

# GYCH RENT INCREASE



**GREAT YARMOUTH**  
COMMUNITY HOUSING

# Outline

## Rents

- History of Restructuring

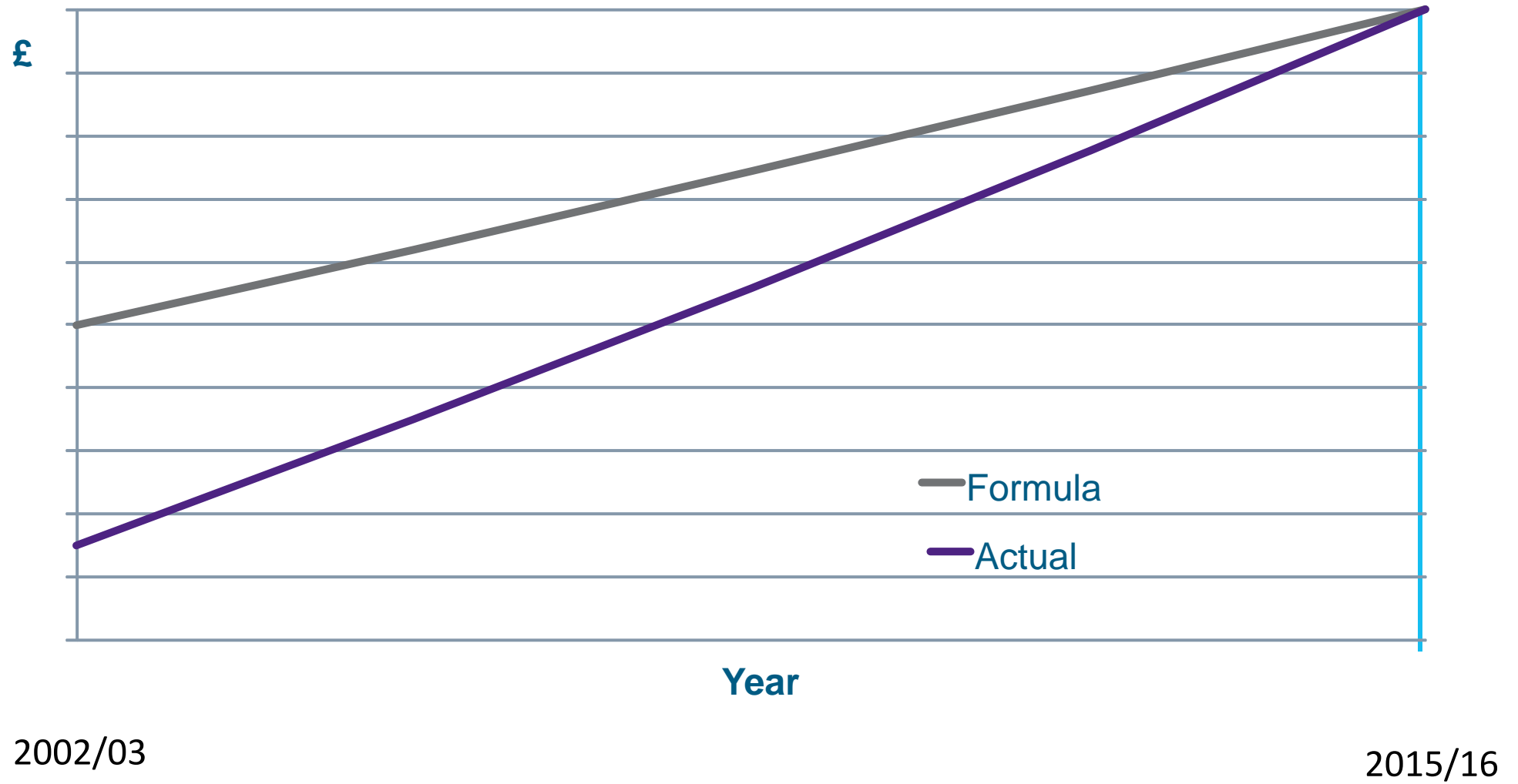
## Changes

- LA Rent Guidance from 2015/16

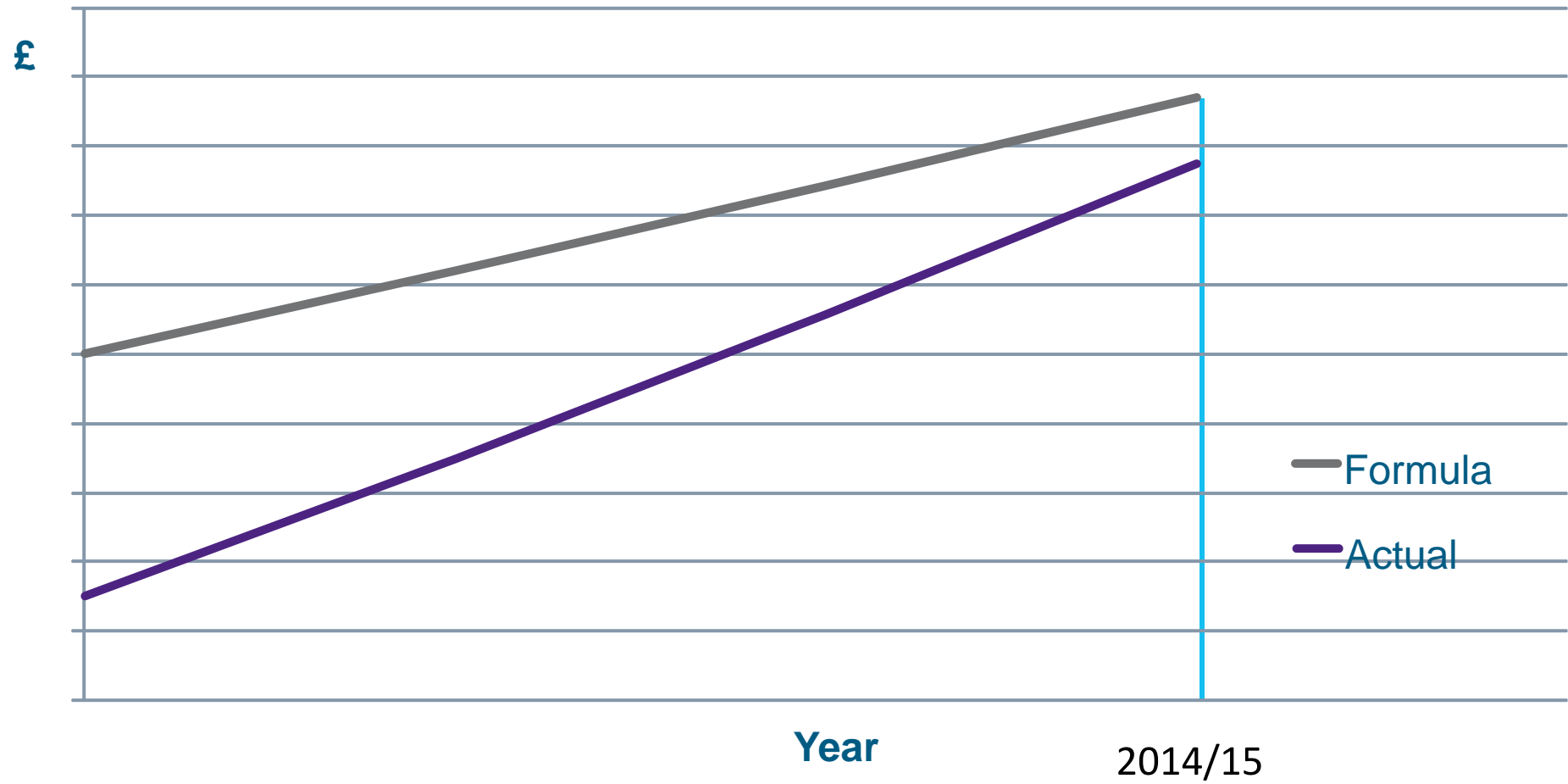
## Rent Setting 2015/16

- Options to Consider

# Rent Restructuring



# Restructuring Ends 2014/15



# Impact for Rent Setting

## Rent Restructuring

- Achieved by increasing rents by  $RPI + 0.5\% + £2:00$  per year

## History

- Self Financing from April 2012. In 2013/14 rent increase was limited to 2.7% . If the formula was followed of  $RPI + 0.5\% + £2$  increase would have been 5.39%

## Repairs & Capital Programme

- Day to day repairs and the Capital Programme e.g. windows & doors are paid for from rent income. Lower rent increase = fewer improvements & repairs

## Service Charges

- Service charges & other charges increase calculated separately based on cost

# Guidance

## Restructuring

- Restructuring of actual rents to formula level began 2002/03
- Formula set by Government to account for size, value and location of properties
- due to complete (converge) in 2015/16
- Achieved by increasing rents by RPI+ 0.5% + £2:00 per year

## 2014 Guidance

- Government call an end to rent restructuring in 2014/15
- Despite most properties not achieving convergence
- From 2015/16:
- Inflation (CPI) + 1% increases for 10 years
- Re-let properties at formula rent level

# Impact for Rent Setting in 2015/16

## Options

- Only Guidance!

## Inflation (CPI) + 1%

- This is in line with current guidance and would be
- $\text{CPI} = 1.2\% + 1\% = 2.2\%$

## 2.7% Increase

- Same as last year

## Restructuring

- As expected by self financing settlement
- Converge with Formula subject to affordability constraint of  $\text{RPI} = 2.3\% + 0.5\% + \text{£}2$