



## Department for Levelling Up, Housing & Communities

**Rachel Maclean MP**

*Minister of State for Housing and Planning*  
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[www.gov.uk/dluhc](http://www.gov.uk/dluhc)

Our reference: 26492608

Chloe Fletcher  
National Federation of ALMOs  
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27 June 2023

Dear Ms Fletcher,

Thank you very much for your letter of 11 April 2023 on behalf of the National Federation of ALMOs about social housing and, specifically, the cost pressures on the Housing Revenue Account. Please accept my sincere apologies for the delay in responding.

I am very grateful to the NFA for representing the interests of ALMOs and am delighted to have been appointed as Minister of State for Housing and Planning. I so apologise for the delay in replying. I would also like to convey my personal thanks to the NFA for their active engagement in working towards the recently confirmed Right to Buy receipt measures.

Thank you for sharing the key findings of the Savills research, which raises a number of important points to which I am happy to respond now and on which I know my officials are working with you.

I do recognise that social housing providers must meet a number of priorities so that their homes are safe, decent and affordable, as well as continuing to deliver new supply to house people on social housing waiting lists. The Government is providing support, where possible and proportionate, for local authorities to meet the expectations and requirements upon them.

On social housing rents, the social rent reduction through the Welfare Reform and Work Act 2016 was a necessary measure to put welfare spending on a more sustainable footing, and it was right that the social housing sector should play its part in helping to reduce the deficit and to reduce costs for tenants paying all or part of their rent. I also recognise that imposing a 7% cap on rent increases for 2023-24 will have a financial impact on social landlords, compared to if rents had been allowed to increase by CPI+1%. Nevertheless, I believe the 7% cap strikes an appropriate balance between protecting social tenants from high rent increases and ensuring that social landlords are able to continue to invest in new and existing social housing and provide homes and services to tenants.

We will continue to work closely with local authorities to understand how their Housing Revenue Accounts are being affected by the 7% cap. The Government continues to support the principle that social housing rents should be index-linked over the long-term, and we have committed to consult this year on social housing rent policy from 2025 onwards. To inform this, we will launch a call for evidence this year on whether social landlords should be permitted to bring rents back up, gradually over time, to the level they would have been had the 7% cap not been applied.

On building safety, we are working closely with social housing providers to make sure that buildings with unsafe cladding are remediated quickly and proportionately. Under DLUHC's Social Sector Aluminium Composite Material (ACM) fund, the Government made available £400 million to support social housing providers to remove and replace unsafe ACM cladding on buildings over 18 metres.

On energy efficiency, the Government is already investing, alongside social housing providers, to improve the energy efficiency of existing social homes. The Social Housing Decarbonisation Fund will upgrade a significant amount of the social housing stock currently below EPC C up to that standard, delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs. The total committed funding for the Fund so far is just over £1 billion, representing a very significant investment that will drive the decarbonisation agenda across this important sector on the pathway to net zero.

Thank you for proposing a meeting. I am afraid that diary pressures mean I am unable to commit to one for the time being. However, I am pleased to hear that you are engaging directly with the Department, and I welcome your close working with my officials to keep us sighted on issues facing ALMOs.

Thank you again for your letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Maclean', followed by a period.

**RACHEL MACLEAN MP**  
Minister of State for Housing and Planning