

Rent and Service Charge Setting Policy

December 2025



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Scope

Torus is committed to a rent and service charge policy for social rents that is fair and equitable.

Torus is committed to developing new homes and working with the appropriate authorities to finance this.

This Policy covers Torus Social Tenants paying rent linked to Formula Rent or Affordable Rent as well as occupants of Hostel Units, and Shared Ownership Tenants.

Policy Statement

This policy outlines Torus' approach to rent and service charge setting for social rents and the approach to affordable rent setting. Affordable rent is as defined in the Regulator of Social Housing Rent Standard and is classed as social housing.

Torus' Rent Setting Policy states that:

- Rents shall be set in accordance with relevant Government and Regulator of Social Housing standards and guidance, including the Government's Policy Statement on rent setting for social housing or the Regulator of Social Housing's Guidance on Affordable Rents.
- Rent and tenures on new build properties will be set in agreement with the relevant authorities after consideration of government policy and viability of schemes;
- Rent will be revised annually as set out in the Tenancy Agreement. Tenants will be given at least four weeks' notice in writing of the new rent for their property.
- Annual Rent and service charge increases will be subject to approval by the Torus (Group) Board
- Annual rent charges will be set and charged over 50/51 or 52/53 rent debit weeks dependent on the terms of the tenancy agreement and the number of Mondays in any year. New tenancies will be let over 52/53 weeks.
- New tenants will be charged the Formula Rent or Formula Rent plus 5% for General Needs (10% Sheltered/supported housing) plus any service charge that is applicable (or Affordable Rent where applicable)
- Mutual exchange tenants within Torus' stock holding will be charged the same rent as the tenant they exchange with plus any service charge that is applicable; and
- Torus will offer services and provide information to tenants that will assist them in paying their rent including accessing Housing Benefit and/or the housing cost element of Universal Credit.

The objectives of the Torus Rent and Service Charge Setting policy are:

- Rent levels are reviewed and set annually for each property. A property will move to a Formula related rent or Affordable Rent if applicable when it is vacated.
- All tenants are made aware of the weekly rent payment due to Torus in respect of their property.
- The provision and maximisation of rental income to the business, subject to local circumstances and affordability, allowing Torus to provide services required by our customers.
- Torus to operate as a responsible landlord by keeping its homes to a high standard of repair.
- Compliance with the Regulator of Social Housing's Regulatory Code and Guidance.
- Compliance with the Government's Policy Statement on rent setting for social housing published in February 2019, updated in December 2022, and Torus will comply with any further changes (as applicable).
- Compliance with the Rent Standard 2020 published by the Regulator of Social Housing (updated April 2025) which allows rents to be increased by up to CPI + 1% up to 2025 and the Draft Policy Statement setting out the government policy on rents for social housing proposes continuation of Rent Standard at CPI +1% for 5 years from 1 April 2026. Torus will adopt the policy of increasing rents by CPI + 1% until April 2026, subject to local circumstances and affordability. Formula rents for the period 1 April 2026 to 31 March 2027 will be increased by CPI + 1%. The reference point for CPI is the September CPI published by the Office for National Statistics
- Where rent setting is reliant on a RICs accredited valuation no rent increase will be applied where a valid valuation spans the increase date, i.e. in the quarter before the increase date.
- The calculation of rents and service charges is the responsibility of the Group Finance Director, Details of individual responsibility in the calculation process are contained in the Rent Review procedure.
- An overview of the Torus approach to rent and service charge setting is published on the Torus website and updated annually.

Affordable Rents

The rent setting policy meets the requirements of government guidance on the calculation of affordable rents and complies with the Regulator of Social Housing Standard's Rent Standard 2020.

The guidance on affordable rents states that:

- rents can be set at up to 80% of local market rents
- the rent must be re-calculated each time a property is re-let at an affordable rent. Affordable rent calculations are valid for 3 months after which a new valuation will be required
- service charges are included within the calculation
- valuation of market rent must be in accordance with a RICS recognised model

All affordable rents (inclusive of service charges) may be set at up to 80% of local market rents.

Where a new valuation is undertaken and results in an increase or decrease of greater than 10% or affordability or letting issues arise, the new rent set will be subject to approval from the Group Finance Director and Group Housing Director.

Affordable rents (inclusive of service charges) on new developments may be set at up to 80% of the current median market rent. Rents may be set at levels above Local Housing Allowance rates, however this will be highlighted to Boards and/or committee prior to development scheme approval.

Any Supporting People charges will be added to the affordable rent in line with this policy.

Annual affordable rents (inclusive of service charges) may increase in line with the government rent policy and the Regulator of Social Housing rent standard 2020, subject to approval by Torus (Group) Board.

Service Charges and Supporting People Charges

Torus may consult with tenants before making any changes to services which will result in changes in service charges. Annual service charge increases are subject to approval by the Torus (Group) Board

Variable service charges will be reviewed annually in line with costs of service provision with annual adjustments in relation to surplus/deficits from previous years and will be based on the date of commencement of tenancy.

If fixed service charge costs are anticipated to be inflation linked Torus will increase these by the CPI+1 linked rent inflation applicable for the relevant year (CPI being based on the previous September) with full cost reviewed biennially.

Torus will continue to implement charges raised under the supporting people framework in line with government policy.

Hostels

Occupants of hostel units have a licence not a tenancy but are covered by the Government Guidelines on Rent setting. Service Charges will be calculated annually in line with anticipated costs.

Shared Ownership

The Rent element of the Shared Ownership charge will increase in accordance with the relevant lease agreement.

The Service charge element will be reviewed annually.

Exempt Rent Properties

Rents in respect of properties that are exempt from rent standard 2020 requirements e.g. supported accommodation will be set with the agreement of commissioning body e.g. local authority or NHS. Thereafter rents will increase in line with the standard rent increase for social and affordable rent properties.

High Income Tenants

It is acknowledged that there is scope within the Government policy to charge market rents where household income exceeds £60,000 per annum. Torus will not adopt this policy.

Implementation

Increases in rent and service charges are effective from the first Monday in April each year. Tenants will be given at least 4 weeks' notice in writing of the increase in rent levels.

Torus will have a procedure to allow a tenant to appeal against their rent and service charge assessments.

Consultation

This policy has been formulated in line with the Regulator of Social Housing's requirements for regional social landlords in term of social rent and affordable rent setting guidelines.

Responsibility

The Group Finance Director is responsible for the implementation and review of this policy.

Diversity & Inclusion

There are no adverse diversity and inclusion impacts of this policy.

Monitoring and Review

This policy will be reviewed annually or when any changes in relevant government regulations are changed.