

# An undisclosed policy of ending 'social rent'?

The Chartered Institute of Housing (CIH) has highlighted statistics on 'social rent' homes which are due to be published in the 2015 UK Housing Review. In 2012-13 the stock of 'social rented' homes (Council and Housing Association homes) fell by 19,189. In 2013-14 this number more than doubled to 43,850, giving a loss of 63,139 in two years. This is despite the addition of 28,000 newly built social rented properties built over the same period.

36,000 of those lost were HA homes. The biggest factors were the conversion of homes to so-called "affordable rent" (AR) when re-let to new tenants or their sale on the open market. These 'conversions' are the result of government rules associated with its "Affordable Homes Programme" (AHP) which

- bans local authorities and HAs from charging social rent on homes built with Homes & Communities Agencies grant,
- forces providers to 'convert' from social rent to AR to help pay for the schemes because the grant level is very low (less than 12% in the case of Swindon's programme),
- includes the sale of homes on the open market.

According to the CIH in the year to April 2014 HA's saw their stock of social rented homes fall by 29,567, of which 26,918 were homes converted from social rent to AR. The CIH estimates that the number of conversions or sales over the 2011-15 period will be around 75,000.

John Perry of the CIH said:

"On present trends, the record loss of social rented homes in the year to April 2014, will be exceeded in the current year as right to buy and conversions accelerate and new build for social rent declines still further. By 2015 we can safely predict over 120,000 homes will have been lost to social renting over the three years in which the government's AR programme was being fully implemented."

Of the 63,139 social rented homes lost 17,000 were Council homes sold under Right to Buy (RTB). The government's declared policy of the 'one for one replacement' of homes sold off has been shown to be a fallacy. Only one in seven are being replaced at the moment owing to the increased discounts and the very low level of grant. To give the example of Swindon its programme, based on government grant under the AHP, will see 100 new homes built though charging AR rather than Council rents. In order to help pay for the programme 142 existing Council homes will be converted to AR. Including the 33 demolished homes in Sussex Square, we will lose 175 Council rent homes. A three year programme will produce only 67 additional homes, the same number we lost in just one year in 2013-14 through RTB.

This policy means that the poor will be asked to pay for these schemes through higher rents and the government itself will pay more in increased Housing Benefit (HB). Although Swindon Council proposes to charge 80% of the Local Housing Allowance rate rather than

80% of the market rate for private rents, the rent will still be from £6.19 to £52 a week higher than Council rents depending on the number of bedrooms.

The government's undeclared policy of ending social rent by a combination of conversion to AR, RTB sales, market sales of 'void' properties, and promoting the growth of the private rented sector, is driving up the national HB bill. In the case of Swindon, despite the 'benefit reforms' the bill has risen in the last four years from £56.2 million to £68.5 million. Nationally it has risen from £19.898 billion in 2009-10 to £24.177 in 2013-14 (See [Why is the Housing Benefit bill still rising? 1](#)).

The counter-productive nature of the government's policy, supported by Swindon Council, of promoting private rented accommodation, is underlined by news that the HomeLet Rental Index annual review estimates that private rents in Swindon have increased by 18% in 2014, to an average of £738 a month.

The local housing allowance for private rented accommodation (the maximum HB payment) is:

1 bed property	up to £26.67 higher than Council rent
2 bed	up to £43.42 higher
3 bed	up to £61.50 higher
4 bed	up to £91.37 higher

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<sup>1</sup> <http://keepourcouncilhomes.wordpress.com/2015/01/05/why-is-the-housing-benefit-bill-still-rising/>