

**WAVERLEY BOROUGH COUNCIL**  
**HOUSING OVERVIEW AND SCRUTINY COMMITTEE**

**27 NOVEMBER 2018**

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**Title:**

**Update Report - Rent Setting Policy**

**[Portfolio Holder: Cllr Carole King]**

**[Wards Affected: All]**

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**Summary and purpose:**

This updated report presents the draft Rent Setting Policy to the Committee incorporating the Committees comments from September 2018. The policy provides a clear framework for setting and reviewing rent levels for all Council homes. The policy ensures that the Council adheres to legislation and regulations when setting rents for Housing Revenue Account properties.

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**How this report relates to the Council's Corporate Priorities:**

This report supports the corporate priorities of People, Place and Prosperity by ensuring council homes are affordable to enable people to create settled homes, communities and support the economy.

**Financial Implications:**

The Rent Setting policy safeguards the income stream needed to meet the commitments in Housing Revenue Account Business plan in managing and maintaining council homes, delivering new homes and servicing debt.

**Legal Implications:**

Section 24 of the Housing Act 1985 gives a local housing authority the power to set rents, making "such reasonable charges as they may determine for the tenancy or occupation of their houses". This is subject to certain considerations and a requirement to review rents from time to time and to adjust them as circumstances require.

Under Section 102 of the Housing Act 1985 the Council is obliged to serve a statutory notice of variation on council tenants if it wishes to change the rent charged (or other terms of the tenancy). This will be carried out at the appropriate time subject to the decision of the Committee.

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**Introduction**

1. The Rent Setting Policy sets out how Waverley will calculate and charge rent for council homes within the Housing Revenue Account (HRA). Please refer to Annexe One for the draft policy document.

2. Landlords must follow legislative and statutory guidance when setting social and affordable rents. The rent collected is ring-fenced for the provision of housing in the borough. Council tenants' rents fund the management and maintenance of current homes, current home and estate improvements and the delivery of new council homes.
3. The policy applies to all HRA properties that the Council owns and has responsibility to manage and maintain.
4. The policy has been developed to provide clear guidance on rent setting and includes a process for setting rent for new build council homes.
5. The policy also records that the Council is required to rebase rents of Affordable Rent properties whenever a new tenancy is issued or renewed, to ensure that it continues to reflect the market rent for the property.

### **Supporting information**

6. A glossary of terms has been added to the Rent Setting Policy document to provide further context and advice as requested by Committee.
7. The Council currently have 47 homes let at an affordable rent and c4700 homes let social rents.
8. Average weekly rents are presented below to give an indication in the range of council rents within Waverley.

Average weekly rent	One bed flat	Two bed house	Three bed house
affordable rent	<b>£143.89</b>	<b>£181.98</b>	<b>£210.58</b>
social rent (general needs)	<b>£92.49</b>	<b>£122.83</b>	<b>£132.73</b>
difference	£51.40	£59.15	£77.85

### **Conclusion**

9. The draft policy was updated to reflect the comments of the Housing Overview and Scrutiny Committee and ensures the Council complies with legislative and statutory requirements whilst providing transparent information about rent setting.

### **Recommendation**

It is recommended that the Housing Overview and Scrutiny Committee considers and supports the endorsement of the Rent Setting Policy and identify any areas for further scrutiny.

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### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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