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Submitted to Consultation on how to implement Social Rent convergence
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Respondent information

1 What is your name?

Name:

Jay Hine

2 What is your email address?

Email address:

jay.hine@curo-group.co.uk

3 Are you responding as an individual or an organisation?

Organisation

4 If you are responding as an individual, are you a social housing tenant?

No

5 If you are responding as an organisation, are you:

A Private Registered Provider (or a body representing the interests of Private Registered Providers)

6 What is the name of your organisation (if applicable)?

Name of organisation:

Curo

7 What is your position in the organisation (if applicable)?

Position in organisation:

Assistant Director Strategy and Planning

Consultation Questions

8 At what level should Social Rent convergence be permitted?

£2 per week

Level of convergence permitted:

We support the maximum possible uplift of £2 per week above CPI+1% until rents reach formula rent.

- This higher allowance would allow faster progress in aligning our rents to the formula level, reducing anomalies between similar properties more quickly.
- A £1 limit would materially slow progress, leaving some properties below formula rent for many more years.
- While we recognise that affordability is important, our current social rent levels remain significantly below market rents, providing strong affordability protection even with the higher uplift.
- The administrative complexity of managing rent convergence is lower when the process moves faster and affects fewer properties over a shorter time frame: meaning that more of the uplift can be applied in building new homes rather than administration.

As well as the uplift itself, we also strongly encourage the Government to consider the role of rent flexibility. If this is included, the number of additional new homes we would be able to build (assuming a £2 uplift) would be 258 to 2036, as opposed to 73 without rent flexibility.

9 How would the benefits for the supply and quality of social and affordable housing differ depending on whether convergence was permitted at £1 or £2?

Impact of limit on investment in quality and supply:

A higher convergence uplift would directly support our ability to increase the supply of new affordable homes, as well as help us respond to emerging regulatory pressures.

While the consultation focuses on £1 and £2 options, our modelling shows that allowing a £3 uplift with continued rent flexibility would unlock six times more housing delivery than the £1 option alone, and Boards are likely to consider that fact accordingly.

Based on our modelling:

A £1 per week uplift (without flexibility) would enable the delivery of an additional 50 affordable homes by 2036.

A £2 uplift would allow us to deliver 73 homes, and a £3 uplift could support 88 homes over the same period.

If rent flexibility is also applied alongside the convergence uplift, these figures rise significantly to 186 homes (£1), 258 homes (£2), and 296 homes (£3)

Additionally, a higher uplift would better position us to meet the growing cost of implementing new regulatory standards, including Decent Homes Standard 2, Awaab's Law, and safety related work.

10 How would the impacts on households differ depending on whether convergence was permitted at £1 or £2?

Impact of limit on households:

Our current rents are around 30% of equivalent market rents, which is below the typical ratio seen between social and market rents nationally.

- Even with a £2 per week convergence allowance, rents would remain significantly below private market levels, maintaining affordability for tenants.
- For most households, the increase would be modest and manageable, especially given the very low starting point compared to market rents.
- We recognise that a small minority of tenants not on full housing benefit may still feel pressure from any increase, so we will:

- o Monitor arrears trends carefully.

- o Offer targeted financial advice and support.

- o Signpost tenants to hardship funds and discretionary housing payments where appropriate.

We believe this targeted approach balances affordability with the need to sustain long term investment in homes.

11 Should convergence be implemented from 1 April 2026 or from a later date, and what would be the implications of implementing it from a later date?

Should convergence be available for full settlement:

We recommend starting immediately in April 2026.

- Delaying the start would widen the gap between current rents and formula rents, potentially requiring sharper increases later.
- An immediate start aligns with the new 10 year rent settlement and provides certainty for tenants and providers.
- We will be operationally ready by April 2026, with systems, processes, and communication plans in place to implement convergence fairly and transparently from day one.

12 How long should convergence be in place for, and what would be the implications of different durations of convergence?

Duration of convergence:

We support convergence running for as long as it takes for all rents to meet formula rent.

- Fixing a shorter arbitrary time limit could leave some rents permanently below target, undermining the policy's fairness and consistency objectives.
- A flexible end date allows for natural differences in starting rent levels, property profiles, and affordability considerations.
- In our case, the £2 per week allowance will still take over 10 years to achieve full convergence, and an open ended timeframe ensures the policy remains effective until the objective is met.