

Teignbridge District Council
Full Council
26 February 2026
Part i

Social and Affordable Housing Rent Increase 2026/27

Purpose of Report

To seek agreement of the social and affordable housing rent and service charge increase from 1 April 2026, following consultation with council tenants.

Recommendation(s)

The Full Council RESOLVES to:

- (1) Increase the Council's social and affordable housing rents by 4.8% from 1 April 2026.
- (2) Review the 2026/27 rents in relation to the formula rent in preparation for the 2027/28 rent increase.
- (3) Increase the service charges for the Council's social and affordable rent homes by 4.8% from 1 April 2026; and
- (4) Review the service charges payable during 2026/27 and refund any overpayment to the affected tenants.

Financial Implications

See section 5.1 of the report.

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Legal or Governance Implications

See section 5.2 of the report.

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Risk Assessment

See section 5.3 of the report.

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Environmental/ Climate Change Implications

See section 5.4 of the report.

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Executive Member

Cllr Richard Buscombe
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Appendices/Background Papers

Appendix 1 – Proposed weekly rent and service charge for 2026/27 including 4.8% increase

Appendix 2 – Teign Housing performance indicators for the council housing stock

EIA Attached – No

1. Introduction/Background

- 1.1 In recent years, Teignbridge District Council has developed and acquired its own council housing stock. This currently comprises 43 self-contained dwellings, three homeless hostels and 18 traveller pitches. We also lease a further 36 homes from private landlords.
- 1.2 Within the council-owned stock, 11 homes are let at social housing rents, and a further three homes are let at affordable housing rents. These properties are managed by Teign Housing on behalf of the Council under the terms of a management agreement. This report sets out the proposed rent increase for 2026/27 for the 14 social and affordable rented homes.
- 1.3 It should be noted that rent or service charge changes for the other residential properties owned or leased by the Council, which are primarily used for temporary accommodation for homeless households, are not subject to government policy or regulation and are adjusted periodically to reflect changes in the costs of such provision.

2. Rent and Service Charge Increase 2026/27

- 2.1 The government previously set, annually, the limit on social rent increases for the following financial year. After lobbying from the social housing sector, as

part of the Spending Review 2025, the government announced a 10-year social housing rent settlement.

- 2.2 From 2026/27 onwards, social and affordable housing rents are permitted to increase by the Consumer Prices Index (in September of the preceding calendar year) plus one percent (CPI+1%). This certainty is welcomed because it allows social landlords to plan financially for the management and maintenance of the existing stock and the development of new homes.
- 2.3 The CPI in September 2025 was 3.8%. It is therefore proposed to increase the Council's social and affordable housing rents by 4.8% from 1 April 2026. This rent increase is consistent with the Council's practice in previous years and with the rent increase for Teign Housing's own tenants. An anonymised table of the proposed rents and service charges for 2026/27 is in Appendix 1.
- 2.4 The level of service charge tenants pay in addition to their rent depends on whether there are any communal area costs for their home, and this should reflect the cost of providing the relevant services. It is proposed to increase the current service charges by 4.8% for 2026/27. A review of the actual cost of providing the services will be carried out during the financial year and any overpayment will be refunded to the affected tenants.

3. Rent Convergence from 2027/28

- 3.1 The government has also completed a consultation on how to implement social rent convergence. This is the process to increase social rents that are currently below 'formula rent' by an additional amount each year, over and above the CPI+1% limit, until they 'converge' with formula rent. Formula rent refers to the formula used to calculate the rent that may be charged for a property when it is let to a new tenant.
- 3.2 Following the above consultation, the government recently announced that social housing rents will be permitted to rise by an additional £1 per week (i.e. CPI+1%+£1 per week) in 2027/28 and by an additional £2 per week (CPI+1%+£2 per week) from 2028/29 until they converge with formula rent. This mechanism does not apply to the 2026/27 rent increase. A review will be carried out to establish if any current rents are below the formula rent, in preparation for the 2027/28 rent increase.

4. Housing Management Performance

- 4.1 As set out above, the 14 social and affordable rent homes are managed by Teign Housing on behalf of the Council. The services they provide include rent collection, housing management, responsive repairs, caretaking, grounds maintenance and safety checks. Teign Housing collects the rents, which are passed through to the Council, and they then invoice the Council for the management fee and rechargeable repairs.

4.2 A summary of Teign Housing's performance for 2025/26, to December 2025, is at Appendix 2. Their current performance is positive across the range of indicators, and this is reviewed regularly by the Council's Housing service.

5. Implications, Risk Management and Climate Change Impact

5.1 Financial

5.1.1 The increase in rent will enable service provision to continue and meet the increased cost of delivering services.

5.2 Legal or Governance

5.2.1 There are no specific legal implications arising from this report.

5.3 Risk

5.3.1 There is a risk that the CPI+1% rent increase will result in a higher level of rent arrears than is currently experienced. However, this is assessed to be a lower-level risk than the impact on service performance and customer satisfaction of reducing the housing management and maintenance budget with a lower rent increase. As set out above, the proposed CPI+1% increase is consistent with the rent increase for Teign Housing's tenants.

5.4 Environmental/Climate Change Impact

5.4.1 There are no significant environmental or climate change implications affecting this report.

6. Alternative Options

6.1 The Council could decide not to increase the social and affordable housing rents or to increase them by less than 4.8%. This is not recommended because it would impact the Council's ability, as landlord, to manage and maintain the homes to a good standard. It would also require renegotiation of the management agreement and mean that the Council's tenants have a different rent increase to Teign Housing's tenants. No consultation comments have been received from council tenants in response to the proposed 4.8% increase.

7. Conclusion

7.1 For the reasons set out above, it is proposed to increase the Council's social and affordable housing rents and service charges for 2026/27 by CPI+1%, which equates to an increase of 4.8%.

Appendix 1

Proposed weekly rent and service charge for 2026/27 including 4.8% increase

Property type	Rent type	Rent 2026/27	Service charge 2026/27	Total charge 2026/27
1 bedroom flat	Social rent	£96.46	£15.51	£111.97
1 bedroom flat	Social rent	£96.46	£15.51	£111.97
1 bedroom flat	Social rent	£96.46	£15.51	£111.97
2 bedroom flat	Social rent	£115.56	£17.98	£133.54
2 bedroom flat	Social rent	£115.56	£17.98	£133.54
2 bedroom bungalow	Social rent	£147.59	£15.27	£162.86
2 bedroom house	Social rent	£147.59	£15.27	£162.86
2 bedroom house	Social rent	£147.59	£3.84	£151.43
2 bedroom house	Social rent	£147.59	£3.84	£151.43
3 bedroom house	Social rent	£127.61	£3.84	£131.45
3 bedroom house	Social rent	£127.61	£3.84	£131.45
4 bedroom house	Affordable rent	£236.25	£3.83	£240.08
4 bedroom house	Affordable rent	£236.25	£3.84	£240.09
4 bedroom house	Affordable rent	£236.25	£3.84	£240.09

Appendix 2

Teign Housing performance indicators for the council housing stock

See separate table.