

# HOUSING 2024 – RISHI'S RUIN?

### HEARTLESS COWARDS

Arconic, the firm that made the plastic-filled panels that burned like petrol in the Grenfell Tower fire of 14 June 2017, claiming the lives of 72 people, has refused to hear the testimony of the survivors at an event this month. Anne-Marie Murphy, whose brother Denis died in the fire, said that it was the “behaviour of heartless cowards”.



Other key players, including Celotex, Kingspan which made combustible insulation and Rydon, the main contractor will all attend the event, as will the Royal Borough of Kensington and Chelsea, which owned the council block and the Government departments which were responsible for fire services and building regulations. The inquiry is not expected to publish its final report until June.

### LONE PARENTS SUFFER

Shelter says that more than 70,000 people – that’s one-in-seven lone-parent families, who rent privately are facing eviction this winter.

Lone-parent families are at greater risk of homelessness because the



discriminatory policies of some landlords, such as blanket bans on children or housing benefit, effectively ‘blacklist’ them.

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ANNUAL  
GENERAL  
MEETING

### FIRST-TIMERS STUFFED!

Nationwide Building Society reports that someone earning the average UK income and buying a typical first-time buyer home with a 20% deposit would be saddled with a monthly mortgage payment equivalent to 38% of their take-home pay. And those deposits? For many, they would cost more than their annual income!



# GREATER MANCHESTER'S GOOD LANDLORD CHARTER

Andy Burnham told the BBC's Today programme that "2024 has to be a year of change in the housing sector".

He was launching a Good Landlord Charter, saying that the government spends approximately £500m per year on housing benefit for privately rented homes in Greater Manchester without any assurance of the quality of the homes provided by landlords.

Saying that a quarter of private rented homes in Greater Manchester are not properly maintained, he asked *"Should you be able to receive public money in respect of renting out your property but not maintain that home to a decent standard? Can anybody defend that?"*



Manchester's Good Landlord Charter will cover social landlords and landlords in the private rented sector. It will be a voluntary agreement that housing providers can choose to sign up to. It will be based on the very important principle that **"people's homes should not damage their physical or their psychological health"**.

The Charter is being developed under the Greater Manchester Combined Authority's £1.5 million Good Landlord Scheme. It also aims to enhance Greater Manchester's enforcement capacity by addressing the shortage of qualified officers through a new training programme and on-the-job training. The aim is to use fines on landlords of up to £30,000 to reinvest in enforcement.

Andy Burnham said: **"Many landlords trying to do the right thing, but there are some who are not and I'm not going to let them off the hook."**

The Good Landlord Charter proposals are out for public consultation until midday 26 February 2024. <https://www.gmconsult.org/>

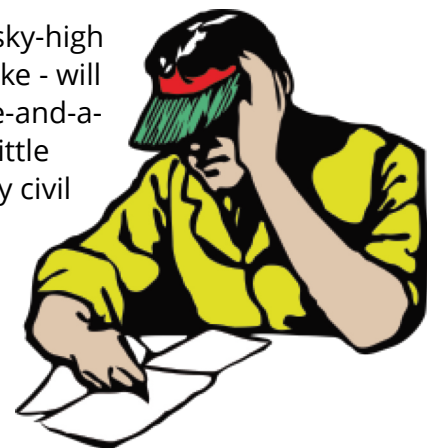
## WHY THE CHARTER IS GOOD NEWS ALL ROUND

When Labour finally gets its chance to govern, expectations will be sky-high in many quarters, but the state - Whitehall and local government alike - will have been under a "do nothing, spend nothing" regime for a decade-and-a-half. That will not only mean that most Labour politicians will have little practical experience of government, but the same will apply to many civil servants and local government officers.

And yet, we need to "hit the ground running" with our reforms. Making good things happen and quickly is difficult even when the state has not been on a starvation diet of "small government" as favoured and enforced by Tory Chancellors from George Osborne to the present day. Add to that the loss of experienced workers in the wider economy caused by long-Covid19 and disruption to young people's education.

It is clear that we need good examples of policy-implementation and public works if we are not to disappoint voters and ourselves. This makes the great work being led by Andy Burnham in Greater Manchester especially valuable and also a potential boost to the morale of Labour people everywhere.

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# COMMUNITY LAND TRUSTS

**Community Land Trusts (CLTs) are providing genuinely affordable housing.**

Housing is a hot button issue for millions who cannot get on the property ladder, have to live in expensive and often sub-standard rented accommodation or live with their parents well after they have become adults.

A massive house-building programme is the answer but there are other pioneering solutions that can make a dent, too. and local people can help bring this about in Bromley. One such innovative scheme is a Community Land Trust (CLT).

A CLT is an organisation set up to own and manage land by and for a local community. Through this organisation, the land is owned by the community in perpetuity and used for the explicit benefit of that community. It might be used for any purpose which benefits the community to which it is linked; housing, work-space, leisure, or horticulture.

CLTs are non-profit democratic organisations that are managed by their members. They can make a surplus but do not pay a dividend. Members can often join for a £1.

There are various legal structures which can underpin a CLT but one key aspect is that the land cannot be sold off for private gain. Through this mechanism, called an *asset lock*, the CLT aims to ensure permanent and affordable access to the land for whichever purpose the community needs.

CLT tenants are exempt from the right to buy. The rents and costs of flats to buy are set permanently below market rates which are related to local median incomes. More information is available from the national

community land trust network at [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk).

Many communities land trusts support energy efficient housing. The Lune Valley CLT has built 20 homes to rent and for shared ownership. [See their video here](#). All of them are built to the highest energy efficiency standards ("Passivhaus gold") where heating bill can be up to 90% less than normal bills.

CLTs can obtain funding for land purchases via crowd funding. Over £1million was raised for the Oxford Community Land Trust whose

original target was £600,000. Loans are available from the [Big Issue Investment Trust](#), the Ecology Building Society and others.

Grants are provided by central government and the Greater London Authority. Michael Gove MP, as Secretary of State for Housing, has been supportive of CLTs. He has recently announced changes to the National Planning Framework that

are helpful to CLTs. The Labour Party, the Green Party and the Liberal Democrats also support community land trusts.



I am trying to set up a steering committee for a possible CLT in the London Borough of Bromley, a strongly Conservative Borough. I would welcome input from LHG members who are involved with CLTs or those members who live or work in the Borough and would like to get involved. Please email me at [dermot@dermotmckibbin.com](mailto:dermot@dermotmckibbin.com)



# WHAT IS "LOCAL HOUSING ALLOWANCE?"

Local Housing Allowance is not a kind of individual benefit payment. It is a way of limiting the total amount of benefit that can be paid in a given area.

It was introduced in April 2008 to set the maximum Housing Benefit entitlement for tenants renting private sector accommodation in England, Scotland and Wales.

This LHA "ceiling" is based on a survey of the 30% cheapest rents in a **Broad Rental Market Area** which is defined as "where a person could reasonably be expected to live taking into account access to facilities and services".

**The Department for Work and Pensions created LHA rates with the goal of controlling costs and establishing a standard amount for those in receipt of Housing Benefit.**

In theory, this ensured that tenants in similar circumstances and areas could claim similar amounts based on their needs rather than based on their property and made it possible to know in advance how much rent could be covered by Housing Benefit.

From 2012, even using the lowest 30% of rents for comparison did not satisfy Government's wish to minimise cost increases, so they were capped at the rise in the *Consumer Price Index*. As a result, **LHA rates are no longer linked to actual rents.**

Even this did not meet Chancellor of the Exchequer George Osborne's cost-cutting requirements and in 2015 he announced a **complete freeze on LHA rates until 2020.**

## The present reality

At present, LHA rates mean that hardly anyone on benefits can afford a privately-rented home as only 5% are affordable, according to the Institute for Fiscal Studies.

Although the decision to return to the 30th percentile as a measure for LHA rates from April 2024 will make a difference to 850,000 households on Universal Credit and 140,400 on Housing Benefit not everyone will benefit and there is no guarantee that the increase will last, i.e. that it will not be frozen again from April 2025.

## How it applies

LHA does not currently affect council tenancies or most housing association tenancies.

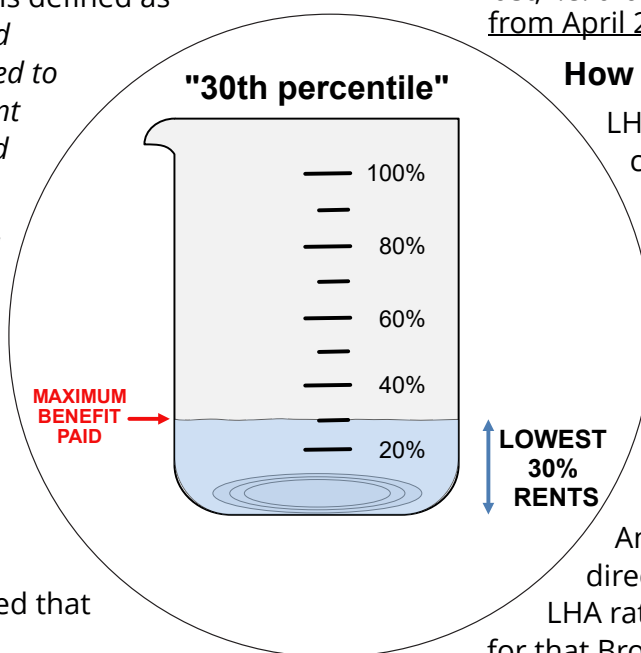
In areas where there is two-tier local government, e.g. in English counties, Housing Benefit is administered by the district or borough council.

An individual tenant has no direct right of appeal against the LHA rate or the local rent level set for that Broad Rental Market Area.

*A study commissioned by Shelter in 2014, found that lowering LHA rates always makes a household worse off, as measured by its disposable income.*

## Disability issues

- There are no exceptions for LHA rates for disabled people
- Those who have specific needs such as a ground-floor dwelling, access to public transport or a garden or yard for assistance dogs will be competing for more expensive accommodation but receive only enough for the bottom 30% of rents.
- There is no recognition of the need to be near to carers, friends or relatives.





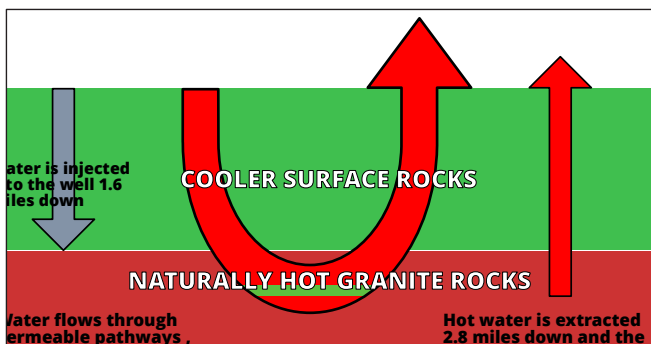
# GEOTHERMAL HEATING - WAY TO GO?

In previous articles, we have looked at the potential use of geothermal energy to warm our homes, notably the warm water contained in disused coal-mines. Part of the attraction of this technology would be to recover “sunk costs” – investments already made – as well as provide future value.

In the case of Kirby Misperton, a former fracking site in a North Yorkshire village, the aim is to reuse drilling done to seek underground fossil fuels.

Karl Farrow, founder of the CeraPhi energy company has 30 years experience in the fossil fuel sector and says that drilling for fossil fuels is “virtually identical” to drilling for geothermal sources. “The only difference is that you’re effectively extracting a renewable energy source rather than a fossil fuel.”

Harnessing geothermal energy typically involves drilling a borehole two to three miles beneath the Earth’s surface and flowing cold water at low pressures through the hot rocks.



A second borehole returns the warm water to the surface where it can be used to heat homes and businesses or generate electricity.

So far, the results from the Kirby Misperton project have proven Farrow’s theories and engineering calculations. His team had anticipated temperatures of 90 degrees Celsius at the base of the wells, but in some cases he says they were better than expected, recording temperatures of 110 degrees.

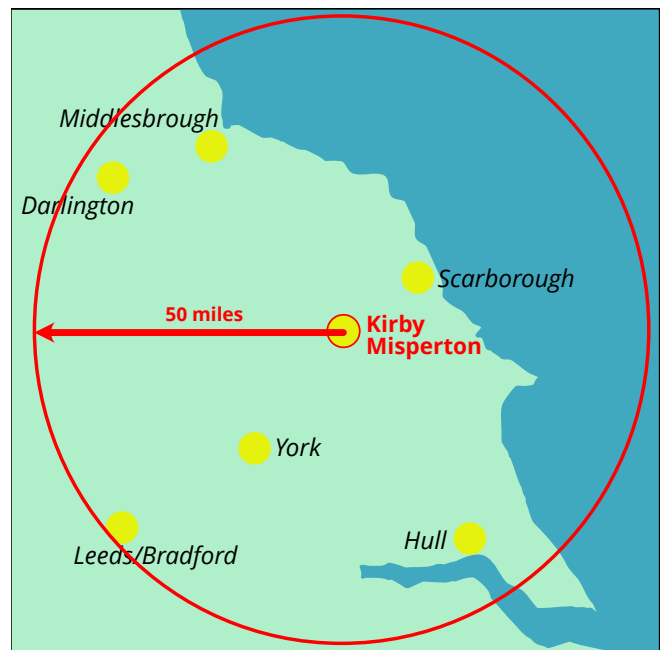
Ultimately, Farrow expects the heat captured

from geothermal wells to be used in local heat networks used to warm blocks of flats, schools, hospitals, office parks or leisure centres. CeraPhi has nine such potential projects in the UK.

As well as offering a potential source of clean heating, geothermal energy may also provide an economic boost for areas that are in the greatest need of new investment as part of the Government’s “levelling up” agenda.

The University of Durham’s research indicates that these might include Redcar and Cleveland, Middlesbrough, East Lindsey, Hartlepool, Northumberland and Bassetlaw. Other candidates include Newcastle upon Tyne, North East Derbyshire, the East Riding of Yorkshire and Nottingham.

Some experts advise that there is enough geothermal energy trapped underground to heat every home for a hundred years and Karl Farrow says “I think it could honestly make up 15-20% of the energy mix for heat going forward, if not more.”



# LONDON BRANCH REPORT

## Tackling London's Housing Crisis

We were able to attract excellent speakers to our London conference in December 2023. The morning started with Matthew Pennycook, our Shadow Housing Minister and Miatta Fahnbulleh, who is departing the New Economic Foundation to be our candidate for Peckham and Camberwell.

Matthew and Miatta proved to be a great double act. Matthew is absolutely on top of his housing brief. Miatta will be a brilliant MP.

Matthew repeated conference commitments to accelerate the delivery social homes. He explained why we are keeping the Right to Buy but will reform it to stop the loss of desperately needed affordable homes. Matthew was clear that we will move quickly to reform the private rented sector, to end Section 21 no-fault evictions and strengthen tenants' rights.

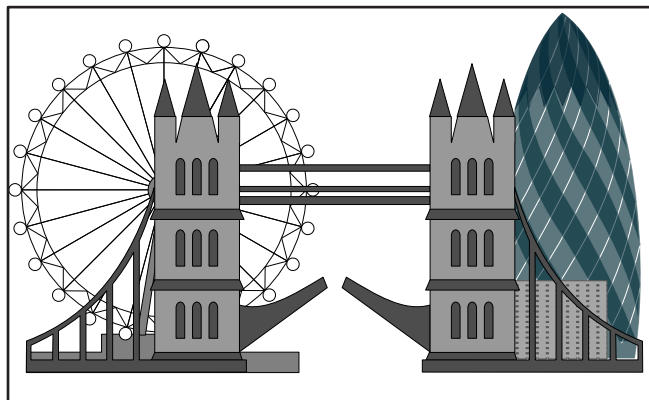
Matthew talked about the need for greater clarity about building safety. Hundreds of new developments in London are stalled because of confusion about whether a second staircase is required for taller blocks.

While building new social homes is the long-term solution to the housing crisis, an in-coming Labour Government will face immediate problems.

Ross Houston, Deputy Leader of Barnet Council, sent a chill around the room with a prediction that no London council will be able to afford to maintain its housing stock within the next four of five years. Another acute financial issue is the effect of the cost of temporary accommodation on the general fund, as described by Adam Hug, Leader of Westminster Council.

Matthew recognised how critical the situation is and the need for an in-coming Labour Government to address this.

Karen Buck, MP for Westminster, as everyone would expect, is completely on top of what is needed to reform the private rented sector and reduce homelessness. Karen identified no-fault evictions and the inadequate levels of the Local Housing Allowance as major drivers of increased levels of homelessness.



Journalist Pete Apps is doing a wonderful job of exposing the dishonesty of cladding manufacturers and supposed safety experts, the government's deregulation and privatisation agenda, which combined with a toxic disrespect for council tenants, to cause the Grenfell Tower Tragedy. Pete is sceptical about whether manslaughter charges will ever be brought, however there is legislation to ensure that individuals and companies that have acted dishonestly or negligently can be prosecuted.

Our mood was lifted by author John Boughton, who talked about the years following the Second World War up to the late 1970s when the building of a 100,000 council homes was the norm. By the late 1970s councils were providing affordable and secure accommodation for 33% of the population. The development of new towns and the use of compulsory purchase powers are two lessons learned by the current leadership.

The direction by a Labour Government to councils that 80% of new build homes must be council homes, to prioritise the use of scarce land, labour and materials, is unlikely to be repeated.

Danny Dorling was in my opinion gently provocative with us. In other participants' opinion he was straightforwardly provocative.

Danny acknowledged that with interest rates at 5%, a Labour Government cannot borrow itself out of this crisis, therefore the only way that it can start to tackle broken Britain is through progressive taxation and that we should be honest about the need to do this. This brings us back to the points made by Houston and Hug, the funding of emergency

## LONDON BRANCH REPORT

accommodation and the maintenance of existing council housing are too critical and immediate for a Labour Government to wait for economic growth to provide the extra money needed.

Danny urged us to make an offer to the electorate that is more inspiring than being a 'little bit less cruel than the Tories'. He said that if we do not offer hope to young people, who are those most acutely affected by the housing crisis, they will migrate to the Greens and LibDems.

I am more worried by a prediction made by Neal Lawson, Chief Executive of Compass, in his LHG In-Conversation, that if a Labour Government does not make people's lives better, especially regarding the housing crisis, the electorate will move to the right.

The heavy responsibility to make sure that this does not happen will sit on the shoulders of Matthew, Miatta and Karen and their colleagues. Their knowledge and drive will be critical.

Andy Bates



## "ASTOUNDING" BANKER

There must have been a lot of stifled laughter in the studio when Sir Howard Davies, Chair of NatWest Bank, said he thought it was "Not that difficult to buy a home" on Radio 4.

As Ben Twomey, chief executive of campaign group Generation Rent, said Sir Howard's comments were "astounding to hear from a senior banker".

"What planet does he live on?" he added.

**Yet there is another, bigger, truth buried here.**

Sir Howard is from an age when people saved-up to get a deposit for a mortgage and lenders were in no hurry to lend. House prices increased steadily and bank accounts paid a reasonable rate of interest. It was a general belief that "home ownership" was the only tenure that made sense, especially for those building their careers.

The key difference between then and now is that there were far more affordable properties to rent and the pressure for people on below average incomes to "buy" - in reality, to borrow money - was far less.

***Council housing provided that underpinning allowing money to be saved because affordability and security of tenure was its bedrock.***



**Sir Howard Davies**

# DON'T FORGET THE 9<sup>TH</sup> OF MARCH!



# LABOUR HOUSING GROUP AGM 2024

Dear LHG Member,

We're delighted to invite you to our 2024 AGM on the 9th March, taking place in Camden, with an option to attend virtually.



Timing	Item
10:45	Coffee and registration for in-person meeting
10:50	Online attendees join
11:00	Meeting starts
11:10	Keynote speakers (to be announced)
12:00	AGM business
12:45	Discussion of motions
13:15	Discussion: Campaign strategy for the General Election
14:00	End of meeting

## Keynote Speakers:

- Angela Rayner MP (Shadow Secretary of State for Levelling Up, Housing, and Communities, & Deputy Leader of the Labour Party) (Invited)
- Matthew Pennycook MP (Shadow Minister for Housing and Planning)

## Motions

Any paid-up member (individual or organisation) may submit a motion for discussion at the AGM.

It should be no more than 200 words in length, and should be concerned with a contemporary topic that is relevant to the objectives of LHG. **Please send any motions to the Secretary by Saturday 10th February.**

An election for LHG Executive Committee takes place this year. Any paid-up member or representative of a member organisation may stand, providing they have been a member for at least 12 months by 13th January 2024.

Executive Committee positions are elected at the EC meeting which is held immediately after the AGM. We're keen to boost the Executive Committee with LHG members from all sections of the community, and we need people who have time to help us with our activities. EC roles include:

- Chair
- Vice-Chair x2
- Treasurer
- Secretary
- Membership officer
- Newsletter editor
- Policy officer
- Press officer
- Speaker
- organiser
- Branch liaison officer
- Blog editor
- Events support

Executive Committee members also write policy papers, add to our social media activity, speak on behalf of LHG, and get involved in engaging members and in campaigns.

Please consider nominating yourself if you would like to join us and do any of those things.

**Nominations should be sent to the Secretary by the end of Saturday 10th February, along with a personal statement of no more than 150 words.**

Sheila Spencer

LHG Secretary

info@labourhousing.org