

Draft housing revenue and capital budget consultation 2026/27

This consultation relates to the draft budget for income and expenditure for the council's housing stock in 2026/27.

The situation facing the HRA is very challenging, as income from rents and service charges is insufficient to pay for all the competing priorities, such as compliance with new health and safety standards, the backlog of planned maintenance, decarbonisation of existing homes and building new council homes.

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Questions that must be answered are marked with an asterisk (*)

1. **Are you responding as...?** * Please tick one box only (if more than one applies, please choose the most appropriate)

- ☐ A Canterbury City Council tenant
- ☐ A Canterbury City Council leaseholder
- ☐ A resident of the Canterbury district
- ☐ A visitor to the Canterbury district
- ☐ A city, county, parish or town councillor, please specify:
 - ☐ Canterbury City Councillor
 - ☐ Kent County Councillor
 - ☐ Parish or Town Councillor, please provide the name of the parish or town council:
- ☐ A business, organisation or community group, please provide the name:
- ☐ Other, please state:

Rent

Rent is the housing budget's primary source of income to pay all the running costs, including housing management and maintenance, and capital expenditure such as planned maintenance, like replacement windows or new kitchens and bathrooms.

Government rent policy provides a framework for the council to increase rents by inflation, the rate at which the cost of living is increasing, as measured by what is known as the Consumer Prices Index (CPI) + 1%.

The council must base the proposed rent increase on CPI rate for September 2025, which was 3.8%, so adding + 1% gives a total of 4.8%.

The below table estimates the effect of this on the average weekly rents for all major property designations and sizes in the council's portfolio.

What this might mean for you:

Estimated effect of 4.8% increase on average rents

	Affordable rent		General needs		Hostels	
Bedrooms	Average rent p.w. 25/26	Average increase p.w. 26/27	Average rent p.w. 25/26	Average increase p.w. 26/27	Average rent p.w. 25/26	Average increase p.w. 26/27
0			£86.29	£4.14		
1	£137.93	£6.62	£96.98	£4.65	£97.47	£4.67
2	£183.92	£8.83	£113.97	£5.47	£115.18	£5.53
3	£237.83	£11.41	£129.26	£6.21		
4	£227.52	£10.92	£148.57	£7.13		
5	£302.63	£14.53	£152.54	£7.32		
Overall average	£197.98	£9.50	£115.79	£5.56	£99.08	£4.75

	Designated older persons' accommodation		Sheltered and Sheltered Plus		All properties	
Bedrooms	Ave. rent p.w. 25/26	Ave. increase p.w. 26/27	Ave. rent p.w. 25/26	Ave. increase p.w. 26/27	Ave. rent p.w. 25/26	Ave. increase p.w. 26/27
Studio	£99.85	£4.70	£84.06	£4.03	£89.34	£4.26
1	£101.91	£4.89	£98.67	£4.74	£98.64	£4.74
2	£117.30	£5.63	£115.10	£5.52	£115.89	£5.56
3			£125.76	£6.04	£131.71	£6.32
4					£149.30	£7.17
5					£171.30	£8.22
Overall ave.	£104.98	£5.02	£98.83	£4.75	£114.22	£5.48

The council may agree to a lower percentage increase, but this might mean that it would not be able to afford the current level of service to tenants.

Overall, 75% of our tenants receive either full or partial Housing Benefit or Universal Credit to help pay their rent, which will cushion them from the full impact of the increase.

2. What do you think about the proposal to increase council rents by CPI + 1% (4.8%)? *

Please tick one box only

☐ A) Support

☐ B) Object

☐ C) Not sure

2a. **Please tell us why:**

Service charges

Service charges are payable for specific services, usually communal facilities in blocks of flats. They are not part of the same legislative and regulatory framework as rent but are subject to statute and extensive case law.

Government policy encourages the adoption of CPI+1% for service charge increases but the council has adopted the principle of recovering the actual cost of services based on the previous year's expenditure.

In general needs flats, the only service charges are for lighting and cleaning communal areas. These vary between blocks according to their layout but are generally fairly modest. Service charges in sheltered housing and Sheltered Plus are more extensive because there are more communal facilities and services.

In recent years there have been significant rises in utility costs that were passed onto tenants, mainly in sheltered housing, in a phased manner and it is hoped that the energy market is now becoming more stable.

Communal lighting

It is estimated that the cost will be broadly similar to 2024/25.

Communal heating

This charge primarily affects sheltered housing and Sheltered Plus schemes, where there are extensive communal facilities and central heating to accommodation provided by a communal boiler. It is estimated that the cost will be broadly similar to 2024/25.

Cleaning of communal areas

The cost of communal cleaning varies, depending on the layout of the building, and charges are based on figures provided by the contractor. An uplift of 4% plus the increase in the National Living Wage has been included.

3. **What do you think about these proposals?** * Please tick one box only

☐ A) Support

☐ B) Object

☐ C) Not sure

3a. **Please tell us why:**

Garage rent

The garages the council rents out are part of the housing budget.

In February 2022, the council adopted the HRA Garage Management Strategy to maximise rental income, which aims to do this by:

- adopting a commercial approach to setting garage rent level
- increasing garage rents by at least £1.50 per week from 2022/23
- benchmarking garage rents against neighbouring councils.

We recently looked at how much we charge for garage rents compared to other councils in the county. This showed that we've been charging less than neighbouring councils.

Because of this, we're proposing to increase garage rents by £1.50 per week from £18.00 to £19.50 per week.

4. **What do you think about this proposal?** * Please tick one box only

☐ A) Support

☐ B) Object

☐ C) Not sure

4a. **Please tell us why:**

5. **Do you have any other comments on our proposed housing budget for 2026/27?**

Corporate consultations

We have several corporate consultations coming up soon and we would like to hear from you.

Which of the following corporate consultations would you like to be informed about? * Please tick those that apply

- | | |
|--|---|
| ☐ Environment | ☐ Enforcement |
| ☐ Housing | ☐ Licensing |
| ☐ Leisure and events | ☐ Planning Policy |
| ☐ Parking | ☐ Transport |
| ☐ Regeneration | ☐ None |
| ☐ Budgets and finance | ☐ Other, please state: |
| ☐ Governance | |

How did you find out about this consultation? * Please tick those that apply

- ☐ Email from the council
- ☐ Council Facebook post
- ☐ Council Twitter post
- ☐ Council LinkedIn post
- ☐ Council website
- ☐ Word of mouth
- ☐ Other, please state:

Equality information

What age are you? Please tick one box only

- ☐ Under 18
- ☐ 18 to 25
- ☐ 26 to 34

- ☐ 35 to 44
- ☐ 45 to 54
- ☐ 55 to 64
- ☐ 65 to 74
- ☐ 75 to 84
- ☐ 85 and above
- ☐ Prefer not to say

What gender are you? Please tick one box only

- ☐ Male
- ☐ Female
- ☐ Prefer to self-describe (for example, non-binary, gender fluid etc)
- ☐ Prefer not to say

Do you consider yourself to be disabled? Please tick one box only

- ☐ Yes
- ☐ No
- ☐ Prefer not to say

Thank you for taking the time to respond to this consultation.