

	Finance & Administration	Rent Setting Policy
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Rent Setting Policy

1.0 Statement of Intent

- 1.1 PRHA is committed to keeping rents at a level affordable by our licencees and tenants. We shall aim to comply with applicable regulatory requirements with respect to rent setting and will ensure that the right balance is struck between protecting PRHA's financial viability and the requirement to keep rents at an affordable level for the long term.
- 1.2 For all social housing rents, PRHA is committed to compliance with the Rent Restructuring regulations as and when pronounced by Government agencies. Under these regulations, PRHA will aim to apply the maximum increases allowed in order to achieve rent convergence in the shortest period possible in line with its rent restructuring plan.
- 1.3 Affordable Rents are set in accordance with the framework set by the local authority, subject to agreement with the relevant Government agency.
- 1.4 Wherever practical, PRHA will show variable service charges separately from rent.

2.0 Operation of this policy

- 2.1 Rent increases will be applied annually from the Monday of the first week of April.
- 2.2 In setting social housing rents, PRHA will comply with Government Rent Caps applicable at the time of setting any new rent.
- 2.3 In setting Affordable Rents, PRHA will comply with local authority guidance and government regulations applicable at the time. Affordable Rents will be increased annually by no more than the maximum permissible by Government.
- 2.4 On re-let, Affordable Rents will be set by reference to 80% of local market rents. These will be set each year following an approved process. Once set any annual increases will follow the process outlined in 2.3 above.
- 2.5 The Affordable Rent set and charged at the time of letting will not exceed the relevant Local Housing Allowance appropriate for the

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number of bedrooms in the property. This should ensure that the rent charged is within the values required for housing benefit providing some protection to residents with lower incomes.

2.6 Where new lettings take place within the weeks preceding the new financial year when there is insufficient notice period for an April increase to be issued, the following years rental & service charge levels will apply from the point of letting.

2.7 PRHA does not operate any rent free weeks.

3.0 Mesne Profits

3.1 When a tenancy is terminated for any reason, and PRHA allows the tenant to remain in occupation, no rent will be set or accepted by PRHA beyond the end of tenancy. Any money received for use and occupation of the property will be treated as Mesne Profits.

4.0 Service charges

4.1 Service charges are set on the basis of recovering actual expenditure (plus an administrative charge, currently set at 15%). Annual increases are determined through review of previous year's expenditure & any known likely increases in cost (e.g. fuel costs).

4.2 Service charges will be considered as part of the rent charge where these are eligible for housing benefit. Additional charges for heating, lighting, hot water & other items for tenant's personal use, Council Tax & water rates etc ,which are not eligible for housing benefit, will be charged over and above the target rent or affordable rent. Additional Charges will be payable as part of the tenancy agreement.

4.3 As part of PRHA's Value for Money strategy there will be a rolling review of services to ensure that these are cost effective & efficient as possible.

5.0 Review of the Policy

5.1 This policy will be reviewed on an annual basis prior to the commencement of the financial year.

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