

# Cheltenham Borough Council

## Rent Setting Policy – Summary

### **What is this document about?**

This summary provides an overview of Cheltenham Borough Council's (the Council) Rent Setting Policy for 2025.

### **What is the purpose of the policy?**

The policy explains how the Council sets and reviews rents for its housing stock, ensuring affordability for tenants whilst maintaining property quality.

### **What are the different types of rent?**

- **Social rent:** These rents are based on a government formula that considers property value, size and local income. These rents are subject to an annual increase of CPI plus 1%
- **Affordable rent:** These rents can be up to 80% of market rent, inclusive of service charges. These rents can increase, stay the same or reduce year on year. Tenants offered affordable rent properties undergo checks to ensure they can sustain payments.

### **Service charges**

Additional costs for services like cleaning and lighting are applied for some properties and charged with the rent. These are reviewed annually and must be transparent and reasonable.

### **Rent collection**

Rent is charged weekly throughout the year but there are four rent free weeks. Payment is expected in advance. Support is available for tenants facing financial difficulties.

### **Garage rents**

Rents for garages are charged monthly and reviewed annually. VAT applies to non-tenants.

### **Annual review**

Rent and service charges are reviewed annually, with new charges starting each April. Tenants receive four weeks' notice of any changes.