



Telford & Wrekin
Co-operative Council

**Protect, care and invest
to create a better borough**

Rent Setting Policy

May 2024

1 INTRODUCTION

- 1.1.** The purpose of this policy is to establish the principles and approach by which Telford and Wrekin Council set rent levels and service charges for its residential properties.
- 1.2.** This policy has been established in accordance rent standard published by the Registered Provider of Social Housing and applies to all Council tenants but does not apply to the following types of tenant properties:
- Shared ownership low cost rental accommodation
 - Intermediate rent accommodation
 - Specialised supported housing
 - Relevant local authority accommodation
 - Student accommodation
 - PFI social housing
 - Temporary social housing
 - Care homes.
 - High income social tenants whilst they are residing at the property (£60,000 gross annual income)

2 HOW IS YOUR RENT CALCULATED?

The amount of rent you pay will depend on a number of factors including the type of tenancy you are under.

Most rents will be set at the social rent which is calculated using the formula rent dictated by the government. Where the Council builds or acquires new property through the Affordable Homes Programme, the rent charged will be the higher of 80% of market rents (this is called an affordable rent) inclusive of any service charges or the formula social rent.

You will receive an annual letter from the Council explaining how your rent has been calculated and will be notified of any increases.

In October 2017 the government announced its intention to set a long-term rent deal. The long-term rent deal was confirmed in the Policy statement on rents for social housing (February 2019), allows local authority landlords to increase rents on both social rent and affordable rent properties on an annual basis by up to CPI (Consumer Price Index) +1% from 2020, for a period of at least 5 years.

However, for the year 2023-24 the increase in rent will be in line with the government rent cap of 7% following the rise in inflation and the impact of the cost-of-living crisis.

Social and affordable rents for existing tenants will be increased with effect from April 2024.

3 SERVICE CHARGE?

A service charge reflects the cost of additional services provided in connection with the tenancy and is in addition to the rent charged. This also covers services provided in connection with communal areas that a tenant has the use of in connection with their tenancy. The range of services provided depends upon the nature of each particular property.

For example, where there is a communal facility in the property, there may be a service charge which covers general housing management services of that communal area.

Tenants will only be charged for the services they receive and will be based on the actual cost of providing the service. Tenants cannot opt out of any service provision or charge.

Where the Council finds that a service charge will be charged in addition to your rent, the Council will supply you with clear information as to how this will be charged.

Service charges are reviewed annually, and the council will write to you each year informing you of the new service charge alongside the new rent charge. You will receive sufficient notice to allow you to alter any existing direct debits in line with direct debit guarantee.

5. PAYMENT

The following payment methods are available to tenants to pay rent and service charges, although our preferred method is direct debit.

Direct Debit - Rent payment by direct debit can be arranged either weekly or monthly. The option to pay monthly is for convenience. A tenant's legal obligation under the terms of the Tenancy Agreement will be to pay rent weekly in advance and therefore if paying monthly tenants are required to pay monthly in advance to avoid rent arrears.

Telephone - Payments can be accepted by credit or debit card through the housing management team

4. DEALING WITH RENT ARREARS

The Council will monitor rent levels which will enable the council to minimise the level of rent arrears and maximise income in a sensitive manner. The specific objective are to:

- Monitor levels of arrears and have early intervention mechanisms in place which prevent rent arrears arising;
- Offer early appropriate professional support and guidance to tenants to reduce rent arrears and maximise their income;
- Take appropriate action in accordance with the level of rent arrears;
- Ensure that rent payments are prioritised by tenants;
- Actively pursue tenants for arrears owing;
- Sustain tenancies with support from the council's Income Advice team, Housing Solutions and other agencies;

This will be achieved by the Council supporting its tenant in the appropriate manner and:

- Taking all reasonable measures to prevent arrears from occurring and escalating.
- Liaising closely with the council's Housing Benefit team to ensure that Housing Benefit applications are processed expediently.
- Liaising closely with the Department of Work and Pensions (DWP) to ensure that Universal Credit applications are processed expediently and include housing costs, and that applications for alternative payment arrangements and third party deductions are made in a timely manner
- Making use of all available remedies with eviction as a last resort
- Negotiating realistic and affordable arrangements to repay rent arrears and arrears for other charges where appropriate. In developing an arrangement, considering all priority debts and factors affecting payment

Rent arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of rent. The council will take legal action where appropriate to recover rent arrears due to non-payment by following the Pre-Action Protocol for Possession Claims by Social Landlords.

5. DATA PROTECTION

Any personal information provided to the council regarding tenants' personal or financial circumstances will be dealt with in accordance with council policies. All data held in respect of tenants will be recorded and processed in accordance with current data protection legislation and our Retention Policy.

6. EQUALITY & DIVERSITY

The council recognises that it provides housing for communities which include wide social diversity and is committed to providing equal access to services.

This policy aims to treat all customers fairly, with respect and professionalism, in line with the duty placed on the local authority under the Equalities Act 2010 specific consideration of the impact of this policy has been given to people with protected characteristics, including sex, gender reassignment, pregnancy & maternity, race, age, disability, religion, sexual orientation and marital status.

The council will enable all our tenants to have clear information and equal access to available services and information in a range of appropriate languages and formats will be provided when requested.

4 REVIEW OF POLICY

This policy will be reviewed every three years unless there is a change in legislation or sector development which require otherwise.