

Rent Setting Summary

NCHA sets rents across social housing, care and support, and other tenure types using defined valuations, formulas, and regulatory controls. The framework covers how rents are established, reviewed, monitored, and approved. Social and supported housing rents generally rise by **CPI plus 1%**, producing a 4.8% increase for 2026/27, while affordable rents are typically set at 80% of local market rent. Other arrangements include sub-market rents at 80% to 95% of market rent, shared ownership rent at 2.75% of NCHA's share, Rent to Homebuy at 80% of market rent, and almshouse contributions based on equivalent fair rent. Rent calculations are approved by the Director of Homes and Wellbeing, checked by the Rents Team Leader, assessed annually for compliance, and audited at least every 2 years.

ASH (Affordable and Social Rent)

Tenure/Rent type	Social Rents	Affordable Rents	Fair Rents (Secure tenancies)
Applicable legislation	Housing Act 1988, Rent Standard 2020 (using the revisions in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024)	Housing Act 1988, Rent Standard 2020 (using the revisions in the RSH Limit on Annual Increases 2025-26 issued on 19 th December 2024)	Housing Act 1988, Rent Standard 2020 (using the revisions in the RSH Limit on Annual Increases 2025-26 issued on 19 th December 2024)
Method for setting new rents	Rents for new social rent properties are set according to the social rent formula calculation and based on a RICS 1999 property valuation. A further 5% tolerance is added to rents as permitted by the Rent Standard. A relet rent spreadsheet is maintained & updated annually in accordance with the Rent Standard guidelines. Details of the formula rent calculation are set out in the Assured Tenancy Rents Policy.	A RICS valuation is requested to obtain the affordable rent figure for re-let properties: 80% of the local market rent. Where an equivalent property in the same development has been valued within a 3-month period, staff may use this rent. New developments are valued by the Development Team and approved by the Homes & Wellbeing Rents Team & used at first letting (as per the New Developments Rent Setting Procedure)	There are no new secure/fair rent tenancies created; however, current secure tenants who transfer to a new property keep their secure rent/fair rent tenancy. If a secure/fair rent tenancy has not been registered previously at a property, NCHA has to apply to the Valuation Office Agency for a new Fair Rent. NCHA either charge this rent, or the formula rent if the formula rent + 5% flexibility is lower.
Method for reviewing annually	CPI +1% as allowed by the Rent Standard. Direction in the Regulator of Social Housing Limit on Annual Increases for 2026-27 and implementation of Rent Convergence is still being awaited. The Government had intended	CPI +1% as allowed by the Rent Standard. Direction in the Regulator of Social Housing Limit on Annual Increases for 2026-27 and implementation of Rent Convergence is still being awaited. The Government had intended to include this in the	CPI +1% as allowed by the Rent Standard. Direction in the Regulator of Social Housing Limit on Annual Increases for 2026-27 and implementation of Rent Convergence is still being awaited. The Government had intended to include this in the November 2025

	to include this in the November 2025 Budget, but this has been delayed to January 2026. For rents where rent convergence will not apply, we will use September CPI, rents to increase by 3.8% + 1% = 4.8%.	November 2025 Budget, but this has been delayed to January 2026. For rents where rent convergence will not apply, we will use September CPI, rents to increase by 3.8% + 1% = 4.8%.	Budget, but this has been delayed to January 2026. For rents where rent convergence will not apply, we will use September CPI, rents to increase by 3.8% + 1% = 4.8%.
Monitoring arrangements	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 10 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.
Policies supporting decision making	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4th February 2026 after being approved by Director of Homes and Wellbeing. New Developments Rents Setting procedure – issued 25th August 2022	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.
Policies supporting methodology	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.

C&S (Care and Support)

Tenure/Rent type	Social Rents (not refuge accommodation)	Affordable Rents	Domestic Abuse Refuges	Specialised Supported Housing	Fair Rents (Secure Tenancies)
Applicable legislation	Housing Act 1988, Rent Standard 2020 (using the direction in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024).	Housing Act 1988, Rent Standard 2020 (using the direction in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024).	Housing Act 1988, Rent Standard 2020 (using the direction in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024).	Housing Act 1988, Rent Standard 2020 (using the direction in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024).	Rent Act 1977, Housing Act 1985, Rent Standard 2020 (using the direction in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024).
Method for setting new rents	Rents for C&S Social rent properties are set according to the social rent formula calculation with a +10% set in line with the Rent Standard which allows a +10% variance for supported accommodation	A RICS valuation is requested to obtain the affordable rent figure for re-let properties: 80% of the local market rent. Where an equivalent property in the same development has been valued within a 3-month period, staff may use this rent. New developments are valued by the Development Department and approved by the Homes & Wellbeing Rents Team & used at first letting.	Rents for Domestic Abuse Refuges are set at formula rent +10% in line with the Rent Standard which allows a +10% variance for supported accommodation	For Specialist Supported Housing tenancies, a target rent +10% is used as a guide but NCHA is not bound by this so if we need to cover further costs, we can set a higher rent level. This only applies to a small number of properties which meet the exemption criteria identified in Rent Standard 2020.	There are no new secure/fair rent tenancies created by NCHA. Current secure tenants who transfer to a new property do however keep their secure rent/fair rent tenancy. If a secure/fair rent tenancy has not been registered previously at a property, NCHA has to apply to the Valuation Office Agency for a new Fair Rent. NCHA either charge this rent, or the formula rent if the formula rent + 10% flexibility is lower.

Method for reviewing annually	CPI +1% as allowed by the Rent Standard. This is $3.8 + 1\% = 4.8\%$ in 2026/27. As properties become void the rent is assessed against formula rent +10% and increased on relet to this level	CPI +1% as allowed by the Rent Standard. This is $3.8\% + 1\% = 4.8\%$ in 2026/27. Affordable rents are rebased (revalued) every 2 years or at void period for longer term properties to ensure the rent charged is fair and considers any changes to eligible service charges.	The Rent Standard 2020 allows the same method of rent review in domestic abuse refuges as supported housing social rents. CPI +1% as allowed by the Rent Standard. This is $3.8\% + 1\% = 4.8\%$ in 2026/27.	Specialised supported housing is classed as exempt within the Rent Standard 2020. An increase of CPI +1% is applied annually.	CPI + 1% is allowed by the Rent Standard provided that the rent (plus any service charge) does not exceed the Registered rent. Registered 'fair' rents are re-registered with the Valuation Office once every 2 years to ensure that the rent is kept up to date.
Monitoring arrangements	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.

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Policies supporting decision making	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.
Policies supporting methodology	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.	Rent and Service Charge Policy – approved by Director of Homes and Wellbeing on 18 th January 2024.

Other

Tenure/Rent type	Sub-market rent	Shared Ownership	Rent to Homebuy	Almshouses
Applicable legislation	None	Housing Act 1988 (for the tenancy and rental part of the shared ownership lease), Individual lease	None	Rent Act 1977, Charity Commission law, Rent Standard 2020 (using the direction in the Regulator of Social Housing Limit on Annual Increases 2025-26 issued on 19 th December 2024), The Almshouse Association guidance
Method for setting new rents	For sub-market rent properties an RICS valuation is used to determine the market rent. Properties are then let at between 80% and 95% of the market rent, dependent upon costs involved such as refurbishment and services provided.	The annual rent for a new property is 2.75% of NCHA's share of the property.	A RICS market valuation is instructed and the rent is set at 80% of market rent.	For all almshouses we assume trusteeship of, we already have a Maintenance Contribution (MC) in place. For newly built Almshouse's we obtain an Equivalent Fair Rent level from the Valuation Office and set the MC at this level. (This is a slight change from the maximising income objective in the 2023-28 NCAC Corporate Plan, as we will only use equivalent fair rent in future, instead of the lower of this and formula rent). For all Almshouse relets, the applicable EQFR will be the rate set at the point of handover (or the 2024 EQFR for legacy Almshouse properties). This rate will be uplifted annually by the Consumer Price Index (CPI) for the previous September, plus an additional 1%.
Method for reviewing annually	A new valuation of the submarket rented stock is undertaken every two years. Current rent levels are compared to the valuation to ensure the 95% level isn't breached. The Rents and Services Manager increases rents broadly in line with	Within each lease there is a rent review schedule that sets out a formula for uplifting the rent annually, using RPI. This is applied to the property annually by the Finance team. The new Shared Ownership model leases issued after 12 October 2023 are a maximum	A new valuation of the Rent to Homebuy stock is undertaken every two years. Current rent levels are compared to the valuation to ensure the 80% level isn't breached. The Rents & Services Manager increases rents by CPI + 1% up to the maximum 80% of market valuation.	From 01 April 2025 any maintenance contribution increases will use the Equivalent Fair Rent as at August 2024 plus an annual increase of CPI (September figure) + 1% at the review date Where customers are under the maximum rent calculation above, we can further increase the amount we charge by up to a maximum of £2.00 per week (£8.69 per month).

	inflation whilst aligning rents for similar properties.	of CPI + 1% as set by Homes England.		Commitment to ensure Almshouse properties are not charged any more than similar ASH properties (including service charges) within the same scheme regardless of maximum rent based on the above calculation. (This is a slight change from the maximising income objective in the 2023-28 NCAC Corporate Plan, as we will only use equivalent fair rent in future, instead of the lower of this and formula rent).
Monitoring arrangements	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the rent standard following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.	Calculated by the Rents and Services Manager, approved by the Director of Homes and Wellbeing The Rents Team Leader is responsible for ensuring that all necessary checks are undertaken in the calculation of rents. This includes a 1 in 100 check using the Rent Increase Comparison report. The Homes and Wellbeing Quality and Compliance team undertake an annual assessment to ensure compliance with the applicable legislation above following the annual rent change. Annual process is audited at least once every 2 years through our internal audit programme and reported to Audit and Risk Committee.

Policies supporting decision making	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing. Terms, clauses and conditions within Individual leases.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing. NCAC Almshouse Strategy 2023/28 (Board Approved January 2023)
Policies supporting methodology	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.	Rent and Service Charge Policy – a revised policy will be presented to Board on 4 th February 2026 after being approved by Director of Homes and Wellbeing.