



## **Rent and Service Charge Setting and Review – Policy Overview**

### **Purpose**

YMCA Black Country Group (YMCABCG) provides safe, secure and good-quality accommodation across the Black Country and Staffordshire. To remain financially sustainable and compliant with national regulation, we must set and review rents and service charges in a transparent, fair and consistent way. This policy explains how rents and service charges are calculated, reviewed and communicated to residents.

### **Our Approach – Person Centred and Trauma Informed**

Rent and service charge processes must be delivered in a way that is:

- Respectful, transparent and easy to understand
- Trauma-informed, recognising that past experiences may affect how residents engage
- Focused on partnership, choice and empowerment
- Sensitive to the needs of young people, vulnerable adults and families

Staff should always consider: “What does this person need to feel safe and informed?”

### **Types of Accommodation Covered**

This policy applies to all YMCABCG accommodation, including:

- Supported Accommodation
- Supported Lodgings
- Y-Living (18–35 affordable accommodation)
- Living Springs (young families)

It covers all rents and service charges applied to residents and tenants.

### **Rent Setting**

Rent is made up of three parts:

- Core Rent (can be covered by Housing Benefit)
- Eligible Service Charges (can be covered by Housing Benefit)
- Ineligible Service Charges (cannot be covered by Housing Benefit)

### **Formula/Social Rent**

- Most non-supported properties use Formula Rent, calculated using government rules based on local earnings, property value and size.
- Each property has a target rent (maximum charge).
- Up to 10% flexibility may be added for supported housing due to specialist needs and higher service delivery costs.
- New properties without an existing formula rent will have one calculated in line with the Rent Standard 2020.

### **Specialist Supported Housing**

Specialist Supported Housing is exempt from social rent requirements and the Rent Standard.

- Rents are based on actual costs of delivering the service (e.g., leases, staffing, specialist facilities).

### **Affordable Rent**

A property is Affordable Rent where:

- It is part of a Homes England agreement, or
- A Local Authority and the Secretary of State have approved Affordable Rent use

Affordable Rent rules:

- Rent (including service charges) must not exceed **80% of market rent**
- Annual increases cannot exceed **CPI + 1%**



### **Service Charges**

Service charges pay for additional services beyond basic occupation of the home. Examples include:

- Cleaning and grounds maintenance
- Caretaking or concierge services
- Repairs to shared facilities (lifts, door entry, lighting)
- Furniture and fittings
- Fire safety equipment
- Utilities for communal areas

Charges are calculated based on actual costs of providing services. Costs are divided fairly across all residents who benefit, full documentation is kept and annual statements provided. Fixed service charges are based on budgeted costs, reviewed annually and utility charges inside dwellings (e.g., heating, water) are calculated using a fair, scheme-specific method.

### **Consultation**

- Residents will be consulted before new chargeable services are introduced
- Feedback will be considered, but essential health and safety or regulatory services may still be implemented
- Resident panels may be used for high-cost or significant changes

### **Reviewing Rents and Service Charges**

- Annual increases follow CPI + 1%, using the September CPI figure
- Reviews take place once every 52 weeks, usually in April
- Residents receive at least one month's notice of changes (letters issued by end of February)
- Residents may appeal within 28 days of the new charge being applied

### **Key Message for Staff**

Our role is to:

- ✓ Set rents and service charges fairly, transparently and in line with regulation
- ✓ Communicate clearly with residents and provide appropriate notice
- ✓ Ensure all services being charged for are delivered
- ✓ Apply trauma-informed, person-centred practice
- ✓ Maintain accurate records and follow procedures consistently

By doing this, we support residents to feel safe, informed and respected while ensuring YMCABCG remains financially sustainable and able to deliver high-quality housing services.