

Rent & Service Charge Setting Policy

1. Introduction

- 1.1. This policy details East Suffolk Councils approach to setting rents and service charges in its Council owned homes and garages.
- 1.2. This Policy will ensure compliance with all relevant legislation and the standards set out by the Regulator of Social Housing.

2. Legal Requirements

- 2.1. East Suffolk Council will ensure that rents and service charges are set in line with statutory and regulatory requirements including the Rent Standard 2020 and associated guidance and also take into consideration recognised best practice.
- 2.2. This policy takes into account the following legislation and regulation:
 - Housing Acts 1980, 1985, 1988 and 1996
 - Housing and Regeneration Act 2008
 - Regulator of Social Housing Rent Standard 2020
 - Policy statement on rents for Social Housing (Feb 2019)
 - Commonhold and Leasehold Reform Act 2002
 - Leasehold Reform (Ground Rent) Act 2022
 - Social Housing's Regulatory Framework
 - Welfare Reform & Work Act 2016
 - Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016 (as amended in 2017)
 - Landlord & Tenant Act 1985 (as amended by the Commonhold & Leasehold Reform Act 2002)

3. Policy Statement

- 3.1. East Suffolk Council will ensure a fair and consistent approach to rent and service charge setting.
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- 3.2. We aim to ensure that our rent and service charge policy is clear and transparent for our tenants.
- 3.3. We will always look for value for money in the services we provide and charge for in our service charges. We will always try to balance the quality of the services against cost. We will provide tenants with clear information about what they're paying for.

4. Background

- 4.1. In February 2019 the government published a direction to the Regulator of Social Housing that would allow social housing rents to rise by up to the Consumer Price Index (CPI) + 1% for five years from 2020. This marked the end of the 1% rent reduction which was introduced by the *Welfare Reform and Work Act 2016*.
- 4.2. Full Council, which is Councillors from all Wards across East Suffolk approves our annual rent and service charge proposal for the new financial year, which includes both new rents (formula rents) and rent and service charge increases for existing tenancies. Our annual proposal will also be subject to review and scrutiny at the Council's Overview & Scrutiny Committee, Cabinet and with tenants through our new Tenant Engagement Framework.
- 4.3. East Suffolk Council reviews its rents on an annual basis and applies the new rents from April each year. All tenants will receive at least 4 weeks' notice in writing of their new rent for the new financial year, and the notice will include the new rent and the date it will be charged from.
- 4.4. East Suffolk reviews its service charges on an annual basis and will apply the new charges according to the relevant legal agreements. Notice will be given of the new services charges and from what date they will be charged from.
- 4.5. Where we refer to the relevant Consumer Price Index (CPI), we'll base this on CPI from the September of the preceding year, unless otherwise stated.

Rent

5. The Setting of Rents

- 5.1. Rent is the regular payment received by us from a tenant for the use of our property.
 - 5.2. We have a number of different types of accommodation which use different mechanisms for setting the rent. These are detailed below:
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Type of Accommodation	Description	Rent Setting Mechanism	Charge Period
General Needs	General housing for families, couples and single persons.	Social Rent or Affordable Rent	Weekly over a 50-week rent year
Retired Living	Designated housing for persons aged 55 or over	Social Rent	Weekly over a 50-week rent year
Shared Ownership	Property is purchased in shares; rent is charged for the shares still retained by ESC	Set typically at 2.75% of the unsold value at the point of original sale.	Monthly charged on 1 st of each month.
Commercial	Properties used for commercial premises e.g., shops	These will be set at a market rent for commercial properties	Annual rent charged according to the lease.
Temporary Accommodation	Housing used as temporary accommodation for households who are owed a duty under s188 or s193 (2) Housing Act 1996.	Social Rent or Affordable Rent	Weekly over a 52-week calendar year.
Temporary Accommodation, which is excluded under the relevant category within the Rent Standard 2020	Housing used as temporary accommodation for households who are owed a duty under s188 or s193 (2) Housing Act 1996.	Local Housing Allowance for the relevant property size	Weekly over a 52-week calendar year.
House of Multiple Occupation (HMO's)	Accommodation let as a room only with shared facilities such as bathroom and/or kitchen.	These will be set at the Local Housing Allowance rate for shared accommodation.	Weekly over a 52-week year.
Garages	Separate block garages	These will be set at a market rate comparable with other Social Landlords Garages.	Weekly over a 50-week year.
Leasehold	Properties where we own the freehold of a building and lease a home within that building for example a flat bought via the Right to Buy.	This will be charged as Ground Rent.	Annually according to the lease.

6. Social Rents

- 6.1. We apply social rents to our general needs and retired living accommodation. Social Rents are set at Formula Rent.
 - 6.2. Rent will be charged on a Monday over a 50-week year. Where a tenancy starts on any day other than a Monday the first week's rent will be charged on the day the tenancy starts and a pro-rata amount will be charged for the number of days from the start date up to and including the Sunday that week.
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- 6.3. When a socially rented property is terminated a new formula rent will be calculated. This will also occur if a property that has previously been rented as temporary accommodation is granted to the same household on an Introductory Tenancy.
- 6.4. The rent will not change in the case of assignments, including mutual exchange, or in the case of successions (unless the successor moves to alternative accommodation). In these cases, the existing rent level will continue to be charged, until the next annual rent increase is applied.

6.5. We calculate new formula rents which are known as Target Rents as follows:



- 6.6. [Appendix 1](#) gives an example of how a social rent is calculated.
- 6.7. From April 2020, the maximum weekly rent for an existing tenant is found by:
1. Determining the average weekly rent for the tenant's accommodation
 2. Increasing that amount by CPI +1%
- 6.8. For 2023/24 Financial Year rent increases have been capped at 7% by central government due to the cost-of-living crisis.
- 6.9. Where the new rent is higher than the formula rent, we may choose to either leave the rent the same for the following year or increase the rent by any amount up to CPI + 1%.
- 6.10. Formula rent is subject to a cap. Rents will not exceed the rent cap level for the size of property concerned. From April 2020 rent caps will increase by CPI + 1.5%. While the rent caps increase annually by CPI + 1.5%, the annual change in rent for a rent-capped property must still be governed by the CPI + 1% limit.
- 6.11. The Government's Rent Policy Statement recognises the need for discretion over rent levels to take into account local pressures. As a result, the policy allows the Council to use some flexibility in setting rents up to 5% above formula rent for general needs tenancies or 10% above formula rent for supported housing, including Retired Living. Please refer to East Suffolk Councils Rent Flexibility Statement which can be found in [Appendix 2](#) for more information.
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- 6.12. These requirements do not apply when setting rents for higher income social tenants. Presently we apply the same rules to all social housing tenants regardless of their income.
- 6.13. If the number of bedrooms within a property change as a result of an extension or alteration to the property, a new formular rent will be determined based on a revised 1999 valuation of the property. The new rent will be charged to the existing tenant at the time of the next annual rent increase following completion of the works.

7. Affordable Rents

- 7.1 Affordable Rents were introduced in 2011 and are typically higher than Social Rent.
 - 7.2 Affordable Rents cannot exceed 80% of the 'Gross Market Rent' including service charges.
 - 7.3 All Affordable Rented properties have a valuation of 'Market Rent' by a Royal Institute of Chartered Surveyors (RICS) recognised methodology.
 - 7.4 East Suffolk Council will then set the rent at either 80% of the market rent valuation or capped at the relevant Local Housing Allowance rate, whichever is lower.
 - 7.5 'Gross Market Rent' includes service charges. When we consider whether to let a property at an Affordable Rent, we'll consider future service charges and the impact on the income to be generated. If the estimated affordable rental income element is likely to be reduced to an uneconomical level, we'll review whether it is practical to offer at an Affordable Rent.
 - 7.6 Where the Affordable Rent Level would generate a lower rental rate than a Social Rent, the property will be treated as a Social Rent, and it will, therefore, not include service charges as a gross rent. Please see section 6. for all information on Social Rents.
 - 7.7 From April 2020, and for a period of five years, an increase of up to CPI + 1% is applied to the total rent and service charges, subject to the current LHA limit not being exceeded. Personal Service Charges (e.g., Heating, Lighting & Water) are not included in the calculation.
 - 7.8 For 2023/24 Financial Year rent increases have been capped at 7% by central government due to the cost-of-living crisis.
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- 7.9 All newly built properties under specific development programmes will be let at an Affordable Rent at first let and any subsequent let unless any grant funding from Homes England specifies it must be let at a social rent.
- 7.10 We reserve the right to convert socially rented properties to Affordable Rent in the future provided this is in line with an agreement with central government.
- 7.11 Rent will be charged over a 50-week year. Where a tenancy starts on any day other than a Monday the first week's rent will be charged on the day the tenancy starts and a pro-rata amount will be charged for the number of days from the start date up to and including the Sunday that week.

8. Void Rent

- 8.1 The period of time from when one tenancy ends and another commences, is known as a 'Void' period. This means that no-one is effectively the 'tenant', and no rent is due on the property during that time.
- 8.2 Void rent should continue at the last let rent. Where the rent is below formula rent this will be increased to formula rent at the next new letting.

9. Shared Ownership Rent

- 9.1 Shared Ownership rents will be agreed with the leaseholder at the point at which the lease is granted. They will not exceed 3% of the capital value of the unsold equity at the point of the initial sale and will typically average 2.7% across all shared ownership properties sold since April 2022.
- 9.2 Rent will be charged monthly on 1st of each month unless otherwise stated in the lease. Where a lease starts on any day other than the 1st of the month, the first months' rent will be charged on the day the lease starts for the number of days from the start date up to and including the last day of that calendar month.
- 9.3 The relevant annual increase rate for the rental element of a shared ownership property will be determined by the terms of the lease for the property.
- 9.4 For more information on Shared Ownership rent and service charges please see East Suffolk Council's [Shared-Ownership-Policy](#).
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10. Commercial Rents

- 10.1 Commercial rents (e.g., shops and offices) will be valued by East Suffolk's Asset Management team based on The Royal Institute of Chartered Surveyors valuation methods.
- 10.2 Annual rent reviews will be in line with the relevant lease for the property.

11. Temporary Accommodation Rents

- 11.1 Temporary accommodation rents will be charged at either a social or affordable rent.
- 11.2 Rents will be charged at a social rent unless the property is newly built or refurbished and an affordable rent can be charged due to either an agreement with Homes England, or funded by Right-to-buy receipts. Please refer to section 6 for Social Rents and Section 7 for Affordable Rents.
- 11.3 If any temporary accommodation properties fully meet the criteria set out in the Rent Standard 2020 exemptions categories, then the rent will be set at the relevant Local Housing Allowance rate.
- 11.4 Rent will be charged every Monday over a 52-week year, except when there are 53 Mondays in a financial year in which case it will be charged for 53 weeks of the year. Where a tenancy starts on any day other than a Monday the first week's rent will be charged on the day the tenancy starts and a pro-rata amount will be charged for the number of days from the start date up to and including the Sunday that week.

12. Houses of Multiple Occupation (HMO's) Rents

- 12.1 HMO accommodation rents will be charged at the Local Housing Allowance Rate for shared accommodation rent.
 - 12.2 Rent will be charged on a Monday over a 52-week year. Where a tenancy starts on any day other than a Monday the first week's rent will be charged on the day the tenancy starts and a pro-rata amount will be charged for the number of days from the start date up to and including the Sunday that week.
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13. Garage Rents

- 13.1 Garage Rents will be charged at a Market rate benchmarked with other Local Authority and Registered Providers in East Anglia. This will be reviewed annually.
- 13.2 Rent will be charged on a Monday over a 50-week year. Where a tenancy starts on any day other than a Monday the first week's rent will be charged on the day the tenancy starts and a pro-rata amount will be charged for the number of days from the start date up to and including the Sunday that week.

14. Ground Rent

- 14.1 The Leasehold Reform (Ground Rent) Act 2022 came into force on 30th June 2022 and restricts landlords from charging Ground Rent on new regulated leases over 21 years in length.
- 14.2 Where ESC is the freeholder of a building or estate and leases out flats or houses within that building or estate on long term leases prior to 30th June 2022, ground rent will be charged annually.
- 14.3 Where ESC is the freeholder of a building or estate and leases out flats or houses within that building or estate on long term leases after 30th June 2022, ground rent will NOT be charged annually.
- 14.4 Ground Rent will typically be charged at a 'peppercorn' rent and this amount will be specified in the lease.

Service Charges

15. The Setting of Service Charges

- 15.1 'Service charges' are for services which ESC, as a landlord, pay for the running of the building and area tenants live in. They are things such as lighting and cleaning shared areas or looking after the grounds and gardens around the building.
 - 15.2 ESC will only charge for services detailed in the original legal agreement between ESC and the tenant/leaseholder, unless, either, agreements have subsequently been varied
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to include additional services, or have been consulted and the majority affected agree to the change.

- 15.3 Where tenants have been consulted as in 15.2 above, new chargeable services will not be introduced without consultation and the agreement of the majority of tenants affected. If more than one tenant requests a new, improved, or additional service, the views of all tenants affected by the request will be sought.
- 15.4 Under sections 18-30 of the *Landlord & Tenant Act 1985 (as amended by the Commonhold & Leasehold Reform Act 2002)* there are statutory consultation processes that are required when a service charge is levied. We will ensure that statutory requirements are met.
- 15.5 Charges are apportioned in accordance with the terms of the legal agreement, or where the apportionment method is not defined, apportionment charges are distributed amongst the residents who benefit from the services for which a charge is being levied.
- 15.6 Service charges are based on actual costs from previous financial years, unless specified otherwise as part of a legal agreement.
- 15.7 We have a number of different accommodation types, which will have different mechanisms for setting and charging any services charges which are listed below:

Accommodation Type	Description	Service Charge Setting Mechanism	Review Period	Charge Period
General Needs	General housing for families, couples and single persons.	Based on services only, will not include maintenance covered by <i>Landlord and Tenant Act 1985</i> .	Reviewed annually with new charges in April.	Weekly over a 50-week rent year.
Retired Living	Designated housing for persons aged 55 or over	Based on services only, will not include maintenance covered by <i>Landlord and</i>	Reviewed annually with new charges in April.	Weekly over a 50-week rent year.

		<i>Tenant Act 1985.</i>		
Shared Ownership	Property is purchased in shares; rent is charged for the shares still retained by ESC	Services, Maintenance under freeholders' responsibility, sinking funds and insurance costs.	Reviewed annually according to lease.	Monthly charged on 1 st of each month.
Commercial	Properties used for commercial premises e.g., shops	Services, Maintenance under freeholders' responsibility, sinking funds and insurance costs.	Reviewed annually according to lease.	Annual charged according to the lease.
Temporary Accommodation	Council Housing used as temporary accommodation for households who are owed a duty under s188 or s193(2) Housing Act 1996.	Based on services only, will not include maintenance covered by <i>Landlord and Tenant Act 1985.</i>	Reviewed annually with new charges in April.	Weekly over a 52-week calendar year.
Houses in Multiple Occupation (HMO's)	Accommodation let as a room only with shared facilities such as bathroom and/or kitchen.	Based on services only, will not include maintenance covered by <i>Landlord and Tenant Act 1985.</i>	Reviewed annually with new charges in April.	Weekly over a 52-week year.
Leaseholders	Properties where we own the freehold of a building and lease a home within that building for example a flat bought via the Right to Buy.	Services, Maintenance under freeholders' responsibility, sinking funds and insurance costs.	Reviewed annually according to lease.	Annually according to the lease.

- 15.8 Where variations in agreements exist and given due regard to our legal and ethical obligations, we will, in the future seek to harmonise agreements enabling a consistent approach in our charging mechanisms.
- 15.9 **General Needs, Retired Living, Temporary Accommodation & HMO's:** Rent incorporates provisions for the maintenance and upkeep of the home as a result of fair wear and tear. The service charge/s will not include the cost of maintaining the fabric of the building including communal areas nor for insuring the building. The cost of this is met by ESC from rental income. Tenants will need to make arrangements for their own contents insurance and paying your service charge. ESC does recommend a Tenant Content Scheme, although tenants are free to use any scheme of their choosing. More information can be found on our website here: [Simple household contents insurance » East Suffolk Council](#).
- 15.10 **Shared Owners, Leaseholders or Commercial Leaseholders in flats or apartments:** Subject to lease terms, all costs including maintenance and upkeep of the fabric of the building will be re-charged through Service Charges. Service charges cover all communal services and building insurance. Shared Owners and leaseholders will need to make arrangements for their own contents insurance and paying their service charges. ESC does recommend a Tenant Content Scheme, although tenants are free to use any scheme of their choosing. More information can be found on our website here: [Simple household contents insurance » East Suffolk Council](#).
- 15.11 **Shared Owners, Leaseholders or Commercial Leaseholders of houses or whole buildings:** Subject to lease terms, all costs including maintenance and upkeep of the fabric of the building will be re-charged through service charges. Service charges are likely to be for communal external areas and services, and buildings insurance. In some cases, the lease may require the shared owner or leaseholder to insure the building, if this is the case they will need to have buildings insurance. In all cases, they will require their contents insurance, any commercial insurance they require and paying their service charge.
- 15.12 **Freeholders of houses:** Subject to the conditions in the transfer documents/deeds of your property, some freeholders may be liable to pay for services provided to the estate where your property is located.
- 15.13 All our customers will be given one months' notice of their new service charges upon annual review.
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- 15.14 When new properties are acquired or built, to which service chargeable services are provided, service charges will be based on an estimate of actual cost until the end of the first full year of provision. Charges for subsequent years will be based on the actual cost.
- 15.15 Information on service charge costs and calculations will be available on request.

16. Services Charges for all accommodation types

- 16.1 We have a number of different service chargeable items for all our accommodation types. Not all properties will have all of the service chargeable items listed in 16.2.
- 16.2 The following list details demonstrates if a service chargeable item is eligible for Housing Benefit (HB) or Universal Credit (UC):

Service Chargeable item	HB/UC Eligible	Applicable only to Shared Ownership, Leasehold and Commercial
Grounds Maintenance of communal areas	✓	X
Grounds Maintenance of own garden where applicable	X	X
Communal Cleaning including windows	✓	X
Caretaking Services	✓	X
Support Charges (i.e., for Scheme Managers in Retired Living)	X	X
Alarm charges for fixed wired alarms in Retired Living Schemes	✓	X
Communal electric, gas, water or sewage charges for heating, lighting and cleaning of communal areas.	✓	X
Heating, Lighting and Water charges for own property where applicable.	X	X
Refuse collection	✓	X
Laundry charge	X	X
Laundry Equipment Servicing and Repairs	✓	X
Fire alarm and Emergency Lighting Servicing & Repairs	✓	X
Fire Fighting Equipment	✓	X

Vertical lift/communal stairlift servicing & repairs	✓	✗
Legionella Testing	✓	✗
Door entry system	✓	✗
Communal TV aerials	✓	✗
CCTV	✓	✗
Phone line for alarms and door entry	✓	✗
Building Insurance	✓	✓
Repairs to Communal areas	✓	✓
Communal Decoration	✓	✓
Interest on arrears	✗	✓
Management Fee	✓	✗

16.3 The above list may not contain all of our service chargeable items and for any queries on how much of a service charge is covered by HB or UC, can be discussed with a Rents Officer.

16.4 Our management fee will not exceed 20% of the total service charge.

17. Shared Ownership and Leasehold Service Charges

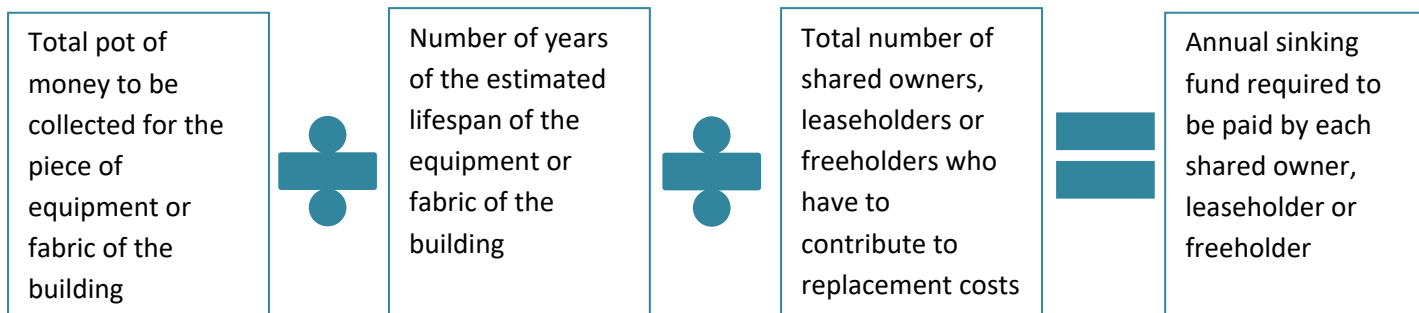
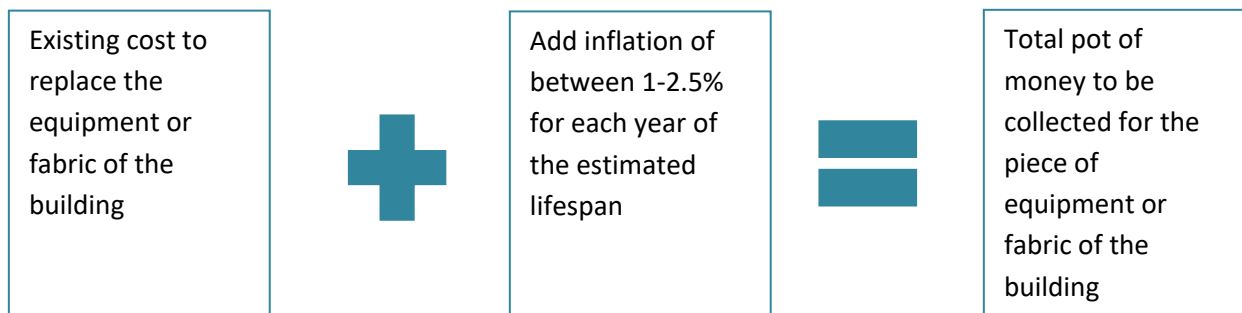
17.1 In Line with Section 20 of the *Landlord and Tenant Act 1985*, we will consult with shared owners and/or leaseholders if any major or cyclical works costs are likely to exceed £250 for any shared owner or leaseholder.

17.2 If we intend to enter into any contract for longer than a year we think will cost more than £100 for any shared owner or leaseholder we will consult in accordance with the *Landlord and Tenant Act 1985*. We will consider your views as well as cost, service provision and value for money when making a decision.

18. Sinking Funds

18.1 Sinking funds are a mechanism for collecting payment in advance for the replacement of equipment or when the fabric of the building (for example the roof of a block of flats) is replaced. Unless an existing arrangement is in place such as on a new build development site, or it is specifically agreed with customers, sinking funds will not be collected.

18.2 Where we do have sinking funds in place, we will use the existing cost of the replacement for the equipment or fabric of the building and use an estimate for the lifespan of the equipment or fabric of the building, they will be calculated as follows:



19. Interest

- 19.1 East Suffolk Council does not charge interest on arrears owed by General Needs, Retired Living, HMO or Temporary Accommodation tenants.
- 19.2 East Suffolk Council reserves the right to charge interest on Rent arrears for Garages, Leaseholders, shared owners and commercial tenants. The ability and rates of interest will be specified in the terms of the lease or licence.
- 19.3 East Suffolk Council has no liability to pay interest on any credit balances that our Tenants/Residents/Leaseholders have accrued on their rent account.

20. Conclusion

- 20.1 This policy sets out our approach to Rent and Service Charge Setting and our annual rent and service charge review. If more information is required on tenancy agreements/licences/leases for further information on your rights and responsibilities, please seek ESC's advice, or seek independent help.

21. Equality, Diversity, and Inclusion

- 21.1 East Suffolk Council, staff, Councillors, partners, stakeholders, and contractors are committed to providing services, which are relevant and appropriate to the needs of

people. We will treat others fairly and without discrimination. Please refer to our [Equality and Diversity Statement](#) for more details.

22. Policy Review

- 22.1 Rental and Service Charge Income will be monitored and published in quarterly financial monitoring reports, which are presented to Cabinet and published on the East Suffolk Council website.
 - 22.2 The Strategic Lead – Housing Services, Legal and Finance will be responsible for ensuring the implementation of this policy.
 - 22.3 We will review this policy every 5 years, or sooner if there are any changes to legislative, regulatory, best practice or operational issues.
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22. Version Control

	Date Required	Completed	Completed by
Policy Adopted	March 2023		Samantha Shimmon
Review Required			
Review Required			
Review Required			

Appendix 1

Example of how a social formula rent is calculated: -

This example of setting a social formula rent is based on a 3-bedroom house in Lowestoft. It is calculated in line with the Rent Standard – April 2020 and the accompanying Policy statement on rents for social housing.

70% of property rent based on local earnings

Average sector rent* for England for 2000 was £54.62.

Local Average Earnings are £304.30, national average is £316.40

So £304.30 divided by £316.40 = **0.9618**

Bedroom weighting (3 beds) is **1.10**

So **(£54.62 x 0.9618 x 1.10) * 70% = £40.45**

Add to this 30% of property based on relative property value

Average sector rent for the area for 2000 is £54.62.

Relative property value of £37,000, national average is £49,750

So £37,000 divided by £49,750 = **0.7437**

So **(£54.62 * 0.7437) * 30% = £12.19**

Add these two together gives the target or formula rent

£40.45 + £12.19 = £52.64

Cumulative multiplier added for 2023/24

£52.64 * 1.9290986 = £101.54

Notes:

* The 'average sector rent' is the national average rent for the Registered Provider sector. Values were set in April 2000 and increased by inflation each year. The table below shows this inflation rise and the relevant cumulative multiplier:

Financial Year	Formula	RPI / CPI (Previous September)	Plus	Annual Rent Up Rate	Formula rent Uprated for the Year
2001/02	RPI + 0%	3.3%	1.00%	1.043	
2002/03	RPI + 0.5%	1.7%	0.50%	1.022	1.065946
2003/04	RPI + 0.5%	1.7%	0.50%	1.022	1.089397
2004/05	RPI + 0.5%	2.8%	0.50%	1.033	1.125347
2005/06	RPI + 0.5%	3.1%	0.50%	1.036	1.165859
2006/07	RPI + 0.5%	2.7%	0.50%	1.032	1.203167
2007/08	RPI + 0.5%	3.6%	0.50%	1.041	1.252497
2008/09	RPI + 0.5%	3.9%	0.50%	1.044	1.307607
2009/10	RPI + 0.5%	5.0%	0.50%	1.055	1.379525
2010/11	RPI + 0.5%	-1.4%	0.50%	0.991	1.367109
2011/12	RPI + 0.5%	4.6%	0.50%	1.051	1.436832
2012/13	RPI + 0.5%	5.6%	0.50%	1.061	1.524479
2013/14	RPI + 0.5%	2.6%	0.50%	1.031	1.571737
2014/15	RPI + 0.5%	3.2%	0.50%	1.037	1.629892
2015/16	CPI + 1%	1.2%	1.00%	1.022	1.665749
2016/17	CPI + 1%		-1.00%	0.99	1.649092
2017/18	CPI + 1%		-1.00%	0.99	1.632601
2018/19	CPI + 1%		-1.00%	0.99	1.616275
2019/20	CPI + 1%		-1.00%	0.99	1.600112
2020/21	CPI + 1%	1.7%	1.00%	1.027	1.643315
2021/22	CPI + 1%	0.5%	1.00%	1.015	1.667965
2022/23	CPI + 1%	3.1%	1.00%	1.041	1.736351
2023/24	CPI + 1%	10.1%	1.00%	1.111	1.929086

Appendix 2

Rent Flexibility Statement

East Suffolk Council is using the 5% rent flexibility (10% for Retired Living Schemes) to be added on top of formula rent for its homes let at a social rent.

As an example, if the formula rent is £86.03, 5% of this is £4.30 so we would charge £90.33 per week on a 50-week basis.

East Suffolk Council currently has many competing demands that need to be covered in the HRA Business Plan, including the need to ensure all properties are maintained to a high standard, new requirements set in legislation such as the Building Safety Act 2022 and Fire Safety (England) regulations are adhered to, alongside ensuring that the Council's commitment to ensure all of the HRA stock can achieve Energy Performance Certificate (EPC) rating of Band C by 2030. In addition to this, the Council has also made the commitment to build at least 50 new homes per year and to pay back the HRA financing debt owed to the Government as soon as possible.

It is evident from the commitments above that there is significant investment required to both maintain, improve, and increase our stock. Accordingly, providing the level of investment required going forward is going to be a major challenge, which will require significant innovation and hard decisions. To summarise, achieving what is required, and both maintaining and further improving the quality of the HRA stock won't be possible without applying rent flexibility.
