

# What you need to know about the Rent Policy for Social Housing Rents 2020-2021



Chartered  
Institute of  
Housing  
Cymru



## Background

One of the key changes suggested by the independent panel undertaking the review into affordable housing supply in Wales was a change to the rent regime. The panel recognised that annual uncertainty over the settlement posed challenges to organisations in planning their long-term investment to deliver additional affordable housing. The panel suggested a 5-year rent regime should be introduced to provide certainty to organisations and tenants alike, underpinned by organisations doing more to evidence how their rent setting provided value for money and had been shaped with meaningful tenant engagement.

## What does the settlement include?

The detailed arrangements:

- An annual uplift of CPI+1% each year for 5 years starting from 2020-21. (Using the level of CPI from the previous September).
- In any one year CPI+1% will be the maximum increase allowed.
- Level of rent for individuals can be reduced, frozen or can rise by up to an additional £2 over and above CPI+1% - but with a condition that total rental income will increase by no more than CPI+1%.
- If CPI falls outside the range of 0%-3% - the Minister with responsibility for housing will determine the appropriate change to the rent level.
- Social landlords are encouraged to raise concerns where the settlement could impact their business plan or financial capability.
- An expectation that a key part of the 5-year approach is that social landlords set rent and service charge levels at

affordable for current and future tenants.

## Additional measures

- Strengthen approach to minimise evictions and measures not to evict into homelessness
- Undertake tenants surveying aimed at increasing tenant's ability to scrutinise performance.
- DQR 2020 space standards in place across tenures on WG funded sites on a phased basis from 2021
- EPC A rating achieved on WG funded sites from April 2021

## A view from CIH Cymru

We strongly welcome the 5-year cycle of the settlement, corresponding to the recommendation of the affordable housing review.

Greater flexibility to vary tenant's individual rent must come with clear evidence of meaningful and regular engagement with tenants.

We are supportive of the aspiration to end evictions into homelessness and to reduce the overall level of evictions. Further detail is needed to ensure a consistent approach to designing and implementing measures.

The rent regime must be accompanied by certainty in other areas key to the services provided by social landlords, including levels of Social Housing Grant and the model for distribution.

We welcome the Minister's clear view that affordability must encompass broader living costs, but recognition must be given to the forces outside of the sectors control – such as welfare reform and local employment.



## Get in touch

If you would like to provide your initial views please contact [matthew.kennedy@cih.org](mailto:matthew.kennedy@cih.org)