

Funding the Future

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This is in the FT this morning:

UK chancellor Rachel Reeves is planning to raise social rents by more than inflation for the next 10 years in an attempt to boost the building of affordable homes.

Reeves intends to introduce a 10-year formula in October's Budget that will increase annual rents in England by the CPI measure of inflation — currently 2.2 per cent — plus an additional 1 per cent, according to government insiders.

They add:

The move is aimed at encouraging the building of more affordable homes by providing certainty over cash flows to housing associations and councils — which are grappling with heavy debt burdens and large maintenance backlogs.

So, Reeves intends to hit those on lower incomes (because most of those in social housing do have lower incomes) with a penalty for the temerity of wanting to live in state-owned / subsidised housing when she could instead fund that subsidy with ease by removing [the multiplicity of tax reliefs that the richest in our society enjoy](#).

This is social and economic insanity. I could just about imagine the Tories coming up with something as badly designed as this, but Reeves was (checks notes) apparently elected as a Labour MP and is a member of (checks notes, again) something called a Labour government.

Since when did Labour set out to punish those on low incomes?

Why will they not tax the richest fairly?

Why, if they want more social housing, will they not simply underpin the cost of providing it, and fund it themselves - as they could easily do?

Do we have to suffer almost five more years of this?

Of those questions, I can only answer the last, and the answer is probably yes.