

# Grosvenor Hart Homes: Rent Setting Policy

# Grosvenor Hart Homes

## Rent Setting Policy

When setting rents Grosvenor Hart Homes Limited (GHH) complies with the Regulatory Framework for Social Housing in England and the terms of planning consents for its properties and other appropriate legislation.

Where relevant, it will comply with the requirements of Homes England Capital Funding Guides and grant funding contracts, and local authority frameworks for affordable housing provision.

The rent setting policy is used for:

- Setting rents for new properties to be let to tenants
- Setting rents for existing properties to be let to tenants
- Annual rent increases/decreases.

Any service charges will be applied to monthly charges to tenants in addition to the core rent. It is noted that affordable rents (see later section) will be set at a level which when service charges are included, will be no higher than 80% of the prevailing local market rent for comparable properties at the time they are set.

### Rent Setting

GHH provides affordable housing for young people and families who are vulnerable and would benefit from support. GHH also provides affordable homes for general needs tenants

We seek to align the rents we charge with the needs of our tenants based on understanding of the typical financial circumstances of this cohort and the nature of the accommodation made available to them. As a registered provider of social housing, we work within the requirements of the Regulator of Social Housing's (RSH) Rent Standard and associated guidance.

We will charge rent appropriately to each person in accordance with the objectives and framework set out in the Government's Policy Statement on Rents for Social Housing. This prescribes how annual in-tenancy changes in rents and rent setting for re-lets and new properties should be managed. The Policy Statement and associated Rent Standard include exceptions from the framework, including some intermediate rented schemes.

This rent setting policy does not apply to lettings made by our sister company GHH Properties North West.

### Intermediate Rent

Intermediate Rents are set using an Affordable Rent methodology (see below). Properties will be let to households who qualify for affordable housing and meet the GHH criteria as set out in our allocations policy.,

Intermediate Rents (including service charge) will be calculated at up to 80% of market rent. When setting an initial rent GHH will consider affordability for tenants.

Rents will usually increase by no more than CPI+1% each year, but the Board will consider the impact and implications of rent increases annually.

When a property is relet, the rent will be reset to the agreed percentage of market levels using the permitted methodology. No existing tenant would see an increase of more than CPI+1% when rent is re-set on renewal of a tenancy.

Rents will not be above 80% of the assessed market rent for the property at the point rents are set or rebased.

Where a partner local authority requires Affordable or Intermediate Rents to be capped at Local Housing Allowance rates or otherwise set to lower than 80% of market when a property is first let, we will act in accordance with this policy.

## Affordable Rent

Affordable Rents can only be charged where a Housing Supply Delivery Agreement has been agreed with Homes England.

Affordable Rents will be calculated in accordance with the methodology determined by government which can be paraphrased as follows:

- Rents, inclusive of service charges, will be no higher than 80% of the prevailing local market rent for comparable properties at the time they are set
- Rents will be no lower than the potential Formula Rent that would be charged for the same property
- Rent setting should take account of local conditions, including local housing allowance rates
- Rents are re-set, taking account of local market rents when the property is re-let to a new or existing tenant
- Valuation methods used will be in accordance with a method recognised by the Royal Institution of Chartered Surveyors

Where a local authority requires Affordable Rents to be capped at Local Housing Allowance rates or otherwise set to lower than 80% of market when a property is first let; we will act in accordance with this policy.

When a property is re-let to a new tenant or to the existing tenant on renewal of a fixed term tenancy, the rent will be re-set using the permitted Rent Standard methodology and aligned with local authority requirements. No existing tenant would see an increase of more than CPI+1% when rent is re-set on renewal of a tenancy. Rents will not be re-set when a starter tenancy is converted to an assured tenancy.

Properties will be let to eligible households through agreed nominations frameworks that seek to meet the housing needs of our target customer groups.

GHH does not intend to implement the exemption from affordable rent policy requirements that is permitted within the Rent Standard for households with an income higher than £60,000 per year. GHH has a sister company that lets properties at market rent for those with an income above this threshold.

## Social Rents

Social Rents can only be charged where a Housing Supply Delivery Agreement has been agreed with Homes England.

Social Rents will be calculated in accordance with the formula rent determined by government which aims to provide a consistent approach across the sector and takes into account:

- The value of the property (usually based on a capital valuation, not market rent)
- The number of bedrooms
- Average national earnings (as a measure of affordability)
- Relative local earnings compared to the national average

This ensures that social housing rents remain affordable, fair, and transparent, while also reflecting both local market conditions and property characteristics.

Properties will be let to eligible households through agreed nominations frameworks that seek to meet the housing needs of our target customer groups.

GHH does not intend to implement the exemption from affordable rent policy requirements that is permitted within the Rent Standard for households with an income higher than £60,000 per year. GHH has a sister company that lets properties at market rent for those with an income above this threshold.

## Rent increases

We will review our rent levels on an annual basis.

In line with the Social Housing Regulator’s Rent Standard, annual increases will be agreed by the Board within the parameters set by the regulatory framework and tenancy agreements.

In advance of an annual rent increase, which will apply on the first Monday of each April, GHH will calculate the rent change based on the latest government and regulatory guidance. The board will consider the:

- Methodology used to increase the rents, including the rates of inflation applied
- Financial and other (e.g. tenant affordability) implications of applying the proposed rent increase
- Adherence to requirements of the Rent Standard.

Once approved by the Board, tenants will receive at least four weeks’ notice of their rent change. Information on money advice support, including that provided by GHH’s sister company GHH (POC) Limited, which delivers support services, will be included with this notification.

Rent levels set on 1 April will apply for the entire financial year, regardless of when during the year a tenant moves in. Moreover, from April each year, tenants may be subject to rent increases regardless of when during the preceding year they moved into the property.

## Appeals

Any tenant who feels that their rent has not been set in accordance with the policy can appeal through the GHH complaints procedure. The GHH Complaints Policy is available on the GHH website.

## Review schedule

This policy will be reviewed every three years or more frequently as a result of feedback obtained, internal/external audits or change in legislation/regulatory requirements. The Board of GHH will consider and take into account the requirements of the Regulator of Social Housing, housing policies of local authorities in its areas of operation (e.g. tenancy policies), Homes England, the GLA, combined authorities and regional mayors when updating the policy.

The Deputy Chief Executive has responsibility for this policy, and ultimate responsibility for performance and compliance sits with the board.

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