

**MEETING DATE:** 30<sup>th</sup> January 2020

**REPORT TITLE:** Proposed rent increase for NSH owned homes

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**REPORT CATEGORY:** Governance  
**REASON FOR THE REPORT:** Update  
**REPORT CLASSIFICATION:** Confidential

### **1. Purpose of the Report**

1.1 To consider a proposed rent increase of 1.7% from April 2020 for the tenants who live in the 25 homes owned by NSH.

### **2. Summary of Key Points for Discussion / Consideration**

2.1 As the Board is aware, it is proposed that the 25 homes which NSH has developed are gifted to the Council as part of the transfer of services.

2.2 Legal advice from Anthony Collins has confirmed that tenants will automatically become secure tenants of the Council on their existing tenancy terms when the homes transfer.

2.3 The homes are currently let on 'affordable rents' ie sub-market rents which are higher than rents of Council tenants. None of the homes pays a service charge.

2.4 Upon being transferred to the Council, rent levels and increases will be subject to regulation by the Regulator of Social Housing.

2.5 The Council has considered the legal advice received and confirmed that it is content for the rent levels paid by existing tenants to remain unchanged (an option is to reduce them to social rent levels). The Council is also supportive of increasing tenants' rents by the annual change in Consumer Prices Index (CPI) from April 2020. This would result in an increase of 1.7%. For information, from April Council tenants' rents are expected to increase by 2.7% (CPI+1%).

2.6 The Board is therefore requested to approve an increase in rents of 1.7% from April 2020 for the 25 homes owned by NSH.

### **3. Specific Impacts: Risk, Finance, Budget, Business Plan, Regulation, Legislation, Authority, Contractual**

3.1 The proposed rent increase reflects the prevailing rate of inflation (CPI), takes account of legal advice received from Anthony Collins and is supported by the Council.



**4. Equality and Diversity: Impact on Equalities across Protected Characteristics**

4.1 There are no specific implications arising from the report.

**5. Recommendation**

5.1 That an increase in rents of 1.7% from April 2020 is applied to the 25 homes owned by NSH.

**6. Reason for Recommendation / Decision**

6.1 To ensure that income from the 25 homes is protected.

**7. How does any Recommendation and Decision Comply with Directors' Duties: explain how the proposals or decision support the delivery of the Board of Directors' Duties**

7.1 To promote the Company's interests as its activities are transferred to the Council.

**8. Background or Supporting Papers**

8.1 None