Archie Homes

Rent & Service Charge Policy

Published: October 2026

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Policy checklist	
Policy owner	Archie Homes
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Version No.	1.0
Date of last review	March 2026
Date of next review	March 2027

Archie Homes will provide this policy, on request at no cost, in large print, in Braille, in audio or other non-written format, and in a variety of languages.

1.0 Purpose

1.1 The Rent and Service Charge Policy sets out how Archie Homes will set the rent and charges for rented, shared ownership and leasehold properties in a fair, consistent and compliant way

2.0 Rent and Service Charge Policy

2.1 The Policy sets out the methods used in calculating rents and service charges and how this will be reviewed annually.

2.2 Archie Homes will set rents in compliance with the law and the Regulator for Social Housing's Rent Standard and guidance.

2.3 Service charges will be set based on the costs of delivering the services.

2.4 Archie Homes will ensure that all customers are advised clearly at the start of their tenancy, or lease the rent charge and details of any service charges that apply.

2.5 Archie Homes will ensure that any change to the rent and service charges is clearly communicated ensuring that proper notice is provided in line with all statutory, regulatory and contractual obligations.

3.0 Calculating Rent

3.1 From 1 April 2020 social and affordable rents can be increased up to CPI plus 1%, for a period of at least five years, until March 2025.

3.2 The 2026 Rent Standard forms the basis of a new 10-year rent settlement for social housing providers in England, allowing annual rent increases of CPI + 1% from April 2026.

4.0 Calculating Service Charges

4.1 Archie Homes will set service charges at a level sufficient to cover the costs of the services provided.

4.2 A service charge reflects the cost of additional services which may be provided to a tenant, shared owner of leaseholder, or which are provided to manage the communal areas. The services delivered will depend upon the property type and communal areas. Tenants, shared owners and leaseholders will be charged for the services they receive. The cost of these services will be apportioned accordingly to all tenants, shared owners or leaseholders who receive the service. Tenants, shared owners and leaseholders are not able to opt out of any service provision or charge.

4.3 Service charges are based on budgeted costs for the year, including increases for additional services or costs, or decreases for changes in service. When customers are offered a home or become a shared owner/leaseholder they will be informed of any service charges they are required to pay.

4.4 When Archie Homes introduces a new service or where it is proposed to significantly alter an existing level of service, Archie Homes will consult with tenants, shared owners and leaseholders.

5.0 Heating Charges

5.1 Some tenants have domestic hot water and heating supplied to their homes through a communal boiler. Where a customer does not have a prepayment meter then the cost of this service is charged back to them by Archie Homes on an individual basis as a service charge.

5.2 Where customers are not on a prepayment meter Archie Homes will issue quarterly statements to customers confirming the charges.

6.0 Calculating Affordable Rents

6.1 Archie Homes will calculate affordable rents in accordance with the Regulator for Social Housing's Rent Standard and guidance. This states that Affordable Rents at the commencement of a tenancy will be up to 80% of Market Rent, inclusive of any service charges.

6.2 When an affordable rented property becomes vacant. The rent will be re-set based on the current Market Rent, and a new affordable rent tenancy will be issued. Archie Homes will ensure that the affordable rent remains no more than 80% of the market rent value, inclusive of all service charges.

6.3 London Affordable Rents were introduced by the Greater London Authority (GLA) and are a low-cost rental option for households on low incomes in London. The rents are set annually using a weekly benchmark figure for each property type at a London-wide level. Archie Homes will set its rents in line with the published GLA benchmark figures. LAR is not inclusive of service charges.

7.0 Calculating Shared Ownership Rents

7.1 For Shared Ownership homes, the initial equity purchased, and any subsequent purchase of tranches, are subject to the Archie Homes Shared Ownership and Staircasing Policy.

7.2 Where Archie Homes has provided new-build properties for Shared Ownership, the annual rent at initial sale will be 2.75% or other % as detailed in the lease of the value of the unsold equity at the property. As the shared owner purchases greater shares in the property, the rent will fall to the proportion of unsold equity.

7.3 Where the customer brings an existing property for Shared Ownership (DIYSO or DIY Shared Ownership), the rent will be calculated at a percentage stipulated in the lease. This could be higher than 2.75%.

7.4 When setting rents, Archie Homes will have regard to the affordability of the total mortgage, rent and service charge expenditure for the customer. Archie Homes will ensure rents and service charges are set in compliance with the RSH's standards and the terms of the lease.

8.0 Collection of Rent and Service Charges

8.1 Archie Homes will review rents and service charges on an annual basis and will ensure that rent and service charge review notification letters and communications to customers meet all statutory obligations.

8.2 Archie Homes calculates all rents and service charges over a 52-week period.

8.3 Archie Homes will provide or signpost customers to money advice if they are struggling to pay their rent and service charges including support with accessing universal credit, housing benefit and any other welfare benefits. Archie Homes will provide costs of living support to customers where appropriate and in accordance with our cost-of-living support strategy.

9.0 Performance Measure and Targets

9.1 Archie Homes will record all rent levels within the Statistical Data Return (SDR). This ensures that the Regulator is aware of rents and can monitor progress against other registered providers.

9.2 Reports will be submitted to the Archie Homes Board for scrutiny and approval as part of the annual rent setting and budget setting and monitoring process.

10. Roles and Responsibility

10.1 The Managing Director Archie Homes is responsible for the effective implementation of this Policy.

10.2 It is the responsibility of the Archie Homes Board to take appropriate decisions in relation to rent and service charge setting. Reports will be prepared for the Board by the Managing Director Archie Homes and with recommendations for annual rent and service charges, based on Archie Homes' Rent and Service Charge Setting Policy and in line with the Government's rent restructuring regime.

10.3 This Policy will be reviewed annually to ensure that the policy continues to represent best practice and meets the Regulator and Governments rent setting requirements.