

**77. Council House and Garage Rents Increase 2024-25**

Purpose of Report

To propose that the Council be requested to approve an increase to current council house rents of 7.7% within the terms of the Government's Rent Policy for social housing and to seek approval for the introduction of revised rents from Monday 1st April 2024.

To propose that the Council be requested to approve an increase of 3% on Council garage rents for 2024/25, in line with the Authority's Fees and Charges increase.

Decision

- (1) That the Council be recommended to approve the basis of rent calculation for changes to individual Council house rents, as set out in paragraph 2 and 6 of the report, which represented an increase in the average calculated 52-week council house net rent in 2024/25 of 7.7% for social housing rents (an average increase of £6.03 per week) and for affordable rents (an average increase £10.08 per week), per property, which was in accordance with Government policy.
- (2) That the Council be recommended to increase garage rents for 2024/25, as set out in paragraph 2.6 of the report, by 3%.

Alternative Options Considered and Rejected

As detailed in the report.

Reasons for the Decision

In October 2017, the government announced its intention to set a long-term rent deal. This would permit annual rent increases for both social and affordable rent properties of up to Consumer Price Index (CPI) plus 1% from 1 April 2020 for a period of at least five years.

In keeping with the current Housing Business Plan, approved by Council, and the Government's Rent Guidelines, the increase for 2024/25 should be based on CPI in the previous September (September 2023 = 6.7%) plus 1.0% as above, a total 7.7% rent increase.

After consideration of the impact on our tenants and other pressures facing household incomes, and protecting the most vulnerable in our community; the Council also recognised the economic and financial pressures it had in delivering services to its customers, and therefore proposed to apply a rental increase of 7.7% as detailed above.

The proposed level of rent increase for 2024/25 would come into effect from Monday 1 April 2024. Budgeted rental income for the year, subject to approval, would be circa £35,213,060.

The average weekly social housing rent for the City of Lincoln Council based on data as of 4 December 2023, for net social housing rent (calculated over 52 weeks) would increase by an average of between £5.40 and £6.78 per week in 2024/25 for 98% of our properties.

An increase in garage rents of 3% was proposed in line with the Authority's Fees and Charges increase. This would result in an average increase in the rent charged to £9.65 per week for 2024/25 (based on a calculated 52-week charge period), an increase of £0.28 per week.

Research had shown that garage rents in Lincoln were mid-range when compared to similar locations in the East Midlands. A review of garage provision was currently underway, and we were committed to a fundamental revaluation of the garage rent structure in the forthcoming year, as part of our wider garage strategy.

Lincoln Tenants' Panel (LTP) had been consulted on the proposals.

Contextually it should be noted that in July 2015 the Government announced that Social Housing rents would be reduced by 1% year on year from 2016 for four years. The impact/loss created from this was compounded by the fact that Local Authorities would have been increasing rents in line with guidance, IE CPI plus 1% over the period not reducing by 1%.

The impact on the City of Lincoln's HRA was an estimated rent loss of £17,000,000 over that four-year period. This income would have been spent on improving existing stock and adding homes to our stock which were desperately needed by our community.

The Government's Right to Buy (RTB) programme sales had also negatively impacted on the council's current stock and therefore its rental income.