

<b>Report of:</b>	<b>Head of Housing and Waste Management</b>
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<b>Key Decision:</b>	<b>Yes</b>
<b>Report Track:</b>	<b>Cabinet: 21/08/14</b>

**CABINET**  
**21 AUGUST, 2014**  
**RENT SETTING POLICY**

**1 Purpose of Report**

- 1.1 To review the Council's housing rent setting policy following the publication of revised national guidance on rents for social housing.

**2 Recommendations**

- 2.1 That the revised housing rent setting policy as set out in Appendix 1 is agreed and implemented with effect from 1 April, 2015.

**3 Key Issues and Reasons for Recommendation**

- 3.1 Following consultation, the Government have now determined the revised national rent policy for social housing which will become operational in 2015-16.
- 3.2 The new policy will form part of the regulatory framework for social housing and as a result the Council's rent setting policy has been reviewed.
- 3.3 A revised policy, which has been formulated in accordance with the revised national rent guidance is attached as Appendix 1. It is proposed that this is agreed and implemented from 1 April, 2015.

**4 Relationship to Corporate Priorities**

- 4.1 The proposed revised rent setting policy would contribute to the service aim to "manage the Council's housing stock" which forms part of the Housing Portfolio Section of the agreed 2014-15 "Place" Priority Delivery Plan.

**5 Report Detail**

- 5.1 Cabinet on 19 December, 2013 considered a consultation paper issued by the Department for Communities and Local Government entitled "Rents for Social Housing from 2015-16".
- 5.2 The consultation paper set out a proposed national rent policy for social housing from April, 2015 onwards following "rent policy announcements" made in the 2013 budget. Cabinet agreed a response to the consultation paper, which apart from the proposals to enable market rents to be charged for social tenants with higher incomes, supported the proposed national policy.
- 5.3 The Government have now determined the revised national rent policy for social housing which will become operational in 2015-16. This is set out in a document "Guidance on Rents for Housing" which can be viewed on the DCLG website [www.gov.uk/dclg](http://www.gov.uk/dclg). With the exception of matters of clarification, the national rents policy remains unchanged from that proposed within the consultation paper.
- 5.4 In order that the new policy is implemented, the Government are to issue a revised direction to the Social Housing Regulator to amend the national rent standard. The Council is required as part of the regulatory framework for social housing, to formulate its policies in accordance with these standards and as a result the Council's rent setting policy has been reviewed.
- 5.5 A revised policy, which has been formulated in accordance with the revised national rent guidance, is attached as Appendix 1. This proposes that:-
- (i) The Council's existing stock is let at social housing rents.
  - (ii) New build and newly acquired properties are let at affordable housing rents which are equivalent to social housing rents. (As agreed by Cabinet on 17 April, 2014).
  - (iii) Market rents are not charged for tenants with high incomes.
  - (iv) Rents are reviewed annually with any resultant increase not exceeding the Consumer Price Index plus 1%.
  - (v) The rents of vacant properties are increased (where necessary) to formula rents on re-letting.
- 5.6 In particular, it will be noted that it is not proposed to adopt a policy to charge market rents for households with incomes over £60,000. It is considered that the cost of implementing any policy does not justify the limited benefits from charging a small number of tenants (if there are any in Cannock Chase) higher rents.
- 5.7 It is proposed that the proposed policy is approved and implemented from 1 April, 2015.

**6 Implications**

**6.1 Financial**

Annual rent increases in accordance with the revised national rent policy have been assumed in the HRA Business Plan.

**6.2 Legal**

The legal implications are addressed within the report.

**6.3 Human Resources**

None

**6.4 Section 17 (Crime Prevention)**

None

**6.5 Human Rights Act**

None

**6.6 Data Protection**

None

**6.7 Risk Management**

The revised national social rents policy provides certainty regarding potential levels of rent income for the next 10 years.

**6.8 Equality & Diversity**

The revised rent setting policy has been subject to an Equality Assessment, and has no identified negative implications.

**6.9 Best Value**

None

**7 Appendices to the Report**

Appendix 1                      Rent Setting Policy

**Previous Consideration**

Rent Restructuring Strategy      Council                      6 August, 2008

Housing Revenue Account Business Plan Review	Cabinet	21 November, 2013
Consultation on Rents for Social Housing form 2015-16	Cabinet	19 December, 2013
<b>Background Papers</b>		
DCLG	"Guidance on Rents for Social Housing"	
DCLG	"Rents for Social Housing from 2015-16 – summary of consultation responses"	
DCLG	"Direction on the Rent Standard 2014"	

**CANNOCK CHASE COUNCIL****RENT SETTING POLICY**1. Social Housing Rents

1.1 The Council's existing stock will be let at Social Housing Rents calculated in accordance with the nationally prescribed formula as set out in "Guidance on Rents for Social Housing". (Department for Communities and Local Government, May 2014)

1.2 The resultant formula rents will be increased annually by the Consumer Price Index (as at September of the previous year) plus 1%.

2. Affordable Rents

2.1 New build and newly acquired properties will be let at affordable housing rents which are equivalent to Social Housing Rents.

3. Rents for Social Tenants with High Incomes

3.1 Market rents will not be charged for any tenants who have an income of at least £60,000 per year.

4. Rent Reviews

4.1 Rents will be reviewed annually as part of the Housing Revenue Account Budget process.

4.2 Any resultant rent increase will not exceed the Consumer Price Index (as at September of the previous year) plus 1%.

5. Rent Year

5.1 Rents will be charged over a 52 week rent year.

6. Vacant Properties

6.1 Where the actual rent of a vacant property is below the formula rent, the rent will be increased to the formula rent level when the property is relet.

7. Property Revaluations

7.1 The property value of the rent formula may be reviewed in respect of properties where major improvement works have significantly increased the value.