



Rents & Other Charges Policy

Last Reviewed June 2016

Policy for rents and other charges

This policy was adopted by Cabinet on XXX and is managed and adhered to by the housing income team. This policy will be reviewed on a XXX basis.

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1.1 Introduction

This policy is to set out the legal position and basis for which council rents and other charges are set. It provides clarity of this process for both officers and tenants.

1.2 Aim of the policy:

To set out how the housing service of Dacorum Borough Council will establish rent levels and other charges for properties managed under the Housing Revenue Account.

1.3 Links to Council's corporate aims:

This policy contributes to the council's priority of "providing good affordable homes, in particular for those most in need" which is set out in 'Delivering for Dacorum – Corporate Plan 2015-2020'.

1.4 Policy statement(s):

We will follow Government policy (see 2.1) when setting rents for properties managed by the Housing Service.

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Tenants will be given 28 days notice in writing of any change to their rent in accordance with the Housing Act 1985 Section 103.

We will move to target rents as properties become empty, except for in the case of exemptions (see 2.2).

We are committed to depooling service charges for tenants (see 2.3).

We will increase rents for higher earning tenants under the 'Pay to Stay' scheme in accordance with statutory guidance (see 2.4).

We will charge rent over a 48 week rent year with 'free weeks' at Christmas, the end of May and the end of the financial year.

Support charges for those in supported housing accommodation are calculated annually based on the cost of the service.

2.0

Rents and other charges detail

2.1 Government Policy

The Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year over the next 4 years commencing April 2016. Supported housing is currently exempt. Rents for supported housing will be increased by CPI + 1% (+ £2 if not at target rent) for as long as the exemption is in place.

2.2 Target Rent

Rents that have not yet reached target levels will generally be increased when the property becomes empty. There are exceptions to this for tenants who move on a mutual exchange or on the Council's scheme for moving to a smaller home. New tenancies set up following a succession or an assignment are also exempt from this increase.

2.3 Depooling

We have committed to depooling service charges for tenants in general needs properties from April 2016. It is proposed to extend this to supported housing tenants in April 2017.

Depooling of service charges will allow for greater transparency and allow tenants to more easily challenge the cost of services they receive. It will also enable us to move towards collecting the full cost of providing these services and offer an element of protection against the drop in income as a result of 1% rent reductions over the next 4 years.

2.4 'Pay to Stay'

This scheme included in the Housing and Planning Act 2016 requires that local authorities increase rent for tenants earning over a certain threshold. This threshold for households outside of London will be £31,000 (for year 2017/18). The increase in rent for households earning above this will be tapered at 15p per £1 earned above the threshold. Tenants in receipt of Housing Benefit or Universal Credit will be exempt from this increase.

We will be required to set a market rent for each property as well as collect and hold income details for each household.

For the purposes of 'Pay to Stay' a household will consist of tenant(s) and partner or spouse. The income of adult children will not be included in the calculation.

3.0

Links to other corporate strategies and policies

This policy links to and should be read in conjunction with the following policies and strategies:

- Housing Strategy
- Financial Inclusion Strategy
- Rent Arrears Procedure

4.0

Legislation

Housing Act 1985

Housing and Planning Act 2016

Welfare Reform and Work Act 2016