

Rent Setting Policy

Our Vision

Building better lives through social care and housing in local communities.

Our Mission

We co-design and deliver services that offer innovative social care solutions and support people to thrive.

Our Values

We are
caring and
compassionate



We are
inclusive
and **trusted**



We focus on
excellence
and
innovation



We work in
partnership
and are
one-team



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 **Look Ahead**
CARE, SUPPORT AND HOUSING

1. Background

- 1.1 The Chief Finance Officer ('CFO') must recommend the following for approval by the Board.
- a) proposed annual rent increases for all properties that we own and use for social housing purposes for Board approval.
 - b) Any change to the current Rent Setting Policy.

2. Social Rent 2025/2026

- 2.1 As a social housing provider, we must follow the government guidelines in setting the rent for our tenants.
- 2.2 The government has set a formula and is setting the initial rent for the use of Registered Providers and the rent must not be higher than that. We have followed this formula calculation since 2020.
- 2.3 Further the guideline is each year the maximum annual increase to be applied is the CPI in the month of September the previous year (in this case September 2024) plus 1%. This comes to 1.7% plus 1% = 2.7% The annual rent setting for our supported housing properties (with the exception of hostel properties) take place in July every year.
- 2.4 Therefore, the rent increase for this category of properties we own is 2.7%.

3. Opportunity to review of rent for Social Housing

- 3.1 The regulation allows the landlords to review the initial rent (sometimes referred to as base rent) under special circumstances. This is mainly if a specific property is upgraded or home improvements have been carried out with substantial capital investment to introduce more specialist facilities, additional rooms and space etc which has led to material increase of the value of the property based on a formal valuation done by a qualified surveyor. This revaluation is worked back to the equivalent 1999 valuation (using a published nationwide index of house prices) and the prescribed rent calculation model to recalculate the rent. As I understand in LACS there has been no such revision of rent done for a number of years despite investing in a number of capital improvements.
- 3.2 Through the Executive Director of Operations, the Housing Team, in conjunction with the Executive Director of Property, will review this and identify if there are any properties where we can legitimately raise the rent which enables us to increase the income from them.

New Properties with no Social Grant

- 3.3 Any properties that fall within this category will have the rent set at the higher of Local Housing Allowance rate and 80% of market rent. At present we do not have

any properties within LACS that fall into this category. As we acquire properties in future the Housing Team, together with the Business Development Team, will apply this criterion and propose the rent for approval by the CFO.

- 3.4 If there are any properties acquired directly by the subsidiaries - Blythson and Kingswood - that fall within this category, it is the responsibility of the Managing Director ('MD') of the subsidiaries to apply these criteria and set the rent accordingly. Oversight by the Executive Director of Operations.

4. Rents Falling Outside of the Rent Regulation Regime

Specialised Supported Housing

- 4.1 Property schemes consisting of specialised supported housing which qualify under the rent standard as being exempt from the rent regulation regime.
- 4.2 The Business Development Team will work with commissioners early in the process to determine whether a potential service meets the specialist housing criteria. These proposals will be reviewed by the Risk Panel.

Intermediate Market Rents

- 4.3 We have a small portfolio of Intermediate Market Rental properties. The rents are set at 80% of market rent levels which is determined using a RICS recognised methodology, as required by the Regulator of Social Housing's Tenancy Standard. The RICS valuation determines the baseline rent for the property, however rent levels are set higher if market research suggests higher figures could be achieved.
- 4.4 The Housing team, under the guidance of the Executive Director of Operations will be reviewing both the above categories in the next few months using market information and will follow the appropriate internal review process before recommending to CFO of increase rents where applicable for approval.

Market rents

- 4.5 The properties that sit within LARCH are market rent properties. These rents have not been reviewed for a few years.
- 4.6 The Impact Project Lead will coordinate the assessment of market rent through a local letting agent and make a recommendation for the revised rent for 25/26 based on their advice to the CFO for approval.

Record Keeping and Confidentiality

We will comply with our Data Protection and Confidentiality Policy which can be found by clicking [Here](#) or visiting our website at www.lookahead.org.uk

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