

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - COMMUNITY
17 JANUARY 2012

EXECUTIVE
24 JANUARY 2012

HOUSING RENTS 2012-13

1. PURPOSE OF THE REPORT

- 1.1 To recommend a rent and service charge increase from 1 April 2012 for Council dwellings.

2. GOVERNMENT GUIDELINE RENT INCREASE

- 2.1 In the draft Housing Revenue Account Self Financing Determination, the Government has increased Exeter's average Guideline Rent, collected over 52 weeks, by 6.84% for 2012-13 which is £4.36 per week over 52 weeks.
- 2.2 Rents are collected over 48 weeks, and this will result in an average rise of £4.72 per collection week for 2012-13.
- 2.3 The increase reflects a general inflationary increase of 5.6% together with a 0.5% convergence factor to reflect the number of years to rental convergence with the housing association sector. The draft determination is based upon convergence within 4 years, by 2015-16.
- 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. SERVICE CHARGE INCREASE

- 3.1 Service Charges will be increased by 6.1 % (RPI 5.6% + 0.5%) in line with Section 18(1) of the Landlord and Tenants Act 1985 and in accordance with the Government's Guidance on Social Rent Reforms in the Local Authority Sector, except where cost increases are expected to be less, as follows:

(1) Cleaning Communal Areas + 2.0%

(2) Fire Alarm maintenance 0.0%

4. RECOMMENDED

That Scrutiny Committee supports and Executive approves that:

- 1) Rents of Council dwellings are increased from 1 April 2012, by an average of 6.84% which includes a general inflationary increase of 6.1% together with the phased introduction of the Government's rent restructuring proposals.

- 2) Service Charges are increase by 6.1% with the exception of charges specified in paragraph 3.1 above.

HEAD OF TREASURY SERVICES

S:PA/LP/ Committee/112SCC3
4.1.12

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