

COST OF LIVING CRISIS: TIME TO FREEZE COUNCIL HOUSING RENTS

Rents for council and housing association tenants are set to rise by 11% or more in April 2023. This would be an intolerable further burden for four million tenant households already facing massive bills for food, energy and other necessities.

The Government uses a guidance formula of CPI (Consumer Price Index) +1% for the maximum increase to council and housing association rents. CPI is likely to be 10% or higher in September 2022, the assessment point for a 2023 rent rise. This would mean a 'formula' rent rise of over 11% in April 2023.

Council and housing association landlords do not have to apply the rent increase formula in full, or at all. The Government policy statement applied from 2020 states explicitly that CPI+ 1% is a "ceiling", and that "providers will be free to apply a lower increase, or to freeze or reduce rents, if they wish to do so." (Policy statement on rents for social housing, para 2.15)¹.

An *Inside Housing* magazine survey of English Councils found that in April 2022, 101 councils applied the maximum rent rise of 4.1%, nineteen increased rents by less than the maximum, and two (Wandsworth and Dartford) froze rents.²

Those affected include some of the poorest households.³ Any rent increase risks pushing many into

deeper poverty and the risk of homelessness.

Four million council and housing association tenant households face this 11%+ rent rise. Around half of council tenants get housing benefit/Universal Credit to cover some or all of their rent. (14% of these are subject to the Bedroom Tax.) The other half get no benefit support for their rent.

For Council tenants and landlords, each Council has a Housing Revenue Account (HRA). This receives no Government funding or other subsidy. It is ring-fenced, and cannot (legally) be funded from Councils' General Funds.

Councils therefore need government support to freeze rents and service charges without cuts to funding for council housing services, maintenance and repair budgets, and therefore jobs.

We therefore demand:

1. Government action to freeze rents and service charges, and compensate Council Housing Revenue Accounts for this essential freeze in the pending rent rise.

2. Council landlords agree now to freeze rents for April 2023, pause all eviction proceedings for rent arrears, and join us to press for Government action.

3. All Councils to contact housing associations operating locally, urging them to likewise freeze rents and halt evictions for rent arrears.

We recognise that these issues will also affect private renters and leaseholders. We will work with tenant groups and campaigners of all tenures to win a rent freeze, stop evictions, protect tenants from profiteering private landlords and leaseholders from increasing service charges.

1. Policy statement on rents for social housing https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/781746/Policy_Statement.pdf

2. <https://www.insidehousing.co.uk/insight/insight/revealed-inside-housings-guide-to-how-social-landlords-have-implemented-rent-rises-74928>

3. 47% of food bank users are social housing tenants. Half of social renters are retired, have long term illness or disability, or are carers. There are also many households with children. 59% of children living in social rent households are in families which cannot afford at least one week's holiday away from home each year; and 44% cannot afford to replace broken electrical goods in the home. In 2021 unemployment rose by 10% for social renters. In the three years to March 2021, rent arrears increased by 29% (to £317 million) for English council tenants.