

The government should end its support for the Tory policy of “affordable rent”

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The Labour Campaign for Council Housing is calling on the government to end support for the increasingly unaffordable “affordable rent”, introduced by the Tories.

“Affordable rent” (AR) was introduced by the Tories as part of their austerity programme. It allowed rent to be charged at up to 80% of market rent. Tenants were to be charged higher rents in order to facilitate a 60% cut in funding for new housing.

The latest statistics from the Regulator of Social Housing show that in 2024/25 “affordable rent” in England for council tenants was more than £60 a week higher than 'social rent' (SR); £169.49 as compared to £107.88. In London the average is £90 higher for AR than SR. AR does include service charges, 'social rent' doesn't. However, some social rent properties - houses as opposed to flats – don't generally have a service charge. Flats will have service charges for communal areas. However, taking into account this difference, AR is significantly higher than SR.

For housing associations the difference between AR and SR is nearly £44 a week; £168.09 compared to £124.16.

The fall in the number of social rent council homes continues, with the loss of 6,791 in the last financial year. Whilst there was a small increase of SR properties for housing associations of 2,864, it was far surpassed by AR properties of 23,262.

We have never had any explanation from the Labour front bench as to why they are maintaining the Tories AR. Not only does it impoverish tenants who don't have their rent covered by HB or UC, it pushes up government spending on housing benefit/universal credit.

If the government wants to address the cost of living crisis then it should stop funding AR properties. Although there are relatively few AR council properties (around 47,000, 3% of the stock) they create anomalies whereby tenants in the same type of house, with the same number of bedrooms, are paying much higher rents because they are charged AR. Some councils have converted SR properties to AR when they are empty. More than 4,000 were built last year.

Housing associations have a far higher percentage of AR properties, at more than 13%; 376,000.

Martin Wicks, Secretary of the Labour Campaign for Council Housing said:

“One of the key drivers of the cost of living crisis is unaffordable rent. Whilst the focus has been on rent in the private sector, where it has reached extortionate levels, rent for council and housing association tenants are being pushed up to increasingly unaffordable levels. Most tenants have had more than 14% increase in just the last two years.

Another factor driving them up has been “Affordable Rent”. If the government is to seriously address the housing crisis it needs to end all funding for AR new builds or acquisitions and stop councils and housing associations converting SR rent properties to AR.

Rent arrears for English council tenants nearly doubled from 2015/16 to 2023/24, from £203 million to £397 million. Given their much higher rents, increasing the number of AR homes will exacerbate the problem.

It's time for the government to end their support for this Tory policy and banish it from the Social & Affordable Homes Programme. All funding should go to SR homes, the most affordable for tenants.”