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Rent Setting Policy

Purpose

This policy sets out Orwell's approach to the setting and review of social housing rents. Orwell charges a range of rents which reflect different tenures created over time under different legislative and policy frameworks, initiatives and arrangements. Orwell sets and maintains rents at levels that support the business of the organisation, including meeting our obligations to lenders, maintaining and improving our asset base, delivering on regulatory and statutory compliance as a landlord and providing exceptional customer service.

This policy applies to all properties owned and/or managed where Orwell sets the rent level, with certain exceptions detailed below

The general aspects of this policy do not apply to non-social housing such as market rent, garage rents, commercial rent properties, care homes and student accommodation.

The Renters' Rights Act 2025, which came into effect on 1 May 2026, introduced significant reforms to the private rented sector in England, including the abolition of fixed-term assured shorthold tenancies and the introduction of restrictions on rent increases. Orwell's portfolio of market rent properties is subject to these provisions, with detailed requirements for rent setting and review documented in Orwell's Market Rent Policy and Procedures.

Policy Objectives

The objectives of this policy are:

- Act in accordance with Orwell's constitution and charitable status by providing social housing for those who cannot access the open housing market;
- To explain how we set rents for new tenancies and undertake rent reviews;
- To ensure rents are set in accordance with legal and regulatory obligations.

Context of Rent Setting

The Regulator of Social Housing provides the framework that Registered Providers of Social Housing (RPs) must comply with when setting and reviewing social housing rents. In October 2017, the government announced its intention to set a long-term rent deal for both local authority landlords and housing associations. This would permit annual rent increases on both social rent and affordable rent properties of up to CPI plus 1 percentage point from 2020, for a period of at least five years. The Rent Standard 2020 has governed rents for social housing tenants with guidance being provided by the Policy Statement on Rents for Social Housing. This policy recognised the need for a stable financial environment to support the delivery of new homes and to enable registered providers to plan ahead. This policy came into effect from 1 April 2020.

In light of exceptional circumstances, the government adjusted this policy by passing the Direction on the Rent Standard 2023 (the Direction) in order to protect social housing tenants from very large nominal-terms rent increases that would otherwise have been permitted in 2023-24 due to higher-than-expected levels of inflation.

The 2023 Rent Standard sat alongside the 2020 Rent Standard and applied to rent periods that began in the 12 months from 1 April 2023 to 31 March 2024. The 2023 Standard reflected that the government introduced a 7% ceiling on rent increases in that year, which meant for rents set between 1 April 2023 and 31 March 2024, registered providers could only increase social rent and affordable rent (excluding supported housing) by up to 7%. This restriction applied to both social rent and affordable rent homes, apart from supported housing. However, it did not affect the calculation of the maximum initial rent when properties are first let or subsequently re-let. For rents set from 1 April 2024 onwards, the 2023 Rent Standard was not applicable and the 2020 Rent Standard applied in full.

In March 2026, the Ministry of Housing, Communities and Local Government issued a revised policy statement on rents for social housing. This document sets out the government's policy on rents for social housing from 1 April 2026 onwards. The policy is to remain in effect for at least 10 years. This will provide the stability that providers need to borrow and invest in new and existing homes, while ensuring appropriate protection for tenants.

The Ministry directed the Regulator of Social Housing to take into account the revised policy statement when setting its rent standard for registered providers of social housing. In response, the Regulator issued an updated Rent Standard, effective from April 2026. Subject to the exceptions set out in chapter 5 of the rent policy statement, the policy and standard apply to 'low-cost rental accommodation', as defined in section 69 of the Housing and Regeneration Act 2008. It does not apply to 'low-cost home ownership accommodation', as defined in section 70 of that Act.

The Rent Policy Statement 2026 replaces the Rent Policy Statement issued in 2020 and updated in December 2022.

Orwell must comply with all the requirements and expectations set out in the Rent Standard 2026 and the Rent Policy Statement from 1 April 2026.

- Rent Standard 2026 - GOV.UK
- https://www.gov.uk/government/publications/rent-standard-2026
- Policy statement on rents for social housing - GOV.UK
- https://www.gov.uk/government/publications/direction-on-the-rent-standard-2026/policy-statement-on-rents-for-social-housing

Following the requirements of the Rent Standard, the Regulator publishes 'The Annual Limit on Rent Increases' in November/ December each year, which establishes the limit on annual rent increases for social housing. This document confirms how much formula rent can be increased by the current version of this publication can be found at: Regulator of Social Housing - Limit on annual rent increases 2026-27 Final V2

There is other legislation which Orwell must comply with in respect of rent setting, service charges and reviews:

- Rent Act 1977 (secure tenancy fair rents);
- Landlord and Tenant Act 1985 (service charges);
- Housing Act 1988 (rent restrictions on market rent tenancies);
- Housing and Regeneration Act 2008 definition of social housing 'low-cost rental' accommodation, as defined by section 69 of the Act and the definition of 'low-cost home ownership' accommodation, as defined by section 70 of the Act;
- The Renter's Rights Act 2026.

Social Rent

This section of the policy applies to all accommodation that is not permitted to be let at an Affordable Rent and to which the exceptions in chapters 4 and 5 of the Rent Policy Statement 2026 do not apply.

Rent Caps

The rent caps apply as a maximum ceiling on Social Rent housing. The level of the rent cap depends on the number of bedrooms a property has. Orwell must not at any time charge a rent for Social Rent housing that exceeds the rent cap level for the size of the property concerned.

The rent caps for 2026-27 are set out in Appendix A of the Rent Policy Statement.

From 2026-27 onwards, the rent caps will continue to increase by CPI (at September of the previous year) plus 1.5 percentage points annually.

While the rent caps will increase annually by CPI plus 1.5 percentage points, the annual change in rent for the tenant in a 'rent capped' property must still be governed by the limits on rent changes set out in paragraphs 2.15 - 2.19 of the Rent Policy Statement.

However, where a property whose rent has been subject to the rent cap comes up for re-let and formula rent remains above the rent cap, the new rent may be set at up to the rent cap level, which will have been increasing by CPI plus 1.5 percentage points.

Initial Rent

When Orwell grants a tenancy of social rent housing to a new tenant, we may set the initial rent at a level that is no higher than formula rent, subject to the rent flexibility level unless the rent cap applies.

A "new tenant" is one to which a tenancy of the housing in question is granted for the first time.

From April 2020, the initial social rent set on a property must not exceed the formula rent, subject to flexibility. The formula rent calculation does not include service charges.

- The method for calculating formula rent is detailed in clauses 2.9 to 2.12 of the Rent Policy Statement 2026. Putting the relevant information into the formula will give the formula rent for 2000-01 for the property. The 2000-01 formula rent must then be adjusted, using the relevant uplift set out in the tables in Appendix A of the Rent Policy Statement 2026. Formula rents will increase by CPI (in September of the previous year) + 1 percentage point each year, after 1 April 2026. Should CPI plus 1 percentage point fall below 0%, rent for the following year may not be increased.
- When setting initial rent for a new tenant of social rent housing, and subject to the rent cap requirement, the maximum weekly rent (exclusive of service charges) is formula rent with an upwards tolerance of:
    - If the accommodation is supported housing, up to 10% of formula rent; or
    - If the accommodation is general needs, up to 5% of formula rent.

If applying this flexibility, Orwell should ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability.

Orwell can only increase actual rents by up to CPI (as at September of the previous year) plus 1 percentage point in any year starting between 1 April 2026 and 31 March 2027.

Orwell may only increase actual weekly rents by up to CPI (as at September of the previous year) plus 1 percentage point in any year starting between 1 April 2027 and 31 March 2028, unless one of the following conditions apply:

- If the weekly rent when increased by CPI plus 1 percentage point exceeds the rent flexibility level for the year in which the rent increase will apply weekly rent may only be increased by up to CPI.
- If the weekly rent when increased by CPI plus 1 percentage point is below formula rent for the year in which the rent increase will apply, weekly rent may only be increased by an additional £1 over and above CPI plus 1 percentage point. However, if the weekly rent when increased by an additional £1 over and above CPI plus 1 percentage point exceeds formula rent for the year in which the rent increase will apply, weekly rent may only be increased by the relevant amount over and above CPI plus 1 percentage point that brings it to the level of formula rent for the year in which the rent increase will apply. This is to achieve formula rent only and must not be used to increase rents to i.e. to within the rent flexibility level and rent caps still apply.

Orwell may only increase actual weekly rents by up to CPI (as at September of the previous year) plus 1 percentage point in any year from 1 April 2028, unless one of the following conditions apply:

- If the weekly rent when increased by CPI plus 1 percentage point exceeds the rent flexibility level for the year in which the rent increase will apply, weekly rent may only be increased by up to CPI.
- If the weekly rent when increased by CPI plus 1 percentage point is below formula rent for the year in which the rent increase will apply, weekly rent may only be increased by an additional £2 over and above CPI plus 1 percentage point. However, if the weekly rent when increased by an additional £2 over and above CPI plus 1 percentage point exceeds formula rent for the year in which the rent increase will apply, weekly rent may only be increased by the relevant amount over and above CPI plus 1 percentage point that brings it to the level of formula rent for the year in which the rent increase will apply.

This is to achieve formula rent only and must not be used to increase rents to i.e. to within the rent flexibility level and rent caps still apply.

Orwell is not required to reduce rents (in nominal terms) should CPI fall below 0%. In this circumstance, Orwell may not increase rents, but they are not obliged to reduce them (i.e. there is a floor of 0%).

At Board meeting B3 each year, Orwell's Board will consider and confirm the proposed rent review level to be applied to the rents charged for the following financial year commencing 1st January. RPs are free to apply a lower increase, or to freeze or reduce rents, if they wish to do so. Orwell needs to consider the local market context when deciding whether to implement a rent increase and the level of that increase, as well as the levels of Housing Benefit or Universal Credit that are available to claimant households.

Orwell's properties are not subject to the Local Housing Allowance. Orwell will have regard to the local market context but not limit or cap social rent levels at the relevant Local Housing Allowance for the Broad Rental Market Area in which the property is located. The exception to this policy is where a property is subject to a planning agreement or Section 106 which may specify the rent is capped at Local Housing Allowance. Social Rent properties may not be converted to Affordable Rent, Market Rent (Non-Social Housing) or other forms of low-cost rental accommodation.

Property valuations for setting formula rent

A common approach must be followed to the valuation of properties for rent purposes as far as possible. Valuations must be in accordance with a method recognised by the Royal Institution of Chartered Surveyors (RICS). RICS sets out its principles for valuations in 'Royal Institution of Chartered Surveyors Valuation – Professional Standards' (known as the Red Book). The valuation must be made at January 1999 prices.

RPs are not expected to carry out an individual valuation for each property but do need to attribute a value to each Social Rent property in order to calculate its formula rent. Rather than carrying out individual valuations, RPs may rely on more generic valuations for particular types and sizes of properties in different locations.

All valuations used to calculate formula rents for Orwell's properties were carried out in 2001 by Lacey Scott & Knight - a long-established and independent partnership of chartered surveyors, valuers, property agents and auctioneers, operating across East Anglia from offices in Bury St Edmunds. Details of the 1999 valuations are recorded in Orwell's original rent plans located: O:\Housing Administration\Rent plans current. The 1999 valuation data is also recorded in the Cx Housing Data Base on the Cx asset details tab.

In calculating the formula rent for a property, the valuation of a property for Social Rent purposes should generally remain the same over time. However, Orwell may re-value where it has carried out major works that materially affect the value of the property. This is only likely to arise in exceptional circumstances, as 'major works' do not include normal stock management activity such as repairs, maintenance or updating of properties (for example, fitting new kitchens or bathrooms). Major structural alterations (such as adding an extra room or extension) would be an example of major works for the purposes of this paragraph.

The mechanism for applying rent review in the first year of a tenancy and for subsequent years for tenants with assured periodic tenancies is detailed in Schedule 1 of this policy.

Service charges

In addition to their rent, tenants may also pay service charges. Rent generally includes all charges associated with the occupation of a property, such as maintenance and general housing management services. Service charges usually reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities rather than being particular to the occupation of a dwelling. Service charges are subject to separate legal requirements.

Orwell is expected to set reasonable and transparent service charges which reflect the service being provided to tenants. Tenants should be supplied with clear information on how service charges are set. In the case of Social Rent properties, providers are expected to identify service charges separately from the rent charge.

Reviews of service charges are distinct from rent reviews and are conducted in accordance with statutory requirements and the contractual provisions contained within tenancy agreements, leases, deeds, or covenants.

Service charges are not governed by the same factors as rent. However, the expectation is that Orwell should endeavor to keep increases for service charges within the limit of CPI (as at September in the previous year) plus 1 percentage point, to help keep charges affordable. Where new or extended services are introduced, and an additional charge may need to be made, registered providers should consult with tenants.

Affordable Rent

For Orwell, housing let on an Affordable Rent basis means accommodation that is provided in pursuant to a housing supply delivery agreement between that provider and the Homes and Communities Agency (now known as Homes England) and the accommodation is permitted by that agreement to be let at an Affordable Rent.

In addition, where this delivery agreement does not apply, providers may let properties on an Affordable Rent basis provided that they have not been converted from housing let on a Social Rent basis.

When Orwell grants a tenancy of Affordable Rent housing to a new tenant, the initial rent must be set (inclusive of service charges) at no more than 80% of gross market rent.

'Gross market rent' means the rent (inclusive of any applicable service charges) for which the accommodation might reasonably be expected to be let in the private rented sector. Property size, location type and service provision must be taken into account when determining what gross market rent a property might achieve if let in the private rented sector.

Valuations for initial rent setting must be made in accordance with a method recognised by the Royal Institution of Chartered Surveyors. This requirement is intended to help ensure that registered providers adopt a consistent and transparent approach to the valuation of market rents.

The rent will be set as an Affordable Rent for a new tenancy in the following circumstances:

- The rent was previously set as an Affordable Rent;
- A new home has been developed with an Affordable Rent pursuant to a housing supply agreement between Orwell and Homes England or the Greater London Authority or local authority and permitted to be let as affordable;
- The property was acquired by Orwell and at the time was affordable rent housing;
- Where a delivery agreement does not apply, providers may let properties on an Affordable Rent basis if they have not been converted from housing let on a Social Rent basis.

The rent for affordable housing, inclusive of service charge, must not exceed 80% of the gross market rent.

- 'Gross Market Rent' means the rent (inclusive of any applicable service charges) for which the accommodation might reasonably be expected to be let in the private rented sector. Property size, location type and service provision must be considered when determining what gross market rent a property might achieve if let in the private rented sector.
- When setting rents, Orwell must ensure that they comply with the terms of any agreement with Homes England. Orwell must also have regard to the conditions and policies set out in the Frameworks for the government's affordable homes programs, where they are letting properties on Affordable Rent terms within these programs.
- Valuations for initial rent setting must be made in accordance with a method recognised by the Royal Institution of Chartered Surveyors. The Royal Institution of Chartered Surveyors sets out its principles for valuations in 'Royal Institution of Chartered Surveyors Valuation – Professional Standards' (known as the Red Book). Clauses 3.11 to 3.14 of the Rent Policy Statement detail the requirements in terms of property valuations.

Upon a re-let of an Affordable Rent property, the rent must be re-set to the appropriate level based on a new valuation to ensure that it does not exceed 80% of market rent.

Properties let by registered providers are not subject to Local Housing Allowance (LHA), but Orwell should have regard to the local market context, including the relevant LHA for the Broad Rental Market Area in which the property is located, when setting affordable rents. The exception to this policy is where a property is subject to a planning agreement (called a section 106) which may specify the rent is capped at the relevant LHA. For Orwell assets where rents are capped at LHA, this information is recorded in the Cx Housing Database under the Asset Details user-defined tab.

Affordable rents should not be lower than the potential formula rent for the property. Where an affordable rent would be lower than the formula rent, the formula rent is the lowest that can be charged. Note that the formula rent is exclusive of service charges.

Orwell must not increase rents for properties let on affordable rent terms by more than CPI + 1 percentage point each year. For rent periods that began in the 12 months from 1 April 2023 to 31 March 2024, this limit was subject to a 7% ceiling. The 7% ceiling did not apply to supported housing accommodation. From 2024-25 onwards, the changes in rent increase by CPI (in September of the previous year) + 1 percentage points annually.

Orwell is free to apply a lower increase, or to freeze or reduce rents, if they wish to do so. Consideration should be given to the local market context when deciding whether to implement a rent increase and the level of that increase, as well as the levels of Housing Benefit or Universal Credit that are available to claimant households who might occupy our properties.

At Board meeting B3 each year, Orwell's Board will consider and confirm the proposed rent review level to be applied to the rents charged for the following financial year commencing 1st January.

Re-setting Affordable Rent

When a tenancy of affordable rent housing is let to a new tenant (or re-let to an existing tenant), Orwell must re-set the rent based on a new valuation, to ensure that the new rent is no more than 80% of the relevant market rent.

On receipt of a termination notice of a tenancy with an Affordable Rent, Orwell's Housing Management team will inform the Housing Systems & Administration Team of the pending vacancy, to determine the new Affordable Rent for the property and request a revaluation. Orwell's Asset Management Team will undertake a revaluation in accordance with a method recognised by the Royal Institution of Chartered Surveyors professional standards 'Red Book', as referred to above and in line with the Rent Policy Statement.

A full valuation is not always required on each occasion that a property is let on affordable rent terms. In areas where affordable rent is widely used, Orwell can rely on a desktop review of recent transactions.

Housing for vulnerable and older people often includes a range of services to support the particular needs of the client group. When setting an Affordable Rent level for housing for vulnerable and older people, the gross market rent comparables should be based on similar types and models of service provision, ideally within the local area.

Where there are insufficient comparables for similar types of provision in the local area, valuers should be asked to identify comparables from other areas and extrapolate their best estimate of what the gross market rent would be. Orwell has only a small number of supported housing properties let on an affordable rent basis.

Affordable Rent housing must not be converted (including at re-let) to either market rent or intermediate rent or forms of low-cost rental accommodation set out in Chapter 5 of the Rent Policy Statement 2026.

The mechanism for applying rent review in the first year of a tenancy and for subsequent years for tenants with assured periodic tenancies is detailed in Schedule 1 of this policy.

Secure Tenants - Fair Rent/Registered Rent

Some tenants enjoy 'fair rent' protections, as at April 2026 Orwell had 74 tenancies with fair rent protections.

Fair rents are charged where the rent of a secure tenancy has been registered as a ‘Fair Rent’ with the Valuation Office Agency (VOA).

Tenants are secure tenants if:

- their present tenancy with Orwell commenced before 15 January 1989; or
- their initial tenancy with Orwell, from which they transferred to another property (or properties) belonging to Orwell, commenced before 15 January 1989; or
- the tenancy arises from an assignment (including survivorship, mutual exchange or succession) of a tenancy granted prior to 15 January 1989; or
- a court order required that a secure tenancy be granted.

Where a secure tenant transfers within the same landlord’s stock, they continue as a secure tenant and can apply for a rent to be registered.

Fair rents may be re-registered every two years with the VOA setting the new maximum rent for the property for the following two-year period. To minimise income loss arising from delays in registration, the submission should be made on the earliest date, i.e. three months prior to the second anniversary of the last effective date. The process for applying for a new registered rent is detailed in Schedule 2 of this Policy.

Orwell aims to charge the same rent to both Secure tenants and tenants with a Social Rent in accordance with the formula rent for the accommodation. The application for a Fair Rent to the rent officer will therefore be for the current formula rent or a similar property in the same location.

A tenant who is entitled to ‘fair rent’ protection must be charged the lower of:

- The ‘fair rent’ set by the VOA;
- Formula rent (subject to the rent caps and rent flexibility level).

A ‘fair rent’ tenant’s rent may not be increased by more than CPI + 1% in any year (even if a tenants rent is below formula rent and the maximum fair rent is increased by more than that amount). For rent periods that began in the 12 months from 1 April 2023 to 31 March 2024, this limit is subject to a 7% ceiling. In that year, Orwell could not increase rents by more than 7%. The 7% ceiling does not apply to supported housing accommodation.

From 2024-25 onwards, the changes in rent increase by CPI (in September of the previous year) + 1 percentage points annually.

The mechanism for applying rent review for tenants with fair secure tenancy agreements is detailed in Schedule 2 of this policy.

Rent on re-let of a property with a fair rent

Upon re-let of a property where a tenant previously enjoyed a fair rent, a Social Rent should be charged.

Where a person entitled to a secure tenancy (see above) moves into a property on which a Fair Rent has not recently been registered or never been registered, a new application must be submitted to the Rent Officer as soon as possible. In the meantime, the rent must be charged at the last registered rent, which remains the legal limit. If the previously registered rent is lower than the anticipated fair rent to be set, the new tenant should therefore be warned of the likely increase following the re-registration. The Rent Officer will limit the new Fair Rent to inflation since the last registration + 5% at each registration. If the rent has never been registered on the property, the equivalent/comparable Social Rent should be set when an Orwell Secure tenant moves into another property pending the decision by the Rent Officer.

For both first and 'gap' registration cases the new registered rent, if lower or the same as that currently being charged, should be applied from the effective date stated in the Rent Officer's notice, and not be backdated to the tenancy commencement. However, if the newly registered rent is higher than that currently being charged, legally the increase date can be no sooner than the first of the month following one month's notice of increase.

Supported Housing Rents

In the Rent Policy the term 'supported housing' means low-cost rental accommodation provided by a registered provider that:

(a) is made available only in conjunction with the supply of support;0
(b) is made available exclusively to households including a person who has been identified as needing that support; and
(c) falls into one or both of the following categories:
  - accommodation that has been designed, structurally altered or refurbished in order to enable residents with support needs to live independently;
  - accommodation that has been designated as being available only to individuals within an identified group with specific support needs.

Support is defined as including:

- sheltered accommodation;
- extra care housing;
- domestic violence refuges;
- hostels for the homeless;
- support for people with drug or alcohol problems;
- support for people with mental health problems;
- support for people with learning disabilities;
- support for people with disabilities;
- support for offenders and people at risk of offending;
- support for young people leaving care;
- support for teenage parents;
- support for refugees.

The majority of Orwell' supported housing properties are let on a social rent basis, please refer to the section above regarding the mechanisms for setting of social rents. However, note that there is a rent flexibility level of up to 10% in supported housing as detailed in clause 4.5 of the Rent Standard 2026 and clauses 2.13 and 2.14 of the Policy Statement 2026.

Exceptions from the rules on rent setting for Social and Affordable rents

The policy statement does not apply to certain categories of low-cost rental accommodation ("special low-cost rental accommodation").

Special low-cost rental accommodation is defined in section 5.1 as:

- shared ownership low-cost rental accommodation;
- intermediate rent accommodation;
- specialised supported housing;
- relevant local authority accommodation;
- student accommodation;
- PFI social housing;
- leased temporary social housing;
- care homes.

Social Rent housing and Affordable Rent housing may not be converted to special low-cost rental accommodation.

Further details are provided below on the rent-setting mechanisms for each category of special low-cost rental accommodation, where these apply to Orwell.

Shared ownership low-cost rental accommodation

Shared ownership low-cost rental accommodation' means accommodation which is both low-cost rental accommodation (within the meaning of section 69 of the Housing and Regeneration Act 2008) and low-cost home ownership accommodation (within the meaning of section 70 of that Act).

The initial annual rent for a shared ownership property at outset will be set at the target level of 2.75% of the value of Orwell's share. In certain circumstances where the rent level may impact on affordability, a lower rent may be set subject to Director approval

The rent setting and increase mechanism for shared ownership accommodation is determined by the shared ownership agreement between Orwell and the shared owner and will be specific to this agreement.

Intermediate Rent

Orwell has a very small number of intermediate rent properties, which were previously known as 'Sub-Market Rents'. Intermediate rents are set below Market Rent and are usually set at around 80% including service charges. Where the product was grant funded, the funding conditions may determine the level of charge.

'Intermediate rent accommodation' means low-cost rental accommodation which satisfies either (a), (b) or (c) below:

(a) The accommodation:
  - o was built or acquired by the private registered provider without public assistance.

- is provided on an assured shorthold tenancy (other than an assured shorthold tenancy that is expressed to be a probationary or starter tenancy) or licence, either:
    - to a tenant who is not a person nominated by a local housing authority under section 159(2)(c) of the Housing Act 1996, or
    - to a tenant nominated by a local housing authority under section 159(2)(c) where any conditions set by the local housing authority regarding the circumstances in which the registered provider may grant a tenancy of intermediate rent accommodation are satisfied in respect of that accommodation.
- has not previously been let on a Social Rent basis and is not classified as Affordable Rent housing.

(b) The accommodation is low-cost rental accommodation which was funded wholly or in part by public assistance under a program identified by the Regulator as an intermediate rent accommodation enabling program and any conditions under that program regarding the circumstances in which the accommodation may be let as intermediate rent accommodation are satisfied.

(c) The accommodation is key worker housing.

Rents are reviewed annually in accordance with any grant conditions, planning or contractual requirements. Some intermediate rent schemes link annual increases to the previous September's CPI or RPI figure plus a percentage. Orwell's Asset Management Team will undertake a revaluation in accordance with a method recognised by the Royal Institution of Chartered Surveyors professional standards 'Red Book' and inform the Housing Administration Team of the assessed intermediate rent level.

The Head of Housing Systems and Administration has delegated authority to set Intermediate Rent levels, subject to approval from the Director of Customers and Communities.

Specialised Supported Housing Rents

Accommodation that fits the Specialised Supported Housing definition detailed below falls outside of the scope of the Rent Standards and Policy on Rents for Social Housing Providers.

Specialised supported housing means supported housing:

(a) which is designed, structurally altered, refurbished or designated for occupation by, and made available to residents who require specialised services or support in order to enable them to live, or to adjust to living independently within the community.
(b) which offers a high level of support, which approximates to the services or support which would be provided in a care home, for residents for whom the only acceptable alternative would be a care home.
(c) which is provided by a private registered provider under an agreement or arrangement with a local authority or a health service (within the meaning of the National Health Service Act 2006).
(d) for which the rent charged, or to be charged, complies with the agreement or arrangement mentioned in paragraph (c); and

(e) in respect of which at least one of the following conditions is satisfied:
  - there was no, or negligible, public assistance, or
  - there was public assistance by means of a loan (secured by means of a charge or a mortgage against a property).

Specialised Supported Housing Rent setting falls outside the Government's rent standards and Rent Policy Statement. Such schemes will usually be subject to contractual arrangements with the sponsoring body e.g. Local Authority or NHS Trust, which determine the rent charged and how the rents will be reviewed.

Market Rent

Market Rented accommodation is classed as Non-Social Housing and therefore falls outside of the scope of the Rent Standard and Policy on Rents for Social Housing Providers.

Market Rented accommodation is:

- defined as non-social housing and was built, acquired or leased by Orwell without public assistance;
- let to a tenant who is not a person nominated by a local housing authority under section 159(2)(c) of the Housing Act 1996;
- not a property which has previously been let on a Social Rent basis, and
- Not Affordable Rent housing.

Orwell's Asset Management Team will undertake a revaluation in accordance with a method recognised by the Royal Institution of Chartered Surveyors professional standards 'Red Book' and inform the Housing Administration Team of the assessed market rent level.

Licence Agreements Charges

Licence agreements are used by Orwell for temporary accommodation and for some very short-term projects. In all cases the accommodation charge is not rent nor is the licence charge regulated by the Rent Standard.

Orwell bases any licence charge increase on the formula Social Rent for the equivalent property type.

The licence charge review is based on the terms written into the licence agreement. There are no special arrangements for the first-year increase, but to preserve consistency in the procedure these too will be reviewed each year on the first Monday in January.

Being a contractual arrangement, all reviews, including the first, are notified by letter four weeks in advance with no statutory form of notice, Orwell uses a clear explanatory notice for this purpose. The review will apply to the total charge including service charge.

Contractual Tenancy Agreement Charges

Contractual agreements are used by Orwell when assisting Local Authorities in their homeless duties to provide short term accommodation. In all cases the accommodation charge is based on the formula Social Rent for the equivalent property type.

The tenancy charge review arrangement is based on the terms written into the contractual agreement. There are no special arrangements for the first-year increase, but to preserve consistency in the procedure these too will be reviewed each year on the first Monday in January. Being a contractual arrangement, all reviews, including the first, are notified by letter four weeks in advance with no statutory form of notice, Orwell uses a clear explanatory letter for this purpose. The review will apply to the total charge including service charge.

Garages Rents

Orwell has several general needs sites with garages. For those sites where there are specific garages linked to a property the garage is always let with the property, this applies to garages at Newnham Court and Orwell Heights Ipswich. The property details and garage references are recorded on Cx housing database. For tenancies at these schemes with a formula Social Rent, an additional garage rent is added to the net rent figure. For tenancies let on an Affordable Rent basis there is no additional charge for the garage, the value of the property considers the provision of the garage.

A number of garages are also available to rent at Adastral Close Felixstowe, Orwell Gardens and St Catherine's Court Ipswich. For these sites, garages are not linked to specified properties and a garage waiting list is maintained by the Housing Management Team. An additional garage rent is added and itemised separately for those let on a formula Social Rent basis. For tenancies let on an Affordable Rent basis the garage must be let separately and cannot be incorporated in the Affordable Rent calculation. Officers need to check on each re-let if a garage has previously been let to the vacating tenant.

For those garages let separately and charged a separate garage rent, the garage rent is reviewed annually in line with the rent and service charge review timescales. The Head of Housing Systems and Administration has delegated authority to set garage rent levels, subject to approval from the Director of Customers and Communities.

In setting the charge consideration is given to level of CPI, demand for garages, the number of vacant garages and the physical condition of garages, setting rents at an affordable level to avoid difficulties in letting garages.

SCHEDULE 1

Rent Review assured non-shorthold and shorthold periodic tenancies

The legal rules of increase are identical for assured non-shorthold and shorthold periodic tenancies, with one exception regarding appeal rules. See below. However, assured fixed term shortholds have very different rules see below.

The Renters' Rights Act 2025, which came into effect on 1 May 2026, introduced significant reforms, including the abolition of fixed-term and assured shorthold tenancies.

Rent reviews during the first year of tenancy

Tenancies commencing in late November and during December are set at the next year's Social Rent levels or the applicable Affordable Rent from the start and do not have a rent review during the first year.

Legislation for assured periodic tenancies requires the use of a specific contractual term to allow an increase of rent less than a year from tenancy commencement. Therefore, rents for all other 'new' tenancies are increased on the first occasion in accordance with a clause in the tenancy agreement.

Orwell's assured periodic tenancy and fixed term tenancy agreements contain a clause permitting the rent to be reviewed on 1 January, during the first year of the tenancy. For these assured periodic tenancies first year reviews an explanatory letter is used without a statutory notice, and without a right to appeal.

There are no special arrangements for the first-year increase, but to preserve consistency in the procedure, these too will be reviewed each year on 1 January. As with periodic tenancies, lettings made during late November and during December, are set at the next year's Social/Affordable Rent levels. Being a contractual arrangement, all increases, including the first, are notified by letter one month in advance with no statutory form of notice. The review will apply to the total rent including service charge. Furthermore, there is no right to appeal to a Rent Assessment committee against the annual increase but for appeals by shorthold periodic and fixed term tenancies during the first six months of the tenancy.

Subsequent rent reviews for assured periodic tenancies

This paragraph does **not** apply to fixed term tenancies as rent increases for fixed term tenancies will always be pursuant to the contractual term until the fixed term has expired.

After the first review, and for those tenancies that began in late November/December of the previous year, rents are reviewed annually on 1 January, by an amount determined by Orwell, following the Housing Regulator's rent standard guidance. After the first contractual review the law requires that increases do not take place more frequently than annually, so it is imperative that the timetable is adhered to, to avoid loss of income.

If these subsequent reviews result in an increase in rent or service charges, a Section 13 rent increase notices are required, in the precise form required by law which must be served on the tenant at least one calendar month prior to the increase date. Because the wording of the form lacks clarity, Orwell accompanies the notice with a covering letter explaining its meaning and offering support.

The rules for increase of Assured tenancies are to be found in the Housing Act 1988 Sections 13 and 14 as amended by Regulatory Reform (Assured periodic tenancies) (Rent Increases) Order 2003 and the Prescribed form of notice from 11 February 2003 and at the time of writing is No 4B.

This notice shows the current and the proposed rent and includes reference at item 3 to 'the first increase date after 11 February 2003'. Although this is of relevance only to rents with periods of less than a month and therefore not relevant to Orwell's monthly tenants, it must nevertheless be completed. To save administrative time Orwell uses the simple phrase *'The first rent increase date after 11 February 2003 is the first day of the second January following the start of this tenancy'.*

Item 4 of the Statutory Notice shows the start date for the proposed rent, which for Orwell is almost invariably the first of January. The table showing other charges are for information, as these are already included in the gross figure shown at item 2. Support and well-being charges are identified in a separate support contract for tenants of supported housing.

Support and well-being charges will **not** be shown on the notice but will be identified and explained in the covering letter.

The review procedure is the same for Assured periodic shortholds as for Assured periodic non-shorthold tenancies.

If the review results in a reduction of the Social Rent or Affordable Rent and a reduction in service charge the statutory notice is not required and the revised charges are notified by letter including a new service charge schedule.

If the review results in a reduction of the Social Rent or Affordable Rent but an increase in service charge, water charge or council tax the statutory notice is still applicable.

Appeals against rent increases - assured periodic tenancies

Except for the 'first' review as defined above, assured periodic tenants have the right to appeal against a proposed rent and refer their appeal to the First-tier tribunal property chamber. This is an independent decision-making body which is completely unconnected to the parties or any other public agency. The tribunal will look at the matter of the rent dispute for the property following an application or a referral. To refer the notice to the tribunal, Tenant must use the form: 'Application Referring a Notice Proposing a New Rent under an Assured Periodic Tenancy or Agricultural Occupancy.'

The guidance notes sent with Orwell's rent increase notification will also explain the process.

The tribunal regional office for the area is Eastern Region First Tier Property Tribunal Email: rpeastern@hmcts.gsi.gov.uk.

The Tribunal require from the tenant:

- Copy of Form 4b including the guidance notes (sent to tenants with our rent increase letter);
- Completed and signed Form: 'Application Referring a Notice Proposing a New Rent under an Assured Periodic Tenancy or Agricultural Occupancy, to the Tribunal'.

Both documents to be received by the Tribunal Panel by the date of the proposed rent increase i.e. 1st January.

Orwell should provide tenants with sufficient information and assistance to appeal against the proposed rent increase, if they so wish. For assured rents, in addition to the information that secure tenants should provide on appeal, information must be provided on the form about the premises and locality, the amenities and facilities, and the breakdown of the charges. However, staff should also point out that the tribunal may increase, as well as reduce a rent, and that Orwell will restrict the rent to the proposed formula rent should it be set higher. The tenant should be told that they should pay the full increase while the appeal is pending.

A Tribunal decision on an Assured Periodic Tenancy rent increase, will, unless the Tribunal states otherwise to avoid hardship, take effect on the effective date of the Landlord's original Notice of Increase, i.e. it will be backdated. In any case it will be no later than the date of determination. Therefore, if reductions are required, rebates will be necessary.

Decisions on Secure rents have different arrangements regarding effective dates and rebates, and these must not be confused.

SCHEDULE 2

Rent Review Fair Secure tenancies

Rents for existing secure tenancies are reviewed every two years, and it is Orwell's responsibility to apply to the Rent Officer Service for a new rent to be registered, using form RR1. A record is kept of re-registration dates. The Rent Officer can only consider submissions earlier than this date if there has been a change of circumstances that could affect the rent, e.g. landlord's improvements. This is a discretionary power, and the Rent Officer should be asked first for conformation. If the tenant has changed since the last registration, an explanation of why the new person has Secure status should be provided to the Rent Officer with the submission. This could arise where a mutual exchange, assignment, succession or internal transfer etc occurred. See above for details of interim rent setting where a secure tenant transfers to a property without an up-to-date registration. Without such information the Rent Officer Service may respond that the case is outside their jurisdiction. If, upon request, Orwell is unable to provide documentation confirming a mutual exchange has taken place with our prior consent, we may be required to grant an Assured tenancy, and the tenant forgoes his/her Secure tenancy rights.

The tenant will be advised of the application to re-register the rent approximately one month prior to submission to the Rent Officer (i.e. four months before next effective date, Orwell will inform the tenant about the process and of the right to request a consultation with the Rent Officer. It also suggests that if the tenant wants to discuss any matters, they could do so prior to submission. Information will also be provided to the Service Manager, Housing Officer or Supported Housing Officer.

The Rent Officer forwards Orwell's submission to the tenant, who may register objections to our proposals and request a consultation within 28 days. If objections are raised, a copy is passed to Orwell to investigate, and a consultation, usually at the tenant's home, may be arranged to consider the matters. Although it is not compulsory for Orwell to attend a consultation, and we may simply make a written response, it is good practice to attend and is likely to lead to an earlier and more satisfactory determination. Staff attending should be fully briefed and any matters raised by the Rent Officer, or the tenant should have been fully investigated.

The Rent Officer notifies both Orwell and the tenant of the amount registered, using a statutory form (Ref ROSS 5). This forms the legal upper limit for the following two years. Orwell can apply the revised charge in full on or after the new "effective date" (determined by the Rent Officer). This will be a minimum of 2 years since the last registration.

However, legally the revised charge date can be no sooner than the first of the month following one month's notice of the revised charge. This may mean, particularly if the Rent Officer has been slow determining and notifying the new rent, that the revised charge is more than two years since the last. It also means that, at the following registration, even if the rent officer notifies in enough time, the two-year period from the actual increase must be honoured. There is no 'statutory form' of notice of increase for a housing association landlord to use for Secure tenants, but Orwell uses a letter that gives clear information to tenants.

Where the re-registered Fair Rent exceeds the comparable Social Rent the secure tenant's rent will be capped at the level requested.

The Rent Officer may register a rent and/or an inclusive service element that differs from Orwell's submission. Both the tenants and Orwell have the right to appeal. Application to appeal must be submitted within 28 days of the Rent Officer's decision, and detailed reasons and justifications will be required in enough time before the hearing to enable the other party to consider them.