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STOCKPORT
METROPOLITAN BOROUGH COUNCIL

Understanding your Rent and Service Charges 2027/2028



Starting from 1st April 2027, your rent and service charges will change. We're here to help you understand the reasons behind these proposed changes, why they are happening, and the support available.

At this stage, the changes to rent and service charges presented in this leaflet are a proposal only. Any comments you provide will be considered by Councillors before rents are set in the new year.

Please read the enclosed information and FAQ's and respond by Monday 23rd November, 9am. Scan for video version.

If you are worried about money or want to know what help you could or will get, contact us on 0161 217 6016, choosing option 3 or complete the online form by scanning the QR code.

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Key Proposals at a Glance

Rent

For 2027/2028, in line with the Government's Rent Standard we are proposing a 4.5% increase for social and affordable rent customers. Intermediate rents will also follow the same approach.

For example:

A rent charge of	Would increase by
£100.00	£4.50 per week

In addition to the annual rent increase outlined above, some customers will also see their rents change from 'rent convergence'. Rent convergence will only affect customers whose current rent is below the Government's formula rent for their home.

This is explained further below in the Rent Convergence section.

Shared Owners

For sharedowners, costs are proposed to increase in-line with the terms of the leases by 4.4%

For example:

A rent charge of	Would increase by
£100.00	£4.40 per week

If you receive help with your Housing Costs from either Housing Benefit or Universal Credit, the amount of benefit you receive will increase at the same rate as any increase in rent and any eligible service charges. It is important that you let Universal Credit know about the change in your Housing Costs when prompted to do so.

If you manage your claim online, this will be a 'to do' you will receive on or after 1st April 2027.

Rent Convergence

What is rent convergence?

Over many years, changes to Government rent policies have resulted in some customers paying different rents for very similar homes. This means that two similar properties can have different rent levels, even when they are in the same area.

The Government has introduced rent convergence to gradually bring rents closer to the standard rent for each home, known as ‘formula rent’. Formula rent is worked out using a set calculation that considers things like the value, size and location of the home. This helps make rents fairer, so that over time people living in similar homes pay similar rent.

What could this mean for you?

Rent convergence will only affect customers whose current rent is below the Government's formula rent for their home.

It will not affect customers who do not pay a Social Rent, such as Shared Owners and customers charged an Affordable or Intermediate rent.

If your rent is already at the formula rent level, rent convergence would not apply to you and you would only receive the normal annual rent increase.

If rent convergence does apply to you your annual rent increase would continue to be applied in the usual way. If your rent remains below the formula rent for your home, an additional small increase may be applied to help gradually close the gap. Any increase would be phased in over several years rather than applied all at once.

For April 2027 – March 2028 the additional increase which can be applied is up to £1 per week.

If you are affected by the rent convergence, this will be included in your annual letters, which you will receive in February 2027.

For example:

- If the formula rent for a home is £100 per week and the current rent is £95 per week after the annual increase, an additional convergence increase could be applied to gradually reduce the £5 difference.
- The rent would not immediately increase from £95 to £100 in one year.
- In April 2027 the rent would increase by £1 per week to £96 per week.

Service Charges

What are service charges?

Service charges are an amount that customers pay in addition to rent to cover the cost of providing communal or shared services to a building and, if applicable, the surrounding estate.

How are service charges calculated?

Service charges are calculated by splitting the cost of the service over the number of properties benefiting from that service. We do not make a profit from service charges. The amount you pay is used to cover the costs of providing these services. If a service charge is proposed to increase, it's because the current charge does not cover the full cost of providing that service. Different services may therefore have different proposed adjustments to better reflect their actual costs.

While most service charges will see increases to reflect the additional cost of providing the service, the majority of customers are likely to see existing service charge increases of less than £5 per week.

Energy Costs

In accommodation types with communal or shared utility services that are recharged through a service charge or heat meter, Stockport Homes buy electricity, gas and biomass from external providers, limiting control over costs.

Where customers have individual utility accounts directly with suppliers, energy prices continue to rise nationally. The Government's energy regulator, Ofgem, have increased the energy price cap by 17% to December 2026, with a further increase of up to 27% currently forecast for January 2027.

We understand that energy costs are a concern for many customers. Where we buy energy on your behalf, we will continue to work to get the best rates available.

We know energy prices are still high, but please be assured:

- We work hard to secure the best rates
- We prioritise energy efficiency
- We always aim to charge fairly

What do my service charges cover?

- Energy
- WiFi (in some cases)
- Alarm monitoring/CCTV
- Entry Phones
- Grounds Maintenance
- Window Cleaning
- Caretaking
- Lift maintenance
- Building safety and communal area maintenance

How might the proposed rent and service charge increase affect you?

We recognise that any increase in rent or service charges may affect household finances differently. We would like to understand the potential impact on you and make sure you know what support is available.
Do you get Housing Benefit or help with rent through Universal Credit? If your rent or service charges go up, this help should usually go up too and you should not be left worse off.

If you are worried about money or want to know what help you could or will get, our Money Advice team is here for you. You do not need to be behind with your rent or bills to ask for help. We can check what support you could get, even if you work or do not get benefits. We can also help you find ways to make your money go further and talk through any money worries.

Thinking about your current circumstances and the proposed increase, do any of the following apply to you?

- Do you sometimes worry about having enough money until you next get paid or receive your benefits?
- Are food, energy or other household bills getting harder to afford?
- Would an unexpected bill be difficult to pay?
- Are you using savings, credit or borrowing more than you would like?
- Do you sometimes have to choose which bills or essentials to pay first?
- Are you worried about money, even if you are managing at the moment?
- Would you like to check that you are getting all the benefits and support you are entitled to?
- Do you think you may not be entitled to help with your rent and would struggle to manage the proposed increase?

If any of these apply to you, and you would like free, confidential help from our Money Advice team, contact us on 0161 217 6016 or complete the online form by scanning the QR code.

Frequently Asked Questions

Why do you review rents?

Every year, social housing landlords like Stockport Council and Stockport Homes may increase rents by around the same amount as the rate of inflation (Consumer Price Index + 1%), which helps us to support the costs of maintaining and improving homes. This level is set out for us by the Government.

How has this increase been calculated?

The rent proposals have been calculated by combining a 'cost of living' increase which is set using the Consumer Price Index (CPI) measure of inflation in September 2026, which was 3.5%, with a 1% increase in rents. This CPI + 1% proposal follows the Government's guidance for rent increases for next year.

For Shared Owners, costs are calculated using the Retail Price Index (RPI) which measures the retail price of an average 'basket of goods' over time. In September 2026, this was 3.9%, plus 0.5%, giving an increase of 4.4%. This calculation follows Homes England guidance and is set out in the lease agreements.

How is 'formula' rent calculated?

Formula rent is worked out using a set calculation that considers things like the value, size and location of the home. This helps make rents fairer, so that over time people living in similar homes pay similar rent.

What if I am on Universal Credit or other benefits?

If you receive help with your Housing Costs from either Housing Benefit or Universal Credit, the amount of benefit you receive will increase at the same rate as any increase in rent and any eligible service charges. It is important you let Universal Credit know about the change in your Housing Costs when prompted to do so.

If you manage your claim online this will be a 'to do' you will receive on or after 1st April 2027.

What happens to my feedback?

Final proposals and recommendations, together with feedback from the comments provided, will be presented to the Cabinet Member for Housing and Environment before being considered by the Council's Scrutiny Committee and Cabinet in February 2027.

The final approved changes will then be implemented from April 2027.

Will wages go up to help with rent increases?

The National Living Wage is currently £12.71 for April 2026, helping workers keep up with the cost of living. Final rates for 2027/28 are not confirmed yet.

For updates, visit gov.uk – National Living Wage estimate.

Why are rents increasing and what do you do with the additional money?

We strive to keep rents and service charges as low as possible, but we also need to maintain service quality and continue improving homes. Inflation results in higher costs for us to provide services and maintain and improve homes. By increasing rents, we can continue to maintain and improve your homes to the standards required. While CPI measures general inflation, it doesn't fully reflect rising housing costs. Stockport Council and Stockport Homes are facing significant cost increases beyond CPI, including building materials, maintenance, and regulatory requirements. There's also a growing need to improve housing to meet changing needs, such as those of an ageing population.

These rising costs are outpacing rental income and putting pressure on future budgets, which will grow without a rent increase.

While costs and demands are increasing, in recent years there have also been a series of below-inflation rent increases imposed by the Government. This has severely impacted on the money we have available.

Our priorities remain unchanged:

- Meet our statutory obligations to ensure your homes are safe.
- Deliver essential services, like repairs and maintenance.
- Invest in customers' homes to keep them safe and warm.
- Support our customers and communities.
- Keep rents affordable.

Any income from rent increases goes back into improving homes and services. You can view our Annual Report 26/27 on our website to find out how every £1 is spent.

Please read the enclosed information on the proposed rent and service charges and respond by Monday 23rd November, 9am. Scan for video version.