

EXECUTIVE

Tuesday 16 December 2025

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HOUSING RENTS AND SERVICE CHARGES 2026-27

The Executive received the report which set out the proposed changes to Council dwelling rents, garage rents and service charges with effect from 1 April 2026.

Particular reference was made to:

- the rent increases followed the Government's social rent setting policy with rises to CPI + 1%, which took September 2025 CPI inconsideration and equated to 4.8%;
- the Service charges and garage rents were outside the scope of the social rent setting policy but were proposed to rise by 4.8% for consistency;
- the government had indicated its intention to implement a convergence policy, to allow rents currently below formula levels to be increased annually, so tenants in similar properties within the same area pay comparable rents; and
- delegated powers were sought to implement the convergence policy once government guidance was issued.

During the discussion, Executive Members raised the following points and questions:

- would the reinstatement of the Winter Fuel Allowance affect the outcomes under the cost of living/energy on page 56 of report?
- £15,192,519 had been spent on capital works, £11,293,222 spent on revenue works and 152 homes were retrofitted which highlighted the service charge increases and how it funded those essential works;
- winter fuel allowance was in place for residents earning under £35,000 a year or were born before 1959, which would also impact calculations;
- it was enquired whether data and the impact of retrofitting could be included in future reports as a positive element mitigating cost-of-living pressures;
- the proposed service charge increase was modest compared to private/leasehold management fees and reflected value for money in HRA services; and
- the relevance of the race and ethnicity section in the EQIA was raised and clarification was sought on how it related to the questions asked.

The Leader acknowledged that any rent increase would be unpopular but emphasised the context that Exeter's social rents remained lower than housing associations and was still significantly below private rental market rates. He further clarified that Winter Fuel Allowance was paid upfront and adjusted through income tax coding over the year.

In response to questions raised by Executive Members, the Head of Service Finance advised that:

- service charges complied with government guidelines and were limited to cost recovery only. They could not exceed the actual cost of providing the services and were regularly reviewed to ensure they reflect the true cost of delivery; and

- other questions raised by the Executive Members will need to be responded to outside of the meeting.

Opposition group leaders made the following points and questions:

- it would be positive for tenants that the rent increase this year was lower due to lower CPI;
- clarification was sought on the 15% increase in the use of Council bailiffs between 2022–23 and 2024–25 and whether it primarily related to Council housing arrears or general council debts;
- there was a need to monitor impacts of rent levels on tenants, including access to benefits support;
- council housing was the only affordable housing option in the city;
- following recent national discussions on housing issues, it was highlighted that Exeter City Council was ahead in this discussion;
- clarification was sought on the migration from housing benefit to Universal Credit and whether this migration posed any issues, and at what stage the council might need to intervene or implement a policy; and
- it was noted that Universal Credit payments went directly to recipients, unlike housing benefit, which would affect the council's ability to manage income directly.

The Leader acknowledged questions from opposition group leaders and advised that those issues did not affect the upcoming vote on the report and that detailed answers would be provided outside of the meeting.

The Leader moved the recommendations, which were seconded by Councillor Foale, voted upon, and CARRIED unanimously.

RESOLVED that the Executive approves:

- (1) the increase of Council dwellings rent by 4.8% from 1 April 2026;
- (2) the increase of Garage rents by 4.8% from 1 April 2026;
- (3) the increase of Service Charges by 4.8% from 1 April 2026; and
- (4) in principle, an additional increase in rents for non-convergent properties to bring them into line with convergent rents over a period of time, with the precise level of any such additional increase be delegated to the Strategic Director for Corporate Resources and the Strategic Director for People and Communities, in consultation with the Leader and the relevant Portfolio Holder.