# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE**  | **Social landlords’ agreement for 2023-24** |
| **DATE**  | **16 November 2022** |
| **BY** | **Julie James MS, Minister for Climate Change** |

We have worked hard in Wales to prevent people being evicted from their homes and becoming homeless, by changing the law, strengthening rights for tenants and doing all we can to end homelessness.

Today, I am announcing further steps to support people in social rented accommodation as part of an agreement with local authorities and Registered Social Landlords.

I have secured a series of commitments from social landlords in Wales to support tenants, experiencing severe financial hardship as a result of the cost-of-living crisis. There will be no evictions due to financial hardship for the term of the rent settlement in 2023-24, where tenants engage with their landlords.

During this time social landlords will continue to provide targeted support to those experiencing financial hardship to access support available.

In addition, a joint campaign, encouraging tenants to talk to their landlord if they are experiencing financial difficulties and access support available, will be launched across Wales.

Social landlords have gone further than this, agreeing to maximise the use of all suitable social housing stock, with a focus on helping those in the poorest quality transitional accommodation move into longer term homes that meet their needs. They have also given a commitment to invest in existing homes to keep them safe, warm and affordable to live in.

Social landlords use the rent they receive to provide support to some of the most vulnerable people in our communities, providing them with housing and crucial support services and ensuring a new supply of social homes for the future.

I have been clear that no social tenant will experience any change in their rent until April 2023. However, I must set the rents for next financial year and I need to give the sector an early indication to enable it to plan.

In Wales, approximately three-quarters of social tenants have all or part of their rents covered by benefits. Therefore, for many tenants any increase in rent will be covered by benefits paid by the UK Government.

From April 2023, the maximum limit (cap) which social rents can charge will be 6.5% - an increase well below the rate of inflation. This is the maximum any landlord can charge across all of their properties.

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.

Within the overall settlement landlords may freeze, lower or raise individual rents based on a number of local factors of which affordability is a key consideration. The rate is a maximum not a requirement or a target.

We know that any increase in social rent may impact those social tenants who pay all or part of their own rent. These tenants, in particular, need to be protected from being placed into financial hardship through trying to cover the costs of keeping a roof over their heads.

Our agreement with our social landlords will help do that – protecting and enhancing the provision of good quality housing and vital tenant support services.

Finally, our agreement with social landlords builds on existing engagement with tenants in rent-setting decisions, including explaining how income from rent is invested and spent. Working in partnership with tenants, Welsh Government, funders and other partners will develop a consistent approach to assessing affordability across the social housing sector in Wales.

Social landlords will also participate in an assurance exercise in April 2023 to reflect on application of the rent policy to date. This will build on the work undertaken by social landlords over the past three years and inform future work to develop a consistent approach to assessing affordability.

I would like to thank all the organisations which provided evidence to my officials, to help us reach this agreement.