

	Cabinet 9 November 2026
	Report from the Corporate Director, Residents and Housing Services
	Lead Member - Cabinet Member for Housing, Homelessness and Renters (Councillor Robert Johnson)
Rent Setting Policy Statement	

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
List of Appendices:	Two Appendix A: Rent Setting Policy Statement Appendix B: Information for Calculating Formula Rents (Policy's Appendix A)
Background Papers:	N/A
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Spencer Randolph, Director Housing Services 020 8937 2546 Spencer.randolph@brent.gov.uk

1.0 Executive Summary

- 1.1. This report seeks Cabinet's approval of Brent's Rent Setting Policy. The policy establishes the framework through which rents for Housing Revenue Account (HRA) properties will be set, reviewed and varied in accordance with the Regulator of Social Housing's Rent Standard 2026 and associated guidance.
- 1.2 The policy also sets out the Council's approach to rent setting on re-let, London Affordable Rent properties, rent convergence and the future application of rent flexibilities where permitted by regulation.
- 1.3 The proposed policy will support the long-term financial sustainability of the HRA while ensuring that rents are set transparently and in accordance with regulatory requirements. The recommendations will enable the Council to maximise rental income within the framework permitted by national rent policy.

2.0 Recommendation(s)

Cabinet is recommended to:

- 2.1 Approve Brent Council's new Rent Setting Policy attached as Appendix A.
- 2.2 Approve all social rent properties being re-let at full formula rent, subject to compliance with the Rent Standard 2026 and any applicable rent caps or regulatory requirements.
- 2.3 Approve ending discounted London Affordable Rent levels on re-let, with eligible properties being let at the full London Affordable Rent applicable at the commencement of each new tenancy.
- 2.4 Note that proposals relating to rent flexibilities will be brought back for consideration as part of this financial year's budget report, following consultation with residents.

3.0 Detail

3.1 Cabinet Member Foreword

- 3.1.1 This Rent Setting Policy Statement sets out Brent Council's commitment to ensuring that council rents are set fairly, transparently and in accordance with national regulations. As a registered housing provider, we must comply with the Regulator of Social Housing's Rent Standard 2026. This policy provides a clear framework for determining rents, promoting consistency across our housing stock while meeting our legal and regulatory responsibilities.
- 3.1.2 At the heart of this policy is our commitment to fairness and maintaining affordable homes for tenants. Residents deserve confidence that rents for similar homes are set consistently and that all rent decisions are made in an open and accountable way. This policy helps ensure that tenants are charged the correct rent for their property while providing greater transparency about how those decisions are made.
- 3.1.3 Rental income is the primary source of funding for the Housing Revenue Account, which pays for the management, maintenance, repair and improvement of council homes. Ensuring rents are set correctly and fairly helps safeguard vital investment in our housing stock, enabling us to maintain safe, secure and well-managed homes for residents while treating tenants consistently and equitably across the borough.

3.2 Background

- 3.2.1 Brent Council must set its rents for Council properties in line with the Rent Standard ([Rent Standard – April 2026](#)) which is set by the Regulator for Social Housing. The Rent Standard 2026 provides the maximum rents the Council can charge, and the rate of rent increase we can implement. There is some scope

for exercising discretion but in most cases, this relates to charging less than the limits imposed by the Rent Standard.

- 3.2.2 The Rent Setting Policy has been developed to be in-line with the Rent Standard 2026. In simplified terms, this breaks down what we can charge for Social Housing rents (around 85% of our tenancies) and Affordable rents, which are usually higher and apply to additional social housing we may have built or acquired. As well as setting out how the Council will set rents, the policy also explains the process for increasing rent and what flexibilities we have as a Council to increase the rent above the permitted rate.
- 3.2.3 With the adoption of this policy, it is also recommended that all social rent properties are re-let at full formula rent (the social rent level we are gradually moving our charges towards, sometimes called target rent), subject to compliance with the Rent Standard 2026 and any applicable rent caps or regulatory requirements. This is to ensure all social rent properties are let at the accurate rent level and treated consistently.
- 3.2.4 Furthermore, Brent has over 1,100 properties that fall into London Affordable rent, with more being built. In some cases, we have made some decisions to charge less than the London Affordable rent, such as in South Kilburn where many residents have been displaced from other local social housing. This is known as discounted London Affordable Rent. This report recommends ending discounted London Affordable Rent levels on re-let, with eligible properties being let at the full London Affordable Rent applicable at the commencement of each new tenancy. Similar to the reasoning for re-let at formula rent in paragraph 3.2.3, this is to ensure rents are treated consistently.
- 3.2.5 There are other charges that are outside the scope of this policy. Service charges are not covered by the same government guidelines as rent and are subject to separate legal requirements. The way the Council calculates and sets service charges will be covered in a separate specific housing policy on service charges. Moreover, methods of rent collection, enforcement of rents or arrears and debts are outside the scope of this policy.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 Residents were consulted at the Brent Summer Roadshow 2026; a series of events where a range of housing, health and community services were brought directly to neighbourhoods across the borough. Staff sought feedback on the rent setting policy and asked residents about the clarity of the information we provided, preferred communication methods about rent and frequency of updates about their rent account.
- 4.2 Residents were also consulted on 26 August 2026 at the Residents Rent Panel on rent setting, rent flexibility and improvements. During the session, staff sought feedback on the rent increase table and how the Council shares rent setting information.

- 4.3 Feedback from residents indicates that transparency and clarity are most important to them. Their preference is for communications that clearly and simply explain rent increases and how rental income is spent by the Council, with more detailed information available in the policy online. In future, residents would like communications to include information on spending priorities.

5.0 Financial Considerations

- 5.1 Rental income is the primary source of funding for the Housing Revenue Account (HRA), supporting the management, maintenance, repair and improvement of the Council's housing stock. The proposed Rent Setting Policy provides a clear and consistent framework for setting rents in accordance with the Regulator of Social Housing's Rent Standard 2026 and supports the long-term financial sustainability of the HRA.
- 5.2 The recommendations to re-let social rent properties at full formula rent, subject to compliance with the Rent Standard 2026 and any applicable rent caps or regulatory requirements, and to end discounted London Affordable Rent levels on re-let, are expected to increase rental income over time as properties become vacant and are re-let. This will support the Council's ability to meet the increasing costs of managing and maintaining its housing stock and contribute towards the delivery of the HRA Business Plan.
- 5.3 Any costs associated with implementing and administering the policy will be met from existing HRA budgets and resources. The policy does not, in itself, commit the Council to the future use of any rent flexibilities permitted under the Rent Standard 2026. Any proposal to utilise such flexibilities would be subject to a separate decision and would be supported by a detailed assessment of the financial implications for both residents and the HRA.

6.0 Legal Considerations

- 6.1 The policy reflects the Council's statutory responsibilities under the Rent Standard 2026, Housing Act 1985, Housing Act 1996, Localism Act 2011 and other relevant legislation.
- 6.2 Local authorities in carrying out rent setting obligations must set rents in accordance with the regulation established by the Regulator of Social Housing's Rent Standard 2026 and the Government's current Policy Statement on Rents for Social Housing.
- 6.3 From 1 April 2026, the Direction on the Rent Standard 2026 on Rents for Social Housing replaced the previous 2019 and 2023 Directions and the policy statement issued on 14 December 2022.
- 6.4 For the process to be legally compliant, The Council must comply with all requirements and expectations set out in the Rent Standard 2026 and the Government's current rent policy. Failure to do so could result in regulatory action by the Regulator of Social Housing and may expose the Council to legal challenge

7.0 Equity, Diversity & Inclusion (EDI) Considerations

- 7.1 The policy does not discriminate against any protected characteristics, or disadvantage particular groups. The policy promotes consistency and fairness for rent setting at Brent.
- 7.2 Future consideration of rent flexibilities permitted by the policy will be subject to an equality impact assessment and resident engagement process.

8.0 Climate Change and Environmental Considerations

- 8.1 One aim of the climate emergency strategy is to improve energy efficiency in homes and buildings. This includes assessing possible energy measures in our housing stock, and in some cases retrofitting homes and buildings to make them more insulated. Local authorities can use the HRA to fund retrofitting and energy efficiency improvements for their council housing stock.

9.0 Communication Considerations

- 9.1 No corporate communication strategy or campaigns needed. For future tenants who move into a re-let property at full formula rent or London Affordable Rent, they will be informed about their rent levels through the relevant housing communication channels.
- 9.2 Feedback from residents in section 4.3 shows us how residents would like to see future communications on how rents are set and spent by the Council. Residents prefer communications that are short and easy to understand, with more detailed information available on the website.

Report sign off:

Thomas Cattermole

Corporate Director, Residents and Housing Services

Legal considerations provided by:
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