ACORN

Cost of Living Platform

1. Rent control

> **Demand: rent control measures that bring down rents relative to incomes.**

Rents rose faster than wages in most recent years, and prices remain high. Housing costs are the biggest single expenditure for most renting households, and 45% of privately renting households spend more than the 30% of income affordability benchmark. Rent control will not solve the housing crisis alone — that needs more homes, especially social homes — but it can play an important role in making the market more affordable for tenants.

ACORN is not committed to a single model, but a credible system, as outlined by IPPR, could look like this:

- Limit rent increases to the lower of wage growth or inflation, within and between tenancies — so landlords cannot reset the rent when a tenant leaves, and are not incentivised to evict
- Regulate short-term lets, for example by capping the nights a property can be let each year, so homes cannot be converted to dodge the cap
- Restore local housing allowance to the 30th percentile of local rents, so the lowest-income renters are not left with a shortfall
- Limited exemptions for major refurbishments and new-builds, protecting the incentive to build and improve homes
- Enforce the Decent Homes Standard and the Renting Homes (Wales) Act fitness standards, so properties are not left to deteriorate
- Expand social housing, addressing the shortage that rent control alone cannot fix

IPPR estimates that 2.4 million privately renting households now face unaffordable housing costs, and that had this system been in place since 2020, rents would be around 7% lower by 2030 — a saving of about £850 a year for the average renter in England, and over £1,700 in London. Scotland's 2022 scheme is the case usually made against rent control; IPPR's assessment is that its failures were failures of design, and that well-designed systems in France, Ireland and Spain work without collapsing supply or spiking rents.

Housing is devolved, so rent control already sits within the Senedd's powers, and Wales has the data and enforcement infrastructure in place through Rent Smart Wales. In England the power sits with Westminster, which can legislate nationally or hand it to the combined authorities asking for it, or some combination of the two. Several metro mayors have called for the power to cap rent rises in their city regions, and tenant campaigners are pressing for mayors to be given it.

2. Debt write-off

> **Demand: debt write-off for people who have built up energy and water debts during the cost of living crisis.**

Household utility debt has grown to record levels during the cost of living crisis: unpaid energy and water bills now stand at almost £9bn between them, a figure likely to rise after this year's bill increases.

Much of this debt is unpayable. It was accrued during a spike in the price of essentials, and no amount of enforcement will extract money that households do not have. Recovery instead drags people deeper into hardship — through bailiffs, court summonses, prepayment meters and damaged credit records — and pushes them to cut back on food and heating. It also costs everyone else, because suppliers' bad debt is spread across all customers' bills.

The sectors can afford to contribute. Water companies have paid £85bn to shareholders since privatisation while loading their businesses with debt and underinvesting in infrastructure. The crisis generated enormous profits in the energy sector, especially among the producers, generators and traders. We are asking government to levy a tax on companies in the water and energy sectors to fund a write-off, or to take companies into public ownership and clear the debts directly. Ofgem's proposed Debt Relief Scheme would have written off £500m of crisis-era energy debt — a limited step, and one delayed indefinitely by the Treasury. It should proceed, and go further.

Energy is not devolved, so we are asking Westminster to act, or at least to devolve the powers so that Wales can. Water is more complicated: a tax on companies would have to be done (or devolved) by Westminster, while nationalisation of Welsh Water is a complex issue but possible for the Senedd to do.

3. Abolish council tax

> **Demand: abolish council tax, and replace it with a proportional property tax.**

Council tax is regressive: it costs proportionately more the less a property is worth, in some places by almost four times. It rests on valuations from 1991 in England and Scotland and 2003 in Wales, so decades of change in property values go unreflected. The IFS finds that more than half of properties are now effectively in the wrong band, and has called for council tax to be replaced with a tax proportional to up-to-date values. The Resolution Foundation describes a modern poll tax that takes nearly 5% of income from the poorest households and barely 1% from the richest.

It will keep getting worse. Austerity, falling business rates revenue and rising social care costs have left councils leaning on council tax for around a third of their income, and raising it is one of the few levers they have. The result is perverse: wealthier areas can cut bills, while poorer areas squeeze low-income residents to keep basic services running.

Fairer Share, a campaign ACORN is part of, proposes a proportional property tax to replace council tax, stamp duty and the bedroom tax, set at 0.48% of a property's value each year with a 0.96% surcharge on empty, second and non-resident owned homes. It would raise a £5.6bn surplus over the taxes it replaces, apply to empty land, and be paid by owners rather than tenants.

Council tax is fully devolved, and a proportional property tax could be introduced in Wales without Westminster's permission.

What we are asking for

- Rent control that brings down rent relative to incomes
- A write-off of crisis-era household utility debt
- Abolition of council tax, and its replacement with a proportional property tax

We would welcome the chance to discuss any of these demands with you, and to introduce you to ACORN members in your area.