

1. Background and objectives

- 1.1. Alliance Homes Group (Alliance) are committed to setting our rents within a framework that aims to:
- Ensure our rents are affordable for our customers
 - Be transparent, clear and in line with our legal and regulatory requirements under the Government's Policy Statement on Rents for Social Housing (Policy Statement on Rents) and the Regulator of Social Housing's Rent Standard (Rent Standard)
 - Maintain Alliance's on-going financial viability
 - Facilitate the delivery of Alliance strategies and our ability to deliver high quality housing and maintenance services
 - Ensure a sustained demand for our homes
 - Effectively benchmark our rents within the LA Regions in which we operate
 - Consider annually the provision of a fund to mitigate financial hardship.
- 1.2 This policy covers the approach to setting new rents and changing existing rents and applies to the following:
- Rented Homes
 - Shared Ownership Homes
 - Garages
 - Commercial Premises.
- 1.3 For the purposes of the policy, the term 'rent' means the rent element charged to tenants, licensees or leaseholders and does not include service charges where these are payable. Service charges are set in accordance with the Service Charge Policy.

2. Policy Detail

2.1 Rent Standard

- 2.1.1 Rents will be set in line with our legal and regulatory requirements as per 1.1. The following property categories are not governed by the aforementioned documents – the rent setting for these is detailed under each heading
- Temporary social housing
 - Intermediate rent accommodation

Rent Setting Policy



- Specialist supported housing
- Shared Ownership
- Garages
- Commercial premises.

2.1.2 In addition, the Rent Standard does not apply to a property let to a high-income social tenant, for the period where that property is let to that particular tenant.

2.1.3 The annual rent increase for 2026/2027 is currently set at CPI+1% as per the Policy Statement on Rents

2.2 Social Rent

2.2.1 Social rents are set with reference to the 'target' or 'guideline' rent for a property, this is calculated using a prescribed formula as per the Policy Statement on Rents. The basis for the calculation of formula rents is:

- 30% of a property's rent should be based on relative property values compared to the national average,
- 70% of a property's rent should be based on relative local earnings compared to the national average,
- and a bedroom factor should be applied so that, other things being equal, smaller properties have lower rents.

2.2.2 The Policy Statement on Rents gives landlords the flexibility to charge up to 5% above formula rent for general needs properties and 10% above for supported housing properties.

2.2.3 When a property is re-let the rent will be re-based to formula rent plus 5% unless the property is restricted to formula rent only.

2.2.4 Social rents are capped, and Alliance will not increase these rents above the rent caps as set out in the Policy Statement on Rents

2.2.5 Where properties have had works completed affecting the number of bedrooms and the January 1999 valuation, Alliance will obtain a new valuation and update the records for the property. The new rent will be calculated but cannot be applied until such time as the property becomes void. The existing rent will continue to apply in the meantime and the rules of the Policy Statement on Rents will still apply.

2.2.6 Rents will be reviewed annually, effective from the first Monday in April. The increase for 2026/2027 is CPI + 1%

2.2.7 When a property is re-let between 1st January and 31st March each year, the new customer will be informed of the current relevant rent and the new rent that will apply from the first Monday in April of that year.

2.3 Affordable Rent

2.3.1 Where Affordable Rent is being charged, the maximum rent inclusive of service charge for a new tenant under a new tenancy is 80% of the market rent, subject to the following

a) where the affordable rent is lower than the formula rent for that property, the formula rent amount will apply

2.3.2 Affordable rent will be set taking into account any restrictions applying to that property pertaining to Local Housing Allowance rates

2.3.3 Affordable Rent for new developments may be set at different percentages for different types of property within the same development to take into account the size, location and affordability for prospective tenants – the percentage to be between 60-80% of market rent.

2.3.4 When an affordable rent property becomes void a market rent valuation will be obtained from a recognised source that uses the RICS method for valuing properties. This valuation will be used to rebase the rent on re-let to the % of the market rent applying to the property, subject to 2.3.1 a).¹.

2.3.5 Rents will be reviewed annually effective from the first Monday in April. The increase for 2026/2027 is CPI + 1%, subject to 2.3.1 a and 2.3.2

2.4 Temporary Social Housing Rent

2.4.1 The rent for temporary social housing will be set using the same rules as for Social Rent and Affordable Rent depending on the rent applying to the property

2.4.2 Rents will be reviewed annually effective from the first Monday in April. The increase for 2026/2027 is CPI + 1%.

2.5 Intermediate Rent Accommodation

2.5.1 Rents at Trinity Apartments are based on 65% market rent. When a property becomes void a market rent will be obtained from a recognised source that uses the RICS method for valuing properties. This valuation will be used to rebase the rent on re-let to the % of the market rent applying to the property, subject to 2.3.1 and 2.3.2.

¹ Clarity being sought on whether a more automated, less expensive way of obtaining valuations can be used

2.5.2 Rents at Block A Marina Gardens are based on 80% market rent plus service charges.² When a property becomes void a market rent will be obtained from a recognised source that uses the RICS method for valuing properties. This valuation will be used to rebase the rent element on re-let to 80% of the market rent

2.5.3 Rents will be reviewed annually effective from the first Monday in April. The increase for 2026/2027 is CPI + 1%.

2.6 Specialist Supported Housing Rent

2.6.1 Alliance will charge a rent sufficient to cover the actual costs of providing specialist supported housing, considering the additional resources required to manage and maintain such properties.

2.6.2 Rents will be reviewed annually effective from the first Monday in April. The increase for 2026/2027 is CPI + 1%.

2.7 Market Rent

2.7.1 Market rents will be set in line with a valuation from a RICS (Royal Institution of Chartered Surveyors) registered surveyor.

2.7.2 Rent will be reviewed in line with the terms of the lease.

2.8 Shared Ownership Property Rent

2.8.1 The basis for shared ownership rent calculations and the rent review period for shared owners are determined in individual lease agreements in addition to the prescribed format for the notice of rent increase.

2.9 Garage Rent

2.9.1 Garage rent levels are determined by locality, size and demand and are currently managed under a contract agreement outsourced to a third party. Rents will be reviewed annually, effective from the first Monday in in April and be increased by CPI+1% or in line with comparable garage units available in the local area, as advised by the management company

2.9.2 Garages within the curtilage of a residential property that are owned and managed by Alliance will not be subject to a separate rent charge.

2.9.3 Garages let to non-customers of Alliance and leaseholders will be subject to VAT.

² Marina Gardens is our only Rent to Buy scheme. A review of these rents is planned for 2026/2027 to ensure they are being set correctly

2.10 Commercial Premises

2.10.1 Rents for commercial premises will be set according to a valuation provided by a RICS registered surveyor. Rents will be reviewed and increased in line with the terms set out in the lease agreement.

3. Monitoring, Consultation and Review

- 3.1 The Chief Finance Officer is responsible for ensuring that rents are charged and increased in line with this policy.
- 3.2 A report detailing all rent review assumptions and proposed rent increases will be provided to the Board for approval annually.
- 3.3 This policy will be reviewed annually.

4. Equality and Diversity

- 4.1 Alliance are committed to complying with the Equality Act 2010 and through our Equality, Diversity and Inclusion Policy are committed to ensuring that in our service delivery to customers, no person, group, or community is unfairly disadvantaged or discriminated against.
- 4.2 An Equality Impact Assessment has been undertaken – refer to Appendix 1.

5. Complaints

- 5.1. If you would like to raise a complaint in relation to this policy, you can do this by calling us on **03000 120 120** or emailing us at **act@alliancehomes.org.uk**.
- 5.2. All complaints will be handled in line with the latest Alliance Homes Complaint Handling Policy.

6. Associated Documents

- Service Charge Policy
- Shared Ownership Policy
- Rent Arrears Procedure
- Equality, Diversity, and Inclusion Policy
- Reasonable Adjustments Policy

7. Version control and approval dates

Approval stage	Date completed
Equality Impact Assessment completed	10/11/2025
EIA reviewed by appropriately trained person	10/11/2025
SLT review	20/01/2026
Audit and risk committee approval	27/01/2026
Board Approval	18/02/2026
Next review date	28/02/2027

8. Appendices

Appendix 1 Equality Impact Assessment

Appendix 1 – Equality Impact Assessment

1. Name the Strategy, Policy, Procedure or Function (SPPF) being assessed and name of author.

Rent Setting Policy
Toni Simmonds
Rents Business Partner

2. Aims of the SPPF being assessed.

The Rent Setting Policy sets out the framework for how AHG will set rents for all customers. The policy is aimed at ensuring that our rents are affordable for all customers and are in line with regulatory requirements under the Rent Standard. Rents are benchmarked for affordability within the LA Regions in which we operate. AHG policy also aims to consider annually the provision of a fund to mitigate financial hardship for customers. In addition to being regulated under the Rent Standard and Rent Policy Statement all rent increases are considered and approved by the Board annually.

3. Who has been consulted in developing the SPPF?

This is an existing policy that has been reviewed in line within Regulatory requirements under the Rent Standard and Rent Policy Statement.

4. Does the SPPF promote equality of opportunity?

The policy promotes equality of opportunity across the protected characteristics by ensuring that rents are affordable for all customers. The fairness of AHG rent setting policy across all customers is governed by the Regulator of Social Housing through the Rent Standard and Rent Policy Statement.

Measures are considered annually to provide funds to aid financial inclusion and mitigate against financial hardship.

5. Identify potential impact on each of the diversity “groups” by considering the following questions:

Protected Characteristic	No impact	Negative impact	Positive	Information source/s **	Comments/evidence
Race	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Disability	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Gender	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Transgender	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.

Rent Setting Policy



Sexual orientation	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Religion or belief	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Age	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Marriage & Civil Partnership	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Pregnancy and Maternity	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
Rural issue	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.

Rent Setting Policy



Social mobility	X				Policy is aimed at ensuring rents are affordable for all customers regardless of diversity.
-----------------	---	--	--	--	---

Was there a negative impact identified in question 5? If yes go to question 6. if not go to question 7.

7. If positive impact has been identified in table 4 above, how can it be improved upon or maximised, either in this SPPF or others?

N/A

8. Full EIA (or if you decide full EIA is not necessary but some changes should be considered)

The fairness of rent setting policy is governed by the Regulator of Social Housing through the Rent Standard and Rent Policy Statement. AHG aims to ensure that information and documentation regarding rents is accessible and in a clear and easy-to-read format, and in line with the Reasonable Adjustments Policy.

9. Does this proposal have any potential Human Rights implications?

If yes, please describe (if necessary, please make reference to the Alliance Homes Group Human Rights Policy)

This policy supports Alliance’s approach to Human Rights which is further detailed in our Human Rights Policy.