



**City of London Corporation**  
**Department of Community & Children's Services**  
**Housing Service**

**Rents Policy**

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<b>Approved by:</b>	<b><i>Housing Management &amp; Almshouses Sub-Committee</i></b>
<b>Approval Date:</b>	
<b>Review Date:</b>	

## **1. Introduction**

The City of London manages approximately 1,930 properties for social rent, which are let under Secure or Introductory tenancies under the Housing Act 1985.

We are obliged to maintain a Housing Revenue Account, into which rent receipts and other income are paid.

This policy explains our approach to managing accounts for tenanted properties and parking or storage facilities.

Please note that the rent arrears process is dealt with in a separate policy.

## **2. Aims of this Policy**

This policy aims to:

- Explain our approach to the setting and review of rents
- Outline our management of rent accounts
- Describe tenant responsibilities in relation to managing their rent account

## **3. Scope**

This policy applies to all properties let on Introductory or Secure tenancies by the City of London's Department of Community and Children's Services (Housing Division).

This policy does not apply to the Almshouses managed by the Housing Division, due to the special nature of the tenure of residents living in those properties.

## **4. Tenant Responsibilities**

Tenant responsibilities are set out more fully in the Tenants' Agreement and Handbook. Among other things, tenants are responsible for:

- paying their rent and other charges, regardless of whether they receive benefits or other assistance
- making applications for Housing Benefit or Universal Credit, and keeping the relevant agencies up to date on any changes in their circumstances
- informing us of any circumstances that may affect their ability to pay their rent as soon as they become aware of them
- ensuring that any automated payments via their bank are properly managed
- paying their rent in advance and ensuring their rent account is in credit

In the case of joint tenancies, each tenant is equally responsible for rent payments for as long as they remain the legal tenants. This applies regardless of whether both parties live in the property.

## 5. Rent Setting and Reviews

Social housing rents are set using a government formula. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, the size of the property and relative local income levels in the local area.

The government also issues guidance on annual rent reviews and how these must be calculated.

We will give tenants a minimum of four weeks' written notice of any changes to their rent and will explain any changes. We will include a breakdown of the different elements charged.

## 6. Formula Rents and Target Rent

In accordance with rent restructuring provisions, we are required to move towards a 'target rent' for each property, which is determined by a formula. Some existing tenancies have not yet reached target rent levels. When these tenancies end, the new tenant of the property will pay the target rent, subject to the exceptions below.

New tenancies are those where the tenant has been allocated a City of London property for the first time, or their current City tenancy has terminated and a new one has been granted.

- **Mutual exchanges, successions/survivorship, assignments and internal transfers** are not new tenancies for the purposes of rent-setting as the tenancy does not end in these situations
- **'Joint-to-sole'** scenarios involve one tenancy (the joint tenancy) being terminated and a new one (the sole tenancy) being granted, and the new sole tenancy will therefore attract a new target rent

## 7. Elements of the Total Rent Charge

The total rent charge is made up of a rent element and a service charge element.

The total rent charge includes:

- Rent
- Caretaking costs
- Gardening and grounds maintenance costs
- Cleaning and portering
- Heating and hot water (where district heating is provided)

Some costs also apply to sheltered housing (homes for those aged 66 and over):

- Warden Charges
- Supporting People

- Communal Heating

The service charges reflect additional services, some of which may not be available to every tenant, or which may be connected to a communal facility. These charges cover the actual cost of providing the relevant service.

## **8. Rent Accounts**

Rent accounts for residential properties are separate to other accounts held by tenants (for instance, parking accounts).

Outgoing tenants with parking and/or shed accounts must serve notice on each facility separately.

Tenants must pay their rent and other charges regularly and in accordance with their Tenancy Agreement. Rent must be paid in advance and accounts must be maintained in credit. Action will be taken in accordance with our Arrears Policy when an account falls into arrears.

Tenants with a credit on their rent account may request a refund. This will be processed only provided it does not take the account into arrears. If a tenant requests a refund of a credit amount but has arrears on another account they hold with us, we reserve the right to offset the amount of the debt against the credit held.

## **9. Service Charge Changes**

Tenant service charges will change on the first Monday of October every year. The revised charges represent the actual cost of providing the services on the estates in the previous financial year, and they may increase or decrease. Tenants will be notified of the new charges in advance of the effective date (normally in September each year).

## **10. Payment Methods**

We accept the following payment methods:

- Rent payment card (at Post Offices and “Payzone” outlets)
- Direct Debit (monthly on 5<sup>th</sup> and 20<sup>th</sup> of the month)
- Bank Standing Order (monthly or weekly and any date)
- Credit and debit cards (online or via telephone)
- Salary Deduction (this applies to City of London Corporation staff who are also tenants or who rent a non-residential facility)
- Pension Deduction (this applies to retired City of London Corporation staff who are also tenants or who rent a non-residential facility)
- Cheque
- Benefit deductions (subject to Department for Work and Pensions rules)

## **11. Rent Periods**

The rent year runs from April to March. The rent week runs from Monday to Sunday. Rent and other charges are debited every Monday.

## **12. Use & Occupation**

'Use and Occupation' accounts are created when someone who is not legally a tenant occupies a property (for instance a non-successor living in a property following the death of the legal tenant).

During this time, the person left in occupation is expected to pay a charge for use of the property ('mesne profits').

The charge on the account will normally be the same as the charge on the account which has just terminated.

## **13. Policy Exceptions**

In exceptional circumstances, we may consider making a variation to this policy. Our reasoning can be provided to the affected parties on request.

## **14. Monitoring and Performance**

We will monitor our use of this policy and the way in which it is implemented, ensuring that any relevant information is reported at appropriate intervals.

Rent collection performance will be reported to Members at the relevant Committee at regular intervals.

## **15. Training**

We will provide all staff responsible for implementing this policy with comprehensive training as required.

## **16. Equality and Diversity**

This Policy has been subject to a full Equalities Analysis and will be implemented in accordance with our responsibilities and duties under relevant legislation, including the Equalities Act 2010.

## **17. Accessibility**

We will ensure that tenants' needs are considered when implementing this Policy to ensure that they are treated fairly. We will make appropriate arrangements to ensure that customers with distinct communication needs are not unreasonably and disproportionately affected. This could involve providing communications in alternative languages or formats or providing interpretation or transcription as appropriate.

## **18. Data Protection and Information Exchange**

We will comply with our obligations under relevant data protection legislation and regulations. We will process and store personal information securely. There are some circumstances in which we are required by law to disclose information given to us.

## **19. Policy Review**

We will review this policy at least every three years, or following relevant changes to legislation, regulation or policy.

## **20. Legislation**

- Housing Act 1985
- Housing Act 1996

## **21. Related documents**

- Tenancy Policy
- Tenants' Agreement & Handbook