

# EASY TO READ

version

POLICIES AT HONEYCOMB GROUP



## Policy name:

## Rent Setting Policy

### This policy was created to:

- Be open and clear with customers about how rent is decided and reviewed.
- Help keep rents affordable for customers.
- Protect Honeycomb Group's ability to maintain and improve homes for everyone.

### What this policy covers

This policy explains how we set and review your rent. It applies to:

- Social rented homes (including affordable and fair rent homes)
- Shared ownership homes
- Garages owned by Honeycomb Group

It does not apply to some types of specialist or temporary housing.

### Our goals

We aim to:

- Make sure rents are set fairly and legally.
- To follow all rules and laws about setting rents for social housing.
- To treat all customers fairly and transparently when setting rents.
- To maximise income to keep improving homes and services.

### Key terms

- **Formula rent:** Rent based on 30% property value, 70% local earnings.
- **Flexibility:** Allowed 5%-10% over formula rent for certain properties.
- **Rent cap:** Maximum rents set by number of bedrooms.
- **CPI:** Consumer price index. It measures how much everyday prices go up each year.

- **Market rent:** The rent based on what similar properties in the area are charging, not influenced by social housing rules.

## Our approach

- We follow government guidelines to set fair rents.
- Every year, we review rents and increase them by inflation (CPI) plus 1% - but not above the government's maximum cap.
- Only one rent increase is allowed each year.
- From 1 January 2025, new tenancy rent increases will happen in April each year.

Types of rents we offer:

- **Social rents:** set based on the value of the property and local earnings.
- **Affordable rents:** set at up to 80% of market rent, which also includes services charges.
- **Intermediate rents:** lower than market rents and reviewed according to your tenancy agreement.
- **Supported housing:** rents are set as social rents with some flexibility for extra costs.
- **Non-social housing rents:** for properties like shared ownership or garages, rents are based on the private market and reviewed regularly.

Service charges are added to rent to cover extra services, like maintenance or utilities. These charges are based on actual costs and are separate from rent.

## Legal compliance

We will:

- Set rents according to the Regulator of Social Housing's rent standard and government policies.
- Treat all customers fairly, ensuring no one is discriminated against when setting or reviewing rents.

## Performance monitoring

We regularly check how much rent we collect and report it to our Board. We also carry out a yearly self-check to make sure we are following these rules.

## Data protection

We handle and protect your personal information in line with UK GDPR and the Data Protection Act 2018).

## Review

This policy will be reviewed every three years or earlier if necessary due to legal changes.

**Date of Policy: 7<sup>th</sup> March 2025**