

TPAS Cymru: Rent Policy 2026-2036 Unpacked

What does it mean for tenants and landlords?

David Wilton
Supported by Olivia Browne

Rent history in 30secs

- 1) *In Wales, The Minister sets the overall rent policy and rules for social housing*
- 2) *Historically, it was set for 5years, often with 1-year extensions*
- 3) *It's typically been CPI+ 1% or CPI+1.5%*
- 4) *One of the arguments in past for '+X%' was to pay for WHQS.*
- 5) *Tenant told TPAs Cymru they saw the +X% as 'tenant tax' to build new homes*



What's happened?

- 1. There has been a WG Rent Stakeholder Review (containing various subgroups) looking at this Rent policy for 18 months.*
- 2. They explored options for Rent*
- 3. Welsh Government published their plans under a consultation in June.*
- 4. TPAS Cymru ran events + a dedicated Pulse; and responded.*
- 5. As did others*



OPEN CONSULTATION, DOCUMENT

A new rent and service charge standard for Wales

We want your views on the development of a refreshed social rent policy.

First published: 30 June 2025

Last updated: 30 June 2025

Before we continue..

- 1) *England came out earlier this year with CPI+1% for next 10years*
- 2) *Scotland landlords have fewer rules/caps, but greater transparency and tenants have a vote on rent setting every 2 years.*
- 3) *Northern Ireland... 'It's complicated'*



Why are we here?



- Previous Welsh Rent Policy expired.
- Landlords need to know the rent rules for next April
- They need to model it, prepare paperwork and give tenants suitable notice.
- + Social Housing relies on massive amounts of lending
- Lenders needed to know what the plan is. *We will come back to that later.*



The Rent Envelope

The Welsh Government's rent envelope **sets the limit for annual social housing rent increases**, balancing tenant affordability with landlords' ability to fund services, repairs, and new homes.

Decision=
Keeping the CPI+1%
formula



5 or 10 years?



The Welsh Government has proposed the new social rent policy should apply from 1 April 2026. In your view, should this policy apply for five years or 10 years?

(5 years/10 years/Unsure – please explain)

Tenant view?

At first sight, tenants appeared to be split down middle on this; 5years v's 10 years?

However, most of the 10 year responders said 'but with regular review points', 'needs break clauses' etc

My View

= 10 years is long time;

- When we don't have an agreed Affordability model
- New models, new data emerges all the time

Sector pressure

England had
10-year deal

Landlords and
Bankers
wanted 10-
year certainty

Uncertainty =
risk = more
expensive
debt

Decision=
10-year deal

Ministerial intervention if inflation (CPI) is high



Tenant view on Ministerial Cap




You matter | Ti'n cyfri

RENT, SERVICE CHARGES AND AFFORDABILITY
THE NEED FOR MORE TRANSPARENCY

SEPTEMBER 2024
WWW.TPAS.CYMRU

 Aelwng yn Rhannol gan Lywodraeth Cymru Part Funded by Welsh Government

 **TENANT VOICE SPONSOR**



Landlord view



5%

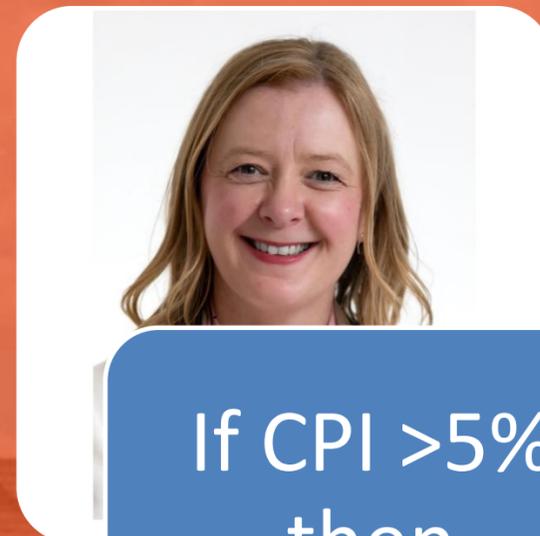
New Ministerial Cap



If CPI < 3%
Landlord
set it
CPI+1%



If CPI is
between 3-
5% then
CPI+0.5%



If CPI > 5%
then
Minister
sets cap

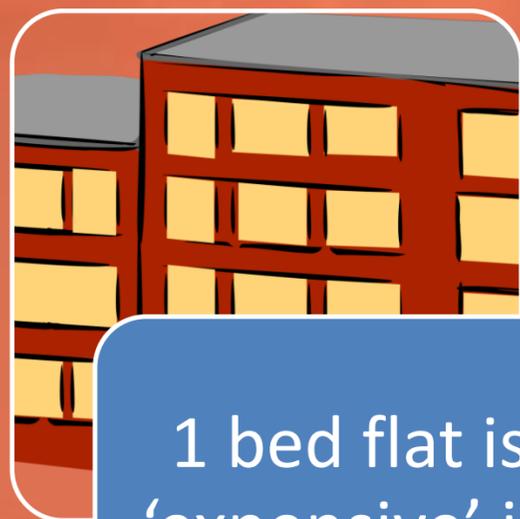
Flexibility of £2.55pw



- Individual tenants' rents can be reduced, frozen or rise by “up to an additional £2.55” per week on condition that the social landlord's overall increase in rental income is no greater than CPI+1% or CPI+0.5%, as appropriate.



An example



1 bed flat is
'expensive' in
affordability
benchmark



5 bed house
is 'cheap' in
affordability
benchmark



Minimal rent
rise on flat,
but higher
rent rise on 5
bed

Key to Note: Must still balance out, and not exceed the overall landlord rent envelope of CPI +1% (or whatever is the cap that year)

Sounds Reasonable?

Make Rents
fairer?

Does it punish
'cheaper' rents
for legitimate
reasons?

CPI = 2% and
rent is £100pw

Could have
5.6% rent rise
when CPI is 2%
and wage rise of
1%

Was & Now

Was £2 per
week

Now £2.55

Extra point on convergence?

Throughout the WG Working group, Local Authority

rep
up'

Hou

We
sam

For

of

£11

yea

Wh

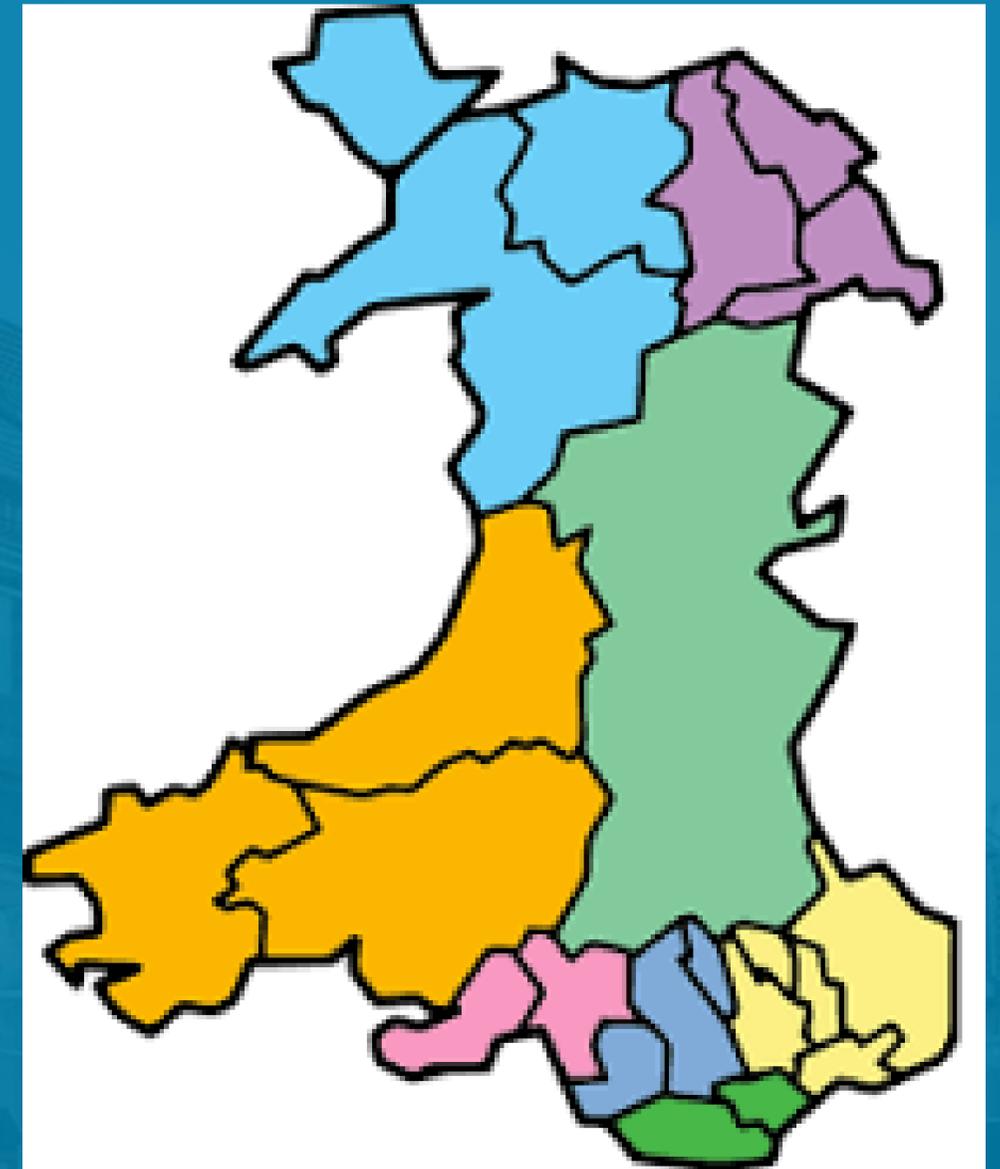
£18

Kee

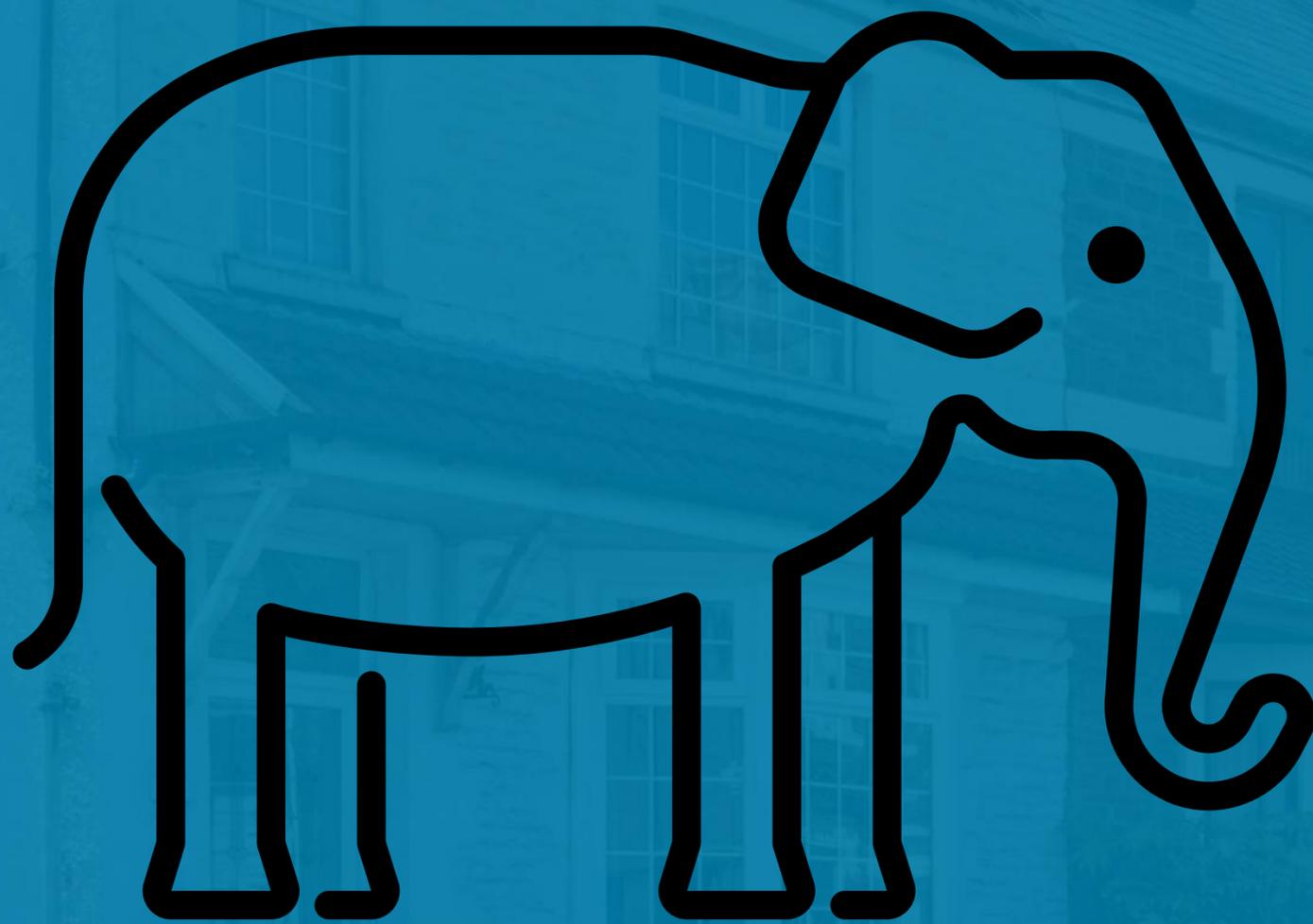
inte

It is not quite as simple as that, with lots of other factors.

Just wanted to give an overview of the issue, as I don't see the solution in the statement



What is missing?



Affordability Model?

1. Affordability assessments

As part of their annual rent setting processes social landlords are required to **assure themselves** that rent and service charges are affordable for their tenants.

The Welsh Government **will develop an affordability framework** to sit alongside and inform this rent and service charge standard.

To support this work, detailed information on social landlords' **individual affordability assessments will be collected** through the annual self-certification monitoring returns.

We need a Welsh model



How or Will we get there?



Welsh Gov Staff



**WG working
Group**



Sector experts

Anything else.....very quickly



No change



Binned



**Sector
commitments**

Service charges

- Social landlords are expected to **set service charges which are reasonable and affordable**. Landlords are required to review service charges annually, ensure they provide value for money for tenants, and are affordable. Landlords are required to list their service charges separately to the rent to allow for transparency to tenants.

CHANGE

Given this level of variation, it is neither possible nor appropriate for the Welsh Government to prescribe the extent to which service charges should be set.

The Welsh Government will continue to work with the social housing sector to improve transparency, consistency of understanding, and best practice

Landlord Commitments

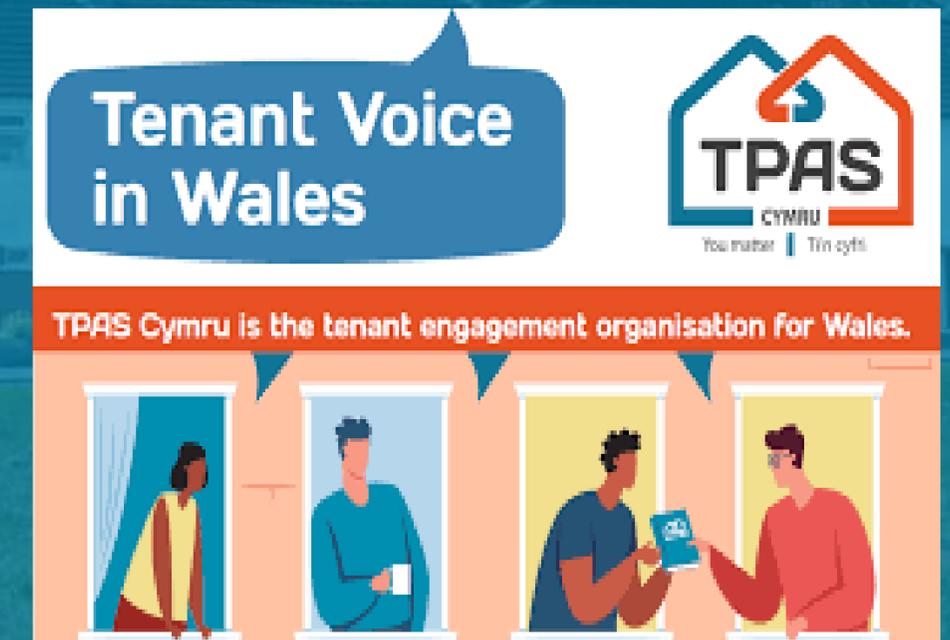
PART 3 – JOINTLY AGREED INITIATIVES

The Welsh Government recognises the role that Registered Social Landlords play in delivering not only affordable housing but also wider support and services that strengthen communities across Wales. The Rent Standard and Service Charge Standard is more than a rent-setting framework; it is a shared commitment to improving lives, tackling housing need and ensuring long-term sector sustainability.

As part of the wider rent standard, the following additional initiatives have been agreed with Community Housing Cymru (CHC), and the Welsh Local Government Association (WLGA). These initiatives are a central part of the Rent Standard and provide an opportunity to recognise and respond to the needs of tenants and communities, demonstrating the ability to innovate, adapt and lead in challenging times.

- Continue to work with CHC to ensure no evictions due to financial hardship for the term of the settlement for tenants engaged with landlords whilst working with partners to ensure commitments do not impact into homelessness.
- Continue to work with CHC to support those experiencing financial hardship to access specialist advice and communication. Landlords should talk to their tenants who are experiencing financial difficulties and access support available.
- Maximise the use of the available social housing stock, with a focus on those in the transitional accommodation move into long-term homes that are suitable for their needs.
- Continue to build on engagement with tenants in rent decisions, including how income from rent is invested.
- Continue to undertake enhanced tenant satisfaction surveys. The data for published on the website to assist in assessing landlord performance. The Welsh Government will ensure data collected remains confidential. The Welsh Government will continue to work to improve survey results.
- Commit to work with the Welsh Government to ensure transparency and accountability and improve enhanced data sharing:
 - for Registered Social Landlords, ensure the timely publication of the quarterly data return in an accessible format and service provision
 - for Local Authorities, work with us to ensure the timely publication of data returns on key aspects of service provision and the timely publication of anonymised publication

CHANGE



Tenant Voice
in Wales



TPAS
CYMRU
You matter | Ti'n cyfri

TPAS Cymru is the tenant engagement organisation for Wales.



Landlord commitments

PART 3 – JOINTLY AGREED INITIATIVES

The Welsh Government recognises the vital role that social landlords play in delivering not only affordable homes, but also the wider support and services that strengthen communities across Wales. The Rent and Service Charge Standard is more than a rent-setting framework — it reflects a shared commitment to improving lives, tackling housing need, and promoting long-term sector sustainability.

As part of the wider rent settlement, the following additional initiatives have been agreed with Community Housing Cymru (CHC), and the Welsh Local Government Association (WLGA). They form an integral part of the Rent Standard and provide an opportunity to recognise initiatives that respond to the needs of tenants and communities, demonstrating the sector's ability to innovate, adapt and lead in challenging times.

- Continue the commitment of no evictions due to financial hardship for the term of the settlement, where tenants engage with landlords, whilst working with partners to deliver on the commitment not to evict into homelessness.
- Continue to provide targeted support to those experiencing financial hardship to access support, alongside focused communication to encourage tenants to talk to their landlord if they are experiencing financial difficulties and access support available.
- Maximise the use of all suitable social housing stock, with a focus on helping those in the poorest quality transitional accommodation move into longer term homes that meet their needs.
- Continue to build on existing engagement with tenants in rent setting decisions, including explaining how income from rent is invested and spent.
- Continue to undertake a standardised tenant satisfaction survey and provide the data for publication on a central website to assist tenants in scrutinising landlord performance. Working with the Welsh Government to consider including up to three new questions over the rent settlement period to ensure data collected remains current and in line with tenant priorities and continue to work to improve survey methodologies.
- Commit to work with the Welsh Government to strengthen transparency and accountability and improve learning and practice through enhanced data sharing:
 - for Registered Social Landlords, the continued anonymised publication of the quarterly data return in relation to key aspects of service provision
 - for Local Authorities, work with us to enable the completion of quarterly data returns on key aspects of service provision and agreeing to their anonymised publication



Continue to undertake a standardised tenant satisfaction survey.....
.....Working with the Welsh Government to consider including up to **three new questions over the rent settlement period**

Exemptions

ANNEX A – Properties Exempt from the Rent and Service Charge Standard

The Standard shall not apply to the following property types owned or managed by social landlords:

Other Social Housing

- extra-care housing
- other supported housing
- any housing which is not self-contained.

Other Non-Social Housing

- housing at intermediate rent levels.
- housing at market rent levels.
- Shared Ownership, Homebuy, flexible tenancies and other tenancies.
- non-residential properties.
- leased dwellings which include a clause to temporarily house the homeless.
- dwellings that are managed by a housing agency.
- properties where the leasehold has been sold (through right to buy, right to acquire or shared ownership) but the freeholder retains the freehold.
- residential care homes.
- nursing care homes.
- residential investment properties.
- student accommodation.
- Vacant dwellings awaiting development where the Board/Council has been obtained.
- Other specialised forms of provision supported by the Government.

CHANGE



“

Decarbonising the built environment through energy efficiency measures is a significant part of the solution.

The 'warm homes' programme has seen tenants' energy bills reduced by up to 10% through energy efficiency upgrades.

While it aims to maintain tenants' energy bills, the effectiveness is limited by rising energy prices and bill savings are often offset by higher energy costs.

Tenant responsibility is a key principle of the programme. It is essential to ensure that tenants are fully engaged and responsible for their energy usage when exploring energy efficiency measures.



When to set CPI?



SEPTEMBER



B



O



A



April

- Tight timescale for landlords
- However closest possible to following April
- Other calculations use set dates like pensions, minimum wage etc

- Fewer of time for landlords
- 1 month out of date
- Not linked to other calculations/payments

Final point



Annex B

To demonstrate compliance with the standard, [annual] assurance will be required in the following areas as a minimum:

- Effective tenant engagement and consultation including the methodology and outcome/responses
- Demonstrating affordability is at the centre of the decision-making process for setting rent and charges for services, Boards and Local Members need to provide assurance their charges are not placing tenants in hardship
- The options considered and the rationale for the rent and service charge setting decision
- ~~A record of the report and minute/resolution approving the rent setting decision~~
- An assessment of cost efficiencies proposed across the organisation

This Annual form between landlord and Welsh Gov



Annex B: Rent Transparency

- Effective tenant engagement and consultation, methodology and outcome/responses
- Demonstrating affordability
- The options considered and the rationale for the rent and service charge setting decision
- An assessment of cost efficiencies proposed across the organisation

Do you agree or not?

Landlord should publish the relevant parts, as part of their commitment to transparency



Welsh Government to publish an annual summary of best practice



Hear from the expert: Conference workshop



Llywodraeth Cymru
Welsh Government

What's Next for Social Housing Rents in Wales? *Repeated for you in A2*

Be part of this topical session where we'll dive into the latest updates on social housing rents in Wales. Hear directly from Welsh Government officials who are leading this important work.

The Welsh Government is refreshing the 'Rent Standard' - the policy that guides how social landlords set and adjust rents. So, what's changing? And what does it mean for tenants and landlords?

We'll explore how a refreshed rent policy aims to strike a fair balance - protecting tenants from financial pressure, while still supporting investment in homes, services, and the future of social housing. Whether you're a tenant, landlord, or just interested in where things are heading, this session is for you.

Speakers: Senior Officials, Welsh Government

Sector Reaction

The Pembrokeshire
Herald

HOME NEWS CRIME POLITICS FARMING

NEWS

Welsh Government sets rent and service charge



Published 2 days ago on September 29, 2025

By Tom Sinclair

We welcome the much needed certainty provided by Welsh Government's confirmation of a 10 year rent and service charge standard. This will allow social landlords to plan with confidence the much needed investment in the new and existing homes and high quality services tenants rely on, whilst ensuring rents and service charges remain affordable.

There are a number of questions remaining on rent convergence, and look forward to these being addressed at pace through the promised programme of work outlined by the Cabinet Secretary.

<https://lnkd.in/euwGEA5g>



British Landlords Association

<https://thebla.co.uk> › wales-rent-service-charge

Wales Rent & Service Charge Standard 2026–2036

1 day ago — The **Wales Rent & Service Charge Standard 2026–2036** is the successor to the previous ten-year settlement that shaped rent policy in Wales from ...

WYNDHAM STREET



Diolch yn fawr
Thank you

David Wilton

drw@tpas.cymru

Olivia Browne

olivia@tpas.cymru