

APPENDIX A – SCOPE AND APPLICATION OF THE RENT STANDARD 2020

In February 2019, following consultation, the government issued a direction on the Rent Standard from 1 April 2020 to the Regulator of Social Housing. The Regulator is required to take into account the government commitment to a five-year settlement of rent increases up to September CPI+1%. This direction also for the first time brought local authority registered providers within the scope of the Regulator's Rent Standard.

The key provisions of the Rent Standard are:

- For existing tenants rents must not increase by more than CPI+1%. This applies to secure tenancies, affordable rent tenancies & fair rents;
- CPI is the increase in the general index of consumer prices (all items) published by the Office of National Statistics for September for the preceding financial year;
- For social housing, lettings to new tenants must be at target (formula) rent; and
- If the rent of a social housing property exceeds 110% of formula rent for supported housing or 105% for other property then the annual increase is limited to CPI only.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has produced the following checklist of exemptions to application of the Rent Standard:

- Shared ownership low-cost rental accommodation;
- Intermediate rent accommodation;
- Specialised supported housing;
- Relevant local authority accommodation – accommodation is “*relevant local authority accommodation*” if it is accommodation provided by a local authority & the Secretary of State has agreed that it would be inappropriate to apply this rent policy to the accommodation because this would cause the authority unavoidable & serious financial difficulty. The process for authorities to secure the Secretary of State's agreement will be set out in due course;
- Student accommodation;
- PFI social housing;
- Temporary social housing;
- Care homes; or
- Lettings to high-income tenants.

Following further consultation, the Regulator has clarified that application of the final point above regarding high-income tenants remains voluntary.