

Labour Party consultation on Housing for the Many

Response from Labour Housing Group members

August 2018

Introduction

Labour Housing Group (LHG) has consulted its members and collated their comments into this response, which also includes the response from LHG NE and incorporates a response from several London LHG members.

LHG welcomes the many steps forward that this Green Paper represents, particularly on housing development, land issues, regeneration, and a greater focus on new social housing as well as removing the stigma currently associated with social housing. We also welcome the reintroduction of space standards and plans for sustainability to meet the demands of climate change.

A number of members asked that there is a statement about policy in relation to the Private Rented Sector (notably compulsory registration of private sector landlords and the adoption of three-year tenancies), tackling homelessness, helping home owners to repair older homes, and reducing the number of cold homes and improving health.

In relation to the PRS, we have assumed that existing LP policy on this sector (2015) still stands but may need to be reiterated or updated. A few additional points about the PRS are suggested, notably that Local Authorities are adequately funded to challenge and reprimand landlords who provide poor quality housing and unlawfully harass and evict tenants, and that legal aid provision is made available for tenants who want to take action against bad landlords.

Support was expressed for all the key proposals in the Green Paper, other than where mentioned below.

Section 3 Questions 1-4

Affordable housing definition and targets The broad aim of the new affordable housing definition is supported, but one suggestion is that a clearer definition of affordable housing could have income-related definitions for each category, though others suggest that a simplified field would be preferable:

- Social rented housing affordability should be defined as rent and services charges being no greater than 30% of net average household incomes for the lowest quartile of household incomes in the relevant local authority or housing market area.
- For other forms of sub-market housing, one suggestion is that the 30% criteria should relate to average incomes for the lowest half of household incomes.
- For forms of sub-market home ownership, where the household is purchasing an equity stake, and where housing costs include a deposit and/or mortgage, the affordability criteria should be based on no more than 40% of average household incomes for lowest half of household incomes.

Planning policy targets relating to affordable housing should be applied on this basis, with developments not meeting the appropriate affordability definition being treated as market provision and not complying with affordable housing policy or contributing to affordable housing targets.

Targets that are simply “affordable”-based should be scrapped, as this has led to many developments which have no social housing whatsoever and yet still meet the targets. Similarly, in higher price market areas, targets should not include part-buy since this is often not affordable, and many people cannot afford to buy the other portion whilst struggling to get good service from the Housing Association owning the other share. Grant funding for shared ownership homes and other forms of discounted home ownership should be terminated and replaced with equity-based loans.

A programme should be considered of getting people out of the 80% rent options they have already been placed in over the last few years, as it provides a disincentive for many to work, and incurs cost for Housing Benefit. Some Housing Associations appear to have abandoned social rent housing in favour of 80% rents and many tenants have ended up caught in the 80% market rent trap because of this.

There is support for the scrapping of funding for ‘affordable rent’ but there is a need to be clearer on social rent targets – rent levels, security and volume – with sufficient grant per unit for local authorities and housing associations to fund family sized homes as well as smaller homes. These should be at social rents (discounting the value adjustment factor in the target rent regime).

The affordability test is welcome (p.14) but more work is needed to guide social landlords on social rent levels that are affordable in terms of the incomes of local population cohorts at which social housing is targeted. This is a neglected policy area, in which there is now more interest (see discussion in the CIH 'Building Bridges' report). Changes need to apply to both new build and existing stock.

There is some concern that some council tenants could see a significant rent rise. If property values relate to the size of social housing and therefore its rent, this may affect what might be considered to be fair, particularly where current rents are the same for a bed-sit the same as for a one bedroom flat. There are also instances of service charges having been increased to take into account charges that were previously included in the rent (notably for flats), which could affect future rent calculations.

One suggestion is that the 'rent pooling' element in the HRA should be looked at again. Rent should represent payment for a good or service at current values, mitigated by the policies discussed here, not historic cost of specific properties.

Living Rent and Social Rent tenancies Some members consider that all tenancies should become Living Rent tenancies, so that there is no distinction between what would otherwise be 2 classes of tenants. This would improve social cohesion and remove confusion.

There is also strong support for the social housing sector to be renamed “public housing” since many people do not like the term “social housing” and it is not clear what that means.

There is a clear political point here. The concept of “social” housing was introduced by Michael Heseltine in around 1984 as part of the Thatcher Government's deliberate policy of equating public housing with social security, and in doing so expressly repudiating the Attlee Government's policy, nominally adhered to by all governments until the 1980s, that Council Housing, and later Housing Association housing, was accessible to all as a matter of choice. We should equally repudiate the Thatcher policy and restate the more noble purpose for public endeavour which she sought to destroy.

Section 4 Questions 5-10

Developing new stock There is a clear need for a firm commitment for a mass council house building programme of homes at social rent, in order that this becomes a mainstream tenure for the future - council housing that we can all be proud of, that takes away any stigma associated with it. There should be a much greater emphasis on the lead role of Local Authorities in developing new housing stock, and

There is a view that the role of Housing Associations should not be expanded and that the total size of each one should be subject to a limit, whilst ensuring that Housing Associations return to their original objectives of focusing on meeting the needs of lower income households and others who cannot access market housing. The LP needs to develop policies on much tighter regulation of Housing Associations, and Housing Associations should see themselves as needing to be responsive to local people and local politicians. Perhaps HAs could be required to pursue 'charitable' purposes in order to be eligible for grant.

It is suggested that planning applications should be required to justify why new dwellings are needed in that place and of that type. This could lead to less “executive housing” and more truly affordable public and other housing being built, and in the right places.

It is important to be clear that resources will be allocated on basis of relative housing needs, not just under competitive bidding regimes or bilateral agreements with city regions, LAs or HAs. LAs as statutory housing bodies must have the central role. There must be a nationally consistent methodology for assessing the comparative housing requirements of each local authority area, both in relation to the needs of the existing stock and the need for additional homes and national resources should be allocated to local authorities (and not directly to housing associations or private developers) in relation to this needs assessment. LA housing needs assessments should include community consultation.

While the removal of nationally determined limits on local authority borrowing is supported, the LP needs to be explicit in recognising that direct national subsidy is required both in relation to the improvement of existing stock (including retrofitting in

relation to fire safety), the undertaking of estate regeneration schemes which protect the quantity and quality of social rented homes and the provision of new social rented homes.

There should be no public resources for private developers developing private housing.

We need to look realistically at skills shortage and skills development, particularly in the context of leaving the EU; there may be a need for special treatment for some skills. There needs to be proper integration with further education and training, including returning former building workers who represent a large talent pool we need to be able to employ.

We should require LAs to undertake full reviews of the condition of the housing stock in their areas with a view to planning for refurbishment and so on. After all, the properties improved to a 'thirty year life' under the 1974 Housing Act have now aged about 40 years, and there are millions of post 1918 houses in the private sector which are rising 100 years old and may well be in need of major investment beyond the scope of the private sector, in addition to the millions of pre-1914 houses still in use.

Housing Association regulation needs radically changing, to make it fit for purpose in 2018 and beyond. All the evidence is that "bigger is not always better", yet all the focus tends to be on the larger associations, which stifles diversity. It is proposed that the Regulator should be required to demonstrate that, where mergers have taken place between Housing Associations, the rationales for the mergers have been achieved.

Housing and welfare policy The consideration of issues of overlap between housing and welfare policy on p.19 is very limited. Labour's policy needs to go beyond its stance on the Bedroom Tax and the implementation of Universal Credit, and take a wider look at how the welfare system now undermines housing policy in various different ways. It is vital that housing reforms are co-ordinated with welfare reforms, and that the latter take careful account of the housing impacts.

The Green Paper says (p.20) that Labour will review how council housing borrowing is recorded in the national accounts. Given that the government has recently been forced to do such a review for Housing Association borrowing, there is an unprecedented opportunity to state clearly that (following this recent change) the accounting for LA borrowing will now be brought into line with that of HA borrowing in a similar move (out of the government sector but still within the public sector, in accordance with international accounting rules).

The LP needs to be much more specific about levels of grant per unit for new homes. There is support for a return to grant based on cost (net of rent income based on norm rent levels which are income related). There is a need to be more specific on the funding of local authority and housing association homes. The statement after para 78 focuses on HAs, rather than LAs.

The cost of land and investor speculation in land and in planning permissions is one of the main obstacles to the provision of housing affordable by households on lower and middle incomes. Current legislation (including the 1961 Compulsory purchase Act) must be amended to give a power to LAs and Mayors to CPO land at Existing Use Value. (This also relates to paras 90/91).

Direct central government funding for LA-led estate regeneration (separate from funding for new build) is essential to avoid dependence on private funding/ developer-led schemes which involve loss of social housing.

New Homes Bonus affordable housing uplift should be limited to social rent units. Conversions, replacement units (for demolished homes) and Permitted Development units should not be eligible for New Homes Bonus. Some suggest, however, that the New Homes Bonus should be abolished.

Loss of affordable homes We strongly support the proposals to stop the loss of affordable homes through Right to Buy, conversions to 'affordable rent' and the forced sale of council homes. There is a strong view that the Right to Buy should be abolished in England as in the case of Scotland and Wales, and that this is a matter for national determination rather than for local authority discretion, as imbalances between need and supply operate across local authority boundaries,

Specific funding is needed for LAs to buy back homes bought through RTB, notably where the owner is struggling, and also to repossession homes sold through RTB which are now in the PRS sector but badly managed. There is a case for a focus here on RTB leasehold property where owners are often in an impossible financial position and landlords (LAs and HAs) hamstrung in efforts to upgrade blocks by leaseholders who cannot afford their contribution.

Community-led housing and other models We welcome the commitment to provide continuity and long term support to community housing organisations through the Community Housing Fund. We feel that cohousing should be explicitly identified as a category of community housing to be supported, especially for older people looking for innovative solutions to ageing and care, for tackling loneliness in young and old populations, and for meeting the needs of homeless and other vulnerable groups of people. The current iteration of the Community Housing Fund will unlock a significant pent-up demand for permanently affordable cohousing, making a modest but important contribution to keeping down rising social care costs, the release of more under-occupied homes, and the repurposing of rapidly obsolescing and low demand sheltered housing and hostels.

In general, there should be encouragement for public housing providers to develop a wider range of options, including shared housing for single people and for families and others (e.g. older people, people with mental health needs) who want to have a degree of communal living.

We would also suggest that there should be an explicit commitment to self-build and custom-build housing, as this can encourage innovation, particularly in relation to eco-housing and design, as well as to community-led development.

Empty dwellings We support increased tax on empty homes and increased powers for Empty Dwelling Management Orders. However, some argue that there should also be a tax on under-occupied homes and homes not occupied on a full-time basis, (though this may not be compatible with ending the use of Bedroom Tax). This can be achieved through reforms to the council tax regime.

Section 5 Questions 11-16

Regeneration There is a need for timescales to be set for the regeneration of housing estates and areas, so that tenants are not living through years of difficulty, and for the cost of moving and social cost for tenants having to relocate when their homes are refurbished to be taken into account. We suggest that a standard is set to show what good regeneration looks like.

Design standards and Decent Homes Housing design standards were never properly updated following the Coalition Government review (p.27). There is a need to initiate a new review, building on submissions to the earlier one, so that all new housing is fit for the 21st century - not just in space standards but in terms of security, fire safety, accessibility, energy efficiency, etc. However, we must not make the mistake made previously of investing in improving existing homes at the expense of building new ones.

Decent Homes 2 (p.29) should include higher energy efficiency standards that comply with our legal carbon reduction obligations. Retrofitting of the housing stock (public and private) is an urgent task that should be considered jointly between departments. The government has ended its misconceived Green Deal and allowed the ECO programme to collapse, without putting new measures in their place. This must be rectified.

We need to actively support the development of a British industry to provide green materials and sustainable building forms.

It is suggested that housing standards should be used as a basis for an assertion that what is done in the public sector, using public money, should always be of the highest possible standard of design, this proposition being at the heart of a progressive approach to the role of the public sector in society and the economy. We should seek to eliminate the concept of 'private affluence and public squalor' which is inherent in the way public services, including housing, have been operated for many years.

Housing for older people Housing for older people (p.32) requires a broader, cross-sector and cross-departmental approach, for example to make much broader use of the HAPPI approach and to secure more, attractive downsizing opportunities for older households. This is an area which needs more work.

There is support for the proposed standards for Lifetime Homes but one view is that the requirement should be for a proportion of Lifetime Homes in each area, rather than 100%, though applying to existing and new development in all tenures. Equity loans should be available to bring privately owned (including PRS) properties up to the required standard.

There are reservations in relation to the proposed locals-first policy, which can be discriminatory. There is a need for city region-wide agreements to deal with varying supply relative to need across a wide area.

Tenant empowerment It is proposed that the government provide funding for tenants in order for them to have better access to independent advice and support on effective tenant involvement, developing a national culture of engagement for residents of all tenures. Tenants need to have access to independent advice and support, locally, regionally and nationally. A situation like Grenfell, where residents' concerns were not listened to, must not happen again. The recommendations of the Hackitt Review could be implemented and extended to cover not just fire safety issues, but all issues involving tenancies.

There need to be more concrete proposals to remove the convoluted 'designated person' route which results in tenants being the only group in the country unable to access an Ombudsman directly. Likewise there should be a removal of the serious detriment bar designed to stop the regulator being properly involved in consumer regulation.

Instead there should be a focus on the impact of tenant involvement and empowerment with Housing Associations and Councils producing Annual Reports stating what difference involvement has made to their role as landlords.

Tenant scrutiny could be better supported as well as welcoming wider ways of involving tenants in service delivery and coproducing policies.

Tenants on HA Boards should not be seen as tenant representatives but rather as Board members with the perspective and experience of being tenants.

Specialist housing In relation to sufficient specialist affordable housing, the following are suggested:

- Require older people's and supported housing strategies in all areas, with strong links to health and social care strategies – and avoiding the patronising approach to this issue which has pervaded policy regarding older people's housing hitherto.
- Reinstate Supporting People funding and data collection
- Improve access to ordinary public housing for people with additional needs – allocation policies (especially in the Housing Association part of the sector) need a significant overhaul to enable this. Without this measure, homelessness will continue to increase even if public housing stock increases.
- Provide funding for pre-tenancy training and require this to be provided in all areas. This would significantly improve tenancy sustainment.
- Provide more funding for assistive technology.