

HRA Rent and Service Charges Setting

2025/26

The Housing Revenue Account

- Lambeth council tenant pay rent into the Housing Revenue Account (HRA). This is a ringfenced account specifically spent on housing services such as repairs and maintenance, management, major works and fire safety works
- Council tenants are also Council Tax-payers, and so some Council service are funded from Council Tax such as leisure, parks, roads and social care.
- Council Tax cannot fund tenant's housing service, and rents cannot fund Council-wide services.

HRA Current Pressures: The Rent Cap

- The HRA has been required to fund the shortfall from Government rent policies and additional regulatory burdens.
- Following the capped rent increase for 2023-24, rents are now increasing according to Government policy of CPI+1%
- Between 2016/17 and 2019/20 there was a four-year rent reduction. In total, these rent policies have reduced resources by over £1bn over the 30-year business plan.
- There are also addition unfunded regulatory requirement for fire and building safety.
- Reserves has significantly reduced over the past 5 years and there is now a requirement for the HRA to make savings to set a balance budget.

HRA Rent increase 2025/26

- Rents for 2025/26 are proposed to be set in line with the Government Rent Policy of CPI+1%
- CPI was 1.7% as of September 2024, so this means that rents can rise by $\text{CPI} + 1\% = 2.7\%$ as of April 2025
- Rents will increase by an average of £3.60 per week from £133.50 to £137.10 per week.
- Common service charges are reducing by £0.76 per week
- Heating and Hot water charges are reducing by £1.04 per week
- Specific Service Charges increasing by £0.07 per week

Impact - 2.7% Increase

Bedrooms	% of dwelling stock	Avg weekly rent 2024/25	Avg weekly rent 2025/26	Average Increase
Studio	3.6%	£98.28	£100.94	£2.66
1 Bed	28.0%	£114.18	£117.26	£3.08
2 Bed	35.1%	£130.23	£133.74	£3.51
3 Bed	26.4%	£151.30	£155.38	£4.08
4 Bed	5.7%	£173.65	£178.34	£4.69
5 Bed	1.0%	£190.30	£195.44	£5.14
Over 5 Bed	0.4%	£203.21	£208.70	£5.49

Service Charges Proposal

Service Charge	2024/25 (per week)	2025/26 (per week)	Movement
Common service charges			
Caretaking	£1.10	£1.11	£0.01
Grounds Maintenance	£1.13	£1.96	£0.83
Estate Cleaning	£7.76	£9.79	£2.03
Communal Lighting	£7.77	£4.13	(£3.64)
Disinfestation	£0.74	£0.75	£0.01
Total	£18.51	£17.74	(£0.76)

Service Charges Proposal

Service Charge	2024/25 (per week)	2025/26 (per week)	Movement
Existing specific service charges			
TV Aerial	£0.47	£0.48	£0.01
Concierge	£21.09	£22.90	£1.81
CCTV	£2.83	£2.54	(£0.29)
Door Entry - Audio	£2.38	£1.58	(£0.80)
Door Entry - Video	£3.49	£2.83	(£0.66)
Total	£30.26	£30.33	£0.07

Service Charge	2022/23 (per week)	2023/24 (per week)	Movement
Heating and Hot Water (Average)	£23.49	£22.45	(£1.04)

Garages & Sheds - Charges Proposal

Service Charge	2023/24 (per week)	2024/25 (per week)	Movement
Garages			
Category A – Tenants	£20.50	£22.00	£1.50
Category B – Resident Leaseholders	£24.00	£25.50	£1.50
Category C – Non-Residents	£41.20	£45.00	£3.80
Category D – Blue Badge Holders	£5 discount	£5 discount	-
Category E – Council Interest Dispensations*	£0.00 - £36.00**	£0.00 - £36.00**	-
Sheds			
General	£3.00	£3.00	-
Cycling storage			
General	£30.00	£30.00	-

* Garages that are currently let for either community use or under special arrangements due to non-uniform size

**Level of charge to be agreed by Director of Housing Services

Comparison of Service Charges

Service Charge	2022/23 Charge (per week)	2023/24 Charge (per week)	2024/25 Charge (per week)	2025/26 Charge (per week)
Common service charges				
Caretaking	£1.51	£1.45	£1.10	£1.11
Grounds Maintenance	£1.43	£1.20	£1.13	£1.96
Estate Cleaning	£7.68	£8.16	£7.76	£9.79
Communal Lighting	£3.50	£6.34	£7.77	£4.13
Disinfestation	£0.99	£1.01	£0.74	£0.75
Total	£15.11	£18.16	£18.51	£17.74

Comparison of Service Charges

Service Charge	2022/23 Charge (per week)	2023/24 Charge (per week)	2024/25 Charge (per week)	2025/26 Charge (per week)
Specific service charges				
TV Aerial	£0.14	£0.32	£0.47	£0.48
Concierge	£19.24	£20.43	£21.09	£22.90
CCTV	£2.54	£2.55	£2.83	£2.54
Door Entry – Audio	£1.99	£2.11	£2.38	£1.58
Door Entry – Video	£3.83	£3.21	£3.49	£2.83
Total	£27.74	£28.62	£30.26	£30.33
Heating and Hot Water (Average)	£10.78	£48.60	£23.49	£22.45

Service Charges (per week)	2022/23	2023/24	2024/25	2025/26
Garages				
Category A – Tenants	£19.00	£19.00	£20.50	£22.00
Category B – Resident Leaseholders	£22.50	£22.50	£24.00	£25.50
Category C – Non-Residents	£36.00	£36.00	£41.20	£45.00
Category D – Blue Badge Holders	£0.00	£0.00	£5 discount	£5 discount
Category E – Council Interest Dispensations*	£0.00 - £36.00	£0.00 - £36.00	£0.00 - £36.00	£0.00 - £36.00
Sheds				
General	£3.00	£3.00	£3.00	£3.00