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## D I R E C T I O N

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### 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<sup>(a)</sup>.

In accordance with section 197(3) of that Act, the Secretary of State, in deciding whether to give this Direction, has had regard, in particular, to the regulator's fundamental objectives.

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.

#### **Interpretation**

2. In this Direction—
  - (a) “revised Rent Policy Statement” means the Policy Statement on Rents for Social Housing issued by the Secretary of State on 14 December 2022;
  - (b) any expression which is defined in the Direction on the Rent Standard 2019 has the same meaning as in that Direction;
  - (c) 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 in relation to low cost rental accommodation that is not—
  - (a) let to a high income social tenant;
  - (b) accommodation to which the revised Rent Policy Statement does not apply<sup>(b)</sup>; or
  - (c) supported housing.

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(a) 2008 c. 17

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

(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) The regulator must have regard to the revised Rent Policy Statement when setting the rent standard.

### **Social rent housing**

4.—(1) This paragraph applies in relation to maximum permitted annual rent increases of low cost rental accommodation that is not affordable rent housing.

(2) This paragraph applies in addition to paragraph 7 of the Direction on the Rent Standard 2019 (as modified by paragraph 8) for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024.

(3) The weekly rent of an existing tenant may not be increased by more than 7%.

### **Affordable rent housing**

5.—(1) This paragraph applies in relation to maximum permitted annual rent increases of affordable rent housing.

(2) This paragraph applies in addition to paragraph 8 of the Direction on the Rent Standard 2019 (as modified by paragraph 8) for rent periods that begin in the 12 months from 1 April 2023 to 31 March 2024.

(3) The gross weekly rent of an existing tenant may not be increased by more than 7%.

### **Need for the regulator to consult**

6. The requirement to consult under section 196 of the Housing and Regeneration Act 2008 is disapplied in relation to the following matters—

- (a) matters mentioned in this Direction or the Direction on the Rent Standard 2019;
- (b) matters mentioned in the Rent Standard 2020;
- (c) the withdrawal, before 1 April 2023, of the Rent Standard 2020 (or any part of it);
- (d) the withdrawal, on or after 1 April 2024, of any rent standard that the regulator sets pursuant to paragraph 3(1) (or any part of it).

### **Amendments to the Direction on the Rent Standard 2019**

7. Paragraph 2 of the Direction on the Rent Standard 2019 is amended as follows—

- (a) in the definition of “supported housing” for “2.38 and 2.39” substitute “2.39 and 2.40”;
- (b) in the definition of “Rent Policy Statement” for “26 February 2019” substitute “14 December 2022”.

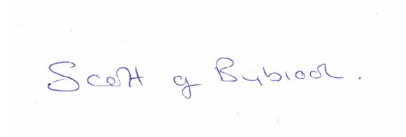
### **Modifications of the Direction on the Rent Standard 2019**

8.—(1) This paragraph applies in relation to low cost rental accommodation that is not supported housing.

(2) In relation to the 12 months from 1 April 2023 to 31 March 2024, the Direction on the Rent Standard 2019 is to be read as if—

- (a) in paragraph 6, for “the rent standard” were read “the Rent Standard 2020 or any rent standard that the regulator sets pursuant to paragraph 3(1) of the Direction on the Rent Standard 2023”;
- (b) the following provisions were omitted—
  - (i) paragraph 7(3) and (4) (limit on increase of social rents);
  - (ii) paragraph 8(4) and (5) (limit on increase of affordable rents).

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

A handwritten signature in blue ink that reads "Scott of Bybrook." The signature is written in a cursive style and is centered within a light grey rectangular box.

Baroness Scott of Bybrook OBE

Date: 12 December 2022