

HOUSING

SHUFFLED OUT OF SIGHT!

Once again, Housing policy drops off the Tories' agenda.



In Rishi Sunak's November reshuffle Rachel Maclean, the Minister due to take the **Renters' Reform Bill** through Parliament was sacked in favour of the infamous "*why not do nothing?*" Lee Rowley.

The split between those Tories who believe that housing needs reform and those who are in the pocket of landlords and developers is now clearly visible to the naked eye.

The likelihood is that, having steeled himself to defy the anti-migrant faction by sacking Suella Braverman in this reshuffle, Sunak has ducked opposing the money-men.

No doubt Incoming Lee Rowley can be counted on to drag his heels regarding the Renters' Reform Bill, currently at its Report Stage.

A BUDGET FOR EVERYONE

**BENEFIT
CUTS
FOR THE
POOR**

**TAX
CUTS
FOR
THE
RICH!**

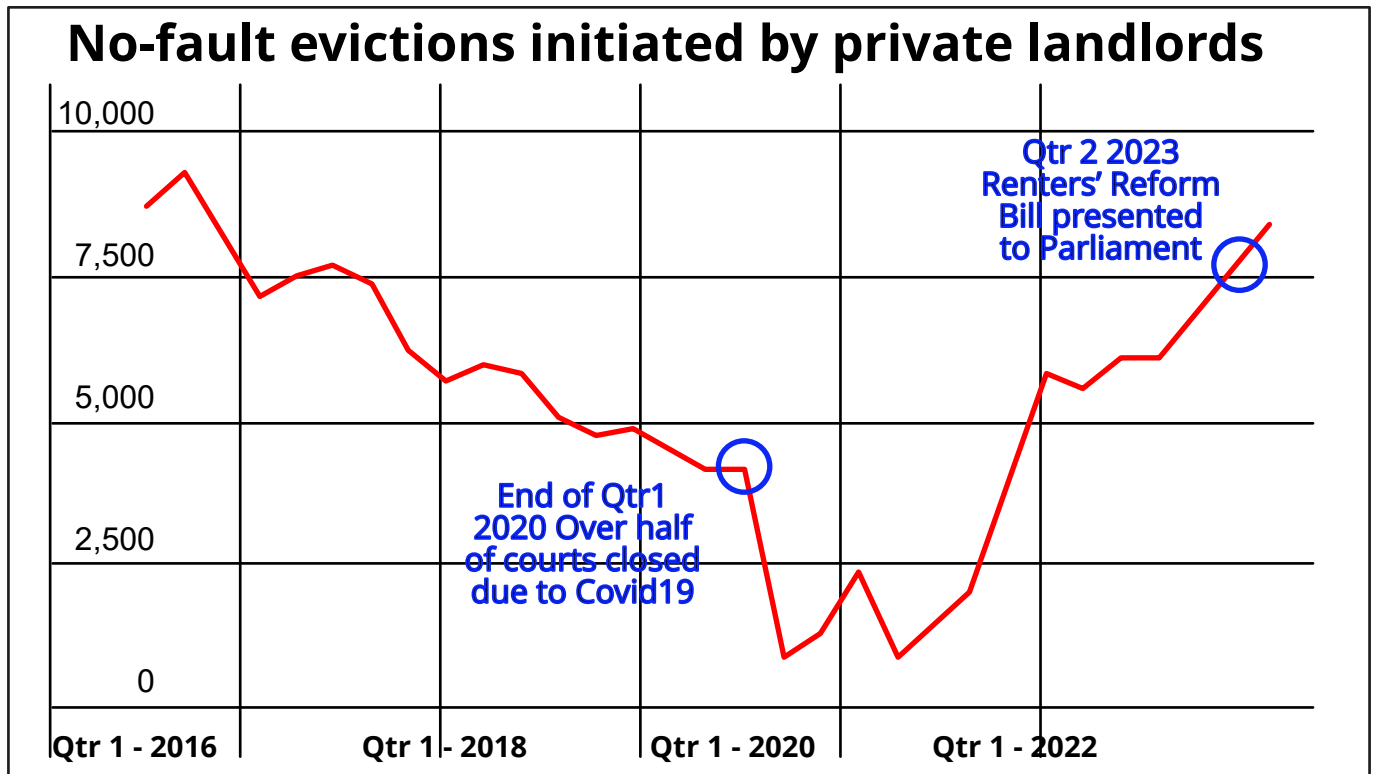


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"NO FAULT" EVICTIONS SOAR

Since July this year, more landlords have taken private renters to court to claim possession than at any time in the past seven years.



The number of these Section 21 eviction notices delivered by landlords has jumped by 38% on the previous year.

The result has been a shocking surge of evictions of tenants who have done nothing wrong.

Despite promises made in 2019, the Tories now claim that the courts are not ready to handle a new system.

Landlords claim they use section 21 evictions because they say it takes an average of almost 29 weeks for courts to process other types of possession cases.

The homelessness charity Crisis said it feared the delay could now "take years". Yet, if the courts are inadequately resourced, the Government has only itself to blame.

Ministry of Justice figures show the number of no-fault evictions taken to court in England rose to 8,399 from July to September.

Although the court threat is often enough for tenants to quit, bailiffs went ahead and executed 2,307 section 21 evictions in that period – the most since before the pandemic.

Polly Neate, the Chief Executive of Shelter, said: ***"It beggars belief that this government is prepared to use cynical tactics to delay the banning of no-fault evictions, while record numbers of renters are being removed from their homes without cause."***

RENTERS REFORM - FALLING FROM A GREAT HEIGHT

For no clear reason, Rachel MacLean was sacked on 13th November. She had been appointed by Rishi Sunak in February as the sixth Minister of State for Housing and Planning in twelve months.

It's fair to say MacLean hadn't been a Sunak enthusiast, having first backed Sajid Javid, then Kemi Badenoch and finally Liz Truss in the July–September 2022 Conservative Party leadership election.

But why sack her now? Perhaps because she was due to be the Minister taking the Renters' Reform Bill through Parliament. **In her absence, the legislation was introduced to Parliament without the text that would outlaw leaseholds!**

This was explained as a behind the scenes cock-up. The Daily Mail said Ministers were "red-faced", though the only honest blushes would have been those of Michael Gove.

And that's because the Tories are split between Gove, who recognises the need to reform an appalling housing market and "traditionalists" i.e. landlords, developers etc.

They just want the gravy train to keep filling their pockets – which is what this "slip" will permit, possibly for the rest of this Parliament because they seem to be winning all the key battles.

We are told that the omission will be remedied through later amendments, *but would you like to bet against there being further sabotage?*

For that is almost certainly what Maclean's dismissal was.

WHAT IS THE RENTERS' REFORM BILL?

"A Bill to make provision changing the law about rented homes, including provision abolishing fixed term assured tenancies and assured shorthold tenancies; imposing obligations on landlords and others in relation to rented homes and temporary and supported accommodation; and for connected purposes."

STOP PRESS! A separate leasehold *Leasehold and Freehold Reform Bill 2023-4* was published on 7th December.



MORE BLUE ON BLUE ACTION FOR XMAS?

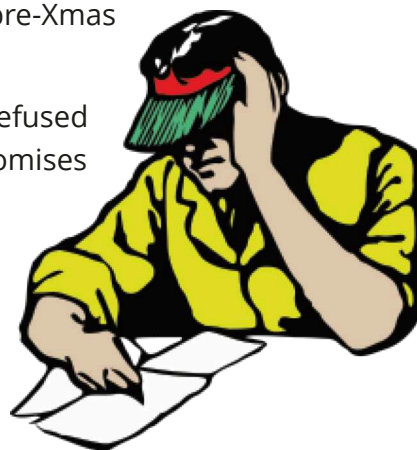


All of a sudden, it looks as though the prime pre-Xmas sporting event will be Tory-on-Tory action.

The sudden departure of Robert Jenrick who refused to see the Rwanda Bill through Parliament, promises even more is on its way.

It's not too difficult to imagine the Brexit Bruisers lining-up to take on Rishi's Rogues on the green benches of the House of Commons.

Just as long as Labour supporters don't get over-confident...



GATESHEAD - CARBON CUTTING PIONEERS

Cutting Carbon Emissions in Gateshead

Decarbonisation is one of the biggest challenges facing the country and more than 20 per cent of all carbon emissions in the UK comes from domestic properties. At a time of tight budgets, the social housing sector still needs to find money to invest in low carbon technologies without burdening tenants already struggling with the cost-of-living crisis.

Heat from minewater

One of the ways that we have managed to square this circle in **Gateshead** is by using underground water from abandoned coal mines to heat homes, businesses and venues in the town centre. It is one of the largest schemes of its type in Europe.

The irony is real – the coal industry, which did so much to contribute to carbon emissions and climate change, is now helping produce low carbon heat.

Like many former coal mining areas, Gateshead sits on top of hundreds of tunnels dug to extract coal from deep underground. Since production stopped, those mine workings have flooded and the water in the mineworks maintains a constant 15°C temperature.

We use a water source heat pump to extract that water from 150 metres underground, compress the liquid so we can extract higher levels of heat and then pipe hot water around Gateshead's underground network.

Sharing the power

We also have a private wire network that provides power. The scheme is powered by a nearby solar park and replaced the gas engines that used to heat the network. It heats and powers a range of different buildings, including Gateshead College, the Baltic Arts Centre, numerous council buildings, several office blocks and primary schools.

But just as important are the 350 council tenants currently connected to the scheme, and we ensure that their energy bills are always below market levels.

Additionally, we are developing a scheme to heat a nearby council estate, which consists of two-storey council houses and which will prove more of a technical challenge.

Tenants in the high-rise homes have embraced the scheme, not least because of the savings. Soon we will also connect the scheme to 270 houses being built for sale by one of the country's major housebuilders on a nearby site.

Staying focused

This has only proved possible because we have had a very clear focus on our business case. Schemes of this sort are very long-term in nature and will never return a profit in their early years. But over a 40-year timescale, the business case stands up, paying off debts from early investment and making a decent (projected) return for the council.



The whole is greater than the sum of the parts.

While each individual element may not have been viable by itself, bringing them all together made sure it did (the heat network, the private wire network and battery storage).

Essential partners

It would also not have been possible without support from key partners. The council does wholly own the network, but it needed the involvement of our anchor institutions, such as [the Baltic](#) or the office blocks.



And the mine water heat pump needed the Coal Authority to get on board.

It may be our energy company, but we need others to work with us.

GATESHEAD - CARBON CUTTING PIONEERS



As you would expect, communication with stakeholders, customers and residents is crucial.

There are too many examples of energy companies, of different types, running into trouble whereas ours has survived and thrived. The key, I suggest, has been to focus on the benefits to the customer, and not on the technicalities of pipes and wires and new technologies.

When it is done right, customers will buy into a secure heat and power network which delivers both cost savings and low carbon heat and power.

John Adams

John Adams is Cabinet Member for Housing at Gateshead Council, and a member of the Executive of Labour Housing Group North East Committee.



The North East Labour Housing Group visit the scheme

EMPTY ^{SECOND} HOMES SCANDAL

Empty homes are like missing teeth - they never look good. But there are many reasons why houses may be left unoccupied, some reasonable and others scandalous.

The empty mansions in West London suggest a callous indifference to the plight of the homeless and cry out for state intervention.

In contrast, there are other cases which have followed from the collapse of traditional industries and the subsequent loss of jobs and the closure of schools, shops and medical facilities.

Combined with the absence of reliable, affordable public transport, this can lead to depopulation.

Sometimes it is the land itself which becomes uninhabitable, whether that be due to contamination, subsidence or coastal erosion. It may be very hard indeed to influence the outcome in such situations.

Which makes second homes look easily remediable.

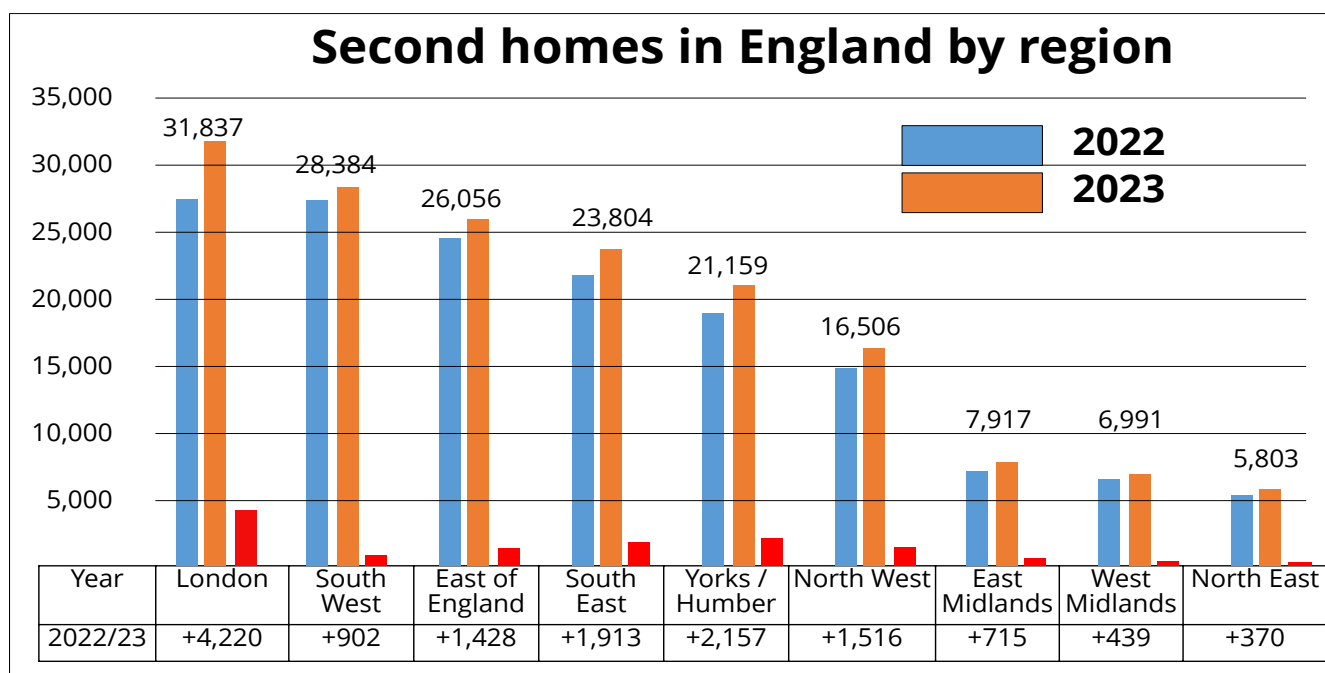
Even homes which are only “empty” for part of the year may have a disproportionate effect on towns and villages if they become largely unavailable to those seeking permanent local homes.

Across England, empty homes form about 2% of the housing stock on average.

But as the chart below shows, in the past year the trend has been relentlessly upwards.

There will be many causes, but an inability to pay will be common among tenants of all types and small landlords affected by tax changes. Rising interest rates will feature in most settings.

Unfortunately, the desperate state of many local authorities close to bankruptcy makes it very hard to see where any remedial action will come from, if at all.



HONG KONG'S SUCCESSFUL PUBLIC HOUSING

Hong Kong was occupied by Japanese forces from 1941 until 1945. The slowly growing colony was boosted by thousands of people fleeing there from China following the 1949 Communist victory on the mainland, creating shanty towns. On 25 December 1953, a major fire in Shek Kip Mei destroyed these makeshift homes, leaving more than 50,000 people homeless.

Alexander Grantham, the Governor of Hong Kong appointed by the UK, launched a programme of mass public housing for the immigrant population living there, providing affordable homes for those on low incomes.

The "low-cost housing" scheme was introduced in 1961 and provided 62,380 homes for up to 363,000 people with monthly household incomes of no more than HK\$600 (about £60 at current conversion rates).

Strategy

Every year, the Hong Kong Government sets a Long Term Housing Strategy for the next 10 years. In 2018 it set a target of 450,000 homes, with 70% being public and 30% private. In 2020 this was reduced to 430,000 meaning 43,000 per year and still with the same 70:30 split. It has been argued that the limiting factor is the supply of land.

The table below gives UK readers some sense of scale. Hong Kong's land area is roughly that of Greater Manchester but with three times the population.

How important is public housing in Hong Kong?

According to the 2006 census, 48.8% of the population of Hong Kong lived in rental or subsidised-sale public housing.

Public housing estates are found in almost every district of

Place	Size (km2)	Population	Density per km2
The Isle of Wight	384	141,538	369
Tyne & Wear	538	1,136,371	2,112
Hong Kong	1,114	7,491,609	6,725
Greater Manchester	1,276	2,812,569	2,204

Hong Kong. Many are built in the 'New Territories', the part of Hong Kong closest to the border with the mainland and which contain around half of the population. The vast majority of public housing is provided in high-rise buildings, often 40 or more storeys high.

Public housing was originally built by the state-run **Hong Kong Housing Society**. Rents and prices are significantly lower than those for private housing and are heavily subsidised by the government from sources such as rents and charges collected from car parks and shops within or near the residences.

The society's functions were taken over by the Hong Kong Housing Authority in 1973. Currently, members are appointed by the Chief Executive of Hong Kong. Hong Kong is also expanding its Home Ownership Scheme, established in 1978. It is part of a wider programme to give public housing tenants an opportunity to buy their homes at discounted rates.



HONG KONG STORY

Hong Kong was established as a colony of the British Empire after the Qing Empire ceded Hong Kong Island in 1841–1842 under the Treaty of Nanking. Subsequently, the colony expanded to the Kowloon Peninsula and in 1898, the United Kingdom obtained a 99-year lease of the New Territories.

From 1941 to 1945 during World War II Hong Kong was occupied by Japan.

A long-running civil war between the Chinese Communists and Nationalists lasted from 1927 until the formation of the People's Republic of China in 1949 when large numbers of people fled to Hong Kong.

Britain administered Hong Kong from 1949 until the whole territory was transferred to China in 1997.

Officially, Hong Kong maintains separate governing and economic systems from that of mainland China under the principle of "one country, two systems", but recent events have effectively eroded the separation of the two systems.

CHINA'S SURPRISINGLY LONG REACH

This is Forest City in Malaysia, planned to provide a million "waterfront" homes abroad for wealthy Chinese.

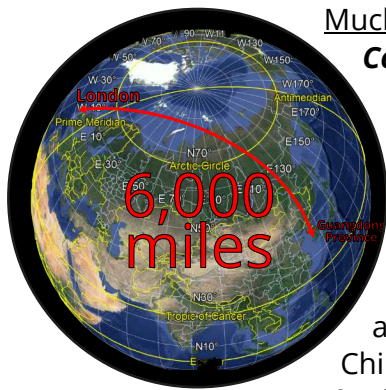
Originally, it was part of China's "Belt and Road" initiative - a way of drawing poorer countries into its sphere of influence through investment and loans.

Yet now it stands virtually empty since President Xi Jinping set a \$50,000 annual cap on how much buyers could spend outside the country. There was also a change of government in Malaysia.

But Malaysia is not the only place to experience the impact of Chinese overseas investors.



This vast waste of labour and materials remains and its huge carbon footprint is still planted firmly in the earth.



Much closer to home, PR firm **11K**

Consulting and property developer **Regal London** have identified where demand from mainland China and Hong Kong has

increased the most.

In the London area, house prices and rents are strongly influenced by Chinese investment. Locations such as Watford, Reading, Surrey and Harrow have

witnessed more interest from these buyers.

Key factors included "*connectivity, close proximity to top schools and universities as well as safety*" to be the top considerations of mainland Chinese and Hong Kong buyers when purchasing homes in the London area.

The [Statista Research Department](#) expects the prime property real estate market in outer London to see a marked increase in demand between 2021 and 2025 when sales are anticipated to rise by 23%, with the highest year-on-year growth expected in 2025 at 5%.

Despite this change of emphasis, "*residential properties in the centre of London remain sought-after as long-term, safe investments*".

[Source: [Property Investor](#)]

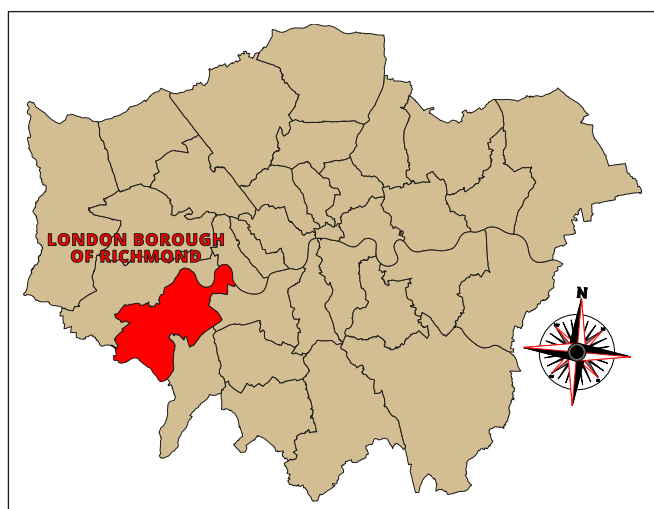
So there will be no let-up any time soon in the competition for an already inadequate supply of homes!



TWICKENHAM RESIDENTS COOL RE HEAT PUMPS

The Guardian's Economics Editor, Larry Elliott, interviewed residents of prosperous Twickenham in the London Borough of Richmond-upon-Thames, about ten miles out of central London.

He reported on the efforts of Octopus Energy's head of service delivery Colin Thomas to persuade residents of the virtues of heat-pumps.



They spoke to residents of "a quiet cul-de-sac of 1930s art deco semis" which he described as offering "a snapshot of bourgeois Britain [which] would be hard to beat".

Residents were described as people who "know all about climate change and want to do their bit in the battle to achieve carbon net zero.

And with homes changing hands for about £1.5m, they generally do not have to count every penny".

Thomas had news about increased Government support for making the switch, namely by raising the grant for installing an air source heat pump in England and Wales from £5,000 to £7,500.

He reckoned it is "possible for the cost of transition – including the pump itself, installation and new plumbing – to be as low

as £8,000... depending on how well the property is insulated".

But residents "raised concerns about all the add-on costs, such as insulating walls, installing double-glazing and redecoration, **the bills for which can easily add £20,000 to the total cost**".

Other residents commented that "people need to know they have to do a lot of preparatory work on old houses... Grants for insulation are critical".

One said that, "if the money was available the first thing I would do is replace the windows with double glazing and then I would do the insulation. It is not just the pump, it's the other stuff you have to do."

In this part of Twickenham, another said they were willing "but it feels like a leap into the unknown. The immediate need is to find the cash to replace windows that are cracked and window frames that are rotting".

They have been given an estimate of £20,000. Even in comfortable Twickenham, "the will is there, the money isn't."

LOCAL STORIES WELCOME

LHG Housing Newsletter is always looking for local insight into housing issues that affect us all. That's why this edition features stories from Balsall Heath (Birmingham), Gateshead and Twickenham.

Whether it comes from the struggling inner city, quiet suburbs or far-flung communities, we want to know about it!

Paul Martin (Editor) paulmartin@clara.co.uk



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

HOPE SPRINGS IN BALSALL HEATH

“Retrofitting” is beginning to be recognised as one of the great challenges provided by climate change. The UK’s old and poorly-insulated homes mean that about a quarter of our carbon emissions come down to housing.

Rishi Sunak’s recently announced delays to the agreed deadlines were not intended to help anyone, just to disguise his own party’s looming failure.

Yet not everyone believes in waiting for central government to act.

In the Birmingham suburb of **Balsall Heath**, architect John Christophers built the UK’s first zero-carbon house which reduced energy consumption by 86%.

Yet Christophers’ greatest insight – in a field full of fancy “architects’ houses” which few can afford – was the need for wider society to respond.

Christophers, his wife Jo Hindley and a small team of volunteers canvassed nearly 5,000 residents of their hometown asking if they would like solar panels, insulation and other measures to make their homes more energy efficient.

And the response has been awesome, with 1,400 households signing-up to have work done. So far, 649 homes have been retrofitted at no cost to their inhabitants, thanks to a £6.5 million Government



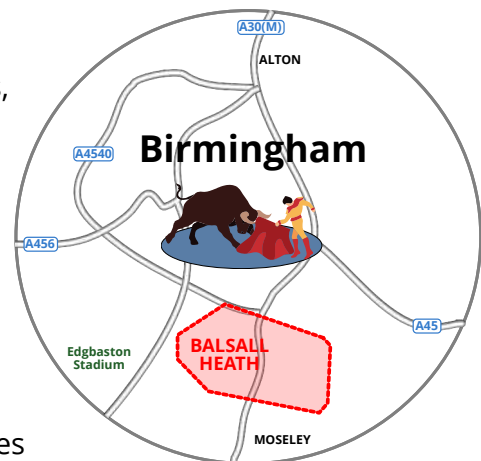
Green Homes Grant (Local Authority Delivery).

Christophers says “It’s about creating local jobs, local skills training for young people because there’s so much work to be done. We want to turbo power the green agenda, but not on a sort of national scale, but as a local micro-economy scale.”

This project demonstrates clearly that a lot more “human input” is required than announcing a grant, which seems to be the extent of central Government engagement. It also avoids the perennial pitfall of waiting for all the pieces of the puzzle to be in place when there is plenty of scope for action NOW.

(With thanks to Liam Geraghty of Big Issue.

A fuller account can be found at <https://www.facebook.com/search/top?query=retrofitbalsallheath>



BIG ISSUE

PENNYCOOK'S PENNYWORTH

Matthew Pennycook spoke to LHG's London Branch Conference on 9/12/23.



Matthew began by setting the scene. Housing is a crucial issue, one that the Labour Party takes very seriously and essential to the achievement of the 'five missions'. We are in the grip of a housing crisis which he described as not just acute and intensifying, but in many ways existential.

He pointed to the recent Section 114 notices issued by local authorities as indicative of a much wider crisis.

Causes of the crisis

He was clear that the crisis in temporary accommodation was directly contributing to increasingly strained councils.

Alongside temporary accommodation, Matthew identified:

- the shortage in social housing,
- families stuck in inadequate private rentals,
- a dysfunctional land market,
- a speculative house builder model and

- unsustainable rises in housing benefit as further symptoms of our housing crisis.

Policy, certainty, and stability

Turning towards what a Labour Government could do, Matthew emphasised 'policy, certainty, and stability'. Referring to the programme announced at Labour Party conference, he argued that Labour had a bold, pragmatic, and achievable plan to increase housing supply, whilst also ensuring that these houses were built in the right places, with the necessary infrastructure.

Targeting planning and social housing

The two areas he focused on were planning and social housing.

1. On planning, he argued that we had seen a decade of tinkering and that the system needed proper reform. If elected, he maintained that Labour wouldn't disrupt the whole sector but instead make several targeted 'tweaks' and guarantee the housing sector more certainty in contrasts with Conservative governments who have initiated frequent and multiple revisions to the Planning Framework.

2. In relation to social housing, Matthew made it clear that this was an 'absolute priority'. Speaking frankly, he outlined his belief that successive Tory Housing Ministers had purposefully engineered the decline in social housing through policies such as slashing the Affordable Homes Grant.

Prioritising social rented homes

He was scathing of Conservative policies that had overseen a net loss of 14,000 social homes a year, making it clear that Labour's aim was to reach a net positive supply within the first year in office and would shift the overwhelming majority of grant funding in the government's envelope to social rented homes.

He held back from placing an exact number on social and affordable housing, though hinted at the aim to produce at the rate of John Healey when he was Housing Minister (80/20).

SHARP RISE IN MORTGAGE ARREARS

The impact of 14 consecutive interest rate rises is being felt by anyone with a mortgage but particularly homeowners, buy-to-let landlords and, of course, their tenants.

UK Finance, the banking trade body, said the number of mortgages in arrears (1st July to 30 September) had doubled compared to the same period last year, rising from 5,760 to 11,540.

Homeowner mortgages arrears had reached 87,930 during the three months ending on 30 September – up 18% on an annual basis.

"I predict a horrible ending..."

Craig Fish at the broker Lodestone Mortgages & Protection said the buy to let sector "has been hit harder than any of late", adding: "Worse is yet to come ... I predict a horrible ending."

And arrears are already turning to repossessions. Figures for England and Wales from the Ministry of Justice showed that mortgage possession actions have risen by up to 18% in a year.

Angela Rayner, Labour's deputy leader and the shadow housing secretary, said of the MoJ data:

"These figures lay bare the devastating impact of the Tories' abject failure to tackle the housing crisis, with a toxic mix of rising rents and failure to end no-fault evictions hitting vulnerable people."



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

Alison Inman (co-opted)

Heather Johnson

Paul Martin

Dermot Mckibbin (co-opted)

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Amanda Pinnock

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A donation would be very welcome.

