



Bristol City Council Housing and Landlord Services

Rent Setting Policy

Version 4

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History of most recent policy changes			
Date	Page	Change	Origin of change (e.g. legislation)
24/07/2025	All	Updated to new template	Policy and Practice templates reviewed and updated
24/07/2025	Page 7	Updated table of increases	Following review

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1. Purpose

Bristol City Council (BCC) is a responsible social landlord that takes our responsibilities of providing safe, secure housing at rents that are affordable to our residents seriously. This policy will describe how BCC set rents in accordance with the Government's Rent Standard.

2. Scope

The policy applies to setting rent for all residential properties, other than Exempt Temporary Accommodation and shared ownership properties, held in the Housing Revenue Account and Garages. It does not apply to Service Charges or Agreement Charges which are calculated separately.

3. Aims and objectives

BCC aims to set and maintain rents at levels which are affordable to existing and potential new residents.

BCC will comply with relevant legislation and regulatory requirements when setting rents.

BCC has a commitment to provide opportunities for the business to grow and remain viable which is reliant on appropriate rent setting and rental income management.

This policy will support the delivery of the HRA Business Plan.

4. Roles and responsibilities and authority

The Director of Housing and Landlord Services, and the heads of Housing and Estates and Housing Finance Manager are responsible for the implementation of this policy.

All staff involved in rent setting and calculating rent activities has responsibility for delivering this policy.

BCC will consult the Housing Management Board on the contents of the draft annual HRA Budget, including proposals to change rents before it is considered by Full Council.

The draft annual HRA Budget, including recommendations to change rents and service charges, is available to the general public for information as part of the wider budget proposals.

5. The Policy

5.1 Legal Context and Consumer Standards

BCC adheres to the ¹Rent Standard 2020 which sets out the methodology for calculating rent increases and provides guidance on exceptions.

The transparency, Influence and Accountability Consumer Standard provides that BCC provide tenants with information about rents and service charges payable. This policy describes how the rents are reviewed, set and keep tenants informed.

5.2 Tenants Rights

Tenants have a right to be informed about changes to their rental income, providing at least 28 days' notice prior to the date the amended rent is due.

The Rent Standard provides that rent for existing residents cannot be increased over CPI+1% in a year.

5.3 The Rent Standard

The Government Rent Standard 2020 introduced the position that rents can be increased by CPI+1% at rent setting. In 2023 this was capped at 7% increase as a response to the exceptionally high rate of CPI. However, the Rent Standard has reverted to the conditions set out in 2020.

In addition to the regulatory guidance on how rents should be increased, the Standard contains flexibility for registered providers to set new rents at up to 5% above the formula rent for general needs properties and 10% above formula rent for supported housing properties. This flexibility can only be applied at the point a new or acquired property is let, or an existing property is re-let. The increase can only be applied once per property.

Providers must have a 'clear rationale' for applying the flexibility which takes into account local circumstances and affordability. This can be tested by the Regulator of Social Housing and providers should evidence that this was duly considered.

Rent for an existing resident cannot be increased by more than CPI+1% in any year. This is reflected in the fact that the flexibility can only be applied to new or acquired properties or at re-let. This would also apply to properties where 'major works' are carried out and an existing resident is in situ. While that resident remains, the rent cannot be re-calculated if it means that the resident will experience an increase in rent over CPI+1% in that year.

Following 'major works' to a property where a resident maintains their tenancy. Only once the property is re-let will the property be re-valued and a new rent will be calculated and applied to the next new tenancy.

The formula for the setting of social rents is included in the rent standards regulatory guidance. The formula uses several indices and calculations that include the 1999 valuation of the property,

¹ <https://www.gov.uk/government/publications/rent-standard-2020>

average earning of those in work in the geographical location and a weighting dependent on the number of bedrooms. (Appendix D)

The Guidance provides a rent cap for properties that factor in the number of bedrooms in the property. (Appendix E)

The rent cap amount will increase each year by CPI+1.5%, though the rent for the property will still be governed by the CPI+1% restriction.

However, where a property whose rent has been subject to the rent cap comes up for re-let (and formula rent remains above the rent cap), the new rent may be set at up to the rent cap level (which will have been increasing by CPI + 1.5 percentage points, rather than CPI + 1 percentage point.) This means the rent at re-let for capped properties, could still go up by 0.5%.

5.4 Bristol City Council Rent Setting

BCC set Social Rents that are no higher than the calculation made using the Government formula and below the rent cap.

BCC carries out a rent review exercise annually with any change to take effect from the 1st Monday in April of the next financial year. (See Appendix F for a list of decisions since 2020.)

BCC will apply the 5% flexibility for general needs housing and 10% flexibility for supported housing when calculating rent for all new builds, newly acquired stock and at re-let for existing stock. A 'clear rationale' as defined for this is recorded.

The Rent and Service Charge Team are the only team with authority to set rents on the system. Where a property is re-let, Lettings will advise of all new void properties. The Rent and Service Charge team will set the formula rent in the system.

If BCC's calculations result in a formula rent that exceeds the rent cap for that type of property, the rent will be reduced to the amount set at the cap.

BCC do not have separate rents for residents with higher incomes.

A rent below the formula rent tolerance levels may be agreed, in circumstances where it is felt appropriate. Examples where this discretion may be applied include areas of low demand and affordability factors.

Any change to the rents following the annual rent review exercise must be agreed at Committee. All recommendations remain subject to regulatory guidance and must fully comply with the rent standard.

The yearly change to rental and service charges are part of the annual HRA Budget setting process, which is a decision for Full Council. As part of this process Full Council will be asked to approve the decision for formula rents to be uplifted in line with Government policy.

Residents will receive a minimum of 28 days' notice to any variation for their rent in accordance with their tenancy agreement and legislation.

5.5 Garages, Parking Spaces and Garage Sites

BCC will set rents for garages annually effective from, the first Monday of April.

BCC will set rents giving consideration to condition, demand and current market rents. This is called the Standard Rent.

BCC will hold a waiting list for garages and parking spaces.

Residents will usually receive a discount to the Standard Rent and have higher priority on any waiting lists, over non-residents.

In areas of high demand, or where there has been significant investment, discretion will be used, when reducing or increasing rents. Discounts & priority for residents may not apply in this instance.

Garage tenants will be given a minimum of 28 days' notice if there is to be a variation of their rent.

5.6 Equality and Diversity

We will act fairly and sensitively towards the diverse needs of individuals and communities, and we will take positive action to reduce discrimination and harassment.

An EqIA exists for this policy has been reviewed and agreed by the Equalities Team.

BCC acknowledges that increasing rent annually may impact residents in different ways and in some cases can be a contributing factor to an accumulation of debt.

BCC keeps residents informed about any increases and provide explanations about how rent is calculated and how tenants can contact BCC if they are unable to make payments. Information is provided in letter form and translations are available. Additional resources are provided at the time of rent increase to ensure tenants can discuss their circumstances with BCC representative if they need to.

5.7 Complaints

If residents are unhappy with the services provided by BCC or how their concerns have been handled, they're encouraged to use the official complaints procedure. [Complaints and feedback](#)

6. Quality Assurance

6.1 Publishing

This policy will be published on the BCC Website and communicated to relevant operational teams via policy briefings and other appropriate communications.

6.2 Review

This policy will be reviewed in three years or sooner if there is a change to legal or regulatory requirements, in accordance with our procedures.

6.3 Monitoring and Reporting Requirements

Service delivery and performance is measured against the Housing and Landlord Services Performance Framework.

BCC uses performance management to enhance service delivery standards and improve tenant experience. We measure performance to monitor success. In relation to this Policy BCC will:

- provide data and information to the Regulator for Social Housing within the returns provided to National Register of Social Housing (NROSH) which includes information about rents charged and compliance with the Rent Standard.

The rental income team will carry out quarterly performance monitoring.

Services need to meet the KPI's set and other reporting responsibilities to the regulator. BCC monitor satisfaction, using data and insight from, as a minimum reporting in relation to:

- Complaints
- Tenant Satisfaction Measures

Appendices

Appendix A – Roles and responsibilities

Finance Manager

- Rationalise the rent data
- Model potential rent variations in accordance with the rent standard

Housing Systems team

- Apply the modelled rents to a test system, including running test letters
- Apply agreed rent increase to the housing management system

Rents and Service Charge Manager

- Generate letters with new rent to be sent to residents
- Coordinate the process of rent review and application
- Ensure tenants are informed with sufficient notice

Rent and Service Charge Officer

Update rents on an ad hoc basis outside of review, in accordance with procedures

Appendix B – Legal and Policy Context

- Housing Act 1985
- Rent Standard 2020 - Regulator of Social Housing, 1 April 2020
- ²Rent Standard and Guidance

Appendix C – Glossary of terms

- **CPI:** Consumer Price Inflation
- **Formula:** The calculation that the government requires providers to use to calculate a social rent. (Example at Appendix D)
- **Flexibility:** Providers can increase rent over the amount calculated using the formula by 5% for general needs housing and 10% for supported housing. There are conditions to this.
- **Supported Housing:** Housing, support and sometimes care services are provided as an integrated package.
- **Social Rent:** Rent that is set using Government Formula

² <https://www.gov.uk/government/collections/rent-standard-and-guidance>

- **Garages:** Garages, Parking Spaces and Garage Sites
- **Social Tenants on Higher Income:** Set market rates for social tenants on higher incomes rather than social rent. Setting the rent to meet the market rather than using the Social Rent calculation.

Appendix D – Rent calculation

Weekly formula rent is equal to:

70% of the national average rent multiplied by relative county earnings multiplied by bedroom weight

Plus 30% of the national average rent multiplied by relative property value

Appendix E – April 2024/2025 rent caps for properties of increasing bedrooms

Number of bedrooms	Rent cap	BCC average rents (2024/2025)
Bedsit	£188.04	£77.23
1 Bedroom	£188.04	£86.57
2 Bedroom	£199.09	£95.84
3 Bedroom	£210.15	£110.81
4 Bedroom	£221.19	£119.73
5 Bedroom	£232.26	£126.70
6 Bedroom	£243.31	£132.14

Appendix F – Rent variations

Rent variations because of the rent setting process are applied on the first Monday of April.

- **2020 to 2021:** Increase rent by CPI + 1% = 2.7%
- **2021 2022:** Zero increase on residential properties and garages
Service charges (with some exceptions) increased by CPI + 1% = 1.5%
- **2022 to 2023:** Increase rent by CPI + 1% = 4.1%
- **2023 to 2024:** Government restricted increase in a variation on the 2020 Standard due to high inflation = 7% increase
- **2024 to 2025:** Increased rent by CPI + 1% = 7.7%
- **2025 to 2026:** Increased rent by CPI + 1% = 2.7%