

**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - COMMUNITY**  
**18 JANUARY 2011**

**EXECUTIVE**  
**25 JANUARY 2011**

**HOUSING RENTS 2011-12**

**1. PURPOSE OF THE REPORT**

1.1 To recommend a rent increase from 1 April 2011 for Council dwellings.

**2. GOVERNMENT GUIDELINE RENT INCREASE**

2.1 In the draft Housing Revenue Account Subsidy Determination, the Government has increased Exeter's average Guideline Rent, collected over 52 weeks, by 5.1% in 2011-12.

2.2 Rents are collected over 48 weeks, and this will result in an average rise of £3.21 per collection week for 2011-12.

2.3 The increase reflects a general inflationary increase of 4.6% together with a 0.5% convergence factor to reflect the number of years to rental convergence with the housing association sector. The draft subsidy determination is based upon convergence within 5 years, by 2015-16. The rent convergence has therefore been brought back considerably from 2009-10 when it was estimated to take place by 2024-25.

2.4 The rent is calculated using a formula linked to 1999 property values in the area relative to the national average, local earnings relative to the national average and the number of bedrooms in the property.

**3 RECOMMENDED**

That Scrutiny Committee supports and Executive approves that:

- (I) Rents of Council dwellings are increased from 1 April 2011, by an average of 5.1% which includes a general inflationary increase of 4.6% together with the phased introduction of the Government's rent restructuring proposals.

HEAD OF TREASURY SERVICES

S:PA/LP/Committee/111SCC4  
7.1.11

CORPORATE SERVICES DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)**  
**Background papers used in compiling this report:**  
**2011-12 Draft Housing Subsidy Determination**