

LAYING THE FOUNDATIONS: A HOUSING STRATEGY FOR ENGLAND

SUMMARY

NOVEMBER 2011

The Government launched its Housing Strategy on 21 November 2011. The strategy comes against a backdrop where house building has slowed over recent decades and there is a shortage of homes, particularly affordable housing. In its introduction, the Government states two broad aims: to 'unblock the market'; and 'spread opportunity in our society'. As outlined below, much of the focus of this 'opportunity' relates to home ownership.

So far the homelessness sector has broadly welcomed the strategy: it contains several welcome policy commitments including bringing empty properties back into use and accelerating the building of new homes. However many feel it does not go far enough to address chronic housing need in the UK, particularly among the most vulnerable.

The Government has outlined a number of actions it will take beneath the headings below. A short summary of key points is included here, for the full strategy please see: <http://www.communities.gov.uk/documents/housing/pdf/2033676.pdf>

Increasing supply: more homes, stable growth

This section focusses on building more homes and measures to 'get the housing market moving.' Measures being introduced include:

- a number of initiatives to support house-buying including providing up to 95% loan to value mortgages for new build properties in England and helping first time buyers through FirstBuy.
- releasing public sector land and launching a new £400 million Get Britain Building investment fund, which will support firms in need of development finance.
- Planning reforms – giving communities more control over new housing, including through the Community Right to Build.
- a number of reforms to the way housing is planned and funded, including financial incentives – through the New Homes Bonus –and measures to introduce more proportionate and cost-effective regulation.

Social and affordable housing reform

The government outline in this chapter a number of reforms to social housing. It states that the system 'is not working' and cites long waiting lists, inefficient use of social housing properties and poor incentives and support to tenants to take up work. Measures include:

- a 'radical' programme of reform to make better use of social housing. This will give landlords and local authorities more flexibility to manage social housing, including giving them more flexibility in the length and terms of tenancies. Many of these changes have been passed within the Localism Act. The strategy states *"while existing tenants will see no changes to their rights to lifetime tenancy and*

social rents, for new tenants we will give social landlords the flexibility they need to make the best use of their housing, in a way that best meets the needs of their local area.”

- £4.5 billion has been committed for new affordable housing over the Spending Review period that ends in 2015. The strategy outlines a number of ways it hopes to stimulate innovation and efficiency within this investment: the reforms to social rents (charging up to 80% market rates) are framed within this.
- The new Affordable Homes Programme will deliver 80,000 new homes for Affordable Rent and Affordable Home Ownership. There are moves to open out provision to private providers as well as housing associations and local authorities.
- Delivering a self-financing deal for council housing. This means that councils will keep all the rental income from their homes to reinvest locally.
- Promoting ‘Right to Buy’ by raising discounts to make them more ‘attractive’ to tenants. It promises that each additional home sold under ‘Right to Buy’ will be replaced by a home for affordable rent.
- This section also outlines a number of measures to tackle anti-social behaviour (including the proposed mandatory eviction powers for landlords¹) and tenancy abuse.

A thriving private rented sector

Approximately 3.4 million households (16% of all) in England now live in the PRS, a 30% increase since 2005. Around a third of these receive Housing Benefit. The measures in the strategy aim to increase investment in the PRS and promises ‘tough enforcement against rogue landlords.’ Measures include:

- changes to Stamp Duty Land Tax and marketing new Build to Rent pilot sites through the Homes and Communities Agency (HCA) to encourage investment in homes to rent.
- working to ‘drive up standards’ and improve consumer awareness of rights. There is limited detail of how this will be done, but it suggests much of this will be led by the industry rather than by government.
- encouraging local authorities to make full use of their existing powers to tackle dangerous and poorly maintained homes.

Our strategy for empty homes

Over 700,000 homes in England are empty, and over 300,000 of those have been empty for over six months. To address this, the strategy outlines a number of steps including:

- providing information and practical advice to local authorities and communities to help them address empty homes.
- investing £100 million to bring problematic empty homes back into use and £50 million of further funding to tackle some of the worst concentrations of empty homes.
- consulting on options to levy an ‘empty homes premium’ on the Council Tax payable.
- proposing changes to Empty Dwelling Management Orders to target their use on long-term empty homes which cause a nuisance to the community.

¹ See our response to this strategy for more information about the proposals.
http://www.homeless.org.uk/closed-consultations#Mandatory_Power_Possession

Quality of housing experience and support

This section looks at the wider support which comes alongside housing and includes the protection available to vulnerable households. Initiatives around homelessness prevention, some of which have already been established, are included here. These include many of the measures the sector is already familiar with, including investment from Supporting People, the Homelessness Grant, £10m of funding to Crisis for PRS schemes, and the £20m Homelessness Transition Fund². It also references the Ministerial Working group in this section and their second 'broader' homelessness strategy which will be published in spring 2012. This will consider how to tackle the complex underlying causes of homelessness, prevent homelessness at an earlier stage and deliver integrated services that support an individual's recovery. Other measures in this section include:

- Measures to improve access to housing for service personnel.
- A number of measures relating to tenant empowerment, some of which were announced under the Localism Bill such as tenant panels, and the £8 million tenant empowerment programme for training and development.
- It mentions ten pilots of Payment by Results models with provider partners in relation to Supporting People services. These models are being tested in ten local authorities until 2013.
- Welfare Reform: the strategy draws on the many changes which will impact on housing, including the changes to LHA and Universal Credit (UC). Of note here is detail of a small number of DWP 'demonstration projects' from June 2012, to look at how direct payment will work in Universal Credit. The issue of direct payments has been raised as a concern repeatedly through the reform as under UC costs of individual benefits will not be separated.

Quality, sustainability and design

This section outlines measures to address environmental sustainability, the quality and design of homes. Measures include:

- opportunities for communities to shape the design of their areas through planning reforms such as Neighbourhood Planning
- reviewing Building Regulations to further improve energy efficiency and carbon emissions standards for new buildings.

Some comments on the strategy:

- In the section on empty homes the strategy discusses the government's current proposals to criminalise squatting. It recognises that 'legitimate concerns' were expressed about how this will impact on vulnerable people and promises that 'the Ministerial Working Group on Homelessness will work to ensure that any local enforcement against squatting is carried out in partnership with local homelessness services, to guard against an associated increase in rough sleeping.' More detail of this would be welcomed.
- It is disappointing that there is limited detail about how standards will be raised and poor practice tackled in the PRS. The strategy merely states that it is 'looking at' measures to deal with rogue landlords and 'encouraging local authorities to make full use of the robust powers they already have to tackle dangerous and poorly maintained homes.' Evidence shows that standards in the PRS are poor in many areas. The changes to housing benefit are likely to restrict choice and availability of good quality PRS even further. Combined with the reforms which

² www.homeless.org.uk/fund

³ For on Welfare Reform see our briefings at www.homeless.org.uk/our-briefings#Welfare_Reform

allow Local Authorities to discharge their homelessness duty to the PRS, there need to be firmer measures in place to drive up standards and challenge where poor practice is in place.³

- In 'Quality of housing experience and support' the government states that it has prioritised protection for the vulnerable through its maintenance of the homelessness grant at 2010/11 levels and investment in Supporting People facing less than a 1% per annual average cash reduction. They say that 'we have made it clear to local authorities that spending reductions should not have a disproportionate effect on vulnerable people.' However evidence from the sector shows this has not translated to proportionate cuts to SP at a local level, with homelessness services having taken cuts on average of 22%⁴ and it is disappointing this has not been recognised and a stronger message sent to LAs.

³ For on Welfare Reform see our briefings at www.homeless.org.uk/our-briefings#Welfare_Reform

⁴ Monitoring the Cuts, Homeless Link 2011