

**Four Million Homes**  
Knowledge and action for change in social housing

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**CCH** The Confederation of Housing Associations  
#cchc19

**PPCR** Public Private Rents  
Social Landlords

**HSR** Housing Services Regulator  
#hsr19

1

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**Tenant rent and service charges**

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**Your social housing rent**

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**Understanding your recent rent increase**

- Most social housing rents are reviewed once a year
- Changes usually take effect from April
- Tenants will receive a rent notification letter at least 4 weeks in advance
- The letter should explain:
  - the new rent amount
  - when the change takes effect
  - the reason for the increase
- This section explains how social housing rents are set and the rules landlords must follow

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**What is your social housing rent?**

Rent is the main charge you pay to live in your home  
It helps pay for:

- managing housing services
- maintaining homes and buildings
- repairs and long-term improvements

Social housing landlords must follow government rent policy  
The Rent Standard, set by the Regulator of Social Housing, sets rules about:

- how rents should be set
- how much they can increase each year

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**How social housing rents are set**

Most social housing rents follow a national formula set by government.  
The formula takes account of:

- local earnings
- local property values
- size and type of the home

These factors produce a 'formula rent', which most social housing rents are based on.

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## Different types of social housing rents

Not all social housing rents are set in the same way.

### Social or formula rent

- based on the national rent formula
- traditionally the most common rent type

### Affordable rent

- introduced in 2011
- can be set at up to 80% of local market rent
- often used for newer homes

### Fair rent

- applies to some older tenancies
- registered through the Valuation Office Agency

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## Limits on rent increases

The current limit is CPI+1%

Important points:

- increases usually happen once a year
- landlords must stay within the national limit
- tenants must receive written notice before the increase takes effect

In some years the government may introduce temporary caps or different limits.

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## How rent policy has changed

- 2016–2020 - rents reduced by 1% each year
- 2020–2023 -rent increases allowed at CPI + 1%
- 2023–2024 - government introduced a temporary 7% cap
- 2024 onwards - policy returned to CPI + 1%
- From 2027 - CPI + 1% continues and convergence increases may apply

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## Rent convergence

Some homes have rents below the formula rent.

Government policy allows these rents to gradually move towards the formula level.

From 2027  
CPI + 1% plus up to £1 per week

From 2028  
CPI + 1% plus up to £2 per week

This only applies until the rent reaches the formula level.

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## The difference between rent and service charges

Rent pays for:

- the home itself
- housing management
- many repairs and maintenance services

Service charges pay for services or costs related to shared buildings or estates, such as:

- communal cleaning
- lifts
- shared lighting
- grounds maintenance

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## Your service charges

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### Fixed and variable service charges

Service charges will be fixed or variable. This will be specified in your tenancy agreement

#### Fixed service charges

- set in advance
- stay the same during the year

#### Variable service charges

- based on the actual cost of services
- may increase or decrease if those costs change
- Landlords often estimate the cost first and may adjust charges later if the actual costs are different.

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### Service charges – your rights

Tenants have the right to

- understand what they are being charged for
- receive clear information about charges
- ask their landlord to explain how charges are calculated
- raise concerns if something seems wrong or unclear

If service charges are variable, the costs should reflect the service being provided.

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### Tenants and leaseholders – different rights

Tenants and leaseholders may both pay service charges, but their rights are different.

#### Leaseholders

- have legal consultation rights for certain major works
- can inspect invoices supporting service charges

#### Tenants

- usually do not have the same formal consultation rights

However, landlords should still explain charges clearly and provide information.

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### What tenants can challenge

If service charges are variable, tenants may challenge

- whether the costs reflect the service provided
- whether the service is being delivered
- whether the charges have been calculated correctly

If service charges are fixed, tenants may challenge

- whether the charge is allowed under the tenancy agreement
- whether the correct amount has been applied
- whether the service being charged for is actually provided

Concerns should usually be raised with the landlord first.

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### If you want to challenge a service charge

Ask the landlord for an explanation

- request a breakdown of the charge
- ask what services the charge covers

Raise the issue with the landlord

- speak to the landlord first
- use the landlord's complaints process if needed

If the issue is not resolved

- tenants can take complaints to the Housing Ombudsman Service
- Some tenants paying variable service charges may also be able to apply to the First-tier Tribunal (Property Chamber).

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### Why service charges sometimes increase significantly

Service charges often reflect the cost of providing services, so they can change if those costs increase.

Large increases can happen because of:

- higher energy costs for communal areas
- increased maintenance or repair costs
- major repairs or replacement of shared services
- new safety or regulatory requirements
- previous underestimates or low charges

Landlords should still be able to explain clearly what the increase is for.

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18

## Supporting tenants with rent arrears: good practice by social landlords

Preventing debt, sustaining tenancies, and supporting vulnerable households

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## Tenancy Standard

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## Key aspects of tenancy sustainment and Regulatory Standards

The Regulator of Social Housing (RSH) Tenancy Standard (effective April 2024) mandates that registered providers in England support tenants to maintain their tenancies and prevent unnecessary evictions.

Landlords must offer tailored support, particularly for vulnerable households, and provide assistance if a tenancy ends.

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## Key aspects of tenancy sustainment and Regulatory Standards

- **Preventative Support:** Providers are required to offer services that help tenants sustain their tenancies, reducing the risk of homelessness or abandonment.
- **Targeted Assistance:** Enhanced support is expected for households with specific needs, including those previously homeless, young care leavers, individuals with mental health issues, or those with addiction issues.
- **Ending Tenancies:** If a tenancy is terminated, landlords must provide advice and assistance to the affected tenants.
- **Regulatory Enforcement:** The RSH proactively inspects compliance with these standards, with powers to issue notices and fines for failures.

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## Context: Rent arrears in Social housing

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## Why rent arrears occur

### Common causes

- Changes in income or employment
- Delays or issues with welfare benefits (e.g., Universal Credit)
- Cost of living pressures
- Health, vulnerability, or personal crises
- Debt from other household expenses

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## Why support matters

### Key Benefits

- Prevents eviction and homelessness
- Improves tenant wellbeing
- Protects landlord income and tenancy stability

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## Principles of good practice

### Core principles used by effective social landlords

- Early intervention
- Tenant-centred communication and support
- Flexible, affordable repayment arrangements
- Income maximisation support
- Financial inclusion and advice
- Partnership working with support agencies
- Eviction used as a last resort

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## Early identification and intervention

### Good practice includes:

- Monitoring rent accounts regularly
- Contacting tenants quickly after missed payments
- Offering advice before debt escalates
- Identifying vulnerable tenants early
- Supportive conversations rather than enforcement

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## Early identification and intervention

Housing associations use data monitoring tools to identify tenants at risk of arrears and intervene early with advice and support.

### Benefits

- Prevents arrears escalating
- Builds trust with tenants
- Reduces need for legal action

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## Income maximisation support

### Helping tenants maximise income

- Assistance with Universal Credit or Housing Benefit claims
- Support with benefit appeals or changes in circumstances
- Welfare rights advice

### Impact

- Ensures tenants receive full entitlement
- Helps maintain consistent rent payments
- Reduces financial stress

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## Clear communication and tenant engagement

### Example practice:

Effective landlords maintain regular, supportive communication with tenants:

- Letters and phone calls explaining arrears clearly
- face-to-face meetings
- offering multiple communication channels

Policies emphasise **clear, constructive communication** and sustained engagement with tenants throughout the arrears process.

### Why it works

- reduces confusion about rent balances
- builds trust
- encourages early problem-solving

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## Flexible repayment plans

### Approach

- Assess tenant income and expenditure
- Agree **affordable** repayment amounts
- Regularly review repayment arrangements

### Example

Some landlords allow **small weekly repayments alongside rent**, ensuring tenants can manage both rent and daily living costs.

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## Financial inclusion and debt advice

### Additional support offered by social landlords

- Budgeting and money management advice
- Referrals to independent debt advice services
- Access to hardship funds or emergency support
- Links to affordable credit providers

### Outcome

- Improved financial resilience
- Reduced risk of repeat arrears

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## Partnership working

### Working with external organisations

- Local authority welfare teams
- Advice services (e.g., Citizens Advice)
- Charities supporting vulnerable households
- Community finance organisations

### Benefits

- Access to specialist support
- Holistic approach to tenant needs

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## Legal action as a last resort

### Responsible arrears management

Before legal action, landlords typically:

- Attempt multiple contacts
- Offer support and repayment options
- Consider tenant vulnerability
- Provide referrals to advice services

### Goal

- Sustain tenancies wherever possible.

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## Case study examples

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## Case study: Stonewater

How Stonewater support customers who are struggling to pay their rent

### New customers:

- Carry out pre-sign up calls with new customers taking on a tenancy for the first time or where support is identified as part of the application process.
- Set customers up with the right payment method and ensure that advice is given on applying for benefits to pay their rent – either housing costs for UC or Housing Benefit where applicable.

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## Case Study: Stonewater

### All customers

- When customers start to miss rent payments, contact is made to take payment or to offer support if they are struggling.
- Early intervention is key to speaking to customers to understand their current situation and to offer appropriate support.
- Use an automated calling system to reach out to approximately 800 customers each week where they need to speak about rent payments.
- This ensures they reach as many customers as possible and allows Income Officers to focus on supporting customers to make rent payments.
- Income Officers are trained to be clear on the income recovery process, to take account of any reasonable adjustments the customer needs and to sign post them for the right support.
- This will include referral to our support agencies or help to apply for a discretionary housing payment from the Local Authority.

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## Case study: Stonewater

### Stonewater's Support Offer

Stonewater work with charity partner Longleigh to support customers, and the support offer is available to all our customers.

Longleigh partner with Clean Slate who offer our customers financial support.

This referral offer is made to customers in contact with the Income Team who are struggling financially.

They offer 1-1 sessions to review budgets, benefit entitlement, improve financial stability, referral for specialist debt advice.

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## Case study: Riverside Housing

### Example approach

Riverside Group

### Key initiatives:

- Financial inclusion teams supporting tenants with budgeting
- Welfare benefits advice
- Digital tools helping tenants manage rent accounts
- Early engagement with tenants experiencing arrears

### Impact

- Improved tenant financial stability
- Reduced arrears escalation

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## Case study: Peabody

### Integrated tenant support

Peabody Trust

### Key programmes:

- Financial wellbeing support
- Employment and skills programmes
- Debt advice partnerships
- Community support services

### Impact

- Stronger financial resilience among tenants
- Reduced risk of eviction

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## Key messages

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## Key lessons for social landlords

### Effective approaches include:

- Prevention rather than enforcement
- Understanding tenants' financial circumstances
- Providing accessible advice and support
- Working collaboratively with external services
- Treating eviction as a last resort

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## Conclusion

Supporting tenants with rent arrears benefits both tenants and landlords

Good practice leads to:

- Sustainable tenancies
- Reduced homelessness
- Improved tenant wellbeing
- Stable rental income for landlords

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## Questions



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### Thank you for taking part

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### Evaluation Survey



<https://www.surveymonkey.co.uk/r/fourmillionhomesonline>

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46