



## Understanding rent queries raised on the SDR 2025

### Introduction

As part of the regulator's ongoing commitment to improving data quality, we have reviewed the rent information submitted by your organisation and have identified pockets of stock (a pocket being a given bedsize in a given LA area) where year on year changes are outside of the ranges we would anticipate seeing and might indicate an underlying data issue.

We are also performing a number of additional data integrity checks to ensure the logical consistency of data reporting between the questions covering non-expected stock and the questions covering all stock in the Low Cost Rental & Rents part of the SDR.

### What is the rationale for the data integrity checks?

These checks ensure that in a pocket where no expected stock exists, data is reported consistently between the non-expected stock and all stock questions in the Low Cost Rental & Rents part. For example, if ten units were reported in a pocket in Q17 and ten units reported in the same pocket in Q21, we would expect the rent and service charge figures to be identical as no additional units have been added that would alter the figures.

These checks are also performed on sub-elements of the pocket such as service charge data. For example, if the same number of service charge applicable units are reported in both questions then we would expect that the service charge value would be the same even if the total number of rent units is higher in the questions covering all stock.

Finally, we are also performing integrity checks to ensure that all pockets reported in the non-expected questions are present in the questions covering all stock and have at least the same number of units present.

### We've only been sent a data integrity report, does this mean we have no rent queries?

We will be engaging with providers to resolve any data integrity issues before we review their data for rent queries. This approach is being taken as data integrity issues are likely to cause incorrect flagging or passing of pocket level data.

The rent data will be reviewed once all data integrity issues have been resolved and, if necessary, rent queries will then be sent to providers.

### We uploaded a supporting document covering rents, why have we been sent queries?

We send rent queries to providers who have uploaded supporting documents to ensure that all potential issues are reviewed. Engagement with providers has shown this to be useful as the rent querying process has highlighted potential issues that providers were not aware of or that hadn't been covered in their supporting document.

### What are the ranges you anticipate seeing for year on year changes?

A table of criteria used for flagging pockets of stock broken down by survey section and question is listed at the end of this document.

## **We believe that the presence of a 53rd week during the 2024/25 period has distorted the apparent increase in our rent figures. Is the regulator aware of this and how is this being accounted for?**

We are aware that the presence of a potential 53<sup>rd</sup> chargeable week during the 2024/25 period can have a distorting effect on the apparent changes in rents year on year. The nature of this distortion will vary between providers depending on their handling of the extra week and can lead to figures that are either higher or lower than expected.

The criteria we use to flag pockets of stock allows for a degree of variance both above and below the permitted increase set out in the rent policy. We believe that for most providers, this will provide an adequate degree of tolerance to account for any potential distortions caused by the additional potential chargeable week.

If you believe that the 53-week year has caused a significant distortion in your data beyond what would normally be expected, we advise you to upload a short supporting document noting this when making the final submission of your return. You may still receive some queries on your rents as we seek clarity on specific changes in your data.

## **Why have changes in the number of units with exceptions been flagged?**

As part of our analysis of the incoming data we identified pockets where the percentage of stock with exceptions had changed by more than +/-25% from the previous year as having the potential to signify a data issue.

We have also flagged pockets where a total loss of units with absolute exceptions has been recorded. A total loss of units with exceptions could signify an inadvertent omission of data.

## **Why are you raising queries on units that saw an increase in rents or formula rents that was significantly smaller than the permitted increase?**

Providers are not obliged to fully utilise the maximum permitted increase but large variances from this can sometimes be indicative of underlying data issues. Issues in this area often arise from the omission or inconsistent categorisation of elements that make up the rent charge. Providers should check that all relevant elements of the rent charge have been included and that they have consistently defined what is and is not a service charge between years.

For Affordable Rent units, providers should ensure that they are reporting the GROSS rent as required by the SDR. We have seen cases where large variances in rent increases were caused by the incorrect reporting of NET rent instead of GROSS rent. Further detail on correctly calculating GROSS rents can be found in the SDR guidance document.

## **Why are you raising queries on rents or formula rents that are above the rent caps?**

As the rent caps are intended to be an upper limit on rents and formula rents, we would normally expect rents to be at or below this figure. We are therefore asking providers to review all pockets that are above the cap to ensure that figures have been correctly reported.

Providers are reminded that, as per the Rent Policy Statement, the process for determining formula rents includes a rule that limits the maximum value to the rent cap even if the calculation would result in a higher figure.

## **We have special arrangements that permit us to charge rents above the cap, do we need to provide full details of these?**

That will not be necessary. This process is concerned with data quality and we do not require further details of your organisation's contractual or legal arrangements. Providers with these arrangements should confirm the accuracy of their data.

## **Have units with exceptions been taken into account?**

Our analysis considers units with and without exceptions separately. Further, for some checks involving pockets with excepted units, our analysis has only considered pockets of stock where less than 25% of the units are reported to have an absolute exception and applied a wider expected range. This has been done to account for the distorting effect excepted units can have in smaller pockets of stock.

However, we recognise that in some cases the presence of a smaller proportion of units with exceptions may still be the underlying reason for the rent changes being outside the anticipated range. If this is the case, please confirm this to the RSH Data Team member who contacted you with the query via email.

## **Have large changes in stock been taken into account?**

Where we feel this may be a relevant factor, our analysis has only considered pockets of stock where the number of units had not changed by more than +/- 10% between years. For other checks looking at very large year on year changes, we have analysed all comparable pockets regardless of changes in unit numbers.

However, we recognise that in some cases a smaller level of unit change may still be the underlying reason for the rent changes being outside the anticipated range. If this is the case, please confirm this to the RSH Data Team member who contacted you with the query via email.

## **Why have service charge changes been flagged?**

Our analysis of prior data has shown that large changes in service charges can sometimes be indicative of underlying data issues. Issues in this area often arise from the omission or inconsistent categorisation of elements that make up the service charge, particularly when determining which elements are covered by Universal Credit/ Housing Benefit.

## **Why are there different flagging thresholds on service charges for general needs and supported housing/ housing for older people this year?**

After a review of prior data, we have lowered the flagging threshold for general needs service charges from a change of £15 per week to £10 per week. This revision was made to more accurately reflect the typical range of changes made by providers with general needs stock. The flagging criteria for supported housing/ housing for older people remains unchanged this year.

## **What does the regulator need us to do?**

We request that you review the spreadsheet you have been sent and confirm via email the result of your review, indicating whether your organisation needs to make any changes to its submitted data or if the data outside of anticipated ranges is accurate.

## **Do we only need to check the pockets of stock listed on the spreadsheet?**

The pockets of stock listed on the spreadsheet should be your primary focus when checking for data quality issues. However, due to taking excepted units and stock changes into account, not all pockets where year on year changes are outside the range we anticipated seeing will appear in the spreadsheet. As such we recommend that where errors are found in any of the pockets flagged that you review all data submitted to ensure consistency and accuracy.

## Why doesn't our spreadsheet contain tabs for all the checks listed in the checking criteria?

The spreadsheet for your organisation will only contain tabs for checks that have resulted in pockets being flagged. Empty checking categories are omitted for the sake of clarity.

## What do we do if our data is accurate?

Please confirm this in writing via email to the RSH Data Team member who contacted you with the query.

## Do we need to provide supporting evidence on the accuracy of our data?

This process is concerned with data quality and we do not require further details of your organisation's rent setting processes in relation to these properties. We kindly ask that providers do not send detailed outputs from their rent collection systems as part of this data quality checking.

## What do we do if we find errors?

Please contact the RSH Data Team member who sent you the query to make them aware of this. We will then work with your organisation to unsubmit your SDR return and agree a timescale for resubmission.

## What do we do if the 2024 data was incorrect but the 2025 data is correct?

Please contact the RSH Data Team member who sent you with query to make them aware of this. We will not be requiring re-submission of the 2024 SDR as part of this process.

## Is this the last time the regulator will contact us about rents?

This process is focused on improving data quality in the SDR. The regulator may still contact you in the future with queries arising from further analysis of rent or other data after the SDR has been signed off in NROSH+.

If you have any further queries please contact us:

**Email** [NROSHenquiries@rsh.gov.uk](mailto:NROSHenquiries@rsh.gov.uk)

**Telephone** 0300 1245 225

# Checking criteria

## Checks for data integrity between non-excepted and all stock questions

Low Cost Rental and Rents Q17 (non-excepted GN), Q19 (non-excepted SH/ HOP), Q21 (all GN) and Q22 (all SH/ HOP)

Check Number	Core Check	Additional Criteria
1	Number of All Stock units are not >= Non-Excepted units	
2	Number of All Stock HB service charge units are not >= Non-Excepted HB service charge units	
3	Number of All Stock non-HB service charge units are not >= Non-Excepted non-HB service charge units	
4	Average NET RENT for All Stock is not equal to average NET RENT for Non-Excepted stock	Only applies where number of rent units is the same for All stock and Non-Excepted stock
5	Average HB SERVICE CHARGE for All Stock is not equal to average HB SERVICE CHARGE for Non-Excepted stock	Only applies where number of HB service charge units is the same for All stock and Non-Excepted stock
6	Number of All Stock HB service charge units are not = Non-Excepted HB service charge units	Only applies where number of rent units is the same for All stock and Non-Excepted stock
7	Number of All Stock non-HB service charge units are not = Non-Excepted non-HB service charge units	Only applies where number of rent units is the same for All stock and Non-Excepted stock
8	Average NON-HB SERVICE CHARGE for All Stock is not equal to average NON-HB SERVICE CHARGE for Non-Excepted stock	Only applies where number of non-HB service charge units is the same for All stock and Non-Excepted stock

## Checks for social rent stock without exceptions

Low Cost Rental and Rents Q17 (non-excepted GN)

Check Number	Core Check	Additional Criteria
1	The y/y NET rent change is not between 7.2% and 8.7% year on year  (0.5% below limit and 1% above limit to account for new lets and relets)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
2	The y/y FORMULA rent change is not between 7.2% and 8.2% year on year  (0.5% above and below limit)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
3	The NET rent is more than 5% higher than the FORMULA rent  NOTE: Change from previous years where a 2.5% margin was applied on top of the permitted limit.	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
4	The NET rent is higher than the RENT CAP for the relevant bedsize	
5	The FORMULA RENT is higher than the RENT CAP for the relevant bedsize	

6	The y/y HOUSING BENEFIT/UNIVERSAL CREDIT ELIGIBLE SERVICE CHARGE change is more than £10 year on year  NOTE: Change from previous years where the threshold was £15. We now have different thresholds for GN and SH/ HP.	For all pockets regardless of unit number changes
---	--	---

#### Low Cost Rental and Rents Q19 (non-expected SH/ HOP)

Check Number	Core Check	Additional Criteria
1	The y/y NET rent change is not between 7.2% and 8.7% year on year  (0.5% below limit and 1% above limit to account for new lets and relets)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
2	The y/y FORMULA rent change is not between 7.2% and 8.2% year on year  (0.5% above and below limit)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
3	The NET rent is more than 10% higher than the FORMULA rent  NOTE: Change from previous years where a 2.5% margin was applied on top of the permitted limit.	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
4	The NET rent is higher than the RENT CAP for the relevant bedsize	
5	The FORMULA RENT is higher than the RENT CAP for the relevant bedsize	
6	The y/y HOUSING BENEFIT/UNIVERSAL CREDIT ELIGIBLE SERVICE CHARGE change is more than £15 year on year	For all pockets regardless of unit number changes

### Checks for all social rent stock (including units with exceptions)

#### Low Cost Rental and Rents Q21 (all GN)

Check Number	Core Check	Additional Criteria
1	The y/y NET rent change is not between 7.7% and 12.7% year on year  (Lower bound set at limit. Upper bound 5% above max increase to cover non-expected stock)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year  AND  EXCEPTED unit numbers in the pocket account for less than 25% of total units
2	The y/y NET rent changed by +/- 25% year on year	For all pockets regardless of unit number changes or the volume of EXCEPTED units
3	The % of excepted units in the pocket has changed by +/- 25% year on year	For pockets where overall unit numbers in the pocket have not changed by +/- 10% year on year
4	EXCEPTED units have been recorded where there were previously none	For all pockets regardless of unit number changes

5	The y/y HOUSING BENEFIT/UNIVERSAL CREDIT ELIGIBLE SERVICE CHARGE change is more than £10 year on year  NOTE: Change from previous years where the threshold was £15. We now have different thresholds for GN and SH/ HP.	For all pockets regardless of unit number changes or the volume of EXCEPTED units
6	The NET rent is higher than the RENT CAP for the relevant bedsize	EXCEPTED unit numbers in the pocket account for less than 25% of total units

#### Low Cost Rental and Rents Q22 (all SH/ HOP)

Check Number	Core Check	Additional Criteria
1	The y/y NET rent change is not between 7.7% and 12.7% year on year  (Lower bound set at limit. Upper bound 5% above max increase to cover non-excepted stock)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year  AND  EXCEPTED unit numbers in the pocket account for less than 25% of total units
2	The y/y NET rent changed by +/- 25% year on year	For all pockets regardless of unit number changes or the volume of EXCEPTED units
3	The % of excepted units in the pocket has changed by +/- 25% year on year	For pockets where overall unit numbers in the pocket have not changed by +/- 10% year on year
4	EXCEPTED units have been recorded where there were previously none	For all pockets regardless of unit number changes
5	The y/y HOUSING BENEFIT/UNIVERSAL CREDIT ELIGIBLE SERVICE CHARGE change is more than £15 year on year	For all pockets regardless of unit number changes or the volume of EXCEPTED units
6	The NET rent is higher than the RENT CAP for the relevant bedsize	EXCEPTED unit numbers in the pocket account for less than 25% of total units

## Checks for Affordable Rent units

#### Affordable Rent Q4 (AR GN)

Check Number	Core Check	Additional Criteria
1	The y/y GROSS rent change is not between 7.2% and 8.7% year on year  (0.5% below limit and 1% above limit to account for new lets and relets)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
2	The y/y GROSS rent changed by +/- 25% year on year	For all pockets regardless of unit number changes

**Affordable Rent Q5 (AR SH/ HOP)**

<b>Check Number</b>	<b>Core Check</b>	<b>Additional Criteria</b>
1	The y/y GROSS rent change is not between 7.2% and 8.7% year on year  (0.5% below limit and 1% above limit to account for new lets and relets)	For pockets where unit numbers in the pocket have not changed by +/- 10% year on year
2	The y/y GROSS rent changed by +/- 25% year on year	For all pockets regardless of unit number changes