

Rent and Service Charge Setting Policy: MPH Ltd

1.0 Purpose of the Policy

1.1 This policy sets out Maidstone Property Holdings Ltd approach to administrating and reviewing rents in conjunction with Maidstone Borough Council's Housing Service (hereafter referred to as 'the managing agent') under the relevant Service Level Agreement. This policy applies to all residents living in Maidstone Property Holdings accommodation.

2.0 Policy Scope and Objectives

2.1 This policy applies to private rented sector (PRS) housing managed and let by Maidstone Property Holdings where tenants are issued with tenancies under the Housing Act 1988.

2.2 This policy aims to ensure that:

- MBC & MPH adhere to relevant legislation when setting rents.
- Rents are set in line with the MPH Business Plan having regard to the relevant regulatory or statutory guidelines.
- All information is set out in a clear and transparent way for tenants.

3.0 Legal and Regulatory Framework

3.1 Maidstone Property Holdings will adhere to the following legislation and requirements:

- Housing Act 1988.
- Commonhold and Leasehold Reform Act 2002.
- A fairer private rented sector (June 2022).

4.0 Background

4.1 In 2016 Maidstone Borough Council incorporated a private limited company called Maidstone Property Holdings with the intention of letting and operating their own or leased real estate.

The organization seeks to maximize its commercial returns to the Council as its sole shareholder, whilst delivering high standards in terms of the quality of the private rented service offer.

The intention behind creating this flexibility is to generate additional capacity for investment in housing management infrastructure and systems.

Fix-term tenancies are issued to all tenants and these are renewed annually for a further year.

5.0 Rent Setting

5.1 Calculation of Market Rent

5.1.1 MPH through the Service Level Agreement with the Council's Housing Service will charge a Market Rent for all PRS properties.

5.1.2 Rents will be set based on the size, condition and location of a property. They will be fair and realistic, in line with the prevailing local market rents.

5.2 Rent Flexibility levels and changes to rents

5.2.1 The MPH rent increase will be reviewed annually and approved by the Maidstone Property Holdings' Board at their meeting and notified to the managing agent to implement.

5.2.2 The appropriate rent will be levied by the managing agent for each property either on the annual renewal of an existing tenancy or adjusted at the point that a vacant property is relet.

5.2.3 Local discretion over the rent set for individual properties will be exercised by the managing agent where appropriate and necessary within the remit of the agreed rent increase for that accounting year.

6.0 Service Charges

6.1 No service charges are applied to MPH tenancies.

6.2 No separate charge will be made for service charges, all market rents are deemed to be inclusive of any service charges.

7.0 Rent Collection

7.1 The rent that are payable each month in advance and are due on the last day of each calendar month thereafter.

7.2 MPH through the managing agent may change tenants' rent following expiration of their fixed term, notice in writing. The notice shall specify the new rent proposed.

7.3 Rent will be collected by the managing agent in accordance with the Service Level Agreement.

8.0 Equality and Diversity

8.1 MPH through their managing agent will adopt a flexible approach to ensure that different needs are met and well supported.

8.2 The Council recognise that some individuals may experience discrimination and disadvantage. The Council seeks to ensure that this Policy does not discriminate on any grounds.

9.0 Monitoring and Review

9.1 This Policy Document will be reviewed every 5 years, or sooner if significant and relevant statutory changes occur.

Maidstone Property Holdings	Rent On Initial Set Up	Service Charge	Annual Increase existing tenant	Relet from VOID to new tenant	Fixed Term Renewal	Process for annual increase
Assured Shorthold Tenancy (Periodic)	Set at current market level having consulted with local letting agencies.	Contractual arrangement reflected in the tenancy agreement; must be fair and reasonable.	Rent increase only occurs after the expiry of the original fixed term to the % set by MPH Board for post April increase.	Set at current market rent.	Rent + Board agreed % increase for a further fixed term.	<p>AST periodic tenancies can be increased once per year by way of a Section 13 rent increase Notice.</p> <p>One month's notice on the correct form to the value of rent + Board agreed % for the next 12 months.</p>