



# Rents & Other Charges Policy

Last Reviewed July 2019

# 1.0 Rents and other charges policy overview

This policy is managed and adhered to by the Housing Income Team. This policy will be reviewed on a three year rolling programme or to ensure alignment with government policy.

## Contents

### 1.0 Policy overview

- 1.1 Introduction
- 1.2 Aim(s) of the policy
- 1.3 Links to the Council's corporate aims
- 1.4 Equality and diversity
- 1.5 Policy statement(s)

### 2.0 Rents and other charges detail

- 2.1 Setting rent levels
- 2.2 Paying your rent
- 2.3 Service Charges
- 2.4 Recharges
- 2.5 Refunds

### 3.0 Links to other corporate strategies and policies

### 4.0 Legislation

## 1.1 Introduction

At Dacorum Borough Council, we set rent levels in line with central government policy and offer a range of accessible ways for tenants to pay their rent and other charges owed to us.

We offer several ways for tenants to check their current rent balance and send a written statement at regular intervals in accordance with current legislation.

Information about paying rent, paying online and setting up a direct debit is on our website [here](#).

## 1.2 Aim(s) of the policy

The aims of this policy are to:

- Determine the rent levels and other charges set by the housing service for properties managed under the Housing Revenue Account;
- Establish principles for setting extra charges not included within basic rent; and
- Set guidelines for issuing refunds when tenants have not received the level of service set out in our agreed service standards.

## 1.3 Links to the council's corporate aims

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

## 1.4 Equality and diversity

The council is committed to promoting equality of opportunity in housing services and has procedures in place to ensure that all applicants, tenants and leaseholders are treated fairly and without unlawful discrimination.

## 1.5 Policy Statement(s)

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

All homes will be set at Social Rent and we will move to formula rent levels when a property becomes vacant (see 2.1).

We will not implement any voluntary means-tested rent-setting (see 2.1).

We reserve the right to review the amounts charged to tenants as separate service charges to align with the cost of the services provided (see 2.3).

We will recharge tenants for repairs, clearances and other costs that fall outside the scope of the housing service (see 2.4).

# 2.0 Rents and other charges detail

## 2.1) Setting rent levels

As a local authority landlord, we will follow government guidelines and policy when it comes to setting rents for our properties. All homes will be set at Social rent and in 2019/20 rents have been reduced by 1% in line with the Welfare Reform and Work Act 2016. From 1 April 2020 annual increases will be applied of up to CPI (Consumer Price Index) plus 1% up to rent cap limits.

When a property is vacated at the end of a tenancy, we will increase the rent to formula rent levels.

Exceptions to this are:

- Successions or assignments;
- Tenants downsizing to a smaller home; and
- Mutual Exchanges.

Under the Housing and Planning Act 2016, local authorities are able to choose to charge higher rents to tenants with higher incomes. Dacorum Borough Council will not implement any voluntary means-tested rent-setting.

New build developments will be set to formula rent levels in line with the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016. Valuations will be obtained for all new homes using a method recognised by the Royal Institute of Chartered Surveyors (RICS). The 5% rent flexibility (10% for Supported Housing) may be applied to new and existing schemes considering local factors and affordability.

## 2.2) Paying your rent

Dacorum Borough Council rents are payable over 48 weeks with four 'rent free' weeks occurring over:

- Spring bank holiday;
- The Christmas period; and
- The final week of the financial year.

Tenants paying by Direct Debit will make 12 equal monthly payments (each equivalent to four weeks' rent) so do not have a separate 'rent free' period.

We currently offer the following methods of payment:

- Monthly Direct Debit (with a choice of three payment dates);
- Over the phone using debit or credit card;
- On the internet using 'My Housing Account';
- Personal visit to call centre using debit or credit card;
- Monthly standing order;
- Cash at a Post Office or Pay Point; and
- Cheque.

## 2.3) Service charges

Service charges reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities. Service charges are limited to covering the cost of services provided to a block or estate, and ensure the charge reflects the service provided to tenants.

We aim to ensure our approach is fair, transparent and reflects best practice and that we cover costs and secure the best value for money when procuring services.

From April 2017, Dacorum Borough Council took the decision to depool rents and service charges for tenants.

We will display service charges separately from rent on yearly statements so tenants can clearly identify how much they pay for rent and what they pay for additional services

(e.g. window cleaning, communal area maintenance), therefore offering greater transparency.

We will set charges by taking into account the full cost of the service provided, value for money and a provision for the maintenance and replacement of equipment used in the supply of the service. Details of how each charge is allocated will be available on our website and a copy can be requested by post.

Charges will be fixed and therefore no adjustments will be made the following year where estimates are used, for example with electricity charges.

Service charges will be reviewed annually. Where there is due to be a considerable increase to tenants we will assess the charges to balance recovering all costs and keeping charges affordable. This may involve staggering an increase over a number of years. Where new or extended services are introduced, and an additional charge may need to be made, we will consult with tenants. Tenants will be informed in writing, with at least one month's notice, prior to any changes or implementation of new charges.

## 2.4) Recharges

We will take firm action to minimise unnecessary cost to the housing service by ensuring that tenants meet the full cost of any repairs, as well as clearances that fall outside the scope of the housing repairs service. All repairs caused by damage or neglect by the tenant, a member of their household or visitor will be charged to the tenant at cost plus an administration fee.

Examples of works that we will recharge to a tenant include (but are not limited to):

- Damage to fixtures and fittings (whether wilful or accidental);
- Clearance of items from communal spaces;
- Toilet or sink blockages caused by inappropriate waste;
- Clearing a home at the end of a tenancy; and

- Breaking into a property to carry out essential gas safety checks.

To find out more about repairs which are the tenant's responsibility, as well as more information about recharges and how to avoid them, see the [Recharges](#) section of our [Tenants' handbook](#).

## **2.5) Refunds**

We acknowledge that on some occasions we could fail to deliver a service that a tenant should rightfully expect to receive. We will always aim to resolve any problems initially and this may include providing an enhanced service where appropriate. Where this is not possible and in exceptional cases a credit for an amount not spent will be given on tenants rent accounts.

Any refunds would be credited to the tenant's rent account at the start of the following financial year. If a tenancy ended part way through the year, the tenant would be informed that the credit would be deducted from the final balance due.

## 3.0 Links to other corporate strategies and policies

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

- Tenancy Agreement
- Housing Strategy
- Financial Inclusion Strategy
- Rent Arrears and Write Offs Policy

## 4.0 Legislation

The legislation listed below will be taken into consideration when implementing this policy:

- [Housing Act 1996](#)
- [Localism Act 2011](#)
- [Homelessness Act 2002](#)
- [Equality Act 2010](#)
- [Welfare Reform and Work Act 2016](#)
- [Housing and Planning Act 2016](#)