

RSH Consumer Standards & Rent Standard

Compliance Checklist – 28th July 2023

A summary of compliance with the standards is reported to stakeholders within the Annual Stakeholder Report.

1. Required Outcome

1.1 Registered providers must set rents from 1 April 2020 in accordance with the Government's Policy Statement on Rents for Social Housing 2019 (hereafter Rent Policy Statement) which can be found on the Ministry of Housing, Communities and Local Government MHCLG website.

2. Exclusions from this 2023 Rent Standard

2.1 This Rent Standard applies, subject to the exceptions in 2.2-2.5 below, to "low cost rental" accommodation, as defined by section 69 of the Housing and Regeneration Act 2008. All other terms used in the Rent Standard are defined within the Rent Policy Statement.

2.2 This 2023 Rent Standard does not apply to the following categories of property, as defined in chapter 5 of the Rent Policy Statement:

- Shared ownership low cost rental accommodation
- Intermediate rent accommodation
- Specialised supported housing
- Relevant local authority accommodation
- Student accommodation
- Private finance initiative social housing
- Temporary social housing
- Care homes

2.3 This Rent Standard does not apply to property let to a high income social tenant for the period of time where that property is let to that tenant. Where a tenancy of a high income social tenant ends, or where the tenant no longer fits the definition of "high income social tenant" as set out in the Rent Policy Statement, this Rent Standard then applies to the tenancy, and/or to future letters of that property (subject to and exclusions from this Rent Standard)

2.4 Where the application of this Rent Standard would jeopardise the financial viability of a private registered provider, the regulator may agree, on request from that provider an exemption to specific requirements of this Rent Standard for a period of time. For local authorities will be published by MHCLG in due course

2.5 In a situation (such as insolvency) where there is a mortgagee in possession or receiver in place, or where the registered provider's stock is sold to a non-registered landlord following intervention by the Regulator, neither the mortgagee in possession, nor the receiver, nor the landlord to whom the stock is sold will be bound by this Rent Standard.

NB Text in red reflects changes to Rent Policy during 2023.

Paragraph	Compliance (Y/N)	Evidence	Scrutiny Activity?	Further actions	By whom	By when
<p>Required Outcome: Registered providers must set rents from 1 April 2020 in accordance with the Government’s Policy Statement on Rents for Social Housing 2019 (hereafter Rent Policy Statement) which can be found on the Ministry of Housing, Communities and Local Government MHCLG website.</p>						
<p>Specific Expectation</p>						
<p>3.1 Registered providers must comply in full with all the requirements and expectations set out in this Rent Standard. They must additionally comply with all the requirements and expectations of the Rent Policy Statement on the setting, increase and decrease of rents and service charges.</p>	<p>Yes</p>	<p>See Rents and Service Charge Policy, which complies with the requirements of the rent standard and the rent policy statement:</p> <p>https://southlakes.sharepoint.com/sites/Corporate/Guidelines/Forms/AllItems.aspx?ga=1&id=%2Fsites%2FCorporate%2FGuidelines%2FPolicies%2FRents%20and%20Service%20Charges%20policy%20update%202023%2Epdf&parent=%2Fsites%2FCorporate%2FGuidelines%2FPolicies</p>				
<p>Key Changes to rent policy from April 2020 onwards Limit on annual rent increases</p> <p>1.12 In light of exceptional circumstances, the government has since adjusted this policy in order to protect social housing tenants from very large nominal-terms rent increases that would otherwise have been permitted in 2023-24 due to higher than expected levels of inflation. For rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024, the CPI plus 1 percentage point limit on annual rent increases is replaced by a 7% ‘ceiling’. This means that, in that year, registered providers may increase rents by up to 7%. This restriction applies to both social rent and affordable rent homes, with the exception of supported housing as defined at 2.39 and 2.40. However, it does not affect the calculation of the maximum initial rent when properties are first let or</p>	<p>Yes</p>	<p>See Rents and Service Charge Policy, which complies with the requirements of the rent standard April 2020 and 2023 and the rent policy statement December 2022:</p> <p>https://southlakes.sharepoint.com/sites/Corporate/Guidelines/Forms/AllItems.aspx?ga=1&id=%2Fsites%2FCorporate%2FGuidelines%2FPolicies%2FRents%20and%20Service%20Charges%20policy%20update%202023%2Epdf&parent=%2Fsites%2FCorporate%2FGuidelines%2FPolicies</p> <p>CPI + 1% had been applied to all rents post 2020, however following changes to the Govt rent policy in December 2022, the 23-24 rent increase</p>				

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<p>subsequently re-let. In particular, the restriction does not apply to the calculation of formula rent or the rent caps that apply to social rent properties; these continue to increase by CPI plus 1 percentage point and CPI plus 1.5 percentage points respectively.</p> <p>3.2 2020 limit:</p> <p>In the year following the end of the social rent reduction period the maximum weekly rent for an existing tenant is the 2020 limit. "2020 limit" means the amount that is found by:</p> <ul style="list-style-type: none"> • a. determining the average weekly rent for the tenant's accommodation in the fourth relevant year specified in section 23(6) of the Welfare Reform and Work Act 2016, and • b. increasing that amount by CPI + 1 • c. in this paragraph "average weekly rent" means: <ul style="list-style-type: none"> • i. in a case where the weekly rent changes because the accommodation is re-let after the start of the fourth year, the weekly rent payable by that tenant for that accommodation in respect of the most recent period for which rent was payable at that changed rate provided that that change complies with the requirements of the of the social housing provisions^[footnote] of the Welfare Reform and Work Act 2016 Act and any Regulations made under those provisions; or • ii. in any other case, the average weekly rent payable by the tenant of that accommodation in respect of the fourth year. 		<p>was capped at 7% for all current applicable tenancies (social and affordable rents).</p> <p>Formula rent for new properties or re-lets continued to be increased by CPI plus 1 percentage point, as the restriction does not apply to these.</p>				
<p>3.3 This formula for calculating the 2020 limit applies to both Social Rent and affordable rent housing.</p>	<p>Yes</p>	<p>Formula rents (formally target rents) are stored on our housing database (Civica CX) and are updated annually in line with CPI + 1%, subject to Board approval.</p>				

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<p>3.4 Social rent: Where accommodation is not affordable rent housing (see 3.8-3.9 below) the maximum weekly rent for a tenant who is granted a tenancy of the accommodation for the first time is formula rent. Formula rents are exclusive of any service charges.</p>	Yes	Social rents are set using the formula rent calculation matrix, as set out in the Rent Policy statement.				
<p>3.5 The formula rent of accommodation is found in accordance with the method set out in paragraphs 2.4 to 2.6 of the Rent Policy Statement. The rent set may include an upwards tolerance – “Rent Flexibility” – of</p> <ul style="list-style-type: none"> • if the accommodation is supported housing, 10% of formula rent; or • if the accommodation is not supported housing, 5% of formula rent. 	Yes	<p>As above.</p> <p>SLH’s Board have agreed a 5% tolerance for both general needs and sheltered rents. The 105% figure for each property is held on our housing database (Civica Cx).</p>				
<p>3.6 As set out in paragraph 2.8 and 2.9 of the Rent Policy Statement, formula rent is subject to the rent cap. The rent cap is determined in accordance with paragraphs 11 and 12 of Appendix A to the Rent Policy Statement.</p>	Yes	No SLH rents currently meet the rent cap limit.				
<p>3.7 Subject to the 2020 limit (see above), the weekly rent of any existing tenant may not be increased by more than:</p> <ul style="list-style-type: none"> • CPI +1% in any year; or • if the tenant’s rent exceeds the rent flexibility level, CPI in any year. 	Yes	In 23-24, the rent increase was capped at 7% for all current tenancies (social and affordable rents), as per the rent policy statement.				
<p>3.8 Fair rent: In the case of tenancies subject to fair rent protection, the maximum weekly rent is the lower of the fair rent set by the Rent Officer, and formula rent (subject to both the rent caps and the rent flexibility level).</p>	Yes	Policy – Tenancies subject to fair rent protection must not be charged more than the lower of: the fair rent set by the rent officer; formula rent (subject to the rent caps and the rent flexibility level).				

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<p>See change in rent policy at 3.2</p> <p>3.9 Registered providers may not increase the rent of a tenant with fair rent protection by more than CPI +1% in any year (even if the tenant's rent is below the formula rent level and the maximum fair rent is increased by more than that amount).</p>	Yes	<p>Fair rent setting is completed via an application to the Fair Rent Officer (who determines the rent for the property). This occurs every 2 years for our few (currently 3) remaining fair rent homes.</p> <p>In 23-24, the rent increase for fair rents was capped at the lower of 7% or the fair rent set by the Rent Officer, as per the rent policy statement.</p>				
<p>3.10 Affordable rent housing: Affordable rent may only be charged where the property in question is provided by a:</p> <ul style="list-style-type: none"> • a. registered provider pursuant to a housing supply delivery agreement between that provider and the Homes and Communities Agency (now known as Homes England) or the Greater London Authority and the accommodation is permitted by that agreement to be let at an affordable rent; or • b. registered provider pursuant to an agreement between a local authority and the Secretary of State and the accommodation is permitted by that agreement to be let at an affordable rent; or • c. local authority, and the Secretary of State, Homes England or the Greater London Authority has agreed that it is appropriate for the accommodation to be let at an affordable rent. 	Yes	Affordable rent homes are either determined by SHG funding or a local authority s106 agreement and are classified as such on our housing database (Civica CX).				
<p>3.11 In addition to the above, Affordable Rent may be charged where the property has been acquired by a registered provider and was affordable rent housing when it was acquired.</p>	Yes	We have two examples of this scenario, where we acquired affordable rented properties on the Pembroke Court scheme.				
<p>3.12 Where Affordable Rent is being charged, the maximum rent inclusive of service charge for a new tenant under a new</p>	Yes	New affordable rented properties and existing affordable rented properties that have been re-				

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tenancy is 80% of the market rent ^[footnote] for the tenant's accommodation, subject to 3.13 and 3.14 below.		let, are both set via an external valuation to determine up to 80% of market rent.				
3.13 If the formula rent is higher than 80% of the weekly market rent (inclusive of service charges) for the tenant's accommodation, the maximum weekly rent is formula rent which is to be set as in paragraphs 3.3-3.6 above and would be exclusive of service charges.	Yes	No examples of this have been identified.				
See change in rent policy at 3.2 3.14 The rent of an existing affordable rent tenant (including where they have a new tenancy) may not be increased by more than CPI +1% in any year, subject to 3.2 above. 'Existing tenant' in this context means an existing tenant of the specific property concerned. For the avoidance of doubt, the revised rent on re-letting to an existing tenant may only be re-based to 80% of current market value where the resulting rent would be no more than the rent arrived at by a CPI+1% increase.	Yes	In 23-24, the rent increase was capped at 7% for all current affordable rent tenancies, as per the rent policy statement. When an affordable rent property is re-let, the rent is set via an external valuation to determine up to 80% of market rent.				
3.15 Moving between types of rent: Where a tenancy subject to fair rent protection ends and the property is re-let, that new letting should be at social rent (or Affordable Rent where applicable and permitted. See 3.17a below).	Yes	We have had two properties where fair rent protection ended. These were re-let at social rent.				
3.16 On re-letting of a property previously occupied by a high-income social tenant, the new letting should be at social rent (or Affordable Rent where applicable and permitted. See 3.18a below).	Yes	N/A We do complete affordability assessments for each new tenancy, and this requires the applicant to declare their income.				
3.17 Social rent properties may not be converted to: <ul style="list-style-type: none"> • a. Affordable Rent (other than in the circumstances set out in chapter 2 of the Rent Policy Statement); • b. market rent (other than in the circumstances set out in chapter 4 of the Rent Policy Statement); or • c. intermediate rent. 	Yes	The existing rent product type is always retained.				

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<p>3.18 Affordable Rent housing must not be converted (including on re-let) to:</p> <ul style="list-style-type: none"> • a. market rent (other than in the circumstances set out in chapter 4 of the Rent Policy Statement); or • b. intermediate rent. 	Yes	The existing rent product type is always retained at re-let.				