

Draft SGTO Response – Social Housing Rents Consultation, October 2022

Q 1: Do you agree that the maximum social housing rent increase from 1 April 2023 to 31 March 2024 should be subject to a specific ceiling in addition to the existing CPI+1% limit? To what extent would Registered Providers be likely to increase rents in that year if the government did not impose a specific ceiling?

No - instead of a ceiling, we believe that a rent freeze should be introduced. Social housing residents are amongst the poorest in society and they are already struggling to make ends meet. During this Cost-of-Living Crisis, they simply cannot afford an increase in rent.

We recognise that Registered Providers need to adequately fund essential resident services, such as repairs and maintenance. We know that without a ceiling or rent freeze, Registered Providers would more than likely cover their increasing costs in-part through an increase in rents. We propose that Government increase their funding of Registered Providers to ensure that a quality of service is maintained. Social housing residents did not create the current inflationary pressures on the economy, and they should not have to pay for it through their rents.

Q 2: Do you agree with imposing a ceiling of 5%, or are there alternative percentages that would be preferable, such as a 3% or 7% ceiling? Do you have any comments or evidence about the potential impact of different options, including of the 3%, 5% and 7% options as assessed in our Impact Assessment (Annex D)?

As stated, we believe in a rent freeze for all social housing residents.

In all of the options assessed in the Impact Assessment, a fall in the revenue of Registered Providers would result. Additionally, while it is not mentioned in the Impact Assessment, each of the proposed ceilings would lead to increases in rent arrears and evictions, as residents struggle to pay their increasing rents. If the Government commits to a rent freeze and to covering the cost of the resulting shortfall, Registered Providers will not experience a decrease in revenue and social housing residents would be better able to maintain their tenancies.

Q 3: Do you agree that the ceiling should only apply to social housing rent increases from 1 April 2023 to 31 March 2024, or do you think it should apply for two years (i.e. up to 31 March 2025)?

A rent freeze of two years would be more suitable, considering that inflationary pressures are unlikely to completely subside by March 2024, according to Bank of England predictions.

Q 4: Do you agree that the proposed ceiling should not apply to the maximum initial rent that may be charged when Social Rent and Affordable Rent properties are first let and subsequently re-let?

We disagree – it should be applied to all social housing residents. If a resident is moving into social housing from the private rented sector or another form of tenure, there is no reason why they would feel the affects of the rising cost of living any less keenly than long-term social housing residents.

Q 5: We are not proposing to make exceptions for particular categories of rented social housing. Do you think any such exceptions should apply and what are your arguments/evidence for this

Within the Social Rented Sector, no exemptions to a rent freeze should apply. Those in sheltered or temporary accommodation are struggling with the cost of living just as much, if not more than, those on secure and assured tenancies. The protection offered by a rent freeze is required across the Sector.