

Briefing Note for Overview and Scrutiny Committee



**Epping Forest
District Council**

Portfolio: Housing and Property (Cllr Holly Whitbread)

Subject: Rent types changed for social housing within HRA

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Briefing note for members

Executive Summary:

Members requested an overview of the types of rent charged in our social housing stock. This was presented verbally, however members felt a paper would be helpful.

Report

At EFDC 2 types of rent – Social rent and Affordable rent are used. The way in which we set our rents is governed by the Rent Standard which is set by the regulator of social housing.

Affordable Rent

"Affordable" rents were introduced by the government a while ago as a way of allowing housing providers to charge a higher but still discounted rent on some of our homes. An "Affordable Rent" is defined as a rent of up to 80% of the local market rent for the homes we let. The extra income we get from letting a small percentage of our homes (new builds and buy backs) on an "Affordable Rent" is used to help develop new homes for those in housing need.

In addition, we have to consider the financial viability of our housing stock. All our new builds are set at an affordable rent, it would be difficult to build any further council housing which is not set at an affordable rent, unless we receive significant grant from Homes England. This is because the financial feasibility on anything, but affordable rent will lead us to breaching the HRA business plan over time.

For the same reason we also charge affordable rent on buybacks.

Social Rent

Social rent is set by the Regulator for Social Housing and is increased each year according to what the Regulator has set in the rent standard. The initial rent was based on a 1999 value and has increased or decreased ever since, based on the latest rent standard.

Members can find a copy of the latest rent standard at the link below:

[Rent Standard and guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)