

Rent Restructuring - Average Weekly Rents

Bedrooms	Current Number of WDC Homes	2012/13 F Current Average Formula (Target) Rent	2012/13 U Current Average Unconstrained Rent	2012/13 R / A Average Current Weekly Rent Constrained by Caps & Limits	2013/14 F Average Formula (Target) Rent	2013/14 U Average Unconstrained Rent	2013/14 R Constrained Rent per Government Formula	2013/14 A Proposed Average Weekly Rent	Proposed Average Increase in Weekly Rent (£)	Proposed Average Increase in Weekly Rent (%)
0 Bedroom	83	£64.21	£60.66	£59.89	£66.20	£64.37	63.06	62.09	2.20	3.68%
1 Bedroom	1,463	£78.64	£74.38	£72.86	£81.08	£78.89	76.83	75.65	2.79	3.83%
2 Bedroom	2,002	£86.11	£82.18	£80.56	£88.78	£86.75	84.75	83.44	2.88	3.57%
3 Bedroom	1,985	£98.62	£93.83	£90.92	£101.67	£99.20	95.62	94.16	3.24	3.56%
4 Bedroom	58	£110.04	£104.29	£99.23	£113.45	£110.49	104.22	102.63	3.40	3.43%
5 Bedroom	4	£153.16	£140.31	£112.22	£157.91	£151.28	117.70	115.91	3.69	3.28%
Average	5,595	£88.57	£84.23	£82.13	£91.31	£89.07	86.44	85.11	2.98	3.63%

- F** Formula (Target) Rent This is the rent that the national rent restructuring formula is moving towards. Formula Rent is calculated based upon a national formula set out by Central Government, which is intended to ensure that the rent for similar socially rented homes in an area are equivalent, regardless of who the landlord is. Every year it is increased by the value of RPI inflation plus an additional 0.5%.
- U** Unconstrained Rent This is the rent that would be charged under rent restructuring if there were no caps on maximum rent or limits on annual increases. It is calculated based upon moving from the Actual Rents charged in 2002 to the Formula Rent in a number of steps. The target for converging with Formula Rent is currently 2015/16.
- R** Constrained Rent This is the rent that Central Government expect the Council to charge in line with rent restructuring policy. Constrained rent is lower than Unconstrained rent due to caps and limits built into the rent restructuring formula. There are caps for the maximum weekly rent for a home. For some larger homes this cap reduces the rent that can be charged below Formula Rent. The maximum annual rent increase is limited to RPI + 0.5% + £2.
- A** Actual Weekly Rent This is the weekly rent the Council chooses to charge to tenants. It is the intention of Central Government that all social rents should be set with regard to the rent restructuring formula. However it is not mandatory. The proposed rents have been calculated using the rent restructuring formula, except for using a lower inflation factor. This ensures the Council continues to move towards formula rent, but reduces the rent increase for tenants.