

HOW WE CALCULATE THE RENT FOR YOUR HOME 2018/19

Social Rent

The majority of Sheffield City Council properties are social rent.

The Government sets out the way all councils and housing associations calculate social rent. It says rents should be worked out in the same way. The aim is that eventually social rents for similar homes in the same area will be comparable no matter who the social landlord is. This is known as the 'target rent'.

Between 2003 and 2014, government policy was to use the annual rent increase to gradually move rents closer to their target rent. When this national policy ended in 2014, some properties had reached their target rent and some had not. Since 2014 all vacant social rent properties in Sheffield have been re-let at their target rent level.

The target rent for your property is worked out by a government formula, using the current national average rent of £91.80 and takes into account three things:

1. The number of bedrooms in your home
2. The average wage in South Yorkshire
3. The value of your home

70% of your rent will be based on the number of bedrooms in your home and average wage in South Yorkshire and 30% on the value of your home.

How does it work?

1. The number of bedrooms in your home

The more bedrooms you have, the more the rent will be. We use the Government's formula to work out your rent. We have to give weightings according to the number of bedrooms in your home as follows.



Bedroom weightings	
Bedsit	0.80
1 Bed	0.90
2 Bed	1.00
3 Bed	1.10
4 Bed	1.20
5 Bed	1.30
6+ Bed	1.40

2. The average wage in South Yorkshire

This part of the formula compares the average wage in South Yorkshire with wages elsewhere in the country. As the average wage in South Yorkshire is lower than London, rents in Sheffield will be lower than those in London. The average wage figures supplied by the Government produce an earnings weighting for South Yorkshire of 0.9453 when compared to the national average wage.

3. The value of your home

Sheffield City Council has around 40,000 homes and each year values a number of homes which are typical of properties within the housing stock. These are then used to value other homes in the city that are similar in type and location.

Under the Government's formula, homes have been valued at January 1999 prices. The value is compared with national average property value, which in January 1999 was £49,750. Dividing the capital value of your home by the average national value will give you the relative capital value.

What about other charges?

We will tell you about any increases to other charges that you pay with your rent, like water rates and heating charges by April each year.

Your right to appeal

If you think your home has been valued incorrectly you have the right to appeal. You can obtain a leaflet that explains the process at your local office, First Point or by contacting us on **0114 205 3333 / 0114 293 0000**, or by visiting **www.sheffield.gov.uk/councilhousing**

How we will work out your target rent

Here is an example of how we would work out the target rent of a 3 bedroom house with a value of £30,000 in January 1999.

Step 1 Take 70% of the national average rent of £91.80 x 70% = £64.26

Step 2 Multiply by the South Yorkshire average earnings weighting £64.26 x 0.9453 = £60.75

Step 3 Multiply by the bedroom weighting £60.75 x 1.10 = £66.83

Step 4 Take 30% of the national average rent of £91.80 x 30% = £27.54

Step 5 Multiply by the capital value of your home £30,000 divided by £49,750 (the national average property value) = 0.6030

Step 6 Multiply £27.54 by 0.6030 to give the capital value = £16.61

Step 7 Add steps 3 and 6 together £66.83 + £16.61 to give the target rent for 2018/19 = £83.44

Affordable Rent

Affordable rent is the rent charged to a small minority of council properties. It is higher than social rent but not as high as private rents. It is based on 80% private rent and was brought in by the Government in 2010 to make the delivery of new/replacement council homes more viable. The Council has set an Affordable Rent on most new council homes delivered since 2013.

Rent Changes

The Welfare Reform and Work Act 2016 requires us to reduce the rents that we charge for our council homes each year by 1% until 2019/20.

How to contact us

Call centres: **0114 293 0000**
0114 205 3333

Web: **www.sheffield.gov.uk/councilhousing**