

Rents for Social Housing 2020-2021 consultation

1 The Confederation of Co-operative Housing

- 1.1 With a membership of 180 co-operative and community-led housing organisations who own or manage some 60,000 homes, the Confederation of Co-operative Housing has represented the largest part of the co-operative and community-led housing sector in the UK since 1994.
- 1.2 Our membership includes:
 - fully mutual and other housing co-operatives, most of them registered with the Homes and Communities Agency
 - organisations that provide services to housing co-operatives
 - mutual housing associations with active memberships consisting of tenants and in some cases employees
 - community land trusts and other community led housing organisations.
- 1.3 The CCH is one of the National Tenant Organisations, alongside TPAS, TAROE Trust and the NFTMO, and has led the development of the A Voice for Tenants Steering Group, currently exploring national representation of tenants with the MHCLG. We produced the DCLG funded “An Investment not a Cost” publication, working with the University of Birmingham, exploring the business benefits of tenant involvement. We have long been an organisation working to support tenant involvement and empowerment.
- 1.4 The CCH is a leading proponent of all forms of community-led housing. We have worked with Government on the development of the Community Housing Fund and with the Welsh Government since 2012 on their co-operative housing programme. Having worked with numerous co-operative and community-led housing initiatives, including many new start-up schemes, we are pioneering a training and accreditation programme for advisors to community-led housing developments.

- 1.5 The CCH also works with mutual housing associations, recently launching Mutuality and Accountability in the Housing Association Sector exploring values and mutuality in housing associations.

2 Rents for social housing 2020 - 2021

- 2.1 The CCH welcomes the opportunity to comment on the MHCLG consultation on directive regarding the rent standard. We wish to make the following three comments:
- 2.2 **Clarifying how the new directive can be applied by community-led housing organisations**

Our fully mutual housing co-op and community land trust members were exempted from the 1% rent reductions directive. This meant that rents during the four-year period can be set between -1% and CPI plus 1%. The CCH's advice to our members is that they should set their rents in accordance with their long-term business plan and following discussion with their members.

Our understanding of the consultation paper is that our members will be able to continue to set their rents in this way – “Our draft Policy Statement makes clear that CPI+1% is a ceiling (rather than an expectation) for registered providers' annual rent increases. Providers will be free to apply a lower increase, or to freeze or reduce rents, if they wish to do so, and they should consider local circumstances when making these decisions”.

We wish to make it clear that we support these intentions. Should an outcome of the consultation be that an expectation be introduced that rents should be increased by CPI plus 1%, that we would not agree with that – and we would seek an exemption for our members if such an expectation were to be introduced.

- 2.3 **Publicising that the changed directive is a ceiling and not an expectation**

For the benefit of tenants everywhere, we propose that it be made very clear in the directive and it be publicised to tenants that rent increases are a ceiling and not an expectation. The regulator should make it absolutely clear to Registered Providers that the directive is a ceiling and not an expectation.

2.4 **Accountability for rent increases**

We propose that MHCLG make it clear to Registered Provider landlords and to the regulator that landlords should be required to be accountable to their tenants regarding their rent setting.

We propose that the regulator should require Registered Provider landlords:

- to provide tenants with a clear and understandable explanation and justification regarding their proposed approach to rent increases or decreases
- to hold meaningful consultation with tenants regarding rent increases based on three-year plans including planned increases and investment in new and existing properties
- to generally be accountable to tenants regarding the rents they pay and the services they receive.

2.5 There may be concern that tenants will always opt for lower rents and this will mean either that landlords will not be able to build new homes or that landlords will not have sufficient money for new services.

2.6 This will not necessarily be the case. In every consultation with tenants, tenants refer to the lack of homes for people on low incomes as being a high priority. Many tenants are also minded that lower rents lead to poorer services. In any event, if a landlord wishes to raise the rents tenants pay, they should be able and willing to justify those increases and be accountable to their tenants for them.

For further information on this submission, please contact Nic Bliss (CCH Head of Policy): nic@cch.coop 07947 019287