RENT POLICY

Rent Policy

1. Introduction

1.1. This Policy applies to Social Rented or Affordable Rented properties. There are different arrangements depending on the type of property and its tenure. This Policy sets out how we intend to meet our legislative and regulatory obligations, along with the terms of the customer's lease or tenancy agreement that apply to rent.

1.2. This Policy takes account of the requirements of the RSH Rent Standard.

2. Scope

2.1. This policy outlines our approach to how we determine, charge, review and collect rent for Social Rented and Affordable Rented Properties.

2.2 This policy links to or considers:

- Regulator of Social Housing's Rent Standard
- Our Financial Viability and social objectives
- Government Rent Policy Statement (including rent caps and CPI limits)

3. Policy Statement

3.1. We will take a clear, transparent and fair approach to setting rents across all of our properties.

3.2. Rent levels will be affordable and proportionate to local incomes whilst ensuring value for money across our properties.

3.3. Service charges are outside of the scope of this policy, please see our separate Service Charges Policy.

4. Rent Setting

4.1. The Association recognises that compliance with the Rent Standard relies on accurate data and effective controls and will maintain complete and accurate property and tenancy records. Any failure to manage rent data accurately may result in regulatory non-compliance and financial risk, and will therefore be treated as a material governance issue.

4.2. Social Rent

4.2.1. Rents for Social Rented properties will be set on the basis of the Government's formula rent methodology, which takes into account relative property values, local income level and property size by number of bedrooms.

4.2.2. We will ensure that:

- when setting rents these will be at or below formula rent, subject to permissible tolerances.
- we apply flexibility of up to 5% above formula rent (or 10% for supported housing) where justified by local circumstances and affordability considerations.
- any deviation from formula rent is documented, justified and approved internally.
- when re-letting, properties are reviewed and adjusted towards formula rent where applicable.
- convergence mechanisms (where applicable) are applied in accordance with government direction.

4.2.3. The requirements of the Rent Standard in relation to Social Rent do not apply to households with high incomes (above £60,000 per year).

4.3. Affordable Rent

4.3.1. Affordable Rent properties will be set at no more than 80% of local market rent (inclusive of service charges).

4.3.2. We will ensure that:

- we obtain and retain robust evidence of market rent valuations;
- valuations are regularly reviewed and independently verifiable; and
- we consider local affordability, including income levels and welfare constraints, when determining the rent.

4.3.3. Affordable rents will only be applied where:

- permitted by funding agreements or regulatory requirements; and
- the property meets the criteria for Affordable Rent tenure.

4.3.4. The requirements of the Rent Standard in relation to Affordable Rent does not apply to households with high incomes (above £60,000 per year).

5. Rent Increases

5.1. Annual Rent Review

5.1.1. We will apply annual rent increases in line with the Government's policy and the Rent Standard, which currently permits annual increases up to Consumer Price Index plus 1% for social and affordable rent properties.

5.1.2. From April 2027, we will increase rents by an additional £1 per week, and from April 2028, by £2 per week, on top of the standard CPI + 1% annual increase. The purpose is to allow rents that sit below formula rent to gradually reach that benchmark. Convergence can continue for up to 10 years or until the property reaches formula rent.

5.1.3. This limit applies unless a different cap is mandated by the Government, or an exemption or variation is approved by the Regulator.

5.2. Notification

5.2.1. Tenants will be notified of any changes to their rent in accordance with statutory requirements with a minimum of 4 weeks' notice and a clear explanation of the change and how it has been applied.

5.3. Exceptions

5.3.1. Where rent is below formula rent, we may apply additional increases above CPI+1% within permitted limits to enable gradual conveyance to formula rent. These increases will be applied in accordance with regulatory limits and be planned and controlled to ensure affordability is considered.

5.3.2. There are exceptions to the Rent Standard for the following types of property:

- Shared ownership low-cost rental accommodation;
- Intermediate rent accommodation;
- Specialised supported housing;
- Relevant local authority accommodation;
- Student accommodation;
- PFI social housing;
- Temporary social housing; and
- Care homes.

5.3.3. There are also exceptions where the Regulator may grant an exemption from or vary a requirement of the Rent Standard in the event it would jeopardise our financial viability.

6. Affordability and Hardship

6.1. Affordability

6.1.1. We will ensure that rent setting and rent increases are undertaken with regard to affordability for tenants to balance our financial viability and protection of our customers from unaffordable housing costs.

6.1.2. We will consider local income levels, and welfare benefit thresholds, monitor impact of rent changes on tenants and take account of broader cost-of-living pressures.

6.2. **Supporting Tenants**

6.2.1. We recognise that some of our customers may experience financial hardship. We will provide support to customers where required by providing early intervention and tenancy sustainment support, by signposting them to agencies that may be able to assist.

7. Monitoring and Compliance

7.1. We will retain a robust framework with systems and processes in place to ensure compliance with the Rent Standard.

7.2. We will implement documented procedures for rent setting and increases, regular internal audits and compliance checks as well as data validation processes to ensure accuracy of rent levels.

7.3. The Board will receive assurance on compliance with the Rent Standard from time to time, and other regulatory requirements, and expectations and risks associated with rent income and affordability.

8. Roles and responsibilities

Role	Responsibility
Director of Finance & Resources	• Ensure clear accountability for rent compliance • Regularly report to the Board on rent compliance and rent setting. • Ensure adequate training and competency of staff in relation to rent setting and rent increases • Ensure effective oversight of any third-party agent • Review this policy and update as and when required to ensure ongoing compliance
Director of Operations (Housing & Partnerships Manager)	• Ensure tenants are notified of rent increases and issue of relevant notices • Report any instances of non-compliance
All staff	• Ensure this policy is followed at all times • Escalate upon identification of any properties which are not charging rent in accordance with this policy, unless otherwise exempt.

9. Review

We will carry out a fundamental review of this policy every three years or sooner subject to legal, regulatory changes or if internal changes require it.

10. Essential Information

All out policies and procedures are developed in line with our approach to the following: data protection statement, equality diversity and inclusion (EDI) approach, complaints policy and our regulatory and legal obligations to ensure we deliver services in a lawful manner and treat people equally and fairly. Our privacy policy can be accessed on our website www.ekaya.co.uk.

11. Policy approval

Approval Date	November 2026
Approval by	Audit & Risk Committee
Policy Owner	Director of Finance & Resources
Next Review Date	November 2029 (subject to any legislative and/or best practice changes)