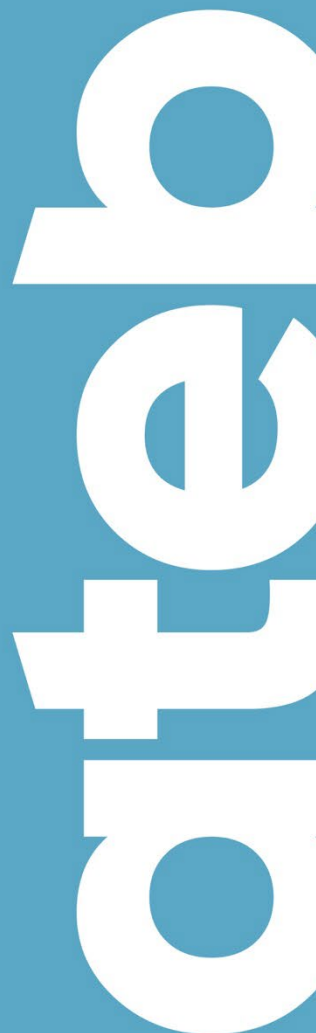


SA/03 - **Affordable Rent** **Setting** **Policy**

Creating
better
Living Solutions



“Our policies embed our culture, establish boundaries and outline our expectations. They have been agreed by our Board(s) as best practice documents for the Group’s decision making.”

Policy Statement

This policy sets out how ateb will set all types of rents for its homes that are fair and affordable for our customers.

ateb is required to detail how it sets rents for the properties it manages. All our social rents are set in accordance with the Welsh Government Rent Standard 2026-2036 (Social rents). ateb will annually consider and consult on affordability of all its rents with customers.

Rent setting will also assess the business needs to invest in its properties, services and development of new homes and services to further the purpose of the business and improve services to our customers.

Approval Date	Lead Contact	Review Date
December 2025	Executive Director for Customer	December 2026

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2. Principles

Affordability principles

ateb is committed to the following principles:

- We will evict no Contract Holder due to financial hardship, where Contract Holders engage with us, whilst working with partners to deliver on the commitment not to evict into homelessness
- We will provide targeted interventions to those experiencing financial hardship to access support, alongside focused communication to encourage Contract Holders to talk to us if they are experiencing financial difficulties and access support available
- We will continue to build on existing engagement with Contract Holders in rent setting decisions, including how income from rent is invested and spent
- We will undertake a standardised tenant satisfaction survey and provide data for publication to Welsh Government that will assist our Contract Holders in scrutinising our performance.
- We will work with the Welsh Government to strengthen transparency and accountability and improve learning and proactivity through enhanced data sharin

Affordable Rent Setting

A: Social rent properties (social rent is an affordable rent that is subject to guidelines that are determined by Welsh Government), we will:

Annually set the social property rent in accordance with the Welsh Government Rent Standard 2026-2036.

Board will ensure affordability for our customers, and this will be at the core of determining any rent uplifts/reductions annually. Board should also consider efficiencies and value for money for current and prospective customers.

ateb will adopt a Living Rent that establishes a link between rents and customers' ability to pay them. It is aimed at ensuring that our rents are genuinely affordable for customers on low incomes. The methodology was published by the Joseph Rowntree Foundation and the National Housing Federation in 2015. It was designed on the basis that it is unaffordable for customers to spend more than a third of their net income on household costs.

B: Intermediate rent properties (intermediate rent is less than the market rent and historically used by ateb when Social Housing Grant was at a level that did not meet costs to develop homes at a cost where a social rent could be charged), we will:

Endeavour to adopt the Living Rent methodology when determining rent affordability for all Intermediate rent properties.

C: Extra Care rent properties, we will:

Extra Care rents will be set in line with Welsh Government policy with consideration given to Living Rent.

D: Leased, Shared Ownership and Rent to Own properties, we will:

Where properties are subject to a lease and/or other form of agreement rents and/or charges will be set in accordance with the terms and conditions of that agreement.

Living Rent

A: Calculating Living Rent:

All rents starting point for calculating a Living Rent are based on setting a rent for a single person who lives in a 1-bedroom property. The Office of National Statistics releases an Annual Survey of Hours and Earnings (ASHE) every October. This data contains estimates of income data at county level. The methodology uses the estimated lower quartile gross weekly income for Pembrokeshire or Carmarthenshire. The net pay figure is calculated using a salary calculator. Based on the affordability criteria, 28% of the net pay becomes the standard affordable rent for standard single person accommodation.

For properties larger than a 1-bedroom property the Organisation for Economic Co-operation and Development (OECD) modified equivalence scale is used to adjust the income data. This takes into consideration the typical family composition that are allocated particular property sizes and types of social housing. Modified by Savills to inform equivalence multiples when calculating living rent for social housing.

Property Type	OECD Modified Equivalence Multiple
Bedsit, Supported Living Space (shared)	0.9
1 Bed Flat / House / Bungalow	1
2 Bed Flat / House / Bungalow	1.3
3 Bed Flat / House / Bungalow	1.6
4 Bed Flat / House / Bungalow	1.9
5 Bed House / Bungalow	2.2

Example 1:

1 Adult in 1-bedroom property = 100% of Living Rent

Example 2:

1 Adult and 1 child under 14 in 2-bedroom property = 130% of Living Rent

B: Annual Changes in Living Rent:

The levels of Living Rent will be reviewed annually. The increase freeze or decrease will be determined by the average change of lower quartile income levels for Pembrokeshire or Carmarthenshire in the previous 3 years – using the ASHE survey as a data source. This will reduce the risk of a reduction in rental income to ateb.

If the average income levels for Pembrokeshire or Carmarthenshire fall on an annual basis the policy must always seek to ensure that ateb remains financially viable, whilst maintaining affordability for customers. In a situation where income levels fall over 3 years and subject to a financial viability assessment, ateb could freeze rents, have a smaller increase, or continue to increase rents by the levels set within the Welsh Government Policy.

We will adopt a process of ongoing consultation with our customers on rent affordability with regular reporting to Board. The policy may be amended based upon feedback from our customers or a refinement in the sources of data on which assumptions are based.

ateb will continue to comply with Welsh Government policy, ensuring that the average rent for all properties continues to fall within the defined rent envelope that is updated annually.

C: Flexibility:

There are several circumstances where flexibility could be required to adjust the parameters within the Living Rent model when agreeing the assumptions to be used annually.

Parameters that could be adjusted include for example:

- The percentile taken from ASHE survey
- Percentage of income that is considered affordable
- Equivalence multiple for property type
- Adjustment for income at area level

The circumstances under which these changes would be considered include for example:

- An increase in poor performance such as difficult to let properties
- An increase in competition from the private rented sector
- Economic downturn that has significant impact on local economy e.g., large local employer closing down
- Where the addition of service charges takes the gross rent over a third of the typical occupants' income (using the ASHE survey and equivalence multiple)

Board approval will always be sought prior to any adjustment of parameters.

D: Service Charges:

A service charge is an additional charge that is incurred by customers for a service provided by ateb, usually but not entirely to customers who live in properties with communal areas or receive a shared service. These will continue to be charged in addition to the Living Rent.

If the addition of service charge results in an unaffordable cost for a property (over 33% of lower quartile net income considering equivalence) then a service charge cap may be considered in these circumstances.

This excludes Independent Living and Supported Living properties where additional services are provided and charged for e.g., staff support, meals etc.

When setting Service Charges ateb will.

- Ensure service charges remain reasonable and affordable
- Annually review service charges to seek efficiencies, and deliver value for money
- Provide ateb Contract Holders with adequate notice of any changes
- Provide ateb Contract Holders with clear and transparent information on their service charges, including detailed breakdown of costs
- Consult Contract Holders on service standards, clearly defining expectations and be accountable for service quality
- Develop consistent communications to ensure clarity and accessibility of service charge information, this will include where and how to

access additional information on service charges

- Signpost Contract Holders to where they can escalate concerns internally and externally

E: Customer Support:

ateb will provide individually tailored support to customers who are finding it difficult to afford their rent and other household costs. ateb will focus on support and advice for customers through a customer centric approach rather than enforcement with the aim of ensuring that customers retain their home. The Customer Team will work with, and signpost customers to other agencies where specialist support is required.

ateb will continue to offer financial support in the form of grants to customers..

3. Responsibilities

Group

This policy applies to ateb only.

Board of Management

Responsibility for approving rent setting policy and rent increases, freezes, or decreases annually.

Key Operational Role Responsibilities

In addition to the responsibilities listed above, the following key roles have specific responsibilities for the operational delivery of the Affordable Rent Setting Policy across the Group:

Group Chief Executive

- Effective operation of the Rent Setting policy.
- Adequate resources are made available to both develop and implement appropriate procedures.
- Enable responsibilities to be effectively delegated

Executive Director for Customer and Executive Director for Finance

- Interface with Business Review and Customer Committee.
- Reporting to Chief Executive and Board.
- Ensure the policy is applied and rent setting and income collection procedures are in place, maintained, monitored, and reviewed.

Head of Customer

- Management of performance and monitoring
- Reporting on performance corporately
- Responsible for the implementation of the policy and to ensure enough resources are available
- Effective consultation with our customers

4. Control

The Executive Director for Customer is the lead contact for this policy and for ensuring it remains operationally effective. This is a 1-Year Policy, and the Executive Director for Customer will lead on reviewing this policy annually. Board approval will be obtained if any amendments are required.

5. Links to other documents

Welsh Government Rent Setting Policy

<https://www.gov.wales/rent-and-service-charge-standard-2026-2036>

[Service Charge Procedure](#)

Additional help

Contact our customer team
quoting the policy reference:

Tel: **0800 854 568**

Email: **hello@atebgroup.co.uk**

Facebook **@theatebgroup**

Face to Face: **Get in touch and we can arrange a location**

Version History

Ver.	Date	Changes
1	January 2020	New Policy Drafted
2	January 2021	Policy Reviewed and approved by Board
3	January 2022	Policy Reviewed and approved by Board
4	November 2022	Policy Reviewed and approved by Board
5	November 2023	Policy Reviewed and approved by Executive Management Team
6	November 2024	Policy Reviewed and approved by Executive Management Team
7	December 2025	Policy Reviewed and approved by Executive Management Team