

HOUSING



Summer 2019

Honorary Patrons: Roberta Blackman-Woods MP, Karen Buck MP, Lord Roy Kennedy and Nicky Gavron AM

Editor - Ed Derrick

The Newsletter from Labour Housing Group

Editorial

This edition of the Labour Housing Group Newsletter is the first to be distributed by email rather than the post, with the exception, for the time being, of those members who have no access to email, which includes CLPs and Labour Groups. We have made this change to save money - printing and postage costs are substantial and LHG needs to spend its limited resources in a cost-effective way

In this newsletter you will find details of our presence at Conference in September, a statement by our new Chair, Councillor John Cotton from Birmingham, and reports from our Branches around the country. You will also find information about an important new LHG initiative - the development of Briefings on a range of key housing matters which will enable you to develop your local policy and campaigning activity.

Finally, there is an article about the important issue of Leasehold, and a commentary on the Shelter Housing Commission Report.

Ed Derrick

LHG at CONFERENCE 2019

LHG will be holding its traditional popular fringe meeting at this year's Party Conference.

However, this year we have two fringe meetings.

"Time for a public housing revolution"

- **John Healey MP Shadow Secretary of State for Housing:**

Labour's plans for rethinking and rebuilding our social housing stock

- **Greg Beales, Director of Communication, Policy & Campaign, Shelter:**

- **Andy Winter, CEO, Brighton Housing Trust :**

Improving access to social housing for people in greatest need

- **Vaughan West, Regional Political Officer & Organiser, GMB London Region:**

- **Gavin Smart, Deputy CEO, Chartered Institute of Housing**

- **A speaker about Grenfell (TBC):**

What we have learnt from Grenfell about the need to rethink social housing

Monday 23rd September

6.30 for refreshments, meeting 7-9pm

Brighton Jubilee Library, Jubilee Street, BN1 1GE

(The library is just to the north of Brighton Pavilion, about half a mile from the Conference Centre from the sea front)

The second fringe meeting will be a joint event with SERA, the Campaign for the Protection of Rural England and the Federation of Master Builders.

A home shouldn't cost the earth: How Labour can address the housing and climate crises

12.45 pm to 2.00 pm,

Tuesday 24th September

The Dome Room, Hotel du Vin, 2 - 6 Ship Street, BN1 1AD

(This is a short walk to the east of the Conference Centre, a little back from the sea front)

LHG Members' Pages

2019 AGM report

LHG's 2019 Annual General Meeting was held in March, and we welcomed Ed Miliband as the keynote speaker, talking about the outcomes from the Shelter Social Housing Commission.

Ed Miliband spoke about the cross-party nature of the Commission and the recognition of the fail of housing policy for a number of years, failing to address a housing crisis which touches everyone in some way. He welcomed the Commission and its report for its encouragement to reframe the argument about social housing. We must consider who social housing is (or can be) for, how investment is to be made, and who the developers should be. He noted John Boughton's comment that a government which tackles the housing crisis will be remembered for many years for changing people's lives.

Ed noted that the mood is changing in both main parties, for example in lifting the HRA cap, and felt that the Commission's recommendations provide a real opportunity to press forward on Labour policy and commitments. He said that what was needed now was a Delivery Plan.

In the discussions held after Ed's speech, members said there needs to be a shift in the funding of local government, to rebuild capacity, borrowing powers, CPO powers, and design and planning teams. Local authorities should take the lead in delivery of more public housing, and also support co-operative and community-led options.

Other key issues covered were the need to municipalise the worst part of the private rented sector, tackling under-occupation and unoccupied properties, replacing stamp duty by a tax system based on capital gains, and sorting out public housing regulation, followed by the regulation of other sectors. A single regulator was not considered a priority.

AGM business

As LHG elects its Executive Committee for 2 years, there were no elections this time but Sharon Thompson from Birmingham had been co-opted during the year. Paul Eastwood stood down as Chair; at the Executive meeting the following day, John Cotton was elected to take his place.

LHG Treasurer reported that spending on the new website was putting pressure on our finances, but otherwise running costs were relatively stable. Policy Days had pretty much covered their costs, with help from Unison and Unite unions. The Membership Officer reported that a lot of work had gone into updating the membership records, and we now had around 295 members, and 16 CLPs and Labour Groups. The new website allows people to join electronically, using Paypal, by emailing the Membership Secretary at membership@labourhousing.org.

On policy development, Paul Martin said that the Executive had been reviewing LHG policies and identifying gaps, and had decided to prepare a series of Policy Briefings, aimed at Labour Party members and others who are not housing experts. It was noted that there is no National Policy Forum consultation on housing this year. This will be raised in a meeting to be held with John Healey. LHG and members were urged to put in submissions to the Labour Planning Commission.

The AGM agreed the following resolution, moved by Nick Bragger, and amended by Sheila Spence

Private renters are on tenancies with fixed terms of 6 to 12 months and can be evicted with two months' notice. These 'no fault evictions' were introduced under Section 21 of the 1988 Housing Act. This insecurity harms quality of life for tenants, gives landlords huge power and is the biggest cause of homelessness.

We resolve to support the End Unfair Evictions campaign run by a coalition of campaign groups. It is already Labour Party policy to End Section 21 evictions, but lacks detail. We resolve to ensure that support for ending unfair evictions is detailed clearly in Labour Party policy. We also resolve to argue for the abolition of Assured Shorthold Tenancies, and to call for a review of the practical implications of this, looking at the outcomes of similar changes made in Scotland and Wales.

This means:

- Open-ended tenancies, abolishing Section 21, leaving only Section 8 grounds for eviction. (Selling up can be grounds for repossession created within Section 8).
- If the landlord wants to evict the tenant to use property for themselves the relocation costs for the tenant should be paid by the landlord, with at least three months' notice.
- Section 8 evictions for no fault (i.e. sale of property or landlord moving into the property) should not be capable of implementation for at least one year of a new tenancy, or for landlords who've bought property with sitting tenants.
- Annual in-tenancy rent rises should be limited to wage inflation or CPI.

Sheila Spencer, Secretary

LHG Members' Pages

Statement by Councillor John Cotton, LHG's New Chair

It's a real honour to have been elected as the new Chair of Labour Housing Group. I've always believed that the right to a decent, secure and affordable home is the very bedrock on which we build social justice. Since the 1970s, LHG has been at the forefront of developing radical housing policies at local and national level, ensuring that Labour-led Councils and Labour Governments have the tools they need to turn that vision into reality.

Sadly, in the Tory Britain of 2019, that right to a home has never been more remote for thousands of our fellow citizens. Savage cuts to public spending, the slashing of programmes that were delivering genuinely affordable homes and a series of so-called welfare "reforms" have created a housing crisis on an unprecedented scale. We have rocketing numbers of people sleeping rough and many more trapped in temporary accommodation or insecure private sector tenancies. Ending this appalling legacy must be the first priority for the next Labour Government.

Labour Housing Group is the forum for people right across the Labour movement who want to play a practical role in helping the Party, locally and nationally, to deliver a bold new housing agenda. We are a national organisation, but have roots right around the country and our members include MPs, Peers, Councillors and grassroots activists. We have close links to Labour's Shadow Cabinet team, helping them to develop the policies that will underpin the next Labour Government's drive to reverse the Tory housing crisis. We also work with Labour local Councillors up and down the country, sharing good practice and championing the tremendous work that Labour Councillors are doing to deliver better housing and tackle homelessness.

We have some exciting plans for the coming years and a renewed determination to champion radical, socialist housing policies across the Party and the wider Labour movement. But we need your help to make it happen! If you're interested in playing a more active role in LHG, please do get in touch; and if you're not a member, then please join up today. Working together, we can reverse the housing crisis and ensure the next Labour Government delivers a housing agenda of which we can be truly proud.

LHG Executive 2019-2020

At the AGM on June 16th 2018, LHG's new Executive was elected for the two years to 2020. Your Executive has 12 members from around the country:

- Janet Berry – Winchester CLP (Membership Secretary)
- John Bevan – Tottenham CLP (Vice-chair)
- John Cotton – Birmingham Perry Bar CLP (Chair)
- Ed Derrick – Newcastle Central CLP (newsletter editor)
- Paul Eastwood – Hemel Hempstead CLP
- Ross Houston - Finchley & Golders Green CLP (Treasurer)
- Heather Johnson – Hampstead & Kilburn CLP (Vice-chair & events organiser)
- Paul Martin – Tower Hamlets CLP (policy lead)
- Amanda Pincock – Huddersfield CLP
- Kerry Pollard – St Albans CLP
- Sheila Spencer – North Tyneside CLP (Secretary)
- Sharon Thompson – Birmingham Ladywood CLP

LHG Members' Pages

Newcastle Policy Day

Around 35 people attended the Policy Day held in Newcastle. We were welcomed by the **Newcastle Central MP, Chi Onwurah**, the **Deputy Leader of the City Council, Joyce McCarty**, and the **Regional Secretary for UNISON, Clare Williams**. UNISON was kindly sponsoring the event.

John Healey MP, Shadow Secretary of State for Housing noted that the current Party Leader is more aware of the critical importance of housing than many previous Leaders have been. The current national housing picture includes the lowest level of social housebuilding since World War II, private rents increasing faster than incomes, and three quarters of the population believing we have a housing crisis.

Labour's plan includes 1 million new truly affordable homes and a council house building programme in all areas, redefining affordability, a local Living Rent, low cost First Buy owner occupation, new private rented sector legislation providing better security of tenure and an end to No Fault evictions in Year 1 of a Labour Government, suspending the Right To Buy, and more support for frontline Housing Associations.

John supported the development of mixed communities, and meeting varied needs of people with disabilities including a need for better soundproofing, holding Housing Associations to their social purpose, and a better targeted Help to Buy scheme. He also alerted us to a piece of work being started with John McDonnell to develop a different approach to the re-use of public land and establishing an English Sovereign Land Trust.

Sarah Longlands, Director of IPPR North, identified important roles for Combined Authorities in the North East in relation to the housing agenda, not the least being to initiate a regional discussion about housing. She saw devolution to CAs as a great opportunity to revitalise housing and planning policy, with people's welfare at the heart.

Specific measures can include:

- Mayoral development corporations
- Strategic planning, and making much better use of data, especially on housing need
- Commissioning re-use of land, with attached powers to promote supported housing
- A better rural offer, and better standards in the private rented sector
- Making use of "soft" powers for example to address homelessness

Devolution can also provide the opportunity to support smaller builders, and to address local challenges through greater flexibility, connectivity between policy areas, and more sensitivity to local issues and needs.

John Boughton, social historian and author of Municipal Dreams: the rise and fall of council housing, offered us a fascinating and stimulating history of council housing, with particular emphasis on Newcastle's record. Here was a timely reminder that it is the duty of a responsible state (national and local) to enable the provision of decent and affordable housing for its citizens. Council housing has transformed the lives of many millions for the better, and must do so again.

The pictures shown in the presentation can be viewed here. We would heartily recommend his book! (<https://www.versobooks.com/books/2719-municipal-dreams>)

There were 6 workshops:

- Delivering Labour's housing vision - a key role for local authorities
- Making National Housing Policy Truly Local
- Let's be radical about the private rented sector!
- Reshaping planning legislation and system
- Housing and devolution
- Tenants in the driving seat, and the role of Housing Associations

LHG North East Branch

Reports from LHG Branches

North East branch

The North East branch has been a bit quiet since Sheila became the LHG national secretary! We met with the Labour candidate for the Mayor of the new North of Tyne Combined Authority to discuss his manifesto, and now that he has been elected, we are planning to have a discussion with him about building public rented homes in the area. We are contributing to the Labour Party Planning Commission which meets in Gateshead on July 12th. We are also planning to screen the new Ken Loach film, set in the North East.

Contact: sheila.spencer@phonecoop.coop

London branch

London LHG organised a policy day in April to discuss future housing policy challenges for a Labour Government. The exec committee worked together to pull together a programme of key note speakers including the Shadow Minister for Housing and 2 London local Mayors, plenaries and workshops covering: taxation and funding new homes; environmental impact of homes; Housing Association governance and regulation; women and homelessness; private rented sector standards; community led housing. We welcomed over 60 London LHG members to the discussion between MPs, campaigners, London Assembly Members, policy experts and Councillors.

We were really happy to hear from Sarah Jones MP, Shadow Housing minister on the Politics of Housing in the 21st century and highlighted Labour's radical programme for housing. Karen Buck MP and Farah Hussain highlighted the devastating impact of the poor quality private rented sector and the appalling struggles faced by MPs and Councillors to improve those conditions.

Policy experts were able to join us for the workshop sessions, to explore in more detail the scale of the challenge with improving the environmental impact of homes, protecting women from homelessness and securing better regulation of the Housing Association sector.

The session closed with a keynote speech from Rokhsana Fiaz, Mayor of Newham about the future for council home building – a positive end to a positive morning of discussion and debate. It was clear from the day that Labour has the ideas and energy for the housing challenges we face.

Contact : rachel.n.blake@gmail.com

North West branch

We decided to set up a North West Branch after the 2018 Party conference. The North West branch covers Liverpool City Region, Greater Manchester, Cheshire, Lancashire, and Cumbria.

Several meetings have taken place this year in Liverpool and Manchester, and we have agreed upon a policy and political education focused branch, which is inclusive and dynamic, seeking to put on events across the region, and set the agenda with great speakers, politically focused discussion and policy-based education aimed at a variety of audiences, from housing specialists, to the wider membership of the party and affiliates. Members of NW LHG are very active at branch, CLP and Council level while always looking for conversations with organisations of similar socialist values such as Labour Campaign for Council Housing.

We will shortly announce our programme of events for the next few months, including two summer meetings in Greater Manchester, a policy day in Liverpool on **October 12th**, and our first appearance at the NW regional Conference in late November. As an open and inclusive branch we would like members to bring a wide variety of housing topics to the branch, and plenty of ideas to get the conversation started.

One goal of LHG NW is to engage with Labour led councils to see what they are doing to address the housing needs in their area, and what policies have the best impact for them. This information will be shared with other local councils, and also LHG nationally as we try to help create a housing manifesto capable of leading us into government.

Contacts: Ben Clay: cllr.ben.clay@manchester.gov.uk
Gerard Heffey: g.heffey@merseyregeneration.com

“BRIEFING ENCOUNTER”?

Background

In January, the LHG Executive agreed in principle to the production of a series of “LHG Briefings” Their aims were to be factually correct, clearly written for the lay person to understand, provide a clear expression of LHG policies and values, point to further relevant information and encourage people to join the LHG.

At the LHG AGM/Conference 2019 an initial set of suitable topics was agreed In order of priority and popular interest, they were.

- a) Council housing
- b) Private renting and rent control
- c) Homelessness
- d) Land Value Tax
- e) Affordable homes
- f) Security of tenure in private rented sector, and Section 21 evictions
- g) Co-operative and mutual housing
- h) Leasehold Reform
- i) Regional housing issues / rural housing
- j) Sustainable homes
- k) Decent Homes Standards
- l) Right to Buy
- m) Stock condition in owner occupied homes
- n) Lessons from devolved UK administrations
- o) Rough Sleeping

Scope and benefits

This is an ambitious programme for us to undertake. We hope to raise awareness of the importance of housing issues and policy and, in doing so, to raise the profile and boost the reputation of the LHG. It is also to be hoped that the lessons learned will offer a basis for developing future policy.

Readership

The obvious target audiences are LHG and Labour Party members, but we would also want to attract local councillors new to housing responsibilities, local election candidates and those MPs for whom this is a concern.

The briefings might also help to promote discussions among activists with an interest in the field and LHG potential members.

Practical considerations

This is an ambitious project in terms of the scope of subjects and the number of potential contributors. In each case we need to establish the present facts, identify policy issues and be clear as to what current Labour Party policy is, as well as agree what line LHG should take. All this, as far as possible, in a maximum of 2,000 words

(four sides of A4).

Early lessons

Since the project got under way, we have had local elections, Labour Group AGMs and the overhanging preoccupation with Brexit to distract us from the job.

Some of the subject titles and topic combinations will need to be reconsidered and we will need to be clearer on who is doing what.

There are also topics of genuine interest which need more input/expertise, such as rural housing and there are topics in which we should encourage more general interest.

Conclusion

This is a seriously worthwhile project which we need to move forward.

Paul Martin

Feudalism, Toxic leases and a Parliamentary Select Committee

A bi-partisan leasehold reform inquiry report by the House of Commons Housing, Communities and Local Government Select Committee has trashed the English leasehold tenure system. Using strong language, the report concluded that: "Too often, leaseholders- particularly in new-build properties have been treated by developers, freeholders and managing agents, not as homeowners or customers but as a source of steady profit. The balance of power is too heavily weighted against leaseholders and this must change."

The report recommended that:

1. Commonhold should become the primary model of the ownerships of flats in England and Wales, as it is in many other countries
2. Mis-selling in the leasehold sector should be investigated by the Competition and Market Authority.
3. Documents used in the purchase of properties should be standardised so that the key features of the lease are fully transparent.
4. Incentives to use a particular solicitor should be abolished.
5. Retrospective legislation is required to remove onerous ground rents and permission fees from existing leases.
6. There should be a new system of consultation for leaseholders affected by major works in privately -owned buildings.
7. The Government must ensure that freeholders are not allowed to recover their costs from their leaseholder where the leaseholders have won their case at a tribunal.
8. The current law allows freeholders to recover the lease from the leaseholder. This should be abolished

In virtually all other English-speaking countries this form of tenure has been abolished and replaced by some type of communal ownership of the freehold. The Commonhold and Leasehold Reform Act 2002 introduced the commonhold tenure whereby the freehold title would be shared by all residents in the block. Commonhold failed as it was not made compulsory for new developments and require the agreement of all leaseholders in a block to transfer to this tenure. In practice this was impossible to obtain. The Committee were anxious to see commonhold becoming the primary model of the ownership of flats in England and Wales, as it is in many other countries.

The Committee were concerned that leading developers had in the past sought to use their dominance to exploit customers through the imposition of onerous ground rents. They were also disappointed that leading developers were unwilling to respond to their requests for more information as to the number of leasehold properties sold with ground rents exceeding 0.1% of the value of the properties.

Leasehold houses

There has been much press coverage of volume builders such as Persimmon and Taylor Wimpey building houses with leases. Some of these properties were sold with dodgy freeholds to third parties. The influential Leasehold Knowledge Partnership estimate that there are 100,000 new build leasehold flats and houses that are unsellable due to onerous ground rent terms. Government figures in 2015/6 estimate that there were 1.4 million leasehold houses and 2.9 million flats. The fact that there are over one million leasehold houses tend to reflect the high profits of leading developers. There is a little need for leasehold houses unless the freeholder wants to use such properties for income generation purposes.

Government response

On 28 March 2019 the Government announced that 40 leading developers had signed a non-statutory "pledge" to crack down on toxic leasehold deals. Developers will contact current leaseholders with ground rents that double more than once every 20 years and offer them a ground rent linked to RPI. The pledge will not apply to leaseholders who have sold at a loss to get out of this mess. Nor will it apply where the ground rent has been sold on to a third party.

Political implications

Labour politicians cannot afford to ignore the issue. The Government estimates that in 2015/6 there were 4.3 million leasehold dwellings in England. This equates to 18% of the English Housing Stock. In the same period there were 1.4 million leasehold houses and 2.9 million flats. These figures contrast with 4.5 million private rented households and 4 million households who rent from either a local council or a housing association. (See English Housing Survey Headline Report 2017- 18). Labour Housing Group needs to think about how this issue should be addressed. I am willing to lead a study group on this issue. Please contact me at dermotmckibbin@btinternet.com. We need come up with ways to persuade the leader's office to take this issue more seriously. We need to reflect on why this issue is not discussed in labour circles and how this can change. The shadow housing team election briefing for the May elections highlighted a number of leasehold issues. LHG should discuss how this work can be supported.

For more information see:

<https://www.parliament.uk/business/committees/committees-a-z/commons-select/housing-communities-and-local-government-committee/inquiries/parliament-2017/leasehold-reform-17-19/>

Dermot Mckibbin (dermotmckibbin@btinternet.com)

Social rented housing: back at the heart of the debate.

At the launch of Shelter's Housing Commission report in January it was intriguing to hear the contribution from one of the Commissioners, **Baroness Sayeeda Warsi**, a former chair of the Conservative Party. She was very frank that the experience had changed her previously 'ideological view' of housing and challenged her belief in the small state. Her mind had been changed, she said, 'by the evidence' given to the Commission.

For her, and the several other conservative-leaning members of the Commission, to support a huge social house building programme – more than 3 million over 20 years – represents an important shift in thinking on the right of centre.

Another Commissioner, former **Labour Leader, Ed Miliband**, frankly admitted that he had not been strong enough in his advocacy of social housing at the 2015 general election. This is a theme he developed in an excellent speech at the 2019 Labour Housing Group AGM. "Politics has become so depressing in the UK in recent times that it is all too easy to miss an important shift in attitude on housing - provoked, I believe, by appalling events of 14 June 2017 at Grenfell Tower. Several Commissioners had connections with Grenfell and Notting Hill, which is reflected in the strength of feeling behind many of the recommendations."

It will be interesting to see, in the Tory leadership election, how many, if any, of the candidates take Warsi's more progressive view. I suspect not many because it will be race to the right, so it falls to us on the left to make sure that a big programme of social rented housing stays on the agenda and is reinforced.

The Commission's report is well worth a read and brings the evidence and the facts together in a hard-hitting way. At its core it makes the economic case for investment in social rented homes, based on a detailed analysis by Capital Economics which has been published separately and can be read by following the link. Capital Economics also did the detailed analysis used by the SHOUT campaign for social housing which helped shock a complacent housing establishment out of its cosy relationship with the Tory agenda. Although there is a net cost in public spending in the short term, in the medium to long term social rented homes produce huge savings in benefits that more than offset the initial building cost.

So, Shelter's Commission recommends and models building 3.1 million social homes over 20 years. Different assumptions lead to different numbers, but the argument exposes the failure of 40 years of policy which has involved the catastrophic switch from spending on investment in new genuinely affordable homes towards providing means-tested help to people to enable them to purchase homes at or near market prices.

The Shelter report shows how the additional cost of the investment, estimated at an average of around £10.7 billion per year, is substantially offset even at the start by reductions in the costs of benefits, economic growth, spin off savings in health and other services, and increases in productivity, bringing the estimated net cost down to an average of around £3.8 billion per year. This is almost insignificant compared to the vast sums being spent by the Tories now on propping up the private housing market. Their proposed huge programme would increase public sector net debt by 2%, a relatively trivial amount given the huge increase in human wellbeing that would flow from that programme.

The report proposes many other changes which are worthy of debate: a new system of consumer regulation to protect all renters (social and private), major changes to enable the enforcement of standards, and a transformation in the ability of tenants to make complaints and have them resolved. There are recommendations to improve tenants' ability to make their voice heard, with tenant panels, independent tenants' organisations and a revived national tenants' voice organisation. It also makes some detailed proposals around planning, including reforms which would make land available at a fairer price and enable planning authorities to obtain a bigger planning gain contribution from private development.

I'm not convinced by all the proposals (notably one regulator for social and private housing, because they are so different, it doesn't deal properly with the issue of rent, and it is weak on the need to reinstate security of tenure) but the precise proposals are secondary to the overall drift and impact of the argument.

Five years ago, the few people left standing that defended social rented housing were mocked as living in the past and not facing up to the modern realities of market-driven housing policy. We were especially derided by some luminaries in the housing association movement who, thankfully, are quieter these days. Social rent is back at the centre of the housing debate, in the mainstream where it belongs. The groundswell in favour of it is vitally important but the next stage is the vital one – because winning the political argument has not yet led to many homes being built.
Steve Hilditch

NB: LHG members should also note that the Smith Institute is supporting The Affordable Housing Commission, chaired by Lord Richard Best. The Commission has a wide brief to look at the causes and effects of the affordability crisis and to come up with some workable solutions.

NB Individuals must be members of the Labour Party and agree to be bound by Labour Party rules and the LHG constitution