



FM-POL-Rent Setting Policy

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Review Period	3 Years		Fred – policies and information
Classification Type - (Confidential, Restricted, Internal use only, None)			

1. Purpose

This policy sets out Framework's approach to setting, reviewing and managing rents across all properties. It ensures compliance with regulatory requirements, Housing Benefit rules for Specified (Exempt) Accommodation, and internal governance standards.

2. Scope

This policy applies to all Framework supported housing services.

All Framework properties meet the Housing Benefit definition of Exempt Accommodation.

The policy covers the setting, review and management of rents across all supported housing properties, including those that are leased or owned.

3. Principles

Framework's approach to rents is based on:

- fairness
- transparency
- compliance
- consistency
- evidence-based decision making
- affordability considerations

4. Roles and Responsibilities

Board – provides strategic oversight.

Senior Leadership Team – ensures operational compliance.

Assistant Director of Finance & Rents – leads policy implementation.



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Finance & Rents Team – manages calculations, reviews, evidence and formal notification.

Housing Management and Service Delivery Teams – communicate charges and support service users.

5. Regulatory Framework

Framework complies with:

- The Rent Standard and Policy Statement on Rents for Social Housing
- Housing Benefit regulations including for Specified (Exempt) Accommodation
- Relevant legislation and statutory guidance

5.1 The Rent Standard and Policy Statement on Rents for Social Housing

These documents set out the Government's policy on rents for Social Housing. The sub-sections below identify those chapters of these documents that impact on Framework's accommodation.

5.1.1 Social Rent

This applies to all accommodation that is not required to be let at an 'Affordable' Rent or to which an exemption from the Rent Standard applies. The rent is calculated using a formula rent as set out in Chapter 2 of the Policy Statement on Rents for Social Housing.

5.1.2 Affordable Rent

This applies to accommodation where an agreement is in place between Framework and Homes England (or the Local Authority and Secretary of State) that permits the accommodation to be let on an Affordable Rent basis. Framework may let a property on an Affordable Rent basis provided it has not previously been let on a Social Rent basis.

5.1.3 Specialised Supported Housing (SSH)

Specialised Supported Housing (SSH) is defined within the 'Policy Statement on Rents For Social Housing'. All properties which fall within this categorisation are exempt from the Social and Affordable rent sections of the Rent Standard.

Framework has a separate policy that sets out the requirements that must be met for the SSH designation to apply.

5.1.4 Care Homes

Care home charges are set at a level to recover costs associated with delivery. These are negotiated with Commissioners and fall outside the Rent Standard.



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5.2 Housing Benefit regulations

5.2.1 Specified (Exempt) Accommodation

Specified (Exempt) Accommodation is a Housing Benefit classification which removes some of the benefit restrictions which are applied to general needs accommodation. Properties are classified as Specified (Exempt) where the landlord provides care, support or supervision.

All Framework properties fall within this category.

Specified (Exempt) Accommodation status:

- determines how rent and service charges are treated for Housing Benefit purposes
- does not determine rent-setting methodology
- does not provide an exemption from the Rent Standard - exemptions arise separately (e.g. Specialised Supported Housing).

6 Rent Setting Methodology – Social Rent

Properties which are not classed as Specialised Supported Housing or Affordable Rent must have their rents calculated on a basis that complies with the Rent Standard as outlined in section 5.1 of this document.

Where the rent is calculated on a formula basis, the methodology for the calculation is outlined in the Policy Statement on Rents for Social Housing. The inputs to this formula include:

- national average rent
- relative county earnings
- number of bedrooms
- relative property value.

Framework uses the 10% rent flexibility permitted for supported housing where cost pressures require, taking into account local circumstances, affordability and financial viability.

There are different approaches for calculating the property value. Framework's approach to the application of each of these valuation bases is outlined below.

6.1 Valuation basis

Framework uses different approaches for calculating the value of a property depending on the nature and type of property. This ensures a consistent approach across Framework's property portfolio and that rents are reasonable, transparent and reflective of the type and purpose of the accommodation.



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These categories are summarised as:

- Standard Supported Housing
- Core / Hub Properties (24/7 Supported Housing)
- Schemes with Special Requirements (e.g., Assisted Living Schemes)

All valuations will be provided by a RICS Chartered Surveyor.

6.1.1 Standard Supported Housing

Framework sets rents using the Government's Formula Rent methodology. As part of this calculation Framework will obtain an appropriate valuation of the property, which will inform the formula rent calculation.

The Policy Statement on Rents for Social Housing allows for generic valuations for particular sizes and types of properties in different locations. Therefore, where a valuation has previously been completed for a similar property, this may be used as a basis for calculation of the rent for the new property. This is referred to as a 'beacon rent' approach.

6.1.2 Core / Hub Properties (24/7 Supported Housing)

Supported housing properties often do not have a meaningful or appropriate market valuation due to their design, layout or specialist use. These properties may include additional communal spaces, office accommodation and other areas for specialist support provision. This therefore means that the 'beacon rent' approach is not the most suitable method for setting the rent as it will not reflect the nature, scale or purpose of the property. In this situation, Framework uses a Depreciated Replacement Cost (DRC) valuation to ensure rents are reasonable, justifiable and reflective of the building's specialist function. This approach uses the size of the building to calculate a valuation for the property, taking additional/communal spaces into account.

6.1.3 Schemes with Special Requirements (e.g. Assisted Living Schemes)

Where accommodation does not fall into the two categories above, and includes communal space, specialist equipment or design features required to meet the needs of service users, Framework also uses DRC as the valuation basis.

This ensures that rents remain transparent, evidence-based and aligned with the cost and purpose of the accommodation.

7.0 Rent Setting Methodology – Affordable Rent

Affordable Rents are set at a level no greater than 80% of the gross market rent inclusive of service charges. Property size, location and service provision must be taken into account when determining what gross market rent a property might achieve.



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A check on market value will be undertaken by the Assistant Director – Finance and Rents at each re-let. The check on market values will be conducted with reference to comparable local lettings and be supported by a consistent, documented methodology.

A comparable social rent will also be calculated and properties will be let on whichever is the higher rent.

8.0 Rent Setting Methodology – Specialised

8.1 Specialised Supported Housing Owned Unit – rent will initially calculated on an appropriate basis in line with the approaches to calculate rents on a social basis as set out above in section 6. Rents will then be reviewed and increased if necessary to ensure financial viability.

8.2 Specialised Supported Housing – Leased Units – rent will set at a level to recover the lease costs of the property and associated costs.

9.0 Review and Assurance

All valuation approaches are reviewed and approved internally to ensure they remain:

- Reasonable
- Evidence-based
- Compliant with the Rent Standard and Policy Statement on Rents for Social Housing
- Proportionate to the nature of the accommodation and of supported housing
- Consistently applied

10. Annual Rent Changes

Rents are reviewed annually to inform inflationary uplifts. Framework applies:

- Increases limited to CPI + 1% for Formula Rents in line with current government policy. This is subject to change.
- Specialist valuation-based adjustments for SSH units.
- Formal notifications of increase, which are sent to service users with the required level of notice as stipulated in housing legislation and the occupancy agreement.

11. Affordability

Framework considers affordability when setting rents recognising that most residents in supported housing are eligible for Housing Benefit. Formal affordability assessments are not required for Specified (Exempt) Accommodation, as categorisation as ‘exempt’ means that Local Housing Allowance restrictions do not apply to our properties.



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12. Record Keeping and Data Management

12.1 Accuracy of Records

Framework maintains accurate records relating to:

- Rent calculations
- Valuation evidence
- Property/unit charge lists
- Application of charges to residents' rent accounts
- Tenancy and licence agreements
- Informing the Local Authority of new properties, associated charges and annual increases.

12.2 Storage and Retention

Records are stored securely and retained in line with Framework's retention policy.

12.3 Access and Audit

Records may be reviewed through:

- Internal controls
- Internal audits
- External audits
- Housing Benefit checks
- Regulatory processes

12.4 Data Protection

All records are managed in accordance with UK GDPR, the Data Protection Act 2018 and internal policies.

13. Complaints and Appeals

13.1 Right to Complain

Service users may raise concerns about:

- rent levels
- service charges
- accuracy of calculations
- communication of changes.

All complaints are managed in accordance with Framework's Complaints Policy.



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14. Governance, Oversight and Review

14.1 Governance Responsibilities

Oversight is provided by:

- The Board
- Senior Leadership Team
- Finance & Rents Team

15. Regulatory Compliance

Framework complies with:

- The Regulator of Social Housing's Rent Standard
- The Regulator of Social Housing's Consumer Standards
- Housing Benefit regulations
- Other relevant legislation

16. Policy Review Cycle

This policy will be reviewed in line with Framework's 3-year policy review cycle, or sooner if required.

17. Definitions and Related Documents

17.1 Key Definitions

Formula Rent - The government-prescribed method for calculating social rents. Framework uses Formula Rent as the default method for standard supported housing.

Depreciated Replacement Cost (DRC) - A property valuation method used when a property is so unique that there is no active market or comparable transaction data.

Specified (Exempt) Accommodation - A Housing Benefit classification that applies where the landlord provides care, support or supervision.

Specialised Supported Housing (SSH) - A subset of supported housing that meets specific regulatory criteria and is exempt from the Rent Standard.



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18. Related Documents

This policy should be read alongside:

- Complaints Policy
- Data Protection Policy
- Financial Regulations
- Rent Collection Policy
- Rent Collection Procedure
- Storage, archiving and disposal procedure
- Tenancy and License Management Policy
- Service Charge Policy
- Specialised Supported Housing Policy.