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<b>REPORT TO:</b>	<b>HOUSING AND COMMUNITY SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>12 NOVEMBER 2024</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>EXECUTIVE DIRECTOR – PLACE AND PROSPERITY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>ALISON BENNETT</b> <a href="mailto:Alison.bennett@southderbyshire.gov.uk">Alison.bennett@southderbyshire.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>CONSULTATION ON FUTURE SOCIAL HOUSING RENT POLICY</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: HCS14</b>

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## **1.0 Recommendations**

That Committee delegate to Executive Director- People and Places in consultation with the Chairman of Housing and Communities Committee to submit the Council's response to the Consultation on Future Social Housing Rent Policy, which the Ministry of Housing, Communities & Local Government launched on the 30 October 2024.

## **2.0 Purpose of the Report**

- 2.1 To bring to Members attention the current consultation exercise which has commenced on a future social housing rent policy.
- 2.2 Consultation responses need to be submitted, via an online questionnaire by the 23 December 2024.
- 2.3 The Council ought to respond to the consultation exercise, as the option of a change in the rent policy will have a significant effect upon the HRA and the rents charged to tenants.

## **3.0 Detail**

- 3.1 Officers are currently working on a draft response to the nine questions contained in the consultation document. As the consultation closes on the 23 December 2024, Officers are seeking delegated approval for the Executive Director – Places and People in consultation with the Chair of the Housing and Community Services Committee to settle and submit a response.
- 3.2 This consultation seeks views on a new direction from the Secretary of State to the Regulator of Social Housing in relation to Social Housing Rent Policy. It focuses on the introduction of a new rent policy from 1 April 2026.
- 3.3 The proposed methodology is CPI +1% per annum

- 3.4 The proposals will apply to rents charged by providers registered with the Regulator of Social Housing. They will therefore mainly affect tenants of social housing in England.
- 3.5 The actual consultation document takes the form of 9 questions completed via an online survey.
- 3.6 The proposal is that the Government should set a rent policy that will remain in place for at least the next five years, from 1 April 2026 to 31 March 2031, and then goes on to ask if a longer period should be considered, for example 7 or 10 years.
- 3.7 It seeks views on how respondents perceive that a rent policy, for say 5 years, would impact on issues such as, their willingness to invest in their current homes, and purchase new ones. It also asks how such a policy may impact affordability for tenants.
- 3.8 Interestingly there is a question about identifying measures which would provide confidence for social landlords in the event of an inflationary spike.
- 3.9 Lastly the consultation seeks respondents' views for other measures, outside the rent policy, which could help increase investment in current stock and new acquisitions.

#### **4.0 Financial Implications**

- 4.1 A set policy would bring financial stability for both social landlords and their tenants. Previously (2019 and 2023) the Government invoked powers to implement a rent cap, which caused considerable financial pressures for HRAs. For example, in 2023, a rent cap was set at 7%, when the level of inflation experienced by Councils was closer to 12%, and this difference will never be caught up, so if there were assurances that the rent policy would negate the option of a rent cap, this would give confidence to social landlords.

#### **5.0 Corporate Implications**

- 5.1 There are no direct implications resulting from responding to the consultation opportunity, however when a decision is taken on a social housing rent policy, a further report will be provided, going through in detail what it means for South Derbyshire and our tenants.

#### **6.0 Community Implications**

As above

#### **7.0 Legal Implications**

None arising directly from this Report

#### **8.0 Background Papers**

[Consultation on future social housing rent policy - Ministry of Housing, Communities and Local Government - Citizen Space](#)