



## G15 Residents' Group

*A forum to unify and promote the resident voice to influence, reform and celebrate social housing*

**Raise the Views of residents - Promote Quality social housing - Advocate for the Future of social housing**

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### G15RG Rent Convergence Consultation Response – August 2025

Dear Angela Rayner,

The G15 Residents' Group represents over 850,000 social housing residents, equivalent to 1 in 10 Londoners and over 21% of all social housing tenants in England. We welcome the opportunity to respond to the government's consultation on rent convergence and are committed to amplifying the voices of our communities.

While we support the ambition to strengthen housing associations' capacity to build and maintain quality homes, **we are deeply concerned that the proposed rent convergence policy will place a disproportionate financial burden on some social housing tenants - without addressing the wider structural causes of the housing crisis.** With over half of G15 social housing rents potentially affected, the policy of faster rent rises for some residents' risks exacerbating inequality and undermining affordability for those already struggling.

**1. Financial Implications:** The policy objective, according to the Ministry of Housing, Communities and Local Government (MHCLG) is:

"To provide Registered Providers (RPs) and Local Authority Registered Providers (LARP) with the rental income and stability they need to be able to borrow and invest in both new and existing homes, while ensuring there are appropriate protections for both existing and future social housing tenants and taking into account of the impact on the government's fiscal rules."<sup>1</sup>

Additional rent increases over and above inflation directly affects the disposable incomes of low-paid working families, pensioners and those on low fixed incomes who fall above the threshold for housing support eligibility. This risks deepening inequality without adequate protections.

According to government estimates, around 1.3 million social homes are currently let below formula rent<sup>2</sup> those would be subject to **additional rent increases of £1 to £2 per week** (potentially up to £3<sup>3</sup>), **on top of the annual CPI+1% uplift**, from April 2026 through to 2036. With many providers expected to advocate for the £3 per **week increase to be applied**<sup>4</sup>, the impact could be greater than expected.

**2. Calculations:** It is widely recognised that Formula rent is based on outdated metrics from 1999, failing to reflect the current economic climate and financial pressures. Addressing this would be hugely problematic and could have unintended consequences. A convergence policy cannot be the only measure of reform, so government should conduct a detailed review looking at how the complicated rent regime works and how it impacts residents.

The rent convergence impact assessment lacks detailed modelling of how convergence will affect different household types. The assessment clearly states that "We are not able to disaggregate those who pay Social Rent vs. Affordable Rent, General Needs vs. Supported Housing, or PRP vs. Local Authority Registered Providers dwellings." This challenge means the assessment of the impact on different groups is unclear and inadequate.

The MCHLG impact assessment highlights that the policy will affect different tenants in different ways but can't quantify it. "Rent convergence will have a greater impact on some tenants than others, particularly those not in receipt of housing support, and may have wider equalities implications."<sup>5</sup> This lack of insight is concerning, and there should be further research and mitigations put in place where impacts for different tenures have not been modelled.

There is an additional challenge for residents due to the sheer complexity of the current rent system. Many residents will be affected (potentially to a greater extent) who will not know what their rent status or what their rent level in relation to formula rent is. Trust must be prioritised through clear communications by landlords to tell residents if they will be subject to faster rent rises and what those will be. There should also be a duty on landlords to show how additional income from rent convergence will be implemented and how it will be used by landlords with reassurance on delivering tangible benefits for residents.

**3. Housing Solutions:** This proposed rent increase policy lacks the wider acknowledgement of long-term housing solutions, including complementary funding mechanisms. A more sustainable approach would be to include increased government housing support to rise alongside rent increases. The principle that no social rent should be over the benefit cap would be fairer than residents paying to restore their landlords' financial capacity without other policies to tackle the wider issues that also constrain investment in existing and new homes.

There are much wider structural issues needed to achieve the government's policy objectives in relation to social housing. To get more homes built there will need to be higher grant rates, concessionary loans and a new approach to public sector land sales. The G15 RG also supports levies on private landlords and holiday lets to support housing delivery, and to help generate additional resources to build new homes and release existing homes onto the market.

We would suggest that the lack of meaningful involvement with residents in shaping the convergence policy means the impacts are underestimated, and this can be said for wider housing policy too. We hope residents' views will feature much more in public policy design going forward.

**4. Resident Insight:** We recognise the need for RPs and LARPs to regain the level of rents to cover the costs of maintaining properties. But the impact assessments have been insufficient. While the MHCLG impact assessment acknowledges non-monetised impacts, such as reduced wellbeing, increased financial stress, and the cumulative burden on the 1.3 million households it will affect, the modelling lacks the granular detail needed to accurately capture or quantify these effects. It also fails to centre the resident perspective, which is essential to understand the real-world consequences of rent increases. As discussed earlier, the modelling also fails to disaggregate household types, such as those in general needs versus supported housing, or those under different provider categories.

This absence of resident-focused and household-specific analysis - especially given the proposed 10-year implementation period - makes assumptions that increased rental income will automatically lead to better housing outcomes. Residents often feel they are paying more but receiving less, particularly when promised improvements are delayed or unclear, which needs to be addressed. We would like to see a duty on landlords to be transparent on how the proceeds of rent rises will be invested in maintaining residents' homes and improving services.

The approach to rent convergence delivery must consider additional support for these specific groups at risk who are identified in the MHCLG Impact Assessment<sup>6</sup>:

- **Tenants below formula rent**, affected by the benefit cap or Removal of Spare Room Subsidy (RSRS).

- **Pensioners, low earning and low fixed income households without housing support**, whose rent burden are nearing or over the Joseph Rowntree Foundation definition of unaffordable, when costs exceed 40% of household income.
- **Tenants with protected characteristics**, including ethnic minorities, disabled people, and lone-parent households, who are overrepresented in social housing.

It is important that the benefit system keeps pace with rent increases. Where rent rises are necessary to ensure homes are properly maintained and invested in, residents should not be placed at risk of losing out because of limitations in housing support. At present, the benefit cap can prevent increases from being covered in full, which risks undermining the very purpose of rent convergence. If the system is to work fairly, government policy needs to play its part by reassessing and lifting the benefit cap.

To further ensure no residents are left behind, we recommend:

- **Conducting a Resident Impact Viability Study** to model £1, £2, and £3 rent increases across diverse resident profiles and regions and varying time lengths to clearly understand and mitigate the impacts.
- **Issuing plain-language summaries and standardised guidance** to improve transparency and resident understanding. This includes **renaming the policy to “Phased Rent Alignment”** to better reflect its intent and **establishing annual resident-informed reviews** to assess affordability impact and ensure ongoing accountability around investment.
- **Delaying implementation beyond April 2026** to allow time for meaningful engagement, improved modelling and preparation.

Yours sincerely,

**The G15 Residents’ Group**

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## **Rent Convergence Consultation Questions Answered by the G15 Residents’ Group**

### **1. At what level should social rent convergence be permitted—£1 or £2 per week?**

Even small increases—£1 or £2—can be significant for households on the edge. For some, this could mean the difference between affording food or falling into homelessness. These impacts must not be underestimated.

A £1/week increase can significantly impact residents on tight budgets who are not in receipt of housing benefit. For someone receiving the £169.50 state pension with a small pension that sets them above the threshold of housing support, £1 of weekly income, rising potentially for 10 years, could have a dramatic financial strain. A £2 increase doubles that pressure. These increases will be combined with annual CPI+1% uplifts, risk compounding this financial strain over time.

### **2. How would the benefits for housing supply and quality differ between £1 and £2?**

A £1/week increase would be inadequate to cover the costs of maintaining homes due to the rise in costs. A £2/week rise may offer providers more financial flexibility to invest in new homes and improve existing stock, but this benefit is not guaranteed. For us, it is deeply concerning that the government additionally expects social rents to fund new development. Originally, development was meant to generate income to improve existing homes. Residents need assurances while being asked to pay

more that they will see the benefits to existing homes. In other words, the G15RG believe that the proceeds of convergence should be ring-fenced for maintaining and improving existing homes and landlords should have a duty to demonstrate that to residents. The policy would still support new development because it helps to restore landlords' financial capacity but new development should not be directly funded through rent rises and tenants. Increased public investment and other long-term private financing solutions should primarily fund new homes.

### **3. How would household impact differ between £1 and £2?**

Low-income households—including pensioners, disabled residents, and low-paid workers—would bear the brunt of increases, particularly in high-cost regions like London. A £2/week rise could push more tenants into arrears or require increased benefit support. Groups with protected characteristics (race, disability, sex) are overrepresented in the social housing sector and in more complex housing conditions, such as overcrowding or temporary housing in these low-income households are more likely to be affected by reduced disposable income if not covered by Housing Support.

### **4. Should convergence begin on 1 April 2026 or later?**

We strongly urge postponing implementation. Six months is insufficient for residents to prepare or for providers to make sure that adequate support mechanisms are in place for all affected tenants. A phased approach would also allow for meaningful engagement, targeted protections and responsible rollout. Rushing implementation risks causing hardship to residents already struggling.

### **5. How long should convergence be in place, and what are the implications of different durations?**

Shorter durations (e.g. 3–5 years) intensify financial pressure, while longer periods (10+ years), especially alongside CPI+1% annual increases, compound harm over time. The government's modelling lacks clarity on how different household types will be affected, particularly those not receiving housing support.

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<sup>1</sup> MHCLG Impact Assessment Template: Future social housing Rent Policy from 2026-2036: CPI=1%plus convergence options [https://assets.publishing.service.gov.uk/media/6864f26108bf2f5376121b2e/Annex\\_C\\_-\\_draft\\_impact\\_assessment.pdf](https://assets.publishing.service.gov.uk/media/6864f26108bf2f5376121b2e/Annex_C_-_draft_impact_assessment.pdf)

<sup>2</sup> [How to implement Social Rent convergence - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/68644/How_to_implement_Social_Rent_convergence_-_GOV.UK)

<sup>4</sup> Housing associations have indicated they will respond to the rent convergence consultation asking for an increase of £3/

<sup>5</sup> MHCLG Impact Assessment Template: Future social housing Rent Policy from 2026-2036: CPI=1%plus convergence options [https://assets.publishing.service.gov.uk/media/6864f26108bf2f5376121b2e/Annex\\_C\\_-\\_draft\\_impact\\_assessment.pdf](https://assets.publishing.service.gov.uk/media/6864f26108bf2f5376121b2e/Annex_C_-_draft_impact_assessment.pdf)

<sup>6</sup> [https://assets.publishing.service.gov.uk/media/6864f26108bf2f5376121b2e/Annex\\_C\\_-\\_draft\\_impact\\_assessment.pdf](https://assets.publishing.service.gov.uk/media/6864f26108bf2f5376121b2e/Annex_C_-_draft_impact_assessment.pdf)