annually to cover the costs of services provided
- To comply with the Rents regulatory standard
- To ensure that members have an opportunity to input into rent setting as appropriate

Rent setting approach

1 The co-op will set its rents in accordance with:
- the requirements of its long-term business plan
- keeping rents affordable for members and member views
- compliance with the Government's determinations regarding the Rent Standard.

2 The co-op will maintain a long-term finance plan setting out what income is required to enable the co-op to deliver its housing service and maintain the homes in accordance with its asset management policy. In setting rents annually, the co-op will consider what rental income is required to maintain a positive balance in the co-op's long-term finance plan.

The Rents Standard

3 The Government is currently limiting rent increases for all social rented and affordable rented homes usually by up to Consumer Price Index plus 1%.

4 The rents for any new homes developed by the co-op may be set up to the Government's Formula Rent (calculated based on the relative value

of the property, relative local income levels, and the size of the property), subject to Rent Caps and funding and development agreements with Homes England, the local authority and others.

5 In relation to any homes governed by fair rent provisions in the Rent Act 1977, the co-op may charge the lower of:
- the fair rent set by the Rent Officer
- the Formula Rent.

Service charges

6 Service charges are charges made to members to recover the costs of services provided to homes with communal areas, such as communal lighting, communal cleaning, grounds maintenance and related management fees.

7 The co-op will set service charges based on the co-op's estimate of the costs of providing the services in the following year which shall be based on the actual costs of provision of the services in the previous year, unless the committee considers that the co-op should subsidise the costs of some services where they would result in an inappropriate additional service charge. Service charge costs will be apportioned equally between all members who receive the relevant services.

8 Service charges are collected within the total rent payment.

Determining rent increases

9 The Finance Lead, working with the Senior Housing Lead, will draft proposed rent increases for Management Committee consideration.

10 The Management Committee will determine rent increases two months prior to the implementation date of the rent increases.

11 The Management Committee will consider:
- the range of rent increases which the co-op could set rents in order to comply with the Rents Standard
- the requirements of the co-op's long-term business plan
- justification for the rents and service charges proposed.

Notification of rent increases

12 The Senior Housing Lead will ensure that the co-op gives all members four weeks written notice of rent and service charge increases, setting out the weekly rent and how much needs to be paid if the member wishes to pay on a monthly basis.

13 The co-op will advise the housing benefit department regarding rent increases in relation to any tenants who are still in receipt of housing benefit.

14 The co-op will advise members in receipt of Universal Credit to notify DWP regarding rent increases.

Methods of payment

15 The co-op offers its members multiple means of paying rent through Allpay that include:

- standing order or direct debit
- Allpay payment cards
- telephone payments.

16 The co-op does not receive cash payments for payment of rent.

17 The co-op will give members information on rent payment methods. Members will be encouraged to keep their rent accounts in credit (unless the co-op has applied for and is in receipt of DWP direct payments in lieu of Universal Credit).

18 Members are responsible for claiming Universal Credit, providing information in support of their claim and keeping it up to date. The service provider will provide basic advice on eligibility for welfare benefits and will provide assistance to the member to make claims if requested to. The co-op may also refer the member to external advice agencies, including debt counselling agencies, where the member requests it or where more specialised advice is required.

19 The Senior Housing Lead will ensure that quarterly rent statements are sent to all members.

Recharge accounts

20 Recharge accounts for court costs, rechargeable repairs and other costs will be identified separately.

Rent credits

21 The co-op will return credits on rent accounts within a reasonable timescale on request.

Risks to be avoided:

- The co-op may not set rents at a sufficient level to cover its long-term costs
- The co-op may not comply with the Rents Standard and/or may wish to increase rents at rates that do not comply
- The co-op may not recoup the costs of provision of services