# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **5 Year Agreement on Rent Policy** |
| **DATE** | **07 January 2020** |
| **BY** | **Julie James - Minister for Housing & Local Government** |

I have considered the recommendations from the Independent Affordable Housing Supply Review relating to Rent Policy. The Review Panel recommended a 5 year rent policy be implemented, as this would provide certainty and stability for tenants and landlords. I have also taken into account that the Review panel placed the needs of the tenants and affordability at the heart of their recommendations.

I have decided to set a rent policy for a five year period beginning in April 2020.

I have agreed an annual rent uplift of up to CPI+1%, each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year. CPI in September this year was 1.7%, making the maximum rent increase 2.7%.

CPI+1% is the maximum increase allowable in any one year, but I have made it clear to social landlords that this is not an automatic uplift to be applied. Affordability is an issue I take very seriously and I am mindful of not placing excessive financial burdens upon tenants. I will be expecting social landlords to undertake comprehensive assessments each year which puts affordability for tenants at the core of their considerations.

As an intrinsic part of the five year rent policy, I will expect social landlords to set a rent and service charge policy which ensures that social housing remains affordable for current and future tenants.

I have taken my time in making the decision on the rent policy to ensure it is the right one. My decision has been considered within the context of our broader housing policies. As such I felt that it was appropriate to agree with social landlords (both housing associations and local authorities) the additional expectations I have of them in return for greater certainty of funding in relation to the rent policy.

I am pleased we have been able to agree a series of new initiatives with the social landlords that will deepen our joint working. These initiatives include Social landlords agreeing to:

* Strengthen their approaches to ensure they minimise all evictions and deliver on a new agreement not to evict into homelessness;
* Undertake a standardised tenant satisfaction survey to assist tenants in scrutinising and comparing landlord performance;
* Build on their existing commitment to delivering high quality homes, in relation to the DQR 2020 space standards on a phased basis from 2021; and
* Work towards an aspiration that all new build housing, regardless of tenure, achieves energy efficiency standards of no less than EPC A

Social and affordable housing is changing in Wales following the Affordable Housing Review recommendations – and I am determined to support landlords to help them make the changes we need. The first step is to set a rent policy which provides as much certainty as we can, and delivers affordable rents for tenants.