

To: Cabinet
Date: 22 January 2025
Report of: Scrutiny Committee
Title of Report: HRA Rent Setting for 2025/26

Summary and recommendations	
Purpose of report:	To present the Scrutiny Committee recommendations for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor Katherine Miles, Chair of the Scrutiny Committee
Lead Member:	Councillor Ed Turner, Deputy Leader and Cabinet Member for Finance and Asset Management Councillor Linda Smith, Cabinet Member for Housing and Communities
Corporate Priority:	All
Policy Framework:	All
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Appendices	
Appendix 1	Draft Cabinet response to recommendations of the Scrutiny Committee

Introduction and overview

1. The Scrutiny Committee met on 14 January 2025 to consider a Cabinet report on the HRA Rent Setting for 2025/26. The report, which is due for consideration on 22 January 2025, recommends that Council approve an increase of 2.7% for 2025/26 (subject to any subsequent cap on increases imposed by central government) in social dwelling rents from 1st April 2025 giving an average weekly increase of £3.51 per week, and a revised weekly average social rent of £133.68 as set out in the Financial Implications section of the Cabinet report; approve an increase to rents for shared ownership dwellings as outlined in paragraph 21 of the Financial Implications of the Cabinet report; approve an increase to service charges by 2.7% (CPI + 1%) to enable the HRA to recover the associated cost of supply; and approve an increase to the charge for a garage of 4.1%, equating to an increase of

£0.78 per week for a standard garage within a curtilage with a revised charge of £20.00 per week

2. The Committee was grateful to Councillor Linda Smith (Cabinet Member for Housing and Communities) for attending to present the report as well as to Nerys Parry (Head of Housing Services) and Jason Jones (Finance Business Partner) for attending the meeting and answering questions from the Committee.

Summary and recommendations

3. Councillor Linda Smith, Cabinet Member for Housing and Communities, introduced the report which proposed the rent setting and garage charge increases for the 2025/26. She noted that the report recommends a 2.7% increase in rent charges, in line with the maximum allowable rate of CPI + 1%, bringing the average weekly rent to £133.63, which remains to be very good value for money within the Oxford housing market.
4. The Committee asked a number of questions, including queries on the application of percentage increases in charges, particularly those relating to garages. Members questioned the rationale behind exceeding the CPI +1 threshold for garage charges, with officers pointing to the importance of maintaining consistency of the charge for garages within the HRA and those in the General Fund. Suggestions were made to include exploring a more dynamic pricing modelling the impact of limiting garage charge increases to CPI + 1 in the final report that is going to be presented to Cabinet.

Recommendation 1: That Officers includes a modelling of the impact of limiting garage charge increases to CPI + 1% in the final report presented to Cabinet.

5. The Committee also raised concerns on the potential ripple effect of increased council rents on the private rental market, particularly the feasibility of tracking its long-term impacts. Officers noted ethical and methodological difficulty in tracking this relationship due to the market complexities, however the idea of building vision for understanding market interdependencies was noted. It was suggested that a reflection on trends within the private rental market, including broader market observations for the year ahead, is included in the report and any future iterations.

Recommendation 2: That the report, and any future annual iterations, includes a section reflecting on trends in the private rental market, with any relevant anticipated changes for the year ahead.

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