# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Supporting Tenants of Social Rented Accommodation** |
| **DATE** | **27 October 2023** |
| **BY** | **Julie James MS, Minister for Climate Change** |

Last year, as part of our wider commitment to end homelessness in Wales, I announced a number of steps to support people in social rented accommodation. This was part of an agreement with local authorities and Registered Social Landlords.

Today, I am pleased to announce the continuation of those commitments from social landlords in Wales.

Social landlords will support tenants experiencing severe financial hardship as a result of the continuing cost-of-living crisis, including continuing the policy of no evictions due to financial hardship where tenants engage with their landlords.

In Wales, affordability for tenants is at the heart of our social rent policy, which sets social rent increases at the level of the consumer price index (CPI) + 1% based on the September’s published figure for inflation. However, where CPI falls outside the range of 0 – 3% then Welsh Minsters must determine the maximum social rent uplift for the following financial year.

The Office for National Statistics reported UK inflation was 6.7% in the year to September, which means I must determine the maximum rent uplift for next year.

Whilst inflation is much lower than the peak of 11.1% around this time last year, I recognise it will not feel lower to many people across Wales, who continue to face difficult choices as they struggle with the impacts of the cost-of-living crisis.

That is why I am announcing today that from April 2024, the maximum social rent cap will be set at the level of inflation only.

No landlord is required to charge the maximum and I know all landlords will carefully consider affordability and set rents as appropriate across their housing stock.

Determining the social rent cap is an extremely complex and difficult decision.

It is not one I take lightly.

Any intervention has to take account of a range of evidence and other factors, to very carefully balance the needs of social tenants with those of the wider sector.

We know that approximately three-quarters of social tenants in Wales will have all or part of their rent paid through benefit payments from the UK Government. However, they together with those tenants who pay all or part of their own rent are still facing cost pressures from the rising costs of food, energy and other household goods.

The ability of social landlords to step-in and provide crucial support in these circumstances is vital.

It is important we do all that we can to support those who face severe financial hardship.

That is why I am pleased that working in partnership with social landlords we have been able to maximise our efforts to support people through these very tough times. Today’s announcement will ensure these efforts will continue going forward.

The rent settlement for 2024-25 will mean social landlords can continue to deliver vital support services to their tenants. This is in addition to the range of additional support services many social landlords already provide which includes the provision of direct financial support; support in accessing other sources of financial support; and advice and guidance.

Next year is the final year of our five-year rent policy. We will continue to work in close collaboration with social landlords, the wider sector and other partners to inform our future rent policy; and develop a consistent approach to assessing affordability for tenants which balances their needs with the ability of social landlords to maintain the provision of good quality housing and deliver vital support services to their tenants.