

Meeting: Overview and Scrutiny Board/Cabinet **Date:** 12 and 18 February 2025

Wards affected: All Wards

Report Title: Rent and Service Charge Policy and proposed changes to social housing rents

When does the decision need to be implemented? February 2025

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1. Purpose of Report

- 1.1. The report seeks approval to adopt the Rent and Service Charge Setting Policy and authorisation to implement the proposed rent increases for Torbay Council's housing stock, due to be set by the Council on 27 February 2025 as part of the budget setting process, and to be implemented from 1 April 2025.
- 1.2. It is proposed that Torbay Council's social housing stock rent increase is set in line with the Government's Rent Standard Guidance and the Council's Rent and Service Charge Setting Policy includes a rent increase cap for 2025-2026 to remain at CPI + 1%. It should be noted that Temporary Accommodation and Service occupancy accommodation do not fall under the Government Rent Standard.

2. Reason for Proposal and its benefits

- 2.1. The proposals in this report help us to deliver our vision of a healthy, happy, and prosperous Torbay by ensuring fair rent for the Council's Housing Stock.
- 2.2. The reasons for the proposal, and need for the decision is to ensure the Council has an up to date Rent and Service Charge Policy, which sets the framework for all its housing stock that any rent increases will operate within as is in accordance with the Government's Rent Guidance.

3. Recommendation(s) / Proposed Decision

1. that the Rent and Service Charge Setting Policy set out at Appendix 1 to the submitted report be approved;

2. that Council on 27 February 2025 be recommended to approve as part of the Revenue Budget Fees and Charges the proposed rent increase for 2025/2026 whereby all Social Housing rents are increased by 2.7% (CPI+1%); and
3. that rent reviews take place on all Service Occupancy properties and those rents be increased up to open market value.

4. Appendices

Appendix 1: Rent and Service Charge Policy

Appendix 2: Temporary Accommodation Charging Procedure

Appendix 3: Rent and Service Charge policy - Equality Impact Assessment

5. Background Documents

[Rent Standard and Guidance - GOV.UK](#)

Supporting Information

6. Introduction

- 6.1 Last year saw the rents increase with CPI + 1% which equated to a total of 7.7%. The Government also increased the LHA rates for the period April 2024 to March 2025 and these are not set to increase for the forthcoming financial year. The table below shows the current LHA levels and the proposed increase to rents in Torbay Council's social housing stock.

Local Housing Allowance rates 2024/2025

Shared room	One bedroom	Two bedroom
£366.16	£503.62	£673.14

Proposed Social Housing Rents 2025/2026

Shared room	One bedroom	Two bedroom
£311.54	£496.36	£661.81

Rent Increase Notice to social housing tenants

- 6.2 Social Housing tenants need to receive at least one month's notice to increase their rent, notices are normally hand delivered the last week in February. Some of the social housing stock remains with TorVista Homes at this time. During their Board meeting on 5 December 2024 TorVista homes Board approved the proposed rent increase for their stock at that meeting.

Temporary Accommodation

- 6.3 Torbay Council have a framework they use to charge a service charge for all households in temporary accommodation to enable the recovery of ineligible housing costs. The Policy also allows the recovery of housing costs up to the value of the Local Housing Allowance (LHA) rate where the household are not eligible for housing benefit or have failed to submit a claim. In addition the Policy also allows the recovery of costs incurred by the service in discharging it's duties, such as kennels and removals.
- 6.4 The charges set are for use and occupation of the accommodation and the charge will be reasonable under the terms of s206(2) Housing Act 1996. The Licence fee (rent charged) is capped in line with the current LHA rates.

Service Occupancy Accommodation

- 6.5 Under the terms of the existing service occupancy agreements there is no rent review clause. However under the Housing Act 1988 a Section 13 notice can be served by a landlord to propose an increase in rent.

7. Options under consideration

- 7.1. Not applicable

8. Financial Opportunities and Implications

- 8.1. Agreeing a policy that proposes rent increases below what is permitted under the Governments rent guidance has the potential to create revenue pressures with the management and maintenance of the properties. The proposal as set out reduces this risk.

9. Legal Implications

- 9.1. Not applicable

10. Engagement and Consultation

- 10.1. Not applicable

11. Procurement Implications

- 11.1. Not applicable

12. Protecting our naturally inspiring Bay and tackling Climate Change

12.1. Not applicable

13. Associated Risks

13.1. Agreeing a policy that proposes rent increases below what is permitted under the Governments rent guidance and that is being proposed has the potential to create revenue pressures with the management and maintenance of the properties. The proposal as set out reduces this risk.

14. Equality Impact Assessment

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	<p>18 per cent of Torbay residents are under 18 years old.</p> <p>55 per cent of Torbay residents are aged between 18 to 64 years old.</p> <p>27 per cent of Torbay residents are aged 65 and older.</p>	<p>Safe, secure and affordable accommodation is vital to ensure wellbeing. This is key as people tend to experience increased fragility as they age.</p> <p>It is recognised that paying fees and charges may be difficult for some pensioners due to high levels of poverty within this demographic. Furthermore, some pensioners may difficulty accessing financial wellbeing information due to the societal shift to 'digital first' models of service delivery.</p> <p>Safe, secure and affordable accommodation is also important for children and young people to ensure that they can reach their potential.</p>	<p>We will work in a person centred and trauma informed manner alongside other Council departments to ensure that individual needs are met.</p> <p>Information about charges and fees will be clearly communicated to tenants in a format and manner that is accessible to them. The service will also signpost service users to partner agencies where additional support is required.</p> <p>This signposting will supplement the information about the cost-of-living crisis</p>	<p>Pride in Place</p> <p>Rent Arrears and Debt Recovery policy promotes a payment culture, early intervention when arrears occur and signposting to relevant agency.</p>

			<p>which is provided by Torbay Council.</p> <p><u>Help with the cost of living - Torbay Council</u></p>	
Carers	<p>At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these provided 50 hours or more of care.</p>	<p>Safe, secure and affordable accommodation is vital to ensure wellbeing.</p> <p>It is recognised that paying fees and charges may be difficult for some carers due to higher levels of poverty within this demographic.</p> <p>However it is recognised that people with caring responsibilities are more likely to experience financial hardship.</p>	<p>We will work in a person centred and trauma informed manner alongside other Council departments to ensure that individual needs are met.</p> <p>Information about charges and fees will be clearly communicated to tenants in a format and manner that is accessible to them. The service will also signpost service users to partner agencies where additional support is required.</p> <p>This signposting will supplement the information about the cost-of-living crisis which is provided by Torbay Council.</p> <p><u>Help with the cost of living - Torbay Council</u></p>	Pride in Place

<p>Disability</p>	<p>In the 2021 Census, 23.8% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.</p>	<p>Safe, secure and affordable accommodation is vital to ensure wellbeing.</p> <p>It is recognised that people with disabilities and in particular learning disabilities face increased vulnerabilities when compared to the wider population.</p> <p>It is recognised that paying fees and charges may be difficult for some people with disabilities due to higher levels of poverty within this demographic.</p> <p>It is also recognised that those with some mental health conditions may find applying for financial support daunting.</p>	<p>We will work in a person centred and trauma informed manner alongside other Council departments to ensure that individual needs are met.</p> <p>Information about charges and fees will be clearly communicated to tenants in a format and manner that is accessible to them. The service will also signpost service users to partner agencies where additional support is required.</p> <p>This signposting will supplement the information about the cost-of-living crisis which is provided by Torbay Council.</p> <p><u>Help with the cost of living - Torbay Council</u></p>	<p>Pride in Place</p>
<p>Gender reassignment</p>	<p>In the 2021 Census, 0.4% of Torbay's community answered that their gender identity was not the same as their sex registered at birth.</p>	<p>There is no differential impact anticipated.</p>	<p>Not applicable</p>	<p>Not applicable</p>

	This proportion is similar to the Southwest and is lower than England.			
Marriage and civil partnership	Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.	There is no differential impact.	Not applicable	Not applicable
Pregnancy and maternity	Over the period 2010 to 2021, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 63.7 per 1,000) than England (60.2) and the South West (58.4). There has been a notable fall in the numbers of live births since the middle of the last decade across all geographical areas.	There is no differential impact.	Not applicable	Not applicable
Race	In the 2021 Census, 96.1% of Torbay residents described their ethnicity as white. This is a higher proportion than the South West and England. Black, Asian and minority ethnic individuals are more likely to live in areas of Torbay classified as being amongst	It is recognised that people who are from black, Asian or minority ethnic backgrounds are more likely to experience financial hardship.	We will work in a person centred and trauma informed manner alongside other Council departments to ensure that individual needs are met. Information about charges and fees will be clearly communicated to	

	the 20% most deprived areas in England.		<p>tenants in a format and manner that is accessible to them. The service will also signpost service users to partner agencies where additional support is required.</p> <p>This signposting will supplement the information about the cost-of-living crisis which is provided by Torbay Council, this includes links for benefit and finance advice, housing and homelessness.</p> <p><u>Help with the cost of living - Torbay Council</u></p>	
Religion and belief	64.8% of Torbay residents who stated that they have a religion in the 2021 census.	There is no differential impact.	Not applicable	Not applicable
Sex	51.3% of Torbay's population are female and 48.7% are male	It is recognised that families and households headed by females are more likely to experience financial hardship and be on lower income and thus, experience homelessness.	We will work in a person centred and trauma informed manner alongside other Council departments to ensure that individual needs are met.	Pride in Place

			<p>Information about charges and fees will be clearly communicated to tenants in a format and manner that is accessible to them. The service will also signpost service users to partner agencies where additional support is required.</p> <p>This signposting will supplement the information about the cost-of-living crisis which is provided by Torbay Council.</p> <p><u>Help with the cost of living - Torbay Council</u></p>	
Sexual orientation	In the 2021 Census, 3.4% of those in Torbay aged over 16 identified their sexuality as either Lesbian, Gay, Bisexual or, used another term to describe their sexual orientation.	There is no differential impact		Not applicable
Armed Forces Community	In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. In Torbay,	Veterans often suffer complex physical and/or mental medical conditions resulting from their service experiences.	We will work in a person centred and trauma informed manner alongside other Council departments to ensure	Pride in Place

	<p>5.9 per cent of the population have previously served in the UK armed forces.</p>	<p>Torbay Council is committed to working with Veterans under the Localism Act.</p>	<p>that individual needs are met.</p> <p>Information about charges and fees will be clearly communicated to tenants in a format and manner that is accessible to them. The service will also signpost service users to partner agencies where additional support is required.</p> <p>This signposting will supplement the information about the cost-of-living crisis which is provided by Torbay Council. Help with the cost of living - Torbay Council.</p> <p><u>Help with the cost of living - Torbay Council</u></p> <p>We will also signpost to appropriate organisations providing support to the armed forces community.</p>	
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Additional considerations				
Socio-economic impacts (Including impacts on child poverty and deprivation)		Torbay Council set rents under the Rent Standard set by the Government. Rents are capped at the Local Housing Allowance rate.	That we take steps under this policy to support this.	Pride in Place
Public Health impacts (Including impacts on the general health of the population of Torbay)		There is no differential impact anticipated	Not applicable	Not applicable
Human Rights impacts		There is no differential impact anticipated	Not applicable	Not applicable
Child Friendly	Torbay Council is a Child Friendly Council, and all staff and Councillors are Corporate Parents and have a responsibility towards cared for and care experienced children and young people.	There is no differential impact anticipated	Not applicable	Not applicable

15. Cumulative Council Impact

15.1. None

16. Cumulative Community Impacts

16.1. None