

Rent policy – version 1

Date approved for use: 1st April 2025

Scope

- 1.1 This policy is a Dimensions Group policy. This means it applies to all its subsidiaries as listed in **Dimensions Group company information**.
- 1.2 Dimensions provides homes across a range of tenures, including Social Rent, Affordable Rent, Market Rent and Shared Ownership properties.

This policy sets out our approach to rent setting to ensure it is compliant with the relevant legislative and regulatory requirements. The policy also sets out how decisions will be made on the setting of rents which are not covered by the Regulator of Social Housing's (RSH) Rent Standard in relation to Dimensions Market Rent portfolio.

- 1.3 The policy applies to all of Dimensions owned or leased accommodation. Where properties are owned by third party landlords and managed by Dimensions, the landlord's policy will take precedence, together with the contents of the management agreement.
- 1.4 We refer to 'tenants' throughout this policy. Some of the people we support are also Dimensions tenants.
- 1.5 You can find the documents, forms and other policies mentioned in this policy on the Hub (Dimensions intranet).
- 1.6 To go straight to the policy content click on the hyperlink section title below or go to the page:

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Policy statement

2.1 The aims of this policy are to ensure that:

- rents are as affordable as possible to tenants, balanced with the aim of providing appropriate housing for Dimensions specialist client group, which will sometimes necessitate higher rents
- rents are set in compliance with the required outcomes and specific expectations of the Regulator of Social Housing's (RSH) Rent Standard and other legislative requirements
- rent setting supports Dimensions financial business plan and contributes to the organisation's viability
- tenants (and their support networks) are clear on the rent review process and how rents are set.

2.2 The Board of Dimensions will consider its approach to rent setting annually and will delegate implementation of their rent setting decision to the Group Executive Team (GET).

2.3 Dimensions will notify tenants by post of any change in the rent at least four weeks in advance, providing information about how the rent has been set and is payable.

2.4 Rents will be charged over the full year, on a weekly or monthly basis.

The impact of not implementing this policy

3.1 Financial impact of Housing Benefit restricting rent and service charges.

3.2 Not meeting Value for Money requirements.

3.3 Not meeting the requirements of our regulators, which may include:

- The Regulator of Social Housing
- Homes England
- Local Authority or Health Commissioner
- any Grant funding body

- the Information Commissioner's Office (ICO).

Policy content

Social Rents

- 4.1 Social Rented properties are low-cost rental accommodation where the setting and management of rents is governed by the RSH's Rent Standard which sets limits on the rents charged.
- 4.2 Rents for Social Rented tenancies have historically been set using a government standard formula to achieve a 'formula' rent. The calculation of formula rent is outlined in the Government's Policy statement on rents for social housing (Rent Policy Statement). Further information regarding the calculation of formula rents can be found [here](#).
- 4.3 Social Rents are calculated exclusive of service charges.
- 4.4 Dimensions Social Rents include an upwards tolerance (rent flexibility) of 10% above the formula rent for supported housing accommodation, as allowed for in the Rent Policy Statement. Dimensions Board has considered the rationale for applying rent flexibility and considers the views and needs of tenants in decision making.
- 4.5 Social Rents will not be set at a level exceeding the Rent Cap as defined in the Rent Policy Statement.

4.6 Rents for new accommodation

For properties where a new Social Rent needs to be set, it is permitted within the Rent Policy Statement to use the 1999 valuations of similar properties in the same area as a basis for the formula rent calculation. If no similar properties are identified, Dimensions will obtain a valuation in accordance with a method recognised by the Royal Institute of Chartered Surveyors (RICS) and as required by the Rent Policy Statement.

Rents will not be set at a level higher than the calculated formula rent, plus 10% tolerance, using the method outlined within the Rent Policy Statement. This is to enable Dimensions to provide a more specialist supported housing offer while maintaining viability.

4.7 Rent increases

Rents will be reviewed on an annual basis, and this will normally take effect on the first Monday in April.

Rent increases will be set in accordance with the RSH Rent Standard regulatory permitted increases.

Notice of the increase will be given in accordance with Section 13 of the Housing Act, using Form 4, where appropriate.

4.8 Re-let rents

Social Rent tenancies will be relet in accordance with the Rent Standard and Rent Policy Statement. New tenancies will be let at the formula rent plus 10% tolerance, even if the previous rent was under this level.

Affordable Rents

5.1 Affordable Rents are set according to RSH Regulations and guidance, at a level which is no more than 80% of the gross market rent valuation for the accommodation including service charges, based on a valuation obtained in accordance with a method recognised by the Royal Institute of Chartered Surveyors (RICS).

5.2 Dimensions does not cap Affordable Rents at Local Housing Allowance levels however will consider affordability for tenants when setting rents and making decisions on rent increases generally.

5.3 Rent setting for new accommodation

To set the initial rent for a new Affordable Rent tenancy, a RICS valuation is obtained. If necessary, it will be updated as the scheme progresses and should be no older than six months at the point of entry into contract, grant claim, completion and 1st let. Rents will then be calculated as outlined above, depending upon the tenure type.

5.4 Rent increases

Affordable Rents will be reviewed annually in April of each year. Rent increases will be set in accordance with the RSH Rent Standard and the regulatory permitted increases.

5.5 Re-let rents

Affordable Rent homes that require re-letting will require a recent updated RICS gross market rent valuation. Recent for Dimensions is defined as within six months.

All valuations obtained will be stored within Pyramid (Dimension's Housing IT system) for future rent audit purposes.

Market Rent Accommodation

6.1 Dimensions has accommodation where rents are set at the market rate. These properties are not forms of social housing and are therefore not covered by social housing regulation of the RSH Rent Standard.

6.2 Setting rents

Rents are set in relation to Market Rent (general needs) uplifted as necessary to accommodate the addition costs of providing specialist supported housing, including:

- the weekly cost of any mortgage, depreciation, lease or rent charged
- the standard cost per unit of property maintenance including major repairs, cyclical works, repairs and maintenance, and property compliance
- any investment of energy saving measures, for example, heat pumps, solar power, etc.
- the cost of insurance and management of the property
- an allowance for voids
- housing management
- service costs that apply over and above a standard general needs market rent
- management and overhead costs
- A surplus in line with industry benchmarks.

We recognise that market rent for Dimensions properties will be significantly higher than an ordinary general needs market rent. Rent levels for individual properties will be agreed with housing benefit departments before any long-term commitment (development, purchase, lease, etc.) is agreed to ensure future let ability and sustainability.

6.3 Increasing rents

Market rents will be reviewed and uplifted annually to ensure future viability and sustainability in line with market fluctuations.

Shared Ownership

7.1 Dimensions has a very small stock of shared ownership properties, acquired under the government-backed 'HOLD' scheme (Home Ownership for people with a Long-term Disability).

7.2 Setting rents

Rents are a percentage of the Dimensions-owned equity share in the property, in line with the Regulations and Guidance of the HOLD scheme, along with the terms of the Lease.

7.3 Increasing rents

Rents will be increased annually in line with the terms of the Lease and any requirements from Homes England where grant has been received.

Tenant and stakeholder influence

8.1 Dimensions is committed to understanding any potential impacts of our policy on our tenants and stakeholders. Tenants will have an opportunity to discuss rent adjustments through their Regional Housing Advisors (RHA) and Tenant Meetings ensuring their views are considered particularly in how the rent adjustments are communicated to all tenants. Dimensions Board will consider feedback gained when making any decisions regarding rent setting.

8.2 Rent charges and changes will be communicated to tenants as clearly as possible, including the use of 'easy read', while also complying with legal requirements.

Responsibility

- 9.1 The Group Executive Team (GET) recommends to the Board the increase (or decrease) to be applied to rents from April for all rent categories:
- the Dimensions (UK) Board approve the rent policy for the coming year
 - the Dimensions (UK) Board approve the annual rent increases
 - the Group Executive Team reviews and signs off on the calculation of the April rent increase

- the Director of Housing / Director of Commercial Finance ensure that the increases are applied correctly and communicated in accordance with legislative guidelines

Assurance

- 10.1 Dimensions recognises the importance of a robust approach to rent setting and the importance the Regulator of Social Housing places on rent setting due to its potential detrimental impact on our business plan and viability, sector reputation and importantly, the financial status of our tenants.
- 10.2 A three lines of defence model is adopted to provide assurance with the Director of Housing / Director of Commercial Finance responsible for implementation of the policy:

First line

The Rents and Service Charge Team are responsible for rent setting. This includes ensuring controls are in place in year that rents are not set outside of the rent policy. The Director of Commercial Finance will ensure that the team are suitably trained to follow legislative and regulatory requirements.

Second line

The Director of Commercial Finance will oversee implementation of the rent plan and ensure review ahead of implementation. The Director of Commercial Finance will report to the Group Executive Team (GET) monthly in line with the management accounts report if there are variances to the rent plan detailing the reasons for this if it is materially impacting on predicted income.

Third line

Dimensions UK Internal Audit programme will, at least every three years, consider the application of the annual rent review process as well as the application of a sample of new rents set since the last review.

Relevant legislation, guidance and related policies and templates

This policy and related procedures consider the following legal requirements and regulatory codes, standards, and guidance:

Legislation

- 11.1 Data Protection Act 2018
- 11.2 General Data Protection Regulations (UK-GDPR)
- 11.3 Equality Act 2010
- 11.4 Housing and Regeneration Act 2008
- 11.5 Housing Acts (1985, 1988, 1996, and 2004) as amended
- 11.6 Landlord and Tenant Act 1985
- 11.7 Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016

Guidance

- 12.1 Regulator of Social Housing Rent Standard and associated guidance
- 12.2 Government Policy statement on rents for social housing

Group policies

- 13.1 Service charge setting
- 13.2 Tenancy management
- 13.3 Referrals, allocations and new support
- 13.4 Tenant involvement and engagement
- 13.5 Concerns, complaints and compliments
- 13.6 Data handling and protection
- 13.7 Equality, diversity and inclusion

Related procedures, decision flowcharts, forms

- 14.1 Not applicable

Equality statement

- 15.1 Dimensions is committed to adhering to the Equality Act 2010 and the Public Sector Equality Duty. We aim to achieve this by promoting equality, respecting diversity and ensuring inclusion, eliminating unlawful discrimination for our colleagues and the people we support. Please see our **Equality, diversity and inclusion policy**.

- 15.2 We adhere to the Equality Act 2010 by promoting equality, diversity, and human rights by treating all people we support and employ fairly and equitably whatever their protected characteristic:
- age
 - disability
 - gender reassignment
 - marriage and civil partnership
 - pregnancy and maternity
 - race
 - religion or belief
 - sex
 - sexual orientation
- 15.3 At Dimensions we will not tolerate any forms of abuse or discriminatory behaviour towards our colleagues, people we support, family members or people we work with. We will always act and will not be by-standers.
- 15.4 The equality impact analysis (EIA) is available on request by emailing the Head of Equality, Diversity and Inclusion.

Data protection statement

- 16.1 This policy involves handling personal data. So, when you carry out any procedures this policy describes, you should also think about what our **Data handling and protection policy** says.
- 16.2 Our **Data handling and protection policy** is our promise to handle personal data correctly under the Data Protection Act 2018 and the General Data Protection Regulation (UK-GDPR). It tells you how to keep that promise. It balances everyone's rights to data privacy with the work we do.
- 16.3 For information on how we handle personal and sensitive data, please see our privacy notices.

Review

- 17.1 We will review this policy three years from its original publication. But if changes in legislation, regulation or best practice mean we need to, we will review sooner.

- 17.2 If the changes are big, we will equality impact analyse (EIA) the policy again and send out to consultation in line with our **Policy development and consultation policy**.
- 17.3 For smaller changes, we will update this same version. We will record this in the Version control section below.

Glossary

- 18.1 An explanation of words and terms that appear in this policy or the related procedures.

Term	Definition
CPI	Consumers Prices Index is a measurement of inflation (change in prices for goods and services over time)

People and groups involved in writing and approving this policy

Policy owner:	Director of Housing
Policy Responsible Executive Lead:	Julia Ashley, Chief Housing and Communications Officer
Approval level:	Dimensions Board via Finance and Resources Committee (FRC)
People and groups consulted:	Housing Department Finance Department Diversity Matters National Colleague Forum Policy Subgroup

Version control

Version number	Approved date:	Communication date:	Summary of changes
I	29 th January 2025 (FRC) 27 th March 2025 (Board)	1st April 2025	New policy.

Next review due: March 2028