



Fact Sheet

Rents formula

The Government's scheme

The Government introduced a series of changes in the way council housing rents are calculated from 1 April 2003. Local authorities and registered social landlords such as housing associations and charities, are now moving towards a new "Formula Rent" to reach a "Target Rent". Changes in rent are being phased in over a nine year period.

The Government's aim in making these changes is:

- To ensure social housing rents remain at affordable levels.
- To make rents fairer.
- To enforce closer links between rents and the qualities which tenants value in properties, eg location and size.
- To move rents set by local authorities and other social housing providers closer together.
- To give tenants the opportunity to take more responsibility for their choice of housing.

Doncaster Council completed all of the initial proposals found in the Housing Green Paper and introduced the new formula rents for all tenants on Monday, 7 April 2003. We are moving towards the Target Rent for each property, although there will be annual increases for inflation.

How rent was calculated

Previously, council house rents in Doncaster were calculated using rent points. From 31 March 2003 we no longer used the point based system to set our rents. Instead a national formula was used by all Registered Social Landlords, including councils, all over the country.

Property valuations

All council properties were individually valued during year 2001 by an independent professionally qualified chartered surveyor. As required by the formula rents calculation, each property was given a property value.

Rents formula

The calculation uses various figures, which are provided by the Office of the Deputy Prime Minister (ODPM). St. Leger Homes, or Doncaster Council has no influence over these figures. These figures are subject to change by the Government. Details of the data used in the calculation are shown below.

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- Average weekly national local authority rent **£54.62**
- Average weekly earnings for Doncaster **£299.10**
- National weekly average earnings **£316.40**
- Bedroom weighting **see table**
- National average local authority property value **£49,750**

The only item of data that is not set by the ODPM is: Individual Property Valuation (as at January 1999) Variable

Bedroom weighting

The Government's proposals recognize that the size of a property was important to most tenants. Therefore the number of bedrooms in a property has been used in the formula rent calculation based on the following.

No. of bedrooms	Weighting
Bedsit	0.80
1 bedroom	0.90
2 bedrooms	1.00
3 bedrooms	1.10
4 bedrooms	1.20
5 bedrooms	1.30
6 or more bedrooms	1.40

Maximum rents – “capping limits”

To ensure that no social housing rent is set above a reasonable limit, the Government has set maximum rent levels for all properties based on the number of bedrooms. Details of the limits for 2009/10 are shown below.

No. of bedrooms	Max. rent (per week)
Bedsit	£113.31
1 bedroom	£113.31
2 bedrooms	£120.98
3 bedrooms	£126.65
4 bedrooms	£133.31
5 bedrooms	£139.97
6 or more bedrooms	£146.65

For further information:

Write to: St. Leger Homes of Doncaster Ltd
 St. Leger Court
 White Rose Way
 Doncaster
 DN4 5ND

Fax: 01302 862720
 Email: info@stlegerhomes.co.uk

