

## **Appendix 9**

### **Summary of national rent setting policy**

1. The Council needs to ensure that it sets its rents in accordance with national policy and implement rent increases that enable it to manage and maintain its properties to a high standard as well as develop new homes.
2. The national policy does not apply to service charges although registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable. This can be difficult where the Council does not have control over costs, for example utility charges.
3. The national policy does not apply to rents for garages.
4. The national policy sets out how affordable rents can be set and that increases to these are also subject to CPI + 1 percentage point.
5. Since 2001 rents for the majority of social housing have been let at a "social rent". This is based on a formula for each property which uses the following:
  - The relative property value as at January 1999
  - The relative local earnings as at 1999 levels
  - Size of the property
6. Actual rents and formula rents were then increased in line with national policy.
7. Where a tenant was paying below the formula rent their rent could only be increased by the maximum amount allowed even if this meant they continued to pay below the formula rent. However, following a vacancy a property could be re-let at the formula rent.
7. The same formula based on 1999 values is used to calculate the social rent of any new properties and then uplifted in accordance with the national rent setting policy to today's levels.
8. Actual rents and formula rents will continue to be increased by CPI+1% until at least 1 April 2024.
9. The Council and Poole Housing Partnership will move to formula rent when re-letting a property following a vacancy.