

Rent Setting and Service Charge Policy

Title	Rent Setting and Service Charge Policy
Users of Policy	Colchester City Council tenants and leaseholders, staff at Colchester Borough Homes
Date Adopted	November 2017
Date last Reviewed	October 2024
Review Frequency	Upon change in Legislation or Every 3 years
Best Before Date	October 2027
Scheme of Delegation	
Formation of Policy	Portfolio Holder(s) with delegated responsibility for the Management of the Housing Revenue Account
Amendments	Portfolio Holder(s) with delegated responsibility for the Management of the Housing Revenue Account
Monitoring	Housing Client Co-ordinator
Implementation	Housing Client Co-ordinator
Approval of requests	Housing Strategy and Assurance Manager

1. Aims of Policy

- 1.1 Colchester City Council (CCC) and the Board of its Arms Length Management Organisation, Colchester Borough Homes (CBH) are committed to ensuring that,
- the setting and annual variation of rents and service charges is clear and easy to understand.
 - the Council adheres to legislation and regulations when setting rents for properties held in the Housing Revenue Account (HRA).
 - the Council is able to plan for future investment in services, existing housing stock, new build properties and acquisitions of new and former Council owned properties.
 - all tenants are made aware of the weekly rent payment due to the Council at the beginning of their tenancy and when it is revised annually in April each year.
- 1.2 The policy is principally concerned with the initial setting of rent, annual variation of rents and service charges for properties that fall within the Housing Revenue Account.
- 1.3 For completeness Appendix B sets out rent setting and service charges for properties used as Temporary Accommodation not held within the Housing Revenue Account. These rents are not regulated by the Regulator of Social Housing.

2. Legislation and Guidance

- 2.1 CCC will calculate its rents in accordance with the Welfare Reform and Work Act 2016 and The Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulation 2016 and the Policy statement on rents for social housing 2019¹ and any further legislation that supersedes this.
- 2.2 The Leasehold Reform (Ground Rent) Act 2022² revised the amount of ground rent to a 'peppercorn' rent for new long leases effective from 30 June 2022. Where applicable ground rents will continue to be charged in accordance with the provisions of the lease.
- 2.3 All other changes will be determined and agreed annually by the relevant Portfolio Holder as part of the Housing Revenue Fees and Charges Report. Value added Tax will be applied to charges in accordance with HMRC (HM Revenues and Customs) guidelines.

¹ [Rent Standard and Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/rent-standard-and-guidance)

² [Leasehold Reform \(Ground Rent\) Act 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/leasehold-reform-ground-rent-act-2022)

- 2.4 The Department of Work and Pensions guidance³ will be used to identify eligibility for Universal Credit.

3. The Policy

- 3.1 CCC tenants in social housing will be charged up to four elements for their home. The charges are applied on a weekly basis in the rent year allowing for two rent free weeks.

- Rent – a charge for the occupation of the tenant's home.
- Rental Based Charges – for additional services which provide assistance to maintain the tenancy.
- Utility Charges – where electricity, gas and water are provided e.g. sheltered schemes and homeless units.
- Service Charges – additional services, or amenities which benefit every tenant, or which may be necessary to manage the building.

- 3.2 Charges to Leaseholders will be in accordance with the provisions in their lease. Leaseholders are charged annually for up to four elements:

- Ground rent – in accordance with the provisions in the lease and for new long leases effective from 30 June 2022 as determined by The Leasehold Reform (Ground Rent) Act 2022².
- Service Charges as indicated in 3.1 above
- Block Repairs
- Management Fee

- 3.3 The government's policy recognises that registered providers should have some discretion over the rent set for individual properties, to take account of local factors and concerns, in consultation with tenants. Rents are permitted to be set at up to 5% above formula rent (10% for supported housing including sheltered accommodation). The Council consulted with residents in 2014 and the decision was taken to apply 'rent flexibility' from April 2015 in the following circumstances.

- Sheltered Housing properties that have been refurbished – increase by CPI at September of the previous year plus 1 percentage point plus an additional 5 percentage points. The additional increase reflects the standard of accommodation being offered.
- Temporary Accommodation Units – increase by CPI plus 1 percentage point plus an additional 10 percentage points to reflect the need to provide good quality temporary accommodation and higher management costs associated with these properties.

- 3.4 In addition to the above the Council has applied rent flexibility for Sheltered Housing properties acquired from Notting Hill Genesis where enhanced support is provided to maintain and develop independence including the provision of daily meals. The Council sought legal advice on the proposal to apply the maximum 10% above formula rent permitted, the rationale for doing so takes account of local circumstances, i.e. the enhanced support and provision and affordability.

² [Leasehold Reform \(Ground Rent\) Act 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/legislation/leasehold-reform-ground-rent-act-2022)

³ [Universal Credit: service charges - guidance for social landlords - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/universal-credit-service-charges-guidance-for-social-landlords)

- 3.5 In November 2023 Cabinet⁴ approved the charging of Affordable Rents up to the Local Housing Allowance rate (LHA) for Council house new build developments including the acquisition of new builds completing from 1 December 2023. In September 2024 Cabinet⁵ approved to extend the charging of Affordable Rents up to the LHA on 'buy back' ex local authority owned homes.
- 3.6 Where 'affordable rents' are charged these will be calculated up to 80% of gross market rent inclusive of service charges. The Council is mindful that rents need to be set within the local market context and the Council's position is that affordable rents should not exceed Local Housing Allowance (LHA) rates, therefore affordable rents will be capped at the LHA rate applicable to the size of the property.

'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.

- 3.7 The Council will use an on-line data tool which provides localised residential market information to determine the 'Gross market rent' for properties that will be charged an affordable rent.

4. Rent Charges

- 4.1 The Council will calculate rents in accordance with the Policy statement on rents for social housing effective from 1 April 2020¹.
- 4.2 Since 2001, rents for properties let at 'social rent' have been set based on a formula set by government. This creates a 'formula rent' for each property, which is calculated based on the relative value of the property, relative local income levels, and the size of the property.
- 4.3 In 2011, the government introduced 'affordable rent' which permits rents (inclusive of service charges) to be set at up to 80% of market rent (inclusive of service charges). Landlords can only let new properties at affordable rent where certain conditions apply. CCC will apply affordable rents where it meets the conditions required and in accordance with the Cabinet decisions set out in paragraph 3.3.
- 4.4 From April 2016, the Welfare Reform and Work Act 2016 required social landlords to reduce their rents by 1% each year for four years (the 'social rent reduction').
- 4.5 For further details of the Council's policy on setting rents between April 2001 and April 2020, please refer to earlier policy documents, available on request.
- 4.6 The current government policy came into effect from 1 April 2020¹. It permits annual rent increases of both social and affordable rent properties of up to CPI plus 1 percentage point effective from 1 April 2020 for a period of at least five years. The current government policy has been extended for at least a further year.

¹ [Rent Standard and Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/rent-standard-and-guidance)

⁴ [Cabinet Report November 2023](#)

⁵ [Cabinet Report September 2024](#)

- 4.7 In light of exceptional circumstances, the government has since adjusted the policy in order to protect social housing tenants from very large rent increases that would otherwise have been permitted in 2023-24 due to higher than expected levels of inflation. For rent periods that began in the 12 months from 1 April 2023 – 31 March 2024, the CPI plus 1 percentage point limit on annual rent increases was replaced by a 7% 'ceiling'. The ceiling limit did not affect the calculation of the maximum initial rent when properties were first let or re-let. In particular the restriction did not apply to the calculation of formula rent or rent caps which continued to increase by CPI plus 1 percentage point and CPI plus 1.5 percentage points respectively.
- 4.8 The CPI plus 1 percentage point limit on annual rent increases does not require landlords to reduce rents in nominal terms should CPI fall below minus 1%.
- 4.9 Where a property is not at the formula rent level, the rent will be moved to the formula level on re-let. Exceptions to this are mutual exchanges, Use and Occupation and Successions.
- 4.10 Formula rent applies to accommodation let at a social rent, this means all low-cost rental accommodation excluding properties let at;
- Affordable rents (accept where this constitutes the floor for the rent to be charged, see paragraph 4.11 below)
 - Intermediate rent accommodation
 - Specialised supported housing
 - Relevant local authority accommodation (agreed by the Secretary of State)
 - Temporary social housing
- 4.11 Affordable rents should be no lower than the potential formula rent for the property. In cases where the rent would be lower than the formula rent, the formula rent constitutes a floor for the rent to be charged. In addition, where the Local Housing Allowance (LHA) is lower than 80% of the market rent calculated the affordable rent charged will be capped at the maximum LHA rate for the property as agreed by Cabinet in November 2023 and September 2024.
- 4.12 Annual increases on all affordable rent properties is permitted at the same rate as social rents, CPI at September of the previous year plus 1%. This will continue to be applied up to the maximum LHA rate for the property type at the time the rent is increased.

4.13 Property Valuations

- 4.14 The rent setting formula is detailed in the Policy statement on rents for social housing¹. The Council's property values are based on generic valuations for particular types and sizes of properties in different locations.
- 4.15 The Council identified 88 property types (called "archetypes") throughout the borough, and they were valued by our surveyor at January 1999 prices. These archetype properties were used to give a value to every other property that is the same size, type and location.
- 4.16 These valuations will not be the same as the ones used for Right to Buy applications.

¹ [Rent Standard and Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/rent-standard-and-guidance)

- 4.17 The initial valuation for properties charged an affordable rent will be made in accordance with the Royal Institution of Chartered Surveyors principles for valuations (known as the Red Book). A full valuation may not always be necessary, where comparable information is available, we may decide to re-set rents using a desktop review of recent transactions.

4.18 Re-valuation of Properties

- 4.19 The valuation of a property for social rent purposes will generally remain the same, over time. However, we will revalue the property when we have carried out major works or modernization works (over £5000) that materially affect the value of the property and/or increase the number of bedrooms in a property.
- 4.20 In many areas modernised and un-modernised homes have the same value. This is because the main factor affecting value is the location of a property.
- 4.21 Where a re-valuation is required on a property, an archetype property value will be applied that reflects the size, type and location of the property. Where no relevant archetype exists, the value of the property will be calculated in accordance with the 'Red Book' principles, see paragraph 4.17.
- 4.22 A revised formula rent will be calculated using this new value and the rent on the property will be moved to the formula rent level. Where the property is tenanted, the tenant will be given 28 days' notice of the change.
- 4.23 Affordable rent tenancies will be re-set when the accommodation is let to a new tenant (or re-let to an existing tenant); the rent will be based on a new valuation to ensure that the new rent is no more than 80% of the relevant market rent. This will be applied when the re-let is more than 6 months after the start of the previous letting, where it is less than 6 months a view will be taken on whether market forces have been significant requiring a new valuation to be considered. This does not apply when the accommodation is re-let to the same tenant as a consequence of a probationary period ending.
- 4.24 Where affordable rent is re-set as a result of re-letting to an existing tenant the rent cannot be increased by more than CPI +1 percentage point. An 'existing tenant' means an existing tenant of the specific property concerned.

4.25 Protecting against large rent increases using Rent Caps

- 4.26 The Council will ensure that any changes to the rent charge for a property either up or down will be limited by applying the Rent Cap values calculated in line with the government formula.¹
- 4.27 Where the formula rent would be higher than the rent cap for a particular size of property, the rent cap will be used instead. The rent caps are adjusted annually and from 2020-21 onwards the rent caps will increase by CPI (at September of the previous year) plus 1.5 percentage points annually.

¹ [Rent Standard and Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/rent-standard-and-guidance)

- 4.28 The annual change in rent for a property whose rent is at the rent cap limit will be on the same basis as the formula rent change (CPI plus 1 percentage point).
- 4.29 Where a property that has the rent cap limit applied comes up for re-let (and the formula rent remains above the rent cap), the actual rent charged will be based on the rent cap level.

4.30 Transfer of Tenants between different CCC properties

- 4.31 Tenants who transfer between different CCC properties will be charged the applicable rent for the property they are moving to. Tenants will be able to see the details of the type of rent applicable including the amount payable on properties advertised through Gateway to HomeChoice. In addition, rent and affordability are discussed at viewings and during the tenancy sign-up process.
- 4.32 Where a Social Rent property was previously let at below the formula rent level the property will be moved to the formula rent level on the next re-let.
- 4.33 Where tenants are required to move to new accommodation because their home is to be disposed of, demolished or substantially changed, CCC may allow for “rent protection” which would protect the tenant for a period of time, from a significant increase in rent.

4.34 Differences in Neighbours Rent

- 4.35 Neighbours rent may differ for a number of reasons. The neighbouring property may be of a different type, which will affect its value. For example, an end-of-terrace house may have a different value to a mid-terrace. It may have a different number of bedrooms. It may also have been moved to the formula rent level following a vacancy.
- 4.36 With the introduction of charging Affordable Rents for Council house new build developments including the acquisition of new builds and for ‘buy back’ ex-local authority owned homes there may be properties that the Council have built or acquired in the same area as social rented properties and rent differences will be distinct under these circumstances as a result of the Council’s decision as set out in paragraph 3.5.

4.37 Rent Charges and Housing Benefit

- 4.38 Any change to the charges on a property will need to be reflected in any claim for Housing Benefit or Universal Credit. Where Housing Benefit is paid directly to CCC as Landlord, it will be automatically varied as appropriate to the charge.

5. Other Rental Based Charges

- 5.1 In addition to the basic rent, some tenancies are provided with other services, these include provision of furnishings to the dwelling, provision of management, support, alarm facilities, meals/catering and specialist housing maintenance.
- 5.2 These services are charged as part of the tenancy agreement, where they are applicable.

- 5.3 These charges are reviewed annually as part of the Housing Revenue Account Fees and Charges Report.

6. Utility Charges

- 6.1 Tenants residing in properties where CCC retains the responsibility for the supply and payment of bills in relation to gas, electricity and water, are required to pay utility charges as part of their weekly rental charges. Generally, CCC retains responsibility where the supply is shared across several properties.
- 6.2 CCC will calculate utility charges based on the actual total costs plus anticipated price changes and CPI, incurred against:
- Sheltered Schemes
 - Temporary Accommodation Units
 - General Needs

7. Service Charges

- 7.1 CCC service charges reflect additional services which are not provided to every tenant or which are connected to the provision of communal facilities. Service charges will vary between properties depending on the services they receive or benefit from.
- 7.2 In 2008 the Council separated existing service charges from the rent. A number of new services were introduced and charged for at this time. Following consultation with tenants and leaseholders further new services have been introduced in subsequent years.
- 7.3 Service Charges will increase or decrease separately from rents each year. All services are excluding Value Added Tax (VAT). Service charges for both Tenants and Leaseholders are based on the actual costs from the financial year two years previous, plus an inflationary increase and/or additional economic forecasts to bring charges to present year costing, an admin fee % is also applied.

Example: The service charge for 2025/26 = Actual Cost of service 2023/24 + inflation and or economic forecast + admin fee %.

- 7.4 Where new or extended services are introduced that will lead to additional charges. For both Tenants and Leaseholders the charges will be based on best estimated cost or known contract cost, plus an admin fee %. Once a full years costs are available the service charge calculation in 7.3 will apply.
- 7.5 Service charges for council tenants are fixed at the beginning of each rent year and for leaseholders at the beginning of each financial year. Only those charges that are specific to leaseholders e.g. block repairs, will be variable.
- 7.6 In the event that existing services are identified that have not previously been separated from the rent, CCC will separate these ensuring the rent charge for tenants is adjusted to reflect separation of the charges.
- 7.7 CCC will introduce new or extended service charges where there is a requirement to further maintain communal facilities or provide new

services. CCC will consult with tenants and leaseholders regarding such changes.

7.8 For the purpose of applying service charges CCC categorises its properties into the following groups:

- General needs
- Leaseholders
- Temporary Accommodation (Homeless) units
- Sheltered schemes
- Linked sheltered properties
- Affordable rent – whilst affordable rent is inclusive of service charges, properties charged affordable rent are included for the purposes of apportionment of service charges to ensure all other tenants and leaseholders are not overpaying for the services they receive.

Within each of these groups there will be property types of

- Houses
- Bungalows
- Flats

7.9 Linked sheltered properties are properties that are linked to a sheltered scheme but are not situated within the boundaries of the main scheme. These are properties that give tenants more independence and therefore these tenants do not benefit fully from the communal facilities within the main scheme, although they are there if they wish to use them. An example of this would be a tenant might not use a scheme's laundry facilities as they would have a washing machine in their property but might use the communal lounge.

7.10 Due to this complexity, linked properties will only be charged for the following services:

- Grounds maintenance
- Communal Furnishings and carpets
- Digital TV (where applicable)
- Facilities Management
- Cleaning and window cleaning (where applicable)
- Communal Wi-Fi (where applicable)
- Communal TV Licensing (where applicable)
- Communal Media Licensing (where applicable)

7.11 CCC where appropriate will include General Fund properties in the calculation of its service charges. This ensures that the cost is correctly split over all in receipt of each service.

7.12 Properties will be excluded from the service charge calculations when they are rented or leased and services charges are included in the provisions of the rental or lease agreement. For example, where the Council is leasing a property to another provider and the terms of that lease agreement includes the cost of services.

7.13 CCC will charge Council tenants and Leaseholders on the same basis where legally possible to do so. The intention is to charge consistently between tenants and leaseholders unless there are specific exceptions which do not relate to both groups e.g. management fee for leaseholders.

- 7.14 CCC will include all leasehold properties in the calculation of its service charges. This ensures that the cost is correctly split over all in receipt of each service. This service charge calculation will then be:
- Adjusted where terms of lease require a different charging basis to be applied.
 - Removed where a Leaseholder is protected from paying under the 5 year protected period.

7.15 Service charges will not be charged to the following:

- Right to buy (RTB) freeholds
- Leases that do not permit or exclude services

7.16 Rent notices will indicate eligibility of each service charge for Universal Credit in line with the guidance, see paragraph 2.4.

8. Charges for Garages and Storage Units

8.1 From April 2018 rents on garage sites will be set based on market forces with rents being different for:

- Refurbished garage sites – enhanced rate
- All other garage sites – standard rate

8.2 Garage rents will be moved to the enhanced rate following refurbishment, this will be applied either at re-let or the start of the next financial year.

8.3 Garage and Storage Unit rents will be uprated annually as part of the Housing Revenue Account Fees and Charges Report.

9. Enforcement action

9.1 All charges form part of the tenancy/occupation agreement or terms of lease. There is no option to opt out of any specified charge.

9.2 Non-payment of charges will be addressed as part of CBH arrears recovery processes.

10. Appeals Procedure

10.1 All charges will remain subject to the challenge of reasonableness by tenants and leaseholders.

10.2 Enquiries, appeals and complaints will be dealt with as part of customer contact with Colchester Borough Homes and where required via the Colchester Borough Homes Complaints procedure.

10.3 When an enquiry, appeal or complaint is received, this will be answered by Customer Services and dealt with by a responsible Officer for the Leasehold or Tenancy.

Colchester Borough Homes will initially investigate enquiries and respond where appropriate. Where the enquiry requires a response from the Council this will be forwarded to the appropriate officer to respond.

Enquiries will generally fall into one of the following categories:

- Policy issues – how service charges and rent charges have been calculated.
- Service delivery issues – poor service standards, non-delivery of service or value for money issues.
- Objections to the application of a charge – a charge has been made for a service that is not provided, or the property differs to the CCC records i.e. number of bedrooms, therefore rent may be incorrect.

11. Service Standards

- 11.1 Colchester Borough Homes will monitor and review provision of services in relation to service charges to ensure standards are maintained and efficiencies and or improvements are introduced where possible.

12. Monitoring and Review

- 12.1 We will monitor our performance in meeting the standards set out in this Policy.
- 12.2 Reviews will be conducted as a minimum every 3 years to make sure the policy continues to be efficient and effective, whilst ensuring it still meets current legislation and the Council's Constitution.

13. Communicating the Policy

- 13.1 We will continue to notify tenants annually of any changes to their charges at least 28 days prior to the beginning of the new rent year which always begins from the first Monday in April.
- 13.2 We may change charges at other times of the year but we will give tenants 28 days' notice.
- a. Leaseholders will be notified of changes to their charges annually each April in their Service Charge Statement.
 - b. Where new legislation or changes are introduced consultation will be carried out via focus groups, surveys or inclusion of articles within publications to tenants and leaseholders.
 - c. Details of this policy and relevant legislation will be available through the Colchester City Council website.
- 13.3 A set of Frequently Asked Questions for tenants and leaseholders will be published annually on the CBH website when the rent notices and leasehold service charge statement are sent out to answer any general questions. These will also assist the Customer Service Centre with queries that are received.
- 13.4 Managers and staff involved in the implementation of the Policy will receive a copy of the policy.
- 13.5 The Council will provide sufficient training to enable staff to understand and comply with the Policy.
- 13.6 A copy of the Policy will be accessible from the Council's document management system and the Colchester City Council website.

13.7 Any amendments to the Policy will be communicated, in a timely manner, to managers and staff involved in implementing the policy. Revised Policy documents will be circulated and updated in the Council's document management system.

14. Links to documents referenced in the policy

¹ [Rent Standard and Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/rent-standard-and-guidance)

² [Leasehold Reform \(Ground Rent\) Act 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/legislation/leasehold-reform-ground-rent-act-2022)

³ [Universal Credit: service charges - guidance for social landlords - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/universal-credit-service-charges-guidance-for-social-landlords)

⁴ [Cabinet Report November 2023](#)

⁵ [Cabinet Report September 2024](#)

15. Appendices

Appendix A – Service Charge Calculation Methods

Appendix B – Temporary Accommodation (outside the HRA) Rent Setting Model – Not Regulated

Appendix A

Colchester City Council Service Charge Calculations.

There are 5 methods used in calculating the split of service charges:

Borough Charges

Borough charges are for services which benefit all council tenants and leaseholders within the Colchester City boundary. The total cost of each service will be divided equally by the total number of dwellings within the Council's stock including houses and sheltered schemes.

Standard Charges

Standard charges are for services which benefit all general needs tenants and leaseholders, the total cost of each service will be divided equally by the total number of the dwellings that receive the service.

Unit Charges

Unit charges are services which are not provided to all council tenants and leaseholders and represent the total cost of the service divided equally by the total number of dwellings receiving the service.

Block Charges

Block charges are for services where the cost can be identified to an individual block of properties, including sheltered schemes and homeless units. The cost of these services will be divided equally by the number of dwellings within that block, sheltered scheme or homeless unit.

Scheme Charges

Scheme charges are applied to sheltered schemes, and/or linked properties, and/or homelessness units. They represent the total cost of the service divided equally by the total number of dwellings across all the schemes and/or all units.

Service	Who will receive the charge	Charge Method	Comments
Administration charge	<ul style="list-style-type: none"> • General needs • Sheltered • Linked • Homelessness • Leaseholders 	Borough	<p>Definition The salary, NI and pension costs of compiling the services billing information, working out the service charge and inputting this information into the computer system, to output the rent notification letters and service charge bills.</p> <p>Method Administration costs were introduced in 2008-2009 and will be recovered through a percentage on-cost included within each service. The admin cost was not separated from the rent as it was a new service.</p> <p>Principles Due to the method of calculation used, this charge is not separated but can be identified if required. The Administration charge will reflect the number of services the customer receives.</p>
Bin Chute Cleaning	<ul style="list-style-type: none"> • General needs • Leaseholders 	Block	<p>Definition The total cost of the contract for cleaning Communal bin chutes and bin stores at the base of the chutes.</p> <p>Method This service was introduced in 2008-09 to help with health and safety of chutes, the cost was not removed from the rent as it was a new charge. The costs in the first year were funded by CBH and not recovered through service charges.</p> <p>Principles To charge the cost of cleaning the number of bin chutes in each block over the number of dwellings in the block.</p>

Service	Who will receive the charge	Charge Method	Comments
Communal Cleaning of 2 storey blocks	<ul style="list-style-type: none"> • General needs • Leaseholders • Sheltered • Linked 	Unit Charge	<p>Definition The total contract cost of cleaning communal areas e.g. stairwells in 2 storey blocks to an agreed standard on a regular basis.</p> <p>Method This service did not exist prior to 2008. The cost of the communal cleaning was not removed from the rent as it is a new charge. A few sheltered properties and linked properties are included under this contract.</p> <p>Principle To charge the total cost of the service over the number of units that receive the service.</p>
Communal Cleaning of 3 storey blocks	<ul style="list-style-type: none"> • General needs • Leaseholders • Homelessness 	Unit Charge	<p>Definition The total contract cost of cleaning communal areas e.g. stairwells to an agreed standard on a regular basis.</p> <p>Method This cost was de-pooled. The contract for this communal cleaning was for renewed in 2008.</p> <p>A few homelessness properties are included under this contract.</p> <p>Principle This service did not exist prior to 2005 and therefore was not included in the basic rent</p>

Service	Who will receive the charge	Charge Method	Comments
Communal cleaning	<ul style="list-style-type: none"> • Sheltered • Homelessness • General needs • Linked 	Block	<p>Definition The total contract cost of cleaning communal areas e.g. communal lounge, kitchen, stairwells within the homelessness units and sheltered schemes.</p> <p>Method Separation of these charges for homelessness and sheltered completed 2004. The two extra care schemes originally employed their own domestic cleaners, this changed in 2010 when the cleaning of these scheme's was included in the cleaning contract.</p> <p>Principles Higher standard of cleaning required in homelessness units and sheltered schemes This contract includes communal cleaning for a few general needs properties and a few linked sheltered properties.</p>
Communal gas	<ul style="list-style-type: none"> • General Needs • Leaseholders • Sheltered • Homelessness 	Block	<p>Definition Total cost of gas provided for heating of communal areas only</p> <p>Method Apply all the costs for the meters serving the block. Where the supply is for both individual dwellings and communal areas and is billed to one meter, the method is to apply a 70/30 split between dwelling and communal areas respectively. The 30% is then passed on as the service charge.</p> <p>Principles There is only one general needs block that shares a gas meter If the supply is known to be for communal facility only, then 100% of the cost is applied to the block.</p> <p>Calculation of these charges for homelessness and sheltered was completed 2004.</p>

Service	Who will receive the charge	Charge Method	Comments
Facilities Management	<ul style="list-style-type: none"> Sheltered Linked 	Unit	<p>Definition This Service is provided for tenants living in sheltered accommodation only. It covers the proportion of staff time spent on maintaining the buildings, providing advice and promoting social activities and events. From 2017/2018 this is 75% of staff time and this proportion of staff salary, NI and pension costs are recovered through this charge.</p> <p>Method From 2017 the total cost of the service split is 98.5% to general and extra care sheltered and 1.5% to linked.</p> <p>Principle These costs were not removed from the basic rent as this was a new charged introduced in 2011</p>
Facilities Management	<ul style="list-style-type: none"> Homelessness 	Unit	<p>Definition This Service is provided for tenants living in homeless accommodation only. It covers the proportion of staff time spent on maintaining the buildings, providing advice and promoting social activities and events. The proportion of staff salary, NI and pension costs are recovered through this charge.</p> <p>Method 80% of staff costs split 50% to this service charge. The remaining 50% is recovered through the rent based support charge.</p> <p>Principle These costs were not removed from the basic rent as this was a new charged introduced</p>

Service	Who will receive the charge	Charge Method	Comments
Communal Water	<ul style="list-style-type: none"> Sheltered Homelessness 	Block	<p>Definition Total cost of water supply and usage in communal areas only.</p> <p>Method As there may only be one meter (s) to a block, the water being supplied is for communal as well as dwelling areas. Where this is the case the method is to split the total water cost for each meter on a 90/10 for split dwelling and communal areas respectively.</p> <p>Principles If the supply is known to be for communal facility only, then 100% of the cost is applied to the block</p> <p>Separation of these charges from the basic rent for homelessness and sheltered charges was completed in 2004.</p>
Digital TV	<ul style="list-style-type: none"> General needs Sheltered Linked Homelessness Leaseholders 	Unit Charge	<p>Definition The total cost of the contract for installation and maintenance of communal digital receivers in communal blocks, schemes and units</p> <p>Method This service was charged from April 2010 and the switch over was completed in 2012.</p> <p>The maintenance contract will commence 2013/14 and this will form part of the communal digital receiver service charge.</p> <p>Principles To charge using the new or extended service charges policy proposal calculation and charging those that receive the service Leaseholders benefit from this service and do pay a service charge for it. Since 2010 this charge has been applied except where they are protected by the 5 year protection</p>

Service	Who will receive the charge	Charge Method	Comments
Electricity charges	<ul style="list-style-type: none"> General Needs 	Block	<p>Definition Total cost of providing communal electricity for services such as stairwell lighting and door entry systems.</p> <p>Method Based on billing information rather than meterage. This charge will include electricity standing charges.</p>
Electricity charges	<ul style="list-style-type: none"> Leaseholders 		<p>Definition Total cost of providing communal electricity for services such as stairwell lighting and door entry systems.</p> <p>Method Due to Government legislation leaseholders have to be charged actuals. A nominal amount is charged at the beginning of the year and when the actual bills are received the charge is adjusted to reflect the bill.</p> <p>Principles Leaseholders will be charged on a different basis to tenants as different years are used. Leaseholders are not part of the Service Charge policy for this item.</p>
Electricity charges	<ul style="list-style-type: none"> Sheltered Homelessness 	Block	<p>Definition Total cost of providing communal electricity including standing charge for services such as stairwell and corridor lighting, door entry systems, lighting for communal rooms etc.</p> <p>Method The electric meter reference(s) may apply to a block address and not to an individual property. This indicates that the electric being supplied is for communal areas as well as dwelling. The method applied in this instance is, to split the total electric cost for each block on a 70/30 split between dwelling and communal areas respectively.</p> <p>If the property address is known to be a communal facility only, then 100% of the cost is applied to the block. Separation of these charges from the basic rent for homelessness and sheltered was completed 2004.</p>

Service	Who will receive the charge	Charge Method	Comments
<p>Community Caretakers</p> <p>(Prior to April 2010 this was known as Estate Officers)</p>	<ul style="list-style-type: none"> • General needs • Leaseholders • Sheltered • Homelessness 	Standard	<p>Definition The salary, NI, pension and vehicle costs associated with the services provided by the CBH Community Caretakers. This service contributes to Colchester being a safe and clean place to live.</p> <p>Method The total cost split, based on percentage of time spent providing the service:</p> <p>15% of the cost is split across</p> <ul style="list-style-type: none"> • Houses • Bungalows • Linked Sheltered • Flats with no communal area <p>85% of the cost is split across</p> <ul style="list-style-type: none"> • Temporary Accommodation (homelessness) • Sheltered Housing Schemes • Flats with communal area <p>Principle The cost of Community Caretaker was not separated from the basic rent as this was a new charge introduced in 2008. Introduced for Sheltered /Linked and Homelessness in 2015/2016. Leaseholders benefit from this service and pay a service charge for it but as from 2008 this charge will be applied except where the leaseholder is protected by the 5 year protection rules.</p>
Furnishings and carpets	<ul style="list-style-type: none"> • Sheltered • Linked 	Scheme	<p>Definition The total cost of renewal of furnishings and carpets in communal areas</p> <p>Method To recover the costs incurred within the appropriate year split across all schemes.</p> <p>Principle Separation of these charges from the basic rent for sheltered was completed in 2004</p>

Service	Who will receive the charge	Charge Method	Comments
Grounds maintenance	<ul style="list-style-type: none"> • General needs • Homelessness • Linked 	Standard	<p>Definition The total cost of the grounds maintenance contract which includes grass cutting, tidying borders, refurbishment and landscaping, tree and shrub maintenance, grounds maintenance of car parks and playgrounds, litter picking, all project work and management costs.</p> <p>Method Estate level was considered as a fairer way of charging but due to how the grounds maintenance contract is set up it was not possible to define estate boundaries.</p> <p>Recovery method totals all programmed grounds costs for general needs and homeless sites divide by all total number of general needs, linked and homeless units that receive the service. Project costs for homeless, sheltered and general needs totaled and divided by total number of units that receive the service (including sheltered). Costs in relation to litter picking, car parks, trees and shrubs, playgrounds and landscaping totaled and divided equally by the total of homeless, general needs and linked sites.</p> <p>Principle Management costs are proportionally divided across all the contract costs. All tenants including those that live in houses and bungalows benefit from attractive well-maintained estates and therefore should contribute to the cost of grounds maintenance. The contribution of programmed, project costs and management fee collected from leaseholder properties is deducted from totals before apportionment. Leaseholders are charged in accordance with their lease and the charges are calculated separately. Project work is carried out across all sites on a rolling programme basis, all sites benefit and contribute.</p>

Service	Who will receive the charge	Charge Method	Comments
Grounds Maintenance	<ul style="list-style-type: none"> Sheltered 	Scheme	<p>Definition The total cost of the grounds maintenance contract, this includes grass cutting, tidying borders, refurbishment and landscaping, tree and shrub maintenance and management. This is specific to the grounds maintenance within the sheltered schemes and doesn't include other areas of the Borough.</p> <p>Method Sheltered receive an enhanced grounds maintenance service and therefore need to be separate from general needs for programmed work.</p> <p>Project costs for homeless, sheltered and general needs totaled and divided by total number of units that receive the service (including sheltered).</p> <p>Principle All tenants in sheltered housing schemes benefit from grounds maintenance of communal areas. Project work is carried out across all sites on a rolling programme basis, all sites benefit and contribute.</p>
Grounds Maintenance	<ul style="list-style-type: none"> Leaseholders 	As per individual lease	<p>Definition Legal Services have advised that we are unable to vary arrangements for charging leaseholders for this service.</p> <p>Method Leaseholders are included in the calculations but they cannot be charged.</p> <p>There is a three tier banding system depending on how much amenity land is near the flat. The banding system charges are applied instead of service charge calculation. As a result there will be differentials in charges between leaseholders and tenants in a block.</p>

Service	Who will receive the charge	Charge Method	Comments
Heating systems and boilers	<ul style="list-style-type: none"> Sheltered Homelessness General Needs Leaseholders 	Block	<p>Definition This is the total cost of boiler maintenance, insurance including pump insurance, and annual inspections for domestic and non domestic communal boilers</p> <p>Method The total cost of the service is identified to the block of properties and divided by the number of dwellings within the block</p> <p>Principles There is only one general needs block that shares a heating system</p> <p>Separation of these charges from the basic rent for homelessness and sheltered was completed 2004</p>
Heating systems and boilers (TREND)	<ul style="list-style-type: none"> Sheltered Homelessness General Needs 	Unit	<p>Definition The maintenance cost of the TREND control (modem telephone lines) for controlling the temperature for the communal heating systems</p> <p>Method Only non-domestic boilers have a temperature controller and therefore the charge will not apply to all sheltered schemes and homelessness units</p> <p>Principles</p> <ul style="list-style-type: none"> As there is no cost breakdown between schemes, all leaseholders and tenants that receive this service are charged equally <p>Separation of these charges from the basic rent for homelessness and sheltered completed 2004</p>

Service	Who will receive the charge	Charge Method	Comments
Laundry	<ul style="list-style-type: none"> Sheltered 	Block	<p>Definition The total cost of the maintenance and repairs of laundry white goods and the cost of providing washing machines and dryers.</p> <p>Method Maintenance contracts recovered over the time length that they are valid for. The costs of domestic machines are recovered pro-rata over a 5 year period for affordability purposes. The costs of commercial machines are recovered pro rata over a 10 year period for affordability purposes. Repairs costs will be recovered in year.</p> <p>Principles Charge is fairly split according to how many machines are in each scheme Limited costing information in relation to repairs excluded to avoid inconsistencies in charging.</p> <p>Separation of these charges for sheltered was completed 2004. Methodology above introduced in 2008, initially based on average cost of a machine applied to the number of machines in each scheme and split over the number of years the cost will be collected over.</p>

Service	Who will receive the charge	Charge Method	Comments
Laundry	<ul style="list-style-type: none"> Homelessness General Needs 	Unit	<p>Definition The total cost of the maintenance of laundry white goods and the pro rata cost of providing washing machines and dryers.</p> <p>Method Maintenance contracts recovered over the time length that they are valid for. The costs of domestic machines are recovered pro-rata over a 5 year period for affordability purposes. The costs of commercial machines are recovered pro rata over a 10 year period for affordability purposes. Each year there will be limited costing information in relation to repairs due to machines not breaking down constantly, repairs costs will be spread equally over 5 years. Additional /replacement machines are charged for from the year they are installed – based on costing data year.</p> <p>Principles Separation of these charges for homelessness and general needs was completed 2004</p>
Lift charges	<ul style="list-style-type: none"> Sheltered Homelessness 	Block	<p>Definition The total cost of maintenance, insurance, inspections and safety certificates.</p> <p>Method The safety certificates are LG certificates and they only apply to passenger lifts. One scheme has stair lifts only and therefore has no safety certificates.</p> <p>Principles To charge each scheme with the number of lifts it has Separation of these charges for homelessness and sheltered completed 2004.</p>

Service	Who will receive the charge	Charge Method	Comments
Management fee	<ul style="list-style-type: none"> Leaseholders 	Block	<p>Definition</p> <p>The following are included in the management fee:- Preparation, printing, checking and posting of actual and estimated bills Processing repair costs Dealing with neighbour disputes Materials such as printing, stationary, paper, printers and ink Organisation and supervision of contracts for services and major works Management of estates Preparation and dispatch of literature for the benefit of leaseholders Collection and daily, monthly, yearly reconciliations of monies due for service charges and major works including generation of direct debits Recovery action for those leaseholders who are in arrears Dealing with wide range of leasehold enquiries Dealing with right to buy applications and transfers of leases Policymaking, updating and in keeping of Government legislation</p> <p>General administration not included in the above</p> <p>Principle</p> <p>Management fee charged at three different levels dependent upon the size of the block. Separation of these charges for leaseholders completed 2004</p>

Service	Who will receive the charge	Charge Method	Comments
Window cleaning of 2 storey blocks	<ul style="list-style-type: none"> General needs Leaseholders 	Unit Charge	<p>Definition The total cost of the contract for cleaning communal windows internally and external to an agreed standard on a regular basis.</p> <p>Originally the contract included cleaning of the external dwelling windows. This element of the service was removed when the contract was retendered in 2010.</p> <p>Method The cost of the communal window cleaning was introduced as a new charge in 2008; it was not separated from the basic rent.</p> <p>Principle This is not a service that existed prior to 2005 and therefore was not included in the basic rent. Additional costs incurred through providing this service have to be recovered Consultation was carried out prior to the introduction of this service</p>
Window cleaning of 3 storey blocks	<ul style="list-style-type: none"> General needs Leaseholders 	Unit Charge	<p>Definition The total cost of cleaning external and internal communal windows only to an agreed standard on a regular basis</p> <p>Principle Divide equally between the numbers of properties receiving this service.</p>
Window cleaning	<ul style="list-style-type: none"> Sheltered Homelessness 	Scheme	<p>Definition The total cost of cleaning external and internally communal windows only to an agreed standard on a regular basis.</p> <p>Principle Separation of these charges for homelessness and sheltered completed 2004.</p>

Service	Who will receive the charge	Charge Method	Comments
Fire Alarms Warden call Smoke Detectors and Security Lighting	<ul style="list-style-type: none"> Sheltered Homelessness General Needs Leaseholders 	Block	<p>Definition The cost of the servicing and maintenance of fire alarms, smoke detectors and security lighting in communal hallways, stairwells and landings within tenanted blocks.</p> <p>Principle Costs are identified to individual blocks of properties, including sheltered schemes and homeless units and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block.</p> <p>This charge was separated from the basic rent in 2015/2016 and originally warden call smoke detector maintenance (where applicable) was a separate charge. From 2018/19 the charge is combined as one service charge as the service is provided by 1 contractor.</p> <p>Sheltered properties receive all three elements of the charge, general needs only pay for fire alarms and security lighting as they do not benefit from the smoke detector facility. The costs for blocks that are mixed is split with sheltered paying 70% of the charge and general needs paying 30%.</p>
Showers and TMV'S (thermostatic valves)	<ul style="list-style-type: none"> Sheltered General Needs Leaseholders 	Block	<p>Definition The cost of maintaining showers and the integral thermostatic valves within communal washroom facilities.</p> <p>Principle Costs are identified to individual blocks of properties, including sheltered schemes and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2015/2016.</p>

Service	Who will receive the charge	Charge Method	Comments
Sealed Expansion Units	<ul style="list-style-type: none"> Sheltered General Needs Leaseholders 	Block	<p>Definition The cost of maintaining sealed expansion units which boost the water pressure within communal kitchens and washroom facilities.</p> <p>Principle Costs are identified to individual blocks of properties, including sheltered schemes and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2015/2016.</p>
Kitchen Extractor Fan Cleaning	<ul style="list-style-type: none"> Sheltered 	Block	<p>Definition The cleaning costs of both gas and electric kitchen extractor fan cleaning within sheltered schemes.</p> <p>Principle Costs are identified to individual blocks of sheltered properties. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2015/2016.</p>
Fire Extinguishers	<ul style="list-style-type: none"> Sheltered Homelessness General Needs Leaseholders 	Block	<p>Definition The cost of testing and maintain fire extinguishers situated within communal areas of tenanted blocks.</p> <p>Principle Costs are identified to individual blocks of properties, including sheltered schemes and homeless units and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2015/2016.</p>

Service	Who will receive the charge	Charge Method	Comments
Legionella Testing	<ul style="list-style-type: none"> • Sheltered • Homelessness • General Needs • Leaseholders 	Block	<p>Definition The cost of water analysis, cleaning and disinfection of tanks, water temperature, visual inspection of tanks serving communal facilities and the cost of Bi-annual risk assessments</p> <p>Principle Costs are identified to individual blocks of properties, including sheltered schemes and homeless units and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2015/2016.</p> <p>Legionella Risk Assessment was identified as an extension to the legionella testing service. This element was a new charge, with Bi-annual assessments being carried out. These bi annual costs are recovered over a two year period. The legionella testing charge will include this element from 2019/2020.</p>
Portable Appliance Testing	<ul style="list-style-type: none"> • Sheltered • General Needs • Leaseholders • Homeless 	Block	<p>Definition The cost of testing portable appliances situated within communal areas.</p> <p>Principle Costs are identified to individual blocks of properties, including sheltered schemes and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2015/2016. Added as a new service for Homeless units in 2018/2019.</p>

Service	Who will receive the charge	Charge Method	Comments
Door Entry Servicing	<ul style="list-style-type: none"> • Sheltered • General Needs • Homeless • Leasehold 	Block	<p>Definition The cost servicing door entry systems.</p> <p>Principle Costs are identified to individual blocks of properties, including homeless units, sheltered schemes and a few general needs and leasehold properties within a block. The cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2018/2019.</p>
Communal Wi-Fi	<ul style="list-style-type: none"> • Sheltered • Linked 	Scheme	<p>Definition The cost of providing Wi-Fi in communal areas.</p> <p>Method To recover the costs incurred within the appropriate year split across all schemes that have the facility.</p> <p>Principle This service was introduced and funded outside of the rent for the first two years. Introduction as a new service charge from 2018/2019 rent year. Improved Wi-Fi provision was introduced during 2019. In addition to recovery of annual costs, the installation costs will be recovered over a two year period during 2020/2021 and 2021/2022.</p>
Communal TV Licencing	<ul style="list-style-type: none"> • Sheltered • Linked 	Scheme	<p>Definition The total cost of licences for televisions provided in communal areas.</p> <p>Method To recover the costs incurred within the appropriate year split across all schemes that are licenced.</p> <p>Principle This charge was separated from the basic rent in 2018/2019.</p>

Service	Who will receive the charge	Charge Method	Comments
Communal Media Licencing	<ul style="list-style-type: none"> Sheltered Linked 	Scheme	<p>Definition The total cost of licences for media equipment in communal areas.</p> <p>Method To recover the costs incurred within the appropriate year split across all schemes that are licenced.</p> <p>Principle This charge was separated from the basic rent in 2018/2019.</p>
Security Patrols	<ul style="list-style-type: none"> Homeless 	Block	<p>Definition The cost of carrying out security patrols in the grounds of homeless units</p> <p>Principle Costs are identified to individual blocks of homeless units and the cost of this service is divided equally by the number of dwellings within that block. This charge was separated from the basic rent in 2018/2019.</p>
Facilities Overnight Concierge	<ul style="list-style-type: none"> Sheltered 	Block	<p>Definition The staff costs associated with the provision of overnight management of the sheltered scheme (these are the staff costs remaining after deducting the costs of staff time associated with facilities management service charges and specialist housing maintenance rent based charge).</p> <p>Method To recover the costs incurred within the appropriate year for the block receiving the service.</p> <p>Principle The charge was applied from 2023/2024 as part of handover of the Five Fields Court Scheme to CCC</p>

Service	Who will receive the charge	Charge Method	Comments
CCTV	<ul style="list-style-type: none"> Sheltered General Needs 	Block	<p>Definition The costs of servicing/repairs to CCTV systems</p> <p>Method To recover the costs incurred within the appropriate year for the block receiving the service.</p> <p>Principle The charge was applied from 2023/2024 as part of handover of the Five Fields Court Scheme to CCC</p>
Management Fee	<ul style="list-style-type: none"> General Needs 	Block	<p>Definition The costs of provision of property management services provided by external companies but recharged to CCC as the property owner.</p> <p>Method To recover the costs incurred within the appropriate year for the properties receiving the service.</p> <p>Principle The charge was applied from 2023/2024 as part of new build acquisitions.</p>

Service	Who will receive the charge	Charge Method	Comments
Emergency Lighting Testing	<ul style="list-style-type: none"> • Sheltered • Linked • General Needs • Leasehold • Homelessness 	Block	<p>Definition The salary, NI, pension and vehicle costs associated with the services provided in testing emergency lighting in blocks. This service contributes to meeting the requirements of the Fire Safety Act 2022.</p> <p>Method The total cost split, based on percentage of time spent providing the service:</p> <p>15% of the cost is split across</p> <ul style="list-style-type: none"> • Sheltered Housing and Extra Care schemes <p>85% of the cost is split across</p> <ul style="list-style-type: none"> • General Needs • Linked • Leasehold • Temporary Accommodation (homelessness) <p>Principle Fire Risk Assessments have highlighted the need to conduct additional emergency lighting testing. Service charging will be introduced following resident consultation.</p>

Appendix B.

Principles for Rent Setting and Service Charges for properties used as Temporary Accommodation not held within the Housing Revenue Account.

1. The Council also sets rent for properties that are used as temporary accommodation that is not held within the Housing Revenue Account.
2. These properties are not subject to the regulations set out in the Policy statement on rents for social housing 2019 and not regulated by the Regulator of Social Housing, however, the Council is committed to ensuring that rental charges for these properties is set consistently and considers the following,
 - Ensure that rents for temporary housing remain affordable in the long-term.
 - Protect tenants from excessive increases in rents.
 - Ensure rents take account of local conditions.
 - Provide long-term certainty and stability to tenants, social landlords and their funders.
3. There are three categories that the temporary accommodation falls into and the rent charging methodology for each is outlined in more detail below.

4. Private Sector Lettings (PSL)

- 4.1 The Local Housing Allowance (LHA) rate is used as the baseline for calculating the rent charged for properties under this category as LHA rates are used to calculate the Housing Benefit for tenants renting from private sector landlords. The LHA rate relates to the area in which a claim is made, therefore taking in to account local conditions.
- 4.2 The appropriate LHA rate, according to the property bedroom size for Colchester is used as the baseline for the rent charged. A top-up fee is added to provide the final rent.
- 4.3 The rental charges for PSL properties are reviewed on an annual basis to consider the four factors above. Since April 2018 the rental charges and top-up fees have remained unchanged to ensure the rents remain affordable, protecting tenants from excessive rent increases, taking account of local conditions providing tenants with long-term certainty and stability.
- 4.4 The table below details the rental charges in £'s which have applied since April 2018.

Bedrooms	Colchester LHA rate @April 2018	Top-up fee	Total Rent
Two	138.61	25.00	163.61
Three	168.75	15.00	183.75
Four	214.20	25.00	239.20

- 4.5 LHA rates were increased in April 2024, however, to ensure affordability no increase was applied to the rental charges as set out in the table above.

5. General Fund Weekly (GW)

- 5.1 Rents for the properties (self-contained licensed and short-term lease) which fall into this category are limited by the rules set out in the Department for Work and Pensions Housing Benefit subsidy guidance manual, section 6 Temporary Accommodation. [Section 6: Temporary accommodation - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/publications/housing-benefit-subsidy-guidance-manual/section-6-temporary-accommodation)
- 5.2 The rules affect how subsidy is claimed they do not alter how the Housing Benefit (HB) entitlement is calculated for the claimant.
- 5.3 From the 1 April 2017 the maximum HB subsidy applicable for self-contained licensed and short-term lease accommodation, will be determined by using 90% of the LHA rate for the size of the property at the January 2011 rates.
- 5.4 The relevant legislation is The Income related Benefits (subsidy to Authorities) (Temporary Accommodation) Amendment Order 2010 (SI 2010/2509). Laid in Parliament on 18 October 2010.
- 5.5 Rent charges for properties in this category will remain unchanged unless there is a change in legislation or amendment to rules in the subsidy guidance.
- 5.6 The table below provides the LHA rates at January 2011 in £'s and the 90% rates which have been applied to properties in this category since 1 April 2017.

	Shared	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Colchester LHA rate @January 2011	69.23	105.77	137.31	167.31	219.23	276.92
90%	N/A	95.19	123.58	150.58	197.31	249.23

6. Temporary Weekly (TW)

- 6.1 Properties in this category fall into two subgroups, non-self-contained and self-contained units, both are subject to the rules set out in the Department for Work and Pensions Housing Benefit subsidy guidance manual, section 6 Temporary Accommodation.
- 6.2 The rules affect how subsidy is claimed they do not alter how the Housing Benefit (HB) entitlement is calculated for the claimant.
- 6.3 From the 1 April 2017, HB subsidy for non-self-contained accommodation (board and lodging or licensed), is limited to the one bedroom self-contained LHA rate based on the location of the property at the January 2011 LHA rate.
- 6.4 From the 1 April 2017 the maximum HB subsidy applicable for self-contained licensed and short-term lease accommodation, will be determined by using 90% of the LHA rate for the size of the property at the January 2011 rates. An additional management fee is applied to self-contained licensed and short-term lease accommodation in this category.
- 6.5 Rent charges for properties in this category will remain unchanged unless there is a change in legislation or amendment to rules in the subsidy guidance.

6.6 The table below provides the LHA rates at January 2011 in £'s and the rents chargeable for non-self-contained and self-contained properties in the category since April 2017.

	Shared	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom
Colchester LHA rate @January 2011	69.23	105.77	137.31	167.31	219.23	276.92
Non-self-contained	N/A	105.77	N/A	N/A	N/A	N/A
90%	N/A	95.19	123.58	150.58	197.31	249.23
Self-contained, 90% plus £60 management fee	N/A	155.19	183.58	N/A	N/A	N/A