

## HAMPSHIRE COUNTY COUNCIL

### Officer Decision Record

<b>Decision Maker:</b>	Director of Universal Services
<b>Title:</b>	Residential Estate – Review of Rents April 2023

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- 1. The decision:** That rents to be charged in respect of the County Council's housing portfolio be increased by 10% with effect from 1 April 2023
- 2. Reason(s) for the decision:** The County Council has a policy to review its residential rents each year to keep them in line with market rents and to ensure income is received to help fund maintenance of the properties
- 3. Other options considered and rejected:** None
- 4. Conflicts of interest:** None

**Dispensation granted by the Head of Paid Service:**

**5. Background:**

The County Council's policy is to review the level of rents charged to its residential tenants each 1 April. All individual properties have a rent which has been assessed using the County Council's adopted Points Assessment System.

The residential estate has reduced in number dramatically over the years, with three further dwellings either currently on the market or having been sold during the past 12 months. From a former total in excess of 400, there remains only 20 let dwellings within the estate, excluding farmhouses let as part of an agricultural holding. 10 dwellings are occupied by service tenants as part of their employment, mainly school caretakers. A further 10 are occupied by secure tenants who are either former employees of the County Council or their family members.

Historically, County Council rents have been kept at affordable levels. Current full rents average approximately £625 a month. Service tenants receive a 50% abatement on

assessed rent due to the requirement to live in the particular property. The rent for most secure tenants is covered by welfare benefits.

In December 2019, EMPR resolved to delegate the decision on future rent changes to the Director of CCBS. In recent years, rents have been increased by 2% in 2020, 1.5% in 2021 and 4% in 2022.

## **6. Recent Trends**

Rents in the private rented sector have increased significantly over the past 12 months. This reflects an ongoing position where demand for housing is greater than the available supply. It also reflects the need of landlords to increase their income to cover rising mortgage costs and general inflation. Increases are in the region of 8% - 12% over the past 12 months. This is supported by a variety of reports from organisations within the housing industry.

Social housing providers are restricted by Government Regulations in their ability to increase rental levels. In previous years, increases in this sector were linked to inflation. However, the Government has announced that increases will be capped at 7% for April 2023.

The figure of 7% is well below the UK Rate of Inflation which has steadily risen during 2022, with the latest figure, for the year to November 2022, being 10.67%. The Government has said that welfare benefits and state pension will be increased in 2023 in line with inflation.

## **7. Conclusions**

It is considered appropriate to increase rental levels for the County Council's housing portfolio by 10% on 1 April 2023 in line with rises in the private rented sector. An increase of 10% is also in line with the UK Rate of Inflation over the past 12 months. The increase will keep rents at an affordable level and will support the ongoing requirement for funds to maintain the portfolio.

The small number of remaining residential tenants are either employed by the County Council and receive a 50% rent abatement as a service tenant or are retired employees who will be eligible for welfare benefits where appropriate, such benefits also increasing in line with inflation.

**Approved by:**

**Date: 2 February 2023**

A handwritten signature in black ink, consisting of a stylized 'P' and 'B' with a horizontal line extending to the right.

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**Patrick Blogg**  
**Director of Universal Services**