



First Priority Housing Association Rent & Service Charge Policy

Scope	The policy applies to all First Priority Housing Association's tenancies
Policy relates to	Tenancy Policy Income Management Policy Complaints Policy Equality, Diversity and Inclusion Policy
Version	3.0
Release Date	01 April 2024
Responsible Officer	Chief Executive Officer
Review Frequency	3 years or less
Review Date	01 April 2027

1. Purpose

- 1.1. This policy sets out First Priority Housing Association's approach to the setting and management of rents and service charges payable by tenants.

2. Introduction and Aims

- 2.1. First Priority Housing Association (FPHA) provides supported housing and intensive housing management services to tenants with complex needs and sets rents and service charges having strict regard to all relevant legislation and regulation.
- 2.2. Tenants are referred to FPHA by care operators and providers. It is a condition of FPHA's tenancy agreements that prospective tenants have an agreed care plan in place with a care provider and actively engage with their care provider throughout their tenancy. This ensures that FPHA is delivering housing to those people who need the combined support and housing package which furthers the mission of the organisation.
- 2.3. FPHA is committed to working with assigned Care Providers and the wider support network of tenants including appointees and Social Workers to provide clear expectations for them and their tenancy agreement. Where applicable, we will communicate with these parties in any messaging addressed to the "tenant".
- 2.4. Tenants fulfilling their responsibilities for rents and service charges are central to sustaining their tenancy with FPHA.
- 2.5. Tenants who do not require support or who do not access and/or engage the support provided will be helped to quickly find alternative accommodation with the involvement of relevant agencies including social workers.
- 2.6. The aims of this Policy are:
 - To ensure that rents and service charges are set so that they recover the costs of the services provided.
 - To take account of affordability for tenants when setting rents and service charges
 - To ensure that information on rents and service charges and how they are set is clearly communicated to tenants and the start of their tenancy.
 - To ensure that any ongoing changes or reviews of rents and service charges are communicated clearly to tenants.

3. Legislation and Regulation

- 3.1. FPHA is a Registered Provider with the Regulator of Social Housing ("the Regulator"). The Regulator required Registered Providers to observe its Rent Standard. The Standard says under paragraph 2.2, *"This Rent Standard does not apply to the following categories of property, as defined in Chapter 5 of the Rent Policy Statement: ... [amongst other categories] specialist supported housing" ...*
- 3.2. All FPHA tenancies are Specialist Supported Housing ("SSH") as defined by paragraph 5.5 of Policy Statement on Rents for Social Housing (February 2019). As such, FPHA tenancies are

deemed exempt accommodation for the purpose of compliance with its obligations as a Registered Provider. FPHA is therefore not subject to the rent setting provisions as determined in the Rent Standard, and Limit to Annual Rent Increase determinations.

4. Rent Setting

- 4.1. FPHA charges rents in compliance with the agreements and arrangements reached with local authorities and the care operators who nominate tenants to FPHA properties.
- 4.2. FPHA, its stakeholders, care operators and local authority partners acknowledge that the rents charged can be significantly greater than social rents or affordable rents. FPHA is committed to providing value for money for the rents charged to its tenants and ensures that rent charges exactly match the property and care costs relating to the individual tenant.
- 4.3. There are a wide range of housing and service needs that contribute to the overall charged rent and there is not an exhaustive list of these. Property and housing charges will correspond to the size, location and amenity of the property. Records shall be maintained to demonstrate how the rent for each tenancy is calculated.
- 4.4. Each FPHA tenant receives tailored housing related services and support, including, in some cases, reasonable adaptations to properties to meet their needs. These are considered and the costs for which are calculated alongside those in point 4.3 of this Policy.

5. Rent increases

- 5.1. FPHA properties are provided under leases agreed between FPHA and third parties. Lease agreements stipulate the level by which rents under those leases must be increased annually. Where possible, FPHA seeks to standardise rent increases in lease negotiations to CPI but FPHA holds leases with a variety of rent increase provisions including RPI and RPI +1% linked increases.
- 5.2. Rent increases will always be communicated clearly to tenants, Social Workers and Commissioners.

6. Service Charges

- 6.1. Most of FPHA's properties attract a variety of services that are chargeable to the tenant. Service charges are distinct from housing costs which are included within the rent. The range of services vary by individual property but typically include charges for:
 - 6.1.1. Gardening;
 - 6.1.2. Internal and external cleaning;
 - 6.1.3. Provision and replacement of white goods;
 - 6.1.4. Furnishings and depreciation costs;
 - 6.1.5. Insurances (but not buildings insurance);

6.1.6.Fire, electrical, gas, legionella and other testing regimes;

6.1.7.Repairs and maintenance (other than section 11 Landlord & Tenant Act 1985 repairs);

6.1.8.Intensive Housing Management charges.

6.2. FPHA use variable service charges. This means that the cost of the service charge relates directly to the costs incurred by FPHA for providing the services. Service charges are reviewed annually based on the costs of providing the services in the previous year. The service charge for the coming year is adjusted to take account of any variation in the costs.

6.3. Where a tenant requires additional services through the provision of equipment to assist with a disability or special need, FPHA will only provide, or allow permission to provide by a third party (usually a local authority or care provider) the equipment if the tenant agrees to meet any associated service charge. This is done so in the awareness that such charges may not always be eligible for Housing Benefit or Universal Credit Housing Costs, depending on their personal circumstances and current regulations.

7. Utilities

7.1. Tenants are also required to cover any costs associated to their personal energy use (gas and electricity).

7.1.1.The charges for this are sent directly to the tenant and is not recoverable under Housing Benefit.

7.1.2.These charges are capped at £20 per week for tenants.

7.1.3.The charges are reviewed regularly alongside the rent and service charges for tenants.

7.1.4.Any changes to the cap will be communicated in writing to tenants with a minimum of 30 days' notice.

7.1.5.Should the tenant not pay the full amount or pay on time, they will enter arrears which are recoverable by FPHA.

7.1.6.In the event a tenant is identified to be using excessive amounts of energy that are disproportionately increasing the overall energy costs for any property, their charge will be subject to review. This could mean a decision is taken to remove the £20 weekly cap, replacing it with a more accurate figure to meet the costs of the energy supply to them. A written warning will be issued before applying any increase.

8. Service charge recovery

8.1.1. The costs for providing all services for the year are broken down into 52 weekly payments and charged as a service charge item alongside the rent. In years where there are 53 chargeable weeks, the costs for the services will be broken down into 53 weekly payments. Service charges are recovered from tenants in accordance with the tenancy agreement.

9. Quality and value for money

- 9.1. FPHA aims to provide good quality services that provide good value for money for tenants. FPHA will aim to ensure charges are competitive. When setting service charges, FPHA will consider whether the services are eligible for payment through welfare benefits to ensure the properties remain affordable to FPHA clients.
- 9.2. FPHA will maintain a wider duty to the public purse by providing cost-effective housing solutions to vulnerable people who would otherwise be housed in more expensive institutional settings. FPHA will provide details of actuals costs to housing benefit authorities in support of service charges.
- 9.3. FPHA will ensure tenants are made aware of changes to the service charge at least one month in advance.

10. Equality, Diversity, and Inclusion

- 10.1. All requirements for rent and service charge setting are managed in accordance with this policy, which has been designed to provide assistance and support to vulnerable people. Any allegation that a tenant has been treated unfairly on the basis that the tenant is a member of a protected group (defined by the Equalities Act 2010) will be investigated, with the board addressing any matters upheld from that investigation.
- 10.2. An Equality Impact Assessment has been completed for this Policy and can be found under Section 10.

11. Monitoring and Reporting

- 11.1. The Board shall receive a policy compliance report at least once a year showing how rents and service charges will or have changed from year-to-year, the rents and/or service charges that are sitting outside the policy, and proposals for bringing rents and/or service charges back into policy compliance. In addition, the board shall be made aware of any tenancies that the Regulator regards as not being exempt accommodation.

12. Equality Impact Assessment

Protected characteristic		Explanation (if required)	Controls
Is it likely that the policy could have a positive or negative impact on minority ethnic groups? What evidence (either presumed or otherwise) do you have for this?	N		
Is it likely that the policy could have a positive or negative impact due to gender (including pregnancy and maternity)? What evidence (either presumed or otherwise) do you have for this?	N		

<p>Is it likely that the policy could have a positive or negative impact due to disability? What evidence (either presumed or otherwise) do you have for this?</p>	<p>Y</p>	<p>Tenants with learning disabilities can sometimes find it challenging to consumer financial information.</p>	<p>Where required we engage with appointees on behalf of the tenant and work with the Care Provider to support in communicating effectively with tenants.</p> <p>We engage with local authority Commissioners to approve services.</p> <p>We support tenants with Housing Benefit applications to ensure that where eligible, they are able to claim for their housing costs. Ongoing support is then provided by the Housing Officer in order to sustain the tenancy and ensure payments are maintained.</p> <p>Where necessary, we will seek a Letter of Authority to be able to represent the tenant in any Housing Benefit queries. This reduces the pressure and stress on the tenant in managing their rent and service charges.</p>
<p>Is it likely that the policy could have a positive or negative impact on people due to sexual orientation? What evidence (either presumed or otherwise) do you have for this?</p>	<p>N</p>		
<p>Is it likely that the policy could have a positive or negative impact on people due to their age? What evidence (either presumed or otherwise) do you have for this?</p>	<p>N</p>		
<p>Is it likely that the policy could have a positive or negative impact on people due to their religious belief (or none)? What evidence (either presumed or otherwise) do you have for this?</p>	<p>N</p>		
<p>Is it likely that the policy could have a positive or negative impact on people with dependants/caring responsibilities? What evidence (either presumed or otherwise) do you have for this?</p>	<p>N</p>		

Is it likely that the policy could have a positive or negative impact on people due to them being transgender or transsexual? What evidence (either presumed or otherwise) do you have for this?	N		
Is it likely that the policy could have a positive or negative impact on people due to their marital or civil partnership status? What evidence (either presumed or otherwise) do you have for this?	N		