Chippenham Housing Co-operative Ltd

Rent Setting Policy

Introduction

Chippenham Housing Co-op is self-financing, its rent being its only source of income and its primary concern is to commit to provide affordable, well-maintained housing for its members.

With this in mind, it is necessary for the Co-op to have a Rent Setting Policy to review rents on existing properties. The Co-operative may increase or decrease the Rent as is specified by the Co-operative's rent setting policy or as set from time to time in general meeting.

The Co-operative will give the tenant not less than one calendar month notice, in writing via email and post, of the increase or decrease. The notice shall specify the new Rent and on the expiry of such notice the new Rent specified shall become the new monthly Rent.

The Rent shall not be increased more than once a year and no increase shall take effect less than a year after the last increase.

Principles of Rent Setting Policy.

1. The Rent Setting Policy is published and available on request to any member, tenant, or prospective member, any local or national organisation or any organisation with which the Co-op is affiliated.

2. All members/tenants will be notified about any rent increase/decrease which will affect them and will be kept informed about how rental income is spent.

3. It is the duty of the Co-op to maximize rental income whilst taking into account the ability to pay of the tenants whom it serves.

4. Rent Setting

The level of rent is determined by the level of the following expenditure:

- Mortgage and loan repayments (if applicable)
- Insurance cost
- Office and administration costs (including auditing)
- Annual repair and maintenance expenditure
- Provision for cyclical maintenance

- Provision for major works
- Social expenses (e.g. Co-op events, creche, garden, tenants' welfare)
- Services (lighting of communal area)
- Provision for bad debts or voids
- Provision for taxation
- Management Costs (Agency)

5. At the Management Committee, one of the officers of the Co-op will present the proposed rents to the meeting. Members and tenants will discuss the proposal. After hearing all opinions, the Management Committee will vote to accept or reject the proposed rents.

6. If the Management Committee cannot approve the new proposed rents, either because it feels that the new rents would not be affordable or would not bring in sufficient income, then it will instruct the Finance Committee to re-convene and to either make budget alterations to make the rents affordable or to ensure that the increase/decrease covers costs. Procedures above will then be repeated.

7. When approved the Co-op will give all tenants 4 weeks' notice of any changes in rent.

8. Any tenant who disagrees with the review at this point should then follow the complaints procedure.

9. New Tenants in existing properties: the policy of the Co-op is to maintain parity in rents for flats with similar size and facilities and to keep them affordable.

10. Housing Benefit:

- If claiming Housing Benefit, it is the responsibility of the tenant to inform the Housing Benefit of any changes to your rent and rent must be paid in full.
- If receiving Universal Credit which contains an amount for your housing costs, it is your responsibility to ensure that you are paying us the full rent.

11. It is important that everyone pays their rent on time. Housing Benefit is paid four weeks in arrears and this should be taken into account when deciding what arrears recovery action to take. The Co-op is self-financing and uses rents to pay for housing services as well as for repairs and improvements. Rent collected in time will ensure properties are safe and well maintained and management agency charge fees are paid.

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