

## **HAZELHURST COURT EXTRA CARE RENT & SERVICE CHARGE POLICY**

### **Responsible Officer**

Director of Finance

### **Aim of the Policy**

Hazelhurst Court Extra Care is unique within Phoenix and because of this several Policies and Procedures that apply across the whole of Phoenix are not wholly relevant.

This policy sets out our approach to the setting of rents and service charges at Hazelhurst Court Extra Care. It aims to make sure that we comply with current legislation, the requirements of our regulator and our tenancy agreements.

### **Policy Scope**

This policy applies to Hazelhurst Court Extra Care

### **Policy Statement**

The aim of Extra Care housing is to provide high quality housing, support and care services which enable, support and encourage people to live independently for as long as they wish to do so. The provision of Extra Care housing can reduce incidents of unplanned hospital admissions, increases the bed capacity within hospitals, increases the number of patients discharged from hospital, and decreases those who may have a need for residential care.

It is likely that most people living at Hazelhurst Court will be retired from full time employment. Some will be able to live independently without care or support but many of the residents will be living there because they need access to the 24/7 care and support service that is available on site.

The nature of Extra Care housing means that it is more expensive to manage and maintain than general housing. The upkeep of communal space, the provision of specialist services and equipment and the intensive nature of housing management all contribute to rents and service charges being typically higher than the equivalent sized properties across the rest of our general needs stock.

### **The Policy**

Hazelhurst Court Extra Care was completed in August 2017, is part funded by the Homes and Communities Agency and as such, the rents are set as Affordable Rents as a condition of funding. Affordable rents are inclusive of any applicable service charges for the property and would not normally exceed the Local Housing Allowance.

#### Affordable rents

Affordable rents will be set at up to 80% of the relevant market rent or at some other proportion that the regulator may determine from time to time.

Affordable rents are calculated according to a RICS (Royal Institute of Chartered Surveyors) methodology, as set out in the Rent Standard published by the Social Housing regulator. This will involve us adopting a consistent and transparent approach to the valuation of market rents, by using comparisons with similar properties available to rent for extra care in local areas.

Affordable rents include service charges.

As a regulated provider, Phoenix complies with guidance issued by the Regulator of Social Housing when setting rents. For the period 1 April 2016 to 31 March 2020, the rules for rent levels were set in the Welfare Reform and Work Act 2016. As from 1 April 2020, the rules will be set under the Rent Standard issued by the Regulator of Social Housing. The new rent framework will apply for a five-year period up to 31 March 2025.

### Service Charges

At Hazelhurst Court Extra Care Phoenix makes charges for an extensive range of services including, but not limited to, the following;

- scheme specific staff costs
- office accommodation
- cleaning of common parts
- grounds maintenance
- communal electricity
- communal heating
- communal water rates
- provision and maintenance of
  - community alarms
  - door entry systems
  - fire detection systems
  - firefighting systems (sprinklers)
  - lifts
  - automatic doors
  - mechanical ventilation
  - air conditioning
  - CCTV
  - TV aerial
  - lightning protection
  - specialist equipment (for example assisted bath & hoists)
- provision of furniture and furnishings
- floor coverings in communal areas
- external lighting

Phoenix may introduce new services in future because of requests from, or after consultation with, tenants, for which service charges may be payable. Phoenix will give at least four weeks' notice of any proposal to introduce a new service charge and the estimated charge to the tenant.

Phoenix will operate a Fixed Service charge system at Hazelhurst Court Extra Care, service charges will be set at a level to cover the estimated costs of providing the service. These costs will include the administration of services. Any surplus or deficit arising in providing the service is retained by Phoenix.

### Implementation and approach

Phoenix will describe what the service charge covers and explain whether and how residents can influence the service charge and services being offered. Phoenix will communicate with residents in the event of a failure to provide a service covered by the charge and, where appropriate compensate residents.

Rents and service charges will be charged on a weekly basis and calculated over 52 weeks. The rent is payable on the Monday of each week it is due in advance.

Phoenix will clearly distinguish between standard and optional services charges.

Rents and service charges will be increased/decreased on an annual basis taking effect from the first Monday in April after the tenancy begins. Tenants will be notified in writing of such increases within the period set out in the tenancy agreement.

Phoenix will benchmark against rent and service charge levels charged by other comparable extra care schemes across London and the South East Region and publish this information to residents and other interested parties.

### Catering Charges

Residents at Hazelhurst Court will be required to pay for one meal each day as a condition of tenancy. This charge is additional to the rent and service charge and is paid per person rather than per apartment.

Meals will be prepared by an external caterer appointed by Phoenix to work in the scheme. The charges will be calculated to take account of the cost of providing the meal, the cost of providing and maintaining the kitchen equipment and the provision of kitchen utensils. They will be reviewed annually to coincide with the review of rents and service charges.

The catering charge is not considered part of the Affordable Rent calculation.

### Consultation and communication

We will consult with residents living at Hazelhurst Court, partners, advice agencies, local authorities, and other statutory organisations on any changes to this policy to develop good practice in this policy area.

We will also provide information to residents in an easy read format and in their handbook.

## Monitoring and review

This policy will be reviewed every three years or sooner whenever good practice there are changes to legislation, good practice or other learning.

## Legislation

RSH Rent Standard Guidance

Housing Act 1988

Housing and Regeneration Act 2008

Welfare Reform and Work Act 2016

## Reference to other documents and associated policies and procedures

Including:

- Hazelhurst Court Extra Care Scheme Handbook
- Hazelhurst Court Allocations and Lettings Policy
- Hazelhurst Court Mobility Scooter Policy
- Equality and Diversity Charter
- Phoenix Standards

## Definitions

Term/acronym	Description
Resident	Includes tenants of Hazelhurst Court extra care scheme
Phoenix	Phoenix Community Housing.
RSH	Regulator of Social Housing

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