

# National standards compliance: Rent standard

Summary Report 2021/22

Ref	RSH Standard	Standard met
<b>Rent</b>		
1.1	Registered providers must set rents from 1 April 2020 in accordance with the Government's Policy Statement on Rents for Social Housing 2018 which can be found on the Ministry of Housing, Communities and Local Government (MHCLG) website.	✓
2.1	This Rent Standard applies, subject to the exceptions in 2.2-2.5 below, to 'low cost rental' accommodation, as defined by section 69 of the Housing and Regeneration Act 2008. All other terms used in this Rent Standard are defined within the 'Policy Statement on rents for social housing'	✓
2.2	This Rent Standard does not apply to the following categories of property, as defined in Chapter 5 of the Rent Policy Statement: <ul style="list-style-type: none"> <li>• Shared ownership low cost rental accommodation</li> <li>• Intermediate rent accommodation</li> <li>• Specialised supported housing</li> <li>• Relevant local authority accommodation</li> <li>• Student accommodation</li> <li>• PFI social housing</li> <li>• Temporary social housing</li> <li>• Care homes.</li> </ul>	✓
2.3	This Rent Standard does not apply to property let to a high-income social tenant, for the period of time where that property is let to that tenant. Where a tenancy of a high income social tenant ends, or where the tenant no longer fits the definition of "high income social tenant" as set out in the Rent Policy Statement, this Rent Standard then applies to that tenancy, and/or to future lettings of that property.	✓
2.4	Where the application of this Rent Standard would jeopardise the financial viability of a private registered provider, the Regulator may agree, on request from that provider, an exemption to specific requirements of the Rent Standard for a period of time.	✓
3.1	Registered providers must comply in full with all the requirements and expectations set out in this Rent Standard. They must additionally comply with all the requirements and expectations of the	✓

Ref	RSH Standard	Standard met
	Rent Policy Statement on the setting, increase and decrease of rents and service charges.	
3.2	<p>In the year following the end of the social rent reduction period the maximum weekly rent for an existing tenant is the 2020 limit. "2020 limit" means the amount that is found by:</p> <p>a) determining the average weekly rent for the tenant's accommodation in the fourth relevant year specified in section 23(6) of the Welfare Reform and Work Act 2016, and</p> <p>b) increasing that amount by CPI + 1%</p> <p>c) in this paragraph "average weekly rent" means:</p> <ol style="list-style-type: none"> <li>1. In a case where the weekly rent changes because the accommodation is re-let after the start of the fourth year, the weekly rent payable by that tenant for that accommodation in respect of the most recent period for which rent was payable at that changed rate provided that that change complies with the requirements of the of the social housing provisions<sup>6</sup> of the Welfare Reform and Work Act 2016 Act and any Regulations made under those provisions; or</li> <li>2. In any other case, the average weekly rent payable by the tenant of that accommodation in respect of the fourth year.</li> </ol>	✓
3.3	This formula for calculating the 2020 limit applies to both Social Rent and affordable rent housing.	✓
3.4	Where accommodation is not affordable rent housing (see 3.8-3.9 below) the maximum weekly rent for a tenant who is granted a tenancy of the accommodation for the first time is formula rent. Formula rents are exclusive of any service charges.	✓
3.5	<p>The formula rent of accommodation is found in accordance with the method set out in paragraphs 2.4 to 2.6 of the Rent Policy Statement. The rent set may include an upwards tolerance – "Rent Flexibility" – of</p> <ul style="list-style-type: none"> <li>• if the accommodation is supported housing, 10% of formula rent; or</li> <li>• if the accommodation is not supported housing, 5% of formula rent.</li> </ul>	n/a
3.6	As set out in paragraph 2.8 and 2.9 of the Rent Policy Statement, formula rent is subject to the rent cap. The rent cap is determined in accordance with paragraphs 11 and 12 of Appendix A to the Rent Policy Statement.	n/a

Ref	RSH Standard	Standard met
3.7	<p>Subject to the 2020 limit (see above), the weekly rent of any existing tenant may not be increased by more than:</p> <ul style="list-style-type: none"> <li>• CPI +1% in any year; or</li> <li>• if the tenant's rent exceeds the rent flexibility level, CPI in any year.</li> </ul>	✓
<b>Fair rents</b>		
3.8	In the case of tenancies subject to fair rent protection, the maximum weekly rent is the lower of the fair rent set by the Rent Officer, and formula rent (subject to both the rent caps and the rent flexibility level).	n/a
3.9	Registered providers may not increase the rent of a tenant with fair rent protection by more than CPI +1% in any year (even if the tenant's rent is below the formula rent level and the maximum fair rent is increased by more than that amount).	n/a
<b>Affordable rents</b>		
3.10	<p>Affordable rent may only be charged where the property in question is provided by a:</p> <ol style="list-style-type: none"> <li>registered provider pursuant to a housing supply delivery agreement between that provider and the Homes and Communities Agency (now known as Homes England) or the Greater London Authority and the accommodation is permitted by that agreement to be let at an affordable rent; or</li> <li>registered provider pursuant to an agreement between a local authority and the Secretary of State and the accommodation is permitted by that agreement to be let at an affordable rent; or</li> <li>local authority, and the Secretary of State, Homes England or the Greater London Authority has agreed that it is appropriate for the accommodation to be let at an affordable rent.</li> </ol>	✓
3.11	In addition to the above, Affordable Rent may be charged where the property has been acquired by a registered provider and was affordable rent housing when it was acquired.	✓
3.12	Where Affordable Rent is being charged, the maximum rent inclusive of service charge for a new tenant under a new tenancy is 80% of the market rent for the tenant's accommodation, subject to 3.13 and 3.14 below.	✓

Ref	RSH Standard	Standard met
3.13	If the formula rent is higher than 80% of the weekly market rent (inclusive of service charges) for the tenant's accommodation, the maximum weekly rent is formula rent which is to be set as in paragraphs 3.3-3.6 above and would be exclusive of service charges.	✓
3.14	The rent of an existing affordable rent tenant (including where they have a new tenancy) may not be increased by more than CPI +1% in any year, subject to 3.2 above. 'Existing tenant' in this context means an existing tenant of the specific property concerned. For the avoidance of doubt, the revised rent on re-letting to an existing tenant may only be re-based to 80% of current market value where the resulting rent would be no more than the rent arrived at by a CPI+1% increase.	✓
3.15	Where a tenancy subject to fair rent protection ends and the property is re-let, that new letting should be at social rent (or Affordable Rent where applicable and permitted. See 3.17a below).	n/a
3.16	On re-letting of a property previously occupied by a high-income social tenant, the new letting should be at social rent (or Affordable Rent where applicable and permitted. See 3.18a below).	n/a
3.17	Social rent properties may not be converted to: <ul style="list-style-type: none"> <li>a) Affordable Rent (other than in the circumstances set out in chapter 2 of the Rent Policy Statement);</li> <li>b) Market rent (other than in the circumstances set out in chapter 4 of the Rent Policy Statement); or</li> <li>c) Intermediate rent.</li> </ul>	n/a
3.18	Affordable Rent housing must not be converted (including on re-let) to: <ul style="list-style-type: none"> <li>a) Market rent (other than in the circumstances set out in chapter 4 of the Rent Policy Statement); or</li> <li>b) Intermediate rent.</li> </ul>	n/a