
DIRECTION

The Direction on the Rent Standard 2023

The Secretary of State makes the following Direction in exercise of the powers conferred by section 197 of the Housing and Regeneration Act 2008(a).

In accordance with section 197(4) and (5) of that Act, before making this Direction the Secretary of State consulted the Homes and Communities Agency, the Regulator of Social Housing, the Greater London Authority, the Charity Commission and bodies appearing to the Secretary of State to represent the interests of local housing authorities, tenants of social housing and registered providers.

Citation, commencement and application

- 1.—(1) This Direction may be cited as the Direction on the Rent Standard 2023.
- (2) This Direction comes into force on the day after the day on which it is made.
- (3) This Direction applies to the regulator in relation to the rents of registered providers of social housing.
- (4) This Direction operates alongside the Direction on the Rent Standard 2019.

Interpretation

- 2.—(1) In this Direction and the Direction on the Rent Standard 2019—
 - “rent increase ceiling” means the maximum permitted annual rent increases a registered provider is allowed to make to the weekly rent of an existing tenant as specified in paragraphs 4(2) or 5(2) below;
 - “revised Rent Policy Statement” means the revised Policy Statement on Rents for Social Housing issued by the Secretary of State on [insert date];
 - “supported housing” has the meaning in paragraphs [2.39] and [2.40] of the revised Rent Policy Statement.
- (2) Any expression which is used, but not defined, in this Direction or the Direction on the Rent Standard 2019 has the same meaning as in the Housing and Regeneration Act 2008.

Direction to set a rent standard

- 3.—(1) The regulator must set a rent standard that applies to rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024 and follows this Direction which operates alongside the Direction on the Rent Standard 2019 in relation to low cost rental accommodation that is not—
 - (a) let to a high income social tenant; or
 - (b) accommodation to which the revised Rent Policy Statement does not apply(b).
- (2) The rent standard must require registered providers to comply with the rules about their levels of rent set out in paragraphs 4 and 5 of this Direction.
- (3) Any references to the Rent Policy Statement in the Direction on the Rent Standard 2019 should be interpreted as references to the revised Rent Policy Statement.
- (4) The regulator must have regard to the revised Rent Policy Statement when setting the rent standard.

(a) 2008 c. 17

(b) See chapter 5 of the revised Rent Policy Statement.

Social rent housing

4.—(1) This paragraph applies in relation to maximum permitted annual rent increases of social rent housing. This paragraph applies alongside paragraph 7 of the Direction on the Rent Standard 2019 for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024.

(2) In addition to the requirements of paragraph 7 of the Direction on the Rent Standard 2019, any increase to the weekly rent of an existing tenant shall be limited to no more than 5%. This means that —

(a) a registered provider may not increase the weekly rent of an existing tenant by more than:

- i. CPI + 1%; or
- ii. 5%

whichever is the lower.

(b) if the tenant's rent exceeds the rent flexibility level, a registered provider may not increase the weekly rent of an existing tenant by more than:

- i. CPI; or
- ii. 5%

whichever is the lower.

Affordable rent housing

5.—(1) This paragraph applies in relation to maximum permitted annual rent increases of affordable rent housing. This paragraph applies alongside paragraph 8 of the Direction on the Rent Standard 2019 for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024.

(2) In addition to the requirements of paragraph 8 of the Direction on the Rent Standard 2019 any increase to the gross weekly rent of an existing tenant shall be limited to no more than:

- (a) CPI + 1%; or
- (b) or 5%

whichever is the lower.

Need for the regulator to consult

6.—Under the power provided to the Secretary of State at section 197(6) of the Housing and Regeneration Act 2008, this Direction disapplies the requirement of the regulator to consult under section 196 of the same Act.

Revocation and transitional provision

7. The Direction on the Rent Standard 2019—

- (a) remains in place; and
- (b) operates alongside this Direction for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024 or until one or both are revoked.

Signed by authority of the Secretary of State for Levelling Up, Housing and Communities.

Date: [insert date]