

# HOUSING

## A LONG-OVERDUE PROMISE

The Government's 2019 manifesto promised to empower residents, provide greater redress, better regulation and improve the quality of social housing. Their claim is that this will provide a "new, proactive consumer regulation regime".

The Social Housing Regulator (SHR) will be tasked with putting safety, transparency and energy efficiency at the heart of their work. To achieve this:-

- The SHR will have powers to set competence and conduct standards for the staff of Registered Providers (RPs) of social housing.
- RPs will have to designate a lead for health and safety.
- The Secretary of State will have power to introduce new electrical safety checks.
- The RSH will be able to direct RPs to collect and publish performance information.
- RPs will have regular inspections.

So far, there is support from The National Housing Federation, London Councils and the Local Government Association (LGA), as well as representatives of the survivors and bereaved families from the Grenfell Tower fire and the housing charity Shelter.

### **Labour's Shadow Minister for Housing and Planning,**

Matthew Pennycook, told the House of Commons Public Bill Committee on 22<sup>nd</sup> November that the *Social Housing Regulation Bill* was uncontroversial and that Labour's main regret was that the Government had taken so long to bring forward the Bill.

However, he added, a number of important amendments were needed to make sure the Bill would be effective. Key among these were measures to ensure that rogue landlords did not take advantage of loopholes relating to *exempt and temporary accommodation* to provide minimal support to tenants but at great cost to the taxpayer. (He gave examples of three providers received that received £159 million in housing benefit payments for 16,370 market rent properties.)

Labour was also clear that its proposals did not seek to broaden the regulatory framework in a way that would overburden the Regulator.

**Labour's priority was for this Bill – suitably amended – to become law as soon as possible along with the *Supported Housing (Regulatory Oversight) Bill*.**

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# SHAPING LABOUR'S NEXT MANIFESTO

The Labour Party is starting to get its policies ready for campaigning in the next General Election (soon, we hope!). The NEC has agreed a timetable:

**30<sup>th</sup> January:** consultation documents to be published

**5th March:** closing date for members' responses to LHG Executive

*17th March: closing date for LHG Executive responses to the Labour Party*

**NEC July:** final discussions about any policy differences

LHG Executive Committee has agreed to consult our members as part of that process, so you can expect to hear from us once we receive the documents relevant to the housing field. You can, of course, respond separately, but we will send in an LHG response based on what members, including the Exec Committee, see as the most important points to make.

In December we sent out a first stage of this, to respond to a request from Lisa Nandy to help her to build regionally distinctive policies. This is something LHG has been pushing for some years, so we said we would be very pleased to ask our members for their views on what would make most difference in their areas.

To date, we have some clear views on policies needed in very different places across the country. We'll summarise the key points for members as best we can. **But if you've missed the boat on this survey, do include regional needs when you respond to the wider Labour Party consultation.**

## HOUSE PRICES FALL ACROSS UK

The Nationwide and Halifax banks are reporting near-identical figures for house prices as well as very similar forecasts for the coming year.

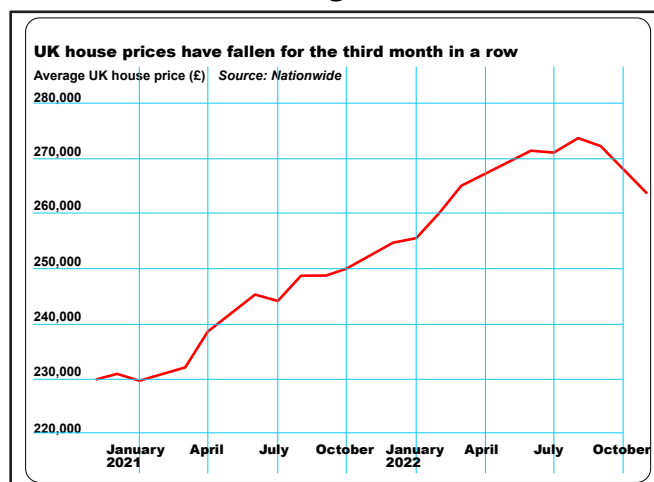
These two major lenders often differ subtly but are now singing from the same hymn book.



Nationwide's house price index showed the price of an average home dropping 1.4% to 263,788 in November, a bigger drop than October's fall of 0.9%.

**This was the third monthly decline in a row and the biggest drop since June 2020.**

In October inflation hit 11.1%, its highest level



since 1981. Nationwide said that soaring bills for energy and food had reduced UK households spending capacity. More people had been priced out of the market and

needed to borrow more money to buy a home.

Halifax said that the annual rate of house price growth had slowed to 4.7%, down from 8.2% in October.

Wales and the south-west experienced the biggest cool-down, after being the hot spots of house price inflation during the pandemic.

Apart from the north-east, the annual rate of growth slowed in all areas of England and there were similar slowdowns in

Northern Ireland, Scotland and Wales.



# EXEMPT ACCOMMODATION COSTS OUT OF CONTROL?

The Government's Local Housing Allowance (LHA) sets a cap on funding for local authority shared housing of under £60 per week. Outside this limit lies "Exempt Accommodation" (EA) which is often used for people such as prison leavers, rough sleepers, refugees and others for whom there are few alternative housing options.

Although exemption only requires some supervision, care and support to be provided to claimants, there are examples of EA providers charging more than three times the basic, i.e. LHA capped, rate.

EA claimants are often placed in Houses of Multiple Occupation (HMOs), larger properties converted to house, say, six people each able to claim £200 per week. In return only "more than minimal" care and support is required.

Where the provider is approved by the **Regulator of Social Housing (RSH)**, the funding comes 100% from the *Department for Work and Pensions (DWP)* but otherwise falls to the local authority.

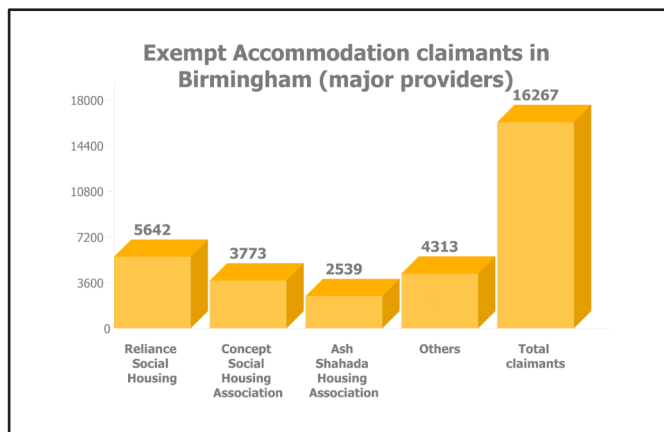
Under the most common model for Exempt Accommodation housing associations, charities etc rent homes from managing agents that provide the home and services, with the housing association retaining some of the funding.

## Growing cost, reducing value for money

*Inside Housing* magazine has revealed the astonishing growth in the number of Exempt Accommodation claimants in Birmingham, from 3,679 in 2014 to more than 22,000 in 2021.

One of the reasons for Birmingham's situation is that, due to its industrial legacy, the city has many large Victorian homes that can easily be converted into HMOs.

Three quarters of this provision is concentrated in just seven organisations, all of which have now been deemed non-compliant by the RSH and two of which no longer provide EA.



## National issue - Government intervention?

The problem is not just Birmingham's but a national one. Freedom of Information requests have revealed an increase of EA in most major cities between 2015 and 2018. For instance, Liverpool saw a 42% increase (3,250 to 4,640), Leeds an 18% increase (1,990 to 2,350), and Sheffield's numbers rose by 146% (630 to 1,550).

The *Department for Levelling Up, Housing and Communities* has funded pilot schemes aimed at improving standards in Birmingham, Blackburn, Blackpool, Bristol and Hull, while Birmingham recovered £3.6 million of housing benefits from EA providers.



*Following widespread consultation, Birmingham City Council is clear that local authorities must have the ability to control the growth in exempt or supported housing, the funding to ensure that vulnerable tenants get the help and support they need and the powers to close down bad providers.*

*BCC calls upon the Government to back the Supported Housing Bill proposed by Bob Blackman, MP for Harrow East or to commit Parliamentary time to new legislation.*

# CLIMATE CRISES WORLDWIDE

## BUDE, CORNWALL

Those parts of the world that are at or near sea-level face an uncertain future, whether they be on the UK coastline or in the Indian or Pacific oceans.

The whole Cornish coast is judged by the Environment Agency to be highly sensitive to sea-level rise, but Bude is considered to be the most sensitive of all. The NGO *Climate Central* has shown the town and surrounding area under serious threat from sea level rises by 2050.

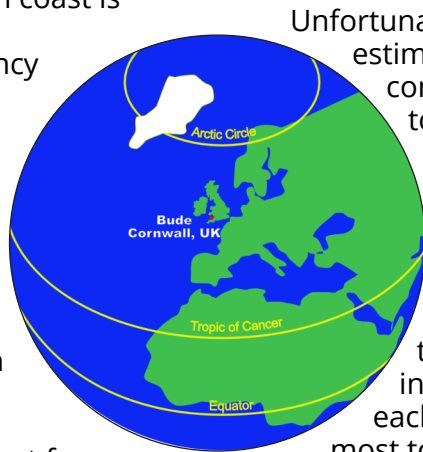
As Robert Uhlig, the founder and programme director of the *Bude Climate Partnership*, says:

***"We're the UK's Maldives: idyllic and beautiful, but facing an existential and imminent threat to our way of life due to climate change. We're highly exposed to the physical impacts of climate change like few other places in the UK; record temperatures in the summer; destruction of our community assets by winter storms. Our vulnerability is exacerbated by social and economic challenges as the most isolated community in Cornwall."***

Bude's homes are significantly older and less energy-efficient than the UK average, but it also has substandard access to

public services and the highest rates of rural child poverty in Cornwall.

Tourism is a mixed blessing that is vital because more than 70% of local businesses and 40% of jobs are dependent upon it.



Unfortunately, it is estimated to contribute towards 50% of Bude's carbon emissions due to the million-plus visitor nights that are spent in the area each year, with most tourists arriving by car.

(Some) help is on its way

The UK National Lottery's climate action fund, has awarded £2m to Bude and the neighbouring parishes to adjust to the impacts of climate change.

The project's aim is to help businesses and individuals recognise vulnerabilities and devise responses.

*(The National Lottery is contributing towards £100 million being given to local climate action groups across the UK over the next 10 years.)*

## MALDIVES, INDIAN OCEAN

The Maldives are comprised of a chain of 26 "coral islands" about 750km south-west of India and Sri

Lanka that lies across the Equator.

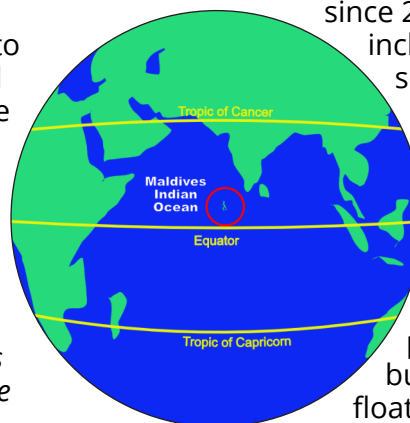
Its population is around 550,000 making it the smallest Asian sovereign state. Fishing is its most important industry apart from tourism which has only become significant since the 1970s.

Its 1,196 islands are severely threatened by climate change as most are low-lying.

It is widely feared that a rise in sea-level would completely cover this Indian Ocean nation of 1,196 small islands within the next 30 years.

The densely populated capital, Malé, is particularly threatened because it is on a small, low-lying atoll. It is increasingly reliant on expensive engineering solutions.

The government has been actively seeking solutions since 2008,



including seeking to become a low-carbon economy, reclaiming land and even considering proposals to build 5,000 floating homes.

As the Maldives President Mohamed Nasheed has said ***"We do not want to leave the Maldives, but we also do not want to be climate refugees living in tents for decades"***.



# PASSIVHAUS ACTION

There is good news from Norwich concerning the Goldsmith Street “passivhaus” project.

This council-owned development consists of 93 energy-efficient homes spread across 7 blocks aligned in 4 simple rows, making it the UK's current largest residential passivhaus development.

All the new homes, a mix of 2-4 bed houses and 1-3 bed flats, will be let for social rent through Norwich Home Options.

This is very encouraging but far from typical. If you search the Internet for “Passivhaus”, you will see dozens or even hundreds of photos of large, beautiful detached houses, many with impressive credentials as regards combating climate change.

There are occasionally examples of short terraces or public buildings, but very few appear to address the needs of the average urban dweller.

## BUT WHAT ABOUT THE COST?

Published documents almost invariably report that passivhaus construction is more expensive than conventional construction but generally argue that longer-term savings in fuel costs offset this.

The Goldsmith Street architects, Mikhail Riches, are confident that economies of scale and careful design mean that “cost is no longer a barrier”. (They claim that construction costs at £1875/m<sup>2</sup> are in line with the average for the country.)

With the current greatly increased cost of heating, this will almost certainly favour passivhaus-style projects, but it will also give local authorities and other social housing builders the increasing headache of rising up-front costs.



## WHAT IS “PASSIVHAUS”?

‘Passivhaus’ is a strict set of building construction standards designed to maximise energy efficiency.

The Passivhaus-Institut was founded in Darmstadt, Germany, in September 1996, to promote and control these standards.

To date, the vast majority of these buildings have been built in German-speaking countries and Scandinavia where existing building standards are already much higher than in the UK.

# SWEDEN'S 'MILJONPROGRAMMET'

The Swedish **Social Democratic Party** ran an ambitious "*Million Homes*" house-building programme between 1965 and 1974 that built 1,006,000 new dwellings.

The circumstances were favourable. Sweden's neutrality in WW2 meant it had not suffered the wartime losses of labour, materials and machinery of the combatants. An economy formerly based largely on agriculture was quickly industrialising and workers were attracted to the main cities creating demand for new homes.

The initial cost of homes designed for the lowest-income group, were two-thirds funded by the state, to be repaid over thirty years. The government also provided subsidies to building companies to begin work on homes for students, blue collar workers and immigrants.

Many older buildings that were considered unhealthy or derelict were demolished. The net impact of the building programme was an increase of 650,000 new apartments and houses financed through property taxes, with a general rise in housing quality.

## Social aims

Municipalities were empowered to appropriate land and build outside their own immediate area. The experience of "new towns" such as Vällingby influenced the programme. One of the main aims behind the planning of these residential areas was to create "good democratic citizens". The means of achieving this were to build at high quality with a good range of services including schools, nurseries, churches, public spaces, libraries, and meeting places for different groups of households. A main aim was to create mixed neighbourhoods.

Although most of the apartments were of the standard two-bedroom type offering 75 m<sup>2</sup> (810 sq ft) living space and intended for a family of two adults and two children, student accommodation was also built, notably in "university cities" such as Stockholm, Lund, Uppsala, Linköping and Umeå. These generally comprised 1-bedroom, 1-bathroom and a shared kitchen.

## Design

Criticism is often directed at tower blocks built with concrete as visible building material. Typical complaints related to dull architecture, large-scale buildings and poor outdoor environments.



Yet only one third of the programme's apartments fitted that description. The remaining two-thirds were lower apartment blocks and areas with single-family houses.

## Lettings

Ownership of the apartments was leased out to "housing companies" like Heimstaden AB who rented it out at below market rates with the rents being subsidised by the government.

## Lessons for the UK

Sweden's population is only 16% of that of the UK, while its land area is 80% greater. Overall, the UK's population is ten times denser than Sweden's. The scale of the *Miljonprogrammet* was huge for a population of only 10 million.

Politically, there probably hasn't been as much public support in the UK for a house-building programme in 50 years.

Economically, the echoes are sadly closer to that which confronted the UK's Addison Act home-building project of 1919, which suffered significant shortages of labour and materials.

Not all of the promised funding was ultimately made available and only 213,800 homes were built under the 1919 Act itself.

However, under successive Housing Acts between 1919 and 1939, local authorities did manage to build a total of 1.1 million homes.

# JAPANESE HOMES

Houses in Japan are more modern than those in the UK and largely made of timber. The Japanese government's data in 2003 showed that houses are scrapped at around 30 years on average compared to 77 years in the UK (2001 data ).

There are several reasons for the short life of Japanese houses. For example, in Japanese cities, many houses were destroyed during WWII and the quality of houses built after the war was poor due to the economic difficulties.

Also, humidity and natural disasters have accelerated the deterioration and replacement of houses.

Japanese people appreciate new houses. Some houses, which could be refurbished, may be scrapped and replaced.

As lifestyles changed, the traditional, open-plan Japanese style of housing moved towards more western-style small rooms.

The same official data from 2003 showed that 60% of Japanese houses were built after 1981. Since then new housing regulations have been applied that require stricter earthquake proofing measures. (I have assumed that some houses older than 1981 were demolished, rather than strengthened.)

Nationally, in 2008, 61% of houses were privately-owned; 4% of households were living in public rented houses and 27% were living in private rented houses .

As the oldest wooden building in the world is Horyu-ji temple, in Japan there is clearly the technology to create houses that would last for centuries. Famous old temples were built with good materials, well-structured and are properly maintained.

On the other hand, Ise Jingu, one of Shinto's holiest and most important sites, is completely re-built every 20 years. This is because there is a belief in Shintoism that spirits in the shrine move every 20 years and they like something new.

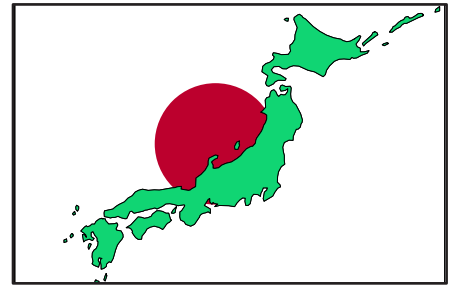
This may influence people's preference for something new. Also, the regular scrap-and-rebuild system allows shrine builders to pass on their knowledge to the

following generations.

Since the late 1960s, many private houses have been built in and around the cities by developers to accommodate wage workers and new families. My mother's house, was built in 1971-72 and was one of them. It has a wooden structure and seismic protection was retrofitted in 2020, with 33% of the costs being funded by the municipality up to a cap of 1 million yen (£6k). I have heard all the municipalities have a similar scheme, but the capping can be lower.

I find the difference between the UK and Japan very interesting. How people live seems to be influenced by many things, including history, politics, economy and culture/religion.

Keiko Okawa.



Japan is a very densely populated urban country and about three-quarters of its land area is mountainous. Its population of 123.2 million lives mainly on the narrow coastal plains of its five main islands. Its climate is predominantly temperate, but varies greatly from north to south. The main rainy season begins in early May, while typhoons often bring heavy rain and increasing temperatures in late summer and early autumn. The highest temperature ever measured in Japan of 41.1 Celsius was recorded on 23rd July 2018.



Japanese social housing



# HYDROGEN: NO PANACEA

The use of hydrogen to replace natural gas for heating is being explored but is unlikely to be a quick or universal solution.

Hydrogen may be the most common element in the universe, but it rarely exists in a readily usable form without significant processing.

The first issue is “How is the hydrogen produced?” The most desirable process, known as **Green Hydrogen** uses electricity from renewable sources such as solar, wind or hydro-electricity to extract hydrogen from water.

***But why would you not use such electricity to, say, heat homes directly rather than create hydrogen?***

The **Blue Hydrogen** process uses natural gas\* to produce hydrogen but also makes carbon dioxide as a by-product that needs to be captured and sequestered (stored indefinitely). It might be used to supplement Green Hydrogen in an all-hydrogen system, but is not a satisfactory solution for climate change.

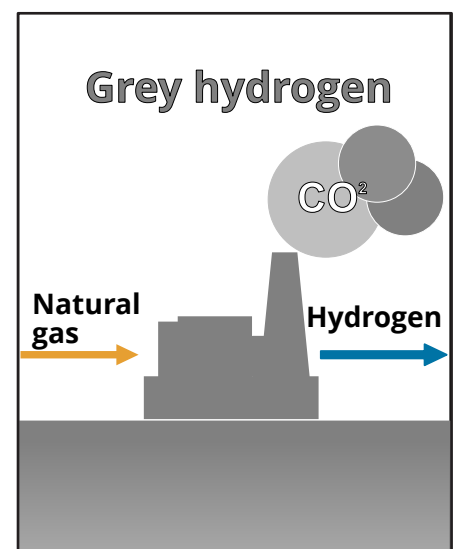
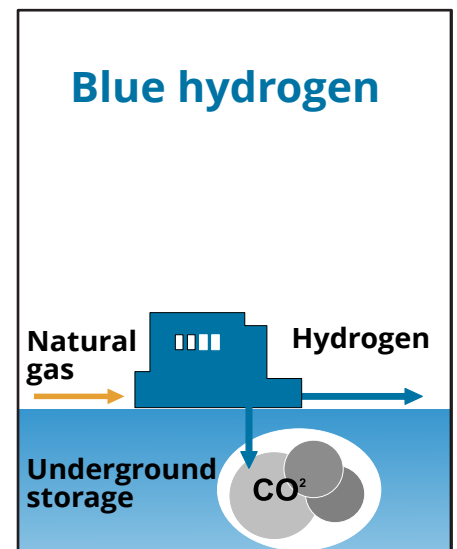
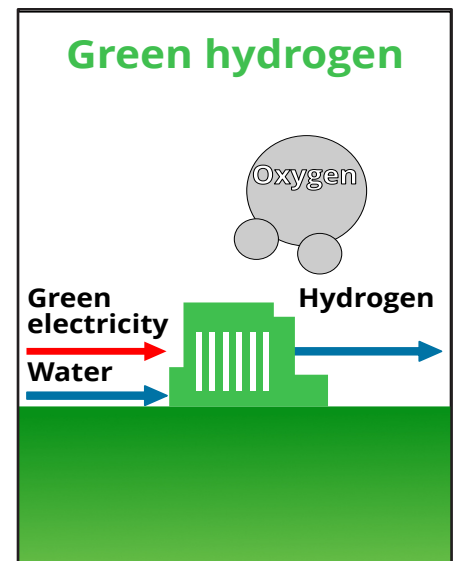
The **Grey Hydrogen** process makes no pretence of being green and just releases carbon dioxide into the atmosphere.

If it is not properly managed, hydrogen explodes more readily and gives off more heat than natural gas. Although it has different characteristics to natural gas, domestic appliances can often be converted to use it,. However, this is probably more likely in buildings with modern infrastructure than, say, in Victorian streets.

There are uses for hydrogen in industrial processes and it can be liquefied and transported.

*\*Mainly methane with traces of carbon dioxide, nitrogen, hydrogen sulphide and helium.*

*Natural gas is colourless and odourless, so smells like sulphur or rotten eggs are added so that leaks can be readily detected.*





# The Housing (Financial Provisions Act) 1924 a.k.a. The Wheatley Act

**“The first Labour Government's greatest achievement”**

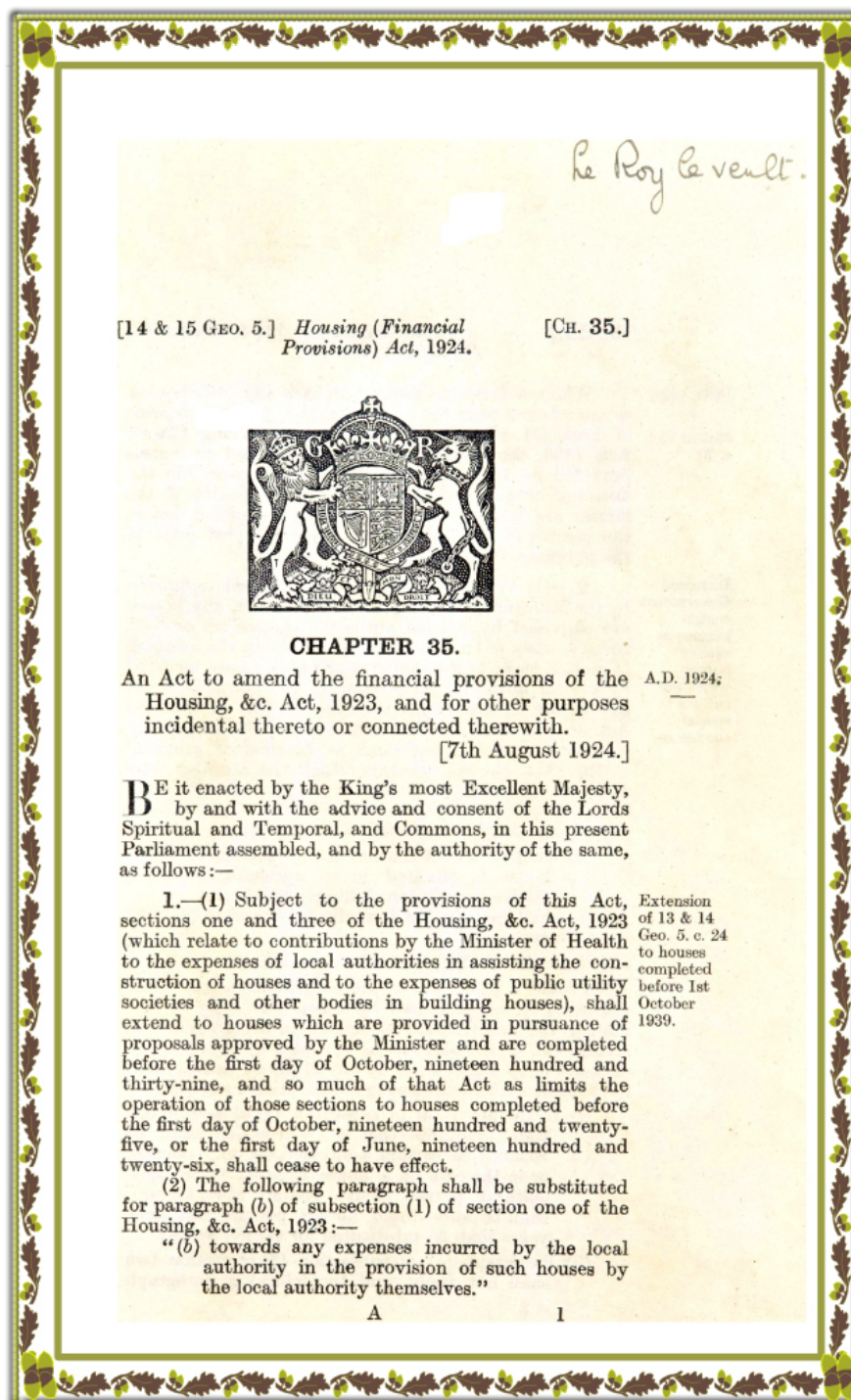
The **Housing (Financial Provisions Act) 1924** was not the first major public housing law of the 20<sup>th</sup> Century.

That honour goes to the **Housing, Town Planning, &c. Act 1919 (“Addison Act”)** which provided subsidies for local authorities with the aim of building 500,000 “Homes fit for Heroes” within 3 years.

Unfortunately, in July 1921 the programme was limited to houses on which construction had started or for which tenders had been approved (176,000 in England and Wales).

Labour’s Health Minister John Wheatley clearly learned from the earlier attempt and his focused Act was perhaps the only triumph of that first Labour administration which fell the same November.

Wheatley died in 1930 and this legislation could rightly stand as his memorial.



# LEASEHOLD REFORM AND LABOUR

The Labour Party nationally needs to address the housing issue facing 4.86 million leaseholders that live in England and Wales, according to the House of Commons Library briefing "Leasehold and Commonhold Reform"<sup>1</sup>.

**Leaseholders, who are described as 'owner-occupiers', do not in fact own any property. They are just entitled to live at their address for the duration of their lease.**

**Once their lease runs out, they become mere tenants if they do nothing and lose any equity they may have built up.**

This feudal leasehold system was exported throughout the British Empire's colonies. It was not unpopular and nearly all the English-speaking world has done away with it in favour of a system where the ownership of the property is shared between residents.

## The 2002 Law

The Blair Government introduced the **2002 Commonhold and Lease Reform Act** whereby residents would have a share in the *commonhold association* that owned the freehold title of the property.

**Unfortunately, the Act failed as it did not make commonhold compulsory for new buildings and made it too difficult for existing leaseholders to convert to commonhold.**

The Act did allow leaseholders to set up popular right-to-manage companies which enable leaseholders to take over management functions from their freeholder. This should result in lower service charges as there will be no third-party interests to fund.

The *National Leasehold Campaign* and the *Leasehold Knowledge Partnership* campaign to expose the current problems of a) high service charges and b) developers selling freeholds

over the heads of leaseholders to third parties, a practice known as 'fleecehold'.

Under the Conservative Government some leaseholder concerns have been addressed. For instance, the Law Commission has worked up proposals to reinvigorate commonhold and to reform the right to manage. Leaseholders have welcomed these proposals.

However, the Tories have been unwilling to implement such proposals.

Additionally, the leasehold system does not favour measures to combat climate change, as the freeholder in most cases can refuse consent or charge for such consent<sup>2</sup>.

## Campaigning

Although Labour's Front Bench have been strong advocates of leasehold reform, the issue is seldom discussed at Labour Party Conference and recent Labour Party discussions on increasing home ownership have not mentioned leasehold reform and commonhold.

It would be helpful if the Labour Party would send a briefing on this issue to all Constituency Parties and encourage Labour Groups to pass resolutions on leasehold reform and commonhold in their local councils.

Labour activists who are interested in this area should look at <http://getcommonholddone.co.uk/> for more information or contact me for a model resolution.

Dermot McKibbin ([dermot@dermotmckibbin.com](mailto:dermot@dermotmckibbin.com)) LHG Executive member

<sup>1</sup> This briefing, dated 22 December 2022, also contains a useful spreadsheet showing which constituencies contain the most leasehold properties.

<sup>2</sup> For more details here see Professor Susan Bright's work at [www.law.ox.ac.uk/futureproofing-flats](http://www.law.ox.ac.uk/futureproofing-flats).



Dermot McKibbin

## LHG EXECUTIVE 2022-2024

*Elected at the AGM on 12th March 2022 for the two years to 2024.*

### Executive members

Andy Bates (co-opted)

Janet Berry

John Bevan (co-opted)

Rachel Blake

John Cotton

Ed Derrick

Gerard Heffey (co-opted)

Ross Houston

Heather Johnson

Paul Martin

Dermot McKibbin (co-opted)

Amanda Pinnock

Sheila Spencer

Christopher Worrall

## WHAT IS THE LABOUR HOUSING GROUP?

The Labour Housing Group is a lobbying group that is affiliated to the Labour Party and dedicated to the development of a socialist housing policy.

You can contact us at <http://labourhousing.org/contact> and join us at <https://labourhousing.org/membership/>

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

# WELCOME ABOARD!

**Regional Branches of Labour Housing Group are a great way to develop local and regional policy ideas.**

Our branches in the South West, North West, North East, London and Parliament meet with policy experts, hold policy days and campaign days and prepare manifesto ideas.

All LHG members living in the **West Midlands** will be invited to the launch of the new branch in February.

If you are from the **East of England** or the **East Midlands**, please do get in touch as we hope to set up branches for these regions soon.

Rachel Blake (Vice-Chair LHG)

You can contact us at <http://labourhousing.org/contact>

**For readers new to housing policy issues, *Labour Housing Group* publishes a series of short guides aimed at a wide readership.**

Our published **Briefings** on current topics include *Homelessness, Rough Sleeping, Affordable Housing, Private Renting Sector, Rural Housing* and *Leasehold Reform*.

They can be found at: <https://labourhousing.org/resources/lhg-briefings/>

**The latest edition covers *Council Homes*.**

If you would like to contribute, please email our Policy Officer, Paul Martin at [pauljmartin@clara.co.uk](mailto:pauljmartin@clara.co.uk).

*Opinions expressed here are not necessarily those of the Labour Housing Group.*

