



Rent Setting Policy

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Rent Policy – from 1st April 2026

A. SETTING RENT LEVELS

- 1 Rents will be set to ensure compliance with statutory and regulatory requirements.
- 2 Rents will be set by the Board in February each year to take effect on the 1 April each year
- 3 Tenants will be advised in writing of their rent in March each year

B. SOCIAL RENTS

- 1 Social rents will be set using the formula set by Government. This 'formula rent' is calculated based on the relative value of the property, relative local income levels, and the size of the property.
- 2 As rents are based on the value of the property this will be reflected in the rents charged e.g. all 1 bed flats will not have the same rent
- 3 When new homes are built for social rent a valuation will be obtained in order to set the rent in line with the 'formula rent'.
- 4 Rent flexibility allows CGHA to set rents up to 10% above the formula rent to take account of local circumstances. This is likely to be applied to new build properties.

C. AFFORDABLE RENTS

Affordable rents were introduced by the government in 2011. Affordable rents (including service charges) can be set at up to 80% of the open market rent. The maximum rent charged is no higher than the Local Housing Allowance (LHA) amount at the time of letting.

If no grant funding is available for new build properties then these will be let at affordable rents. A valuation will be sought on the market rent before new affordable homes are let to ensure that they are set at 80% of the market rent.

D. VACANT PROPERTIES

When properties become vacant they will be let at the last let rent unless this is below the formula rent for social rent properties or below 80% of market rent for affordable rent homes.

E. RENT COLLECTION

- 1 Rent is paid monthly in advance on the 1st of each month for all new tenancies. Some older tenancies have a tenancy agreement of payment on the 15th of each month – 2 weeks in arrears and 2 weeks in advance and includes service charges

2. Rent Arrears

The Association expects rent to be paid on the due date but will adopt a sympathetic and helpful approach to rent arrears if the tenant

- (a) is in genuine financial difficulty
- (b) notifies the association at the earliest possible time
- (c) makes sensible arrangements to keep any arrears to an acceptable level

The tenancy agreement makes it clear to tenants that if there are persistent issues with rent arrears or if the tenant is more than 8 weeks in arrears then this is a mandatory ground for seeking possession.

Payment Methods

CGHA does not accept cash or collect rent from tenants. The preferred payment method is standing order or payment of Housing Benefit directly from the Council or Universal Credit payments from DWP.

This policy should be read in conjunction with the tenancy sustainment policy.