

Housing for the many: Labour’s Review of Social Housing Response to Call for Evidence

Summary

The Northern Housing Consortium warmly welcomes this timely Review. We have consulted widely with our members to provide the attached responses to the questions raised together with evidence to back this up where appropriate. We trust this will be helpful in progressing the Review and would be happy to discuss any of the points raised or to provide any additional information you may require.

In compiling our member’s responses and drawing on the work that the NHC has done through its recent Commission for Housing in the North, a number of key underlying issues are apparent that we feel would be of value in exploring further, these are:

- The North has diverse housing markets and challenges which are significantly and materially different from those in the South. There is an important opportunity for this Review to now explicitly recognise this and to move away from previous “one size fits all” approaches which are clearly no longer appropriate. The NHC believe there is value in developing a clear national strategy to set out overall objectives in terms of the quantity, quality and access to housing for which we are striving. At its core this would then provide the framework for devolved approaches with the flexibility and capacity to allow localities to develop their own solutions backed by a single place based resource stream.
- Our work across the North is showing that in seeking to address housing affordability and raising quality, it is critical to look at social housing in the context of place and alongside the role of all other tenures. We believe that successful places in which people want to live and work offer choice in all tenures, reflective of individuals and families as they reach different stages of their lives. Social housing is a critical element in achieving this and is clearly in need of some reform, yet it cannot achieve desired outcomes in isolation – we believe all tenures have a vital role to play in providing affordable housing solutions in the North. In too many places in the North it is the poor condition and standards in the private rented sector that are the main housing issues and would like to see the recent moves looking to tackle this tied more closely to the Review.
- The NHC feel that the time is right to develop a new and stronger approach for sharing best practice and tackling poor quality housing of all tenures, to ensure, for example,

that public funding is not paid to landlords who offer homes that are unsafe or unfit for human habitation. There may be value in exploring the potential to widen the role of the Regulator of Social Housing to work alongside better resourced Local Authorities to develop a 'housing kite mark' scheme to give confidence in condition before public funding is paid or tenancy agreements signed.

Our full response is attached to this Summary.

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HOUSING FOR THE MANY: LABOUR'S REVIEW OF SOCIAL HOUSING

Response to Call for Evidence

About us

The Northern Housing Consortium (NHC) is a membership organisation that works with local authorities and housing associations across the North to advance the cause of housing. Our membership covers around 90% of all housing providers in the North. The NHC brings its members together to share ideas, and to represent their interests and to ensure they are heard at a regional and national government level. Our member organisations have contributed to this response.

Introductory comments

The NHC welcomes this review as recognition of the need for a policy framework that protects and builds future supply of social housing and which will support the future sustainability, support and funding for the social housing sector.

However, in responding to the questions, we feel that we cannot concentrate solely on social housing. The work of the NHC has consistently been to represent the social housing sector as part of a wider holistic debate around housing markets and housing matters. Housing policy needs to reflect local needs and conditions with interventions devolved to appropriate spatial levels. To that extent it is not always helpful to think in terms of one tenure, but rather consider how to achieve thriving mixed and balanced communities. To achieve this objective some localities will require an increase of social housing, in others it may require improvements in the private rented sector. Therefore our response to this review does not solely focus on social housing.

National Housing Framework

There is little disagreement on the nature of the housing crisis and we can all agree that the supply of new build is failing to keep pace with demand – to do so production must exceed current targets by 50%. Private development has not come close to meeting this target in the last few decades. There will not be enough supply to achieve affordability without a combination of a programme of public sector development, partnership working, joint ventures and better use of existing supply. Additionally, this mix of local flexibility, partnership work, new supply, and best use of existing stock must be applied on a regional basis according to need.

Housing providers are facing significant challenges on how to balance the needs of people across the whole age spectrum in a way that is fair, effective and sustainable and any policy framework must support providers fully in that challenge. Two key issues have been prevalent throughout our discussions with members.

- Social housing providers are now, more than ever, responding to a wide range of support issues on behalf of their residents and constraints elsewhere in public finance, for example, in mental health services and other health related pressures are placing significant burdens on housing services.
- Over many electoral cycles housing policy has taken a backseat to other public policy and was very often undermined by other policy goals where housing policy connects to other social policy such as welfare reform.

Northern Housing Markets

Housing markets across the North East, North West and Yorkshire and Humber are extraordinarily diverse. With vibrant urban centres, affordable new developments and areas of outstanding natural countryside, England's three Northern Regions hold some of the most attractive housing stock and best growth potential in the country. This is now bringing strong, sustainable investment interest and a realisation of the economic and social benefits that living and working in the North provides.

Yet the North is still not building anywhere near enough new homes in the right places and many people are struggling to access the type of housing they really want. Critical to addressing this is the ability of local places to develop local policies to meet local opportunities and demand. At the same time, there are still too many places in the North where poor quality housing and environments are directly impacting on quality of life and economic well-being. In turn this is impacting on the viability of key brownfield sites which, if resolved, could help minimise call on the green belt and optimise existing infrastructure.

Place-based response

It is essential at times of such great housing pressure that housing policy provides the tools at local level to develop regeneration to bring investment into the places and to make the absolute best use of our existing assets. We are looking for policy proposals which bring about the transformation of areas of market weakness or inappropriate supply that are becoming detached from the economic mainstream ([link to A New Framework for Housing in the North: Report of the Commission for Housing in the North December 2016](#)).

At a time of such unmet housing demand and growing pressure on green belt, it is essential that we make the best use of our existing assets - both stock and land. We need to make sure that housing supply meets modern needs and aspirations and find new ways to bring residential growth to help revitalise town centres. We must make brownfield land more attractive to house-builders by finding mechanisms to enhance viability and to improve site assembly, including more effective use of CPOs.

In short, we need to better connect places and communities to jobs, services and transport to make sure they are not left behind. There are too many places across the North, including neighbourhoods within our major cities, where some or all of these are simply not happening. Low value or unpopular housing is a major contributor to these communities' detachment

from the economic mainstream. New locally shaped and economically focused approaches are urgently needed to restructure these markets and make them places people from all walks of life actively choose to live in and are proud to do so.

This is regeneration for the future, with concerted action to address the challenges faced by the community of a particular place. It's about widening opportunities, growing the local economy, and improving people's lives. There is a need for a housing strategy covering housing renewal, affordability, welfare, home ownership, decent standards and energy efficiency – something that the North can buy into. We will be happy to work with policy makers in developing such a framework.

Housing providers of the future

Housing Associations and local authorities have been at the forefront of finding alternative ways to tackle the growing needs of the customer base. It is important to recognise that providers have continued to adapt, respond and re-define their role and purpose since the market diversified.

We know from on-going dialogue with our member organisations that they are continuing to identify the new competencies they need in order to be sustainable in the future and provide choice and new products. But they will need to transform even further to adapt to changing markets and we are already seeing larger organisations and new ways of delivering services to a diverse range of customers.

Review – how did we get to where we are?

The NHC, as cross sector membership body, supports registered providers and also local authorities in their statutory role supporting the most vulnerable in society.

The detailed responses to the review questions set out below are based on dialogue with senior representatives from housing associations and local authorities at a series of roundtable events across the North.

Q1. What are the most important decisions made in recent decades for social housing – good and bad?

1. Neighbourhood Renewal

- 1.1 Schemes over the last 40 years which have generally had a positive impact on social housing have included the Urban Programme, Housing Action Trusts, Estates Renewal Challenge Fund, Large Scale Voluntary Transfer, Gap-funded stock transfer, council-led regeneration, New Deal for Communities, Neighbourhood Renewal Fund, Mixed Communities Initiative and Housing Market Renewal.
- 1.2 Many of these schemes have led to the successful transformation of estates and have enhanced existing communities. There is strong evidence dating back to the 1970's that tailoring schemes to local circumstances and involving residents will have successful outcomes. As a result of many of these earlier programmes, there is greater

awareness of the broader economic and social consequences of the way in which neighbourhoods are designed.

- 1.3 The current programme of estate regeneration is the latest in this series of schemes designed to improve the decline in social housing estates. Regeneration schemes are often financed by cross-subsidising homes for social and affordable rent with the proceeds from homes built for sale. However, reliance on the market for the provision of affordable homes is more viable in areas with high values. The current estate regeneration programme should learn lessons from the earlier area-based interventions with the government seeking capital from social investors. If social housing schemes are vulnerable to housing market downturns, this will lead to a decline in social rented housing. Estimates have shown that the cumulative effect of government policies including the estates regeneration initiative could be to reduce the social housing stock by 9% or 350,000 homes by 2020¹.
- 1.4 We make reference throughout our response that all new supply and regeneration proposals should guarantee that there will be no net loss of social rented housing and a net increase in affordable housing alongside any plans for homes for sale and for market rent.

Improved Living Standards

- 1.5 In recent decades there has been significant headway in reducing indicators of poor housing such as overcrowding and slum conditions including, in the last 15 years, the introduction of the Decent Homes Standard which has helped to increase the number of homes meeting and exceeding quality standards.
- 1.6 There is still a long way to go, particularly in the private rented sector. We believe that 'rogue' landlords should not be profiting from public money paid out in housing benefit for properties that are not fit to live in. If a landlord is letting a property which does not meet a decent home standard, there should be provision to recoup from a landlord an amount equivalent to that paid out to the tenant in Housing Benefit (or Universal Credit). Any repaid Housing Benefit could be used for a range of housing related improvements. We fully support the current efforts to regulate and raise standards in the private rented sector and we believe our suggestion would be a further step towards preventing landlords from letting out sub-standard and unsafe accommodation, while still benefiting from the public purse.

Diversification of the Sector

- 1.7 Ownership of social housing since the late 1980's has become more diverse as a result of the programme of stock transfer. Housing Associations have been successful in fulfilling their ballot promises to tenants, upgrading their stock and actively engaging with tenants. They have also demonstrated substantial creativity through community activity and through neighbourhood regeneration i.e. both social and economic renewal.

¹ UK Housing Review 2016, Chartered Institute of Housing, 2016

- 1.8 With organisational mergers already prevalent and expected to increase, housing associations are at the forefront of delivering modern efficient services.

Rent Certainty

- 1.9 Housing certainty over rents has ensured housing organisations had certainty of funding and maintained a good standard of accommodation. Also, access to grant funding and private funding has enabled housing associations to maximise new provision. However, grant funding needs to be sufficient to ensure rents can be affordable and it is felt by some of our members that the levels of capital grant have moved too low.

Increase in Home ownership

- 1.10 National housing policy has focused on private development and home ownership but a sole focus on homeownership around the supply side with hardly any regional dimension has been to the detriment of social housing in some Northern economies. In recent years, this policy direction has largely ignored the contribution that councils could make, although there are now welcome signs of a shift in government policy with councils being part of the solution.
- 1.11 Irrespective of the advantages to the individual of homeownership, the sale of council houses has removed many of the more attractive properties from the social sector. This creates significant difficulties for the social housing supply which is now heavily dependent on benefit streams to fund the rents of tenants.

“[Right to buy] had a perfectly reasonable element to it, which was giving opportunities for people who aspired to owner occupation [...], but it had one serious malign consequence, which was the refusal of the government to allow the local authorities to use the receipts for reinvestment.”

Nick Raynsford, former Minister of State for Housing and Planning 1997

- 1.12 Social housing is a scarce and valuable public asset. Figures from 72 councils show more than 12,000 properties have been sold off since 2014 but only 4,309 have been built².

Case Study: Salford Council

Over half of all Right to Buy properties in Salford have now been converted to private let when demand for social housing in the area is expected to grow by 13.7% by 2033. Often these properties have lower standards both in terms of condition of the home and on how they are managed than social rented properties. The council is planning to buy up former Right to Buy properties before they hit the open market to help tackle the city's housing crisis.

- 1.13 At a time when there is a housing crisis, we believe the continuation of RTB distorts local housing markets and removes a valuable, quality asset.

² The Guardian 'Council homes sold off almost three times as fast as new ones are built' 28 June 2017

A national housing framework

- 1.14 Over many decades housing policy has become subordinate to other policy goals and it has become unclear where housing policy interrelates to other social policy such as welfare reform, neighbourhood policies and the wider economic policy. Devising a national policy that can meet diverse regional needs is challenging however, without a clear narrative on housing policy, the supply of housing – both private and public – has fallen well short of the level needed to match predicted increases in demand, with reliance on the market over the state. Social housing now has a much narrower, and more challenging role than it did in the middle of the twentieth century, with general needs housing delivered principally through the private market.
- 1.15 We support the need for a national housing framework but with local strategic vision and delivery and recognition of the role that social housing plays in responding to some of the most difficult societal issues.

Impact of contradictory and short term policies

- 1.16 Policy proposals which are only enacted for the cycle of one administration in addition to frequent policy changes have had unintended negative impacts on housing. This has created uncertainty in the sector and leads to lack of committal to future development. The government has increasingly channelled funding through benefits rather than directly funding the building of new social homes so that the design of the benefit system is now a strong determinant of social housing. However, our evidence from members demonstrates a clear disjuncture in decision-making between welfare policy and housing policy that creates uncertainty for those looking to invest in social housing.
- 1.17 Decisions such as the benefit cap (now reversed) illustrate the uncertainty in this revenue stream, which in turn further impedes social housing supply. The recent settlement on social rent was welcomed and will provide confidence for providers but the impact of Universal Credit is the biggest current threat to social housing providers as the policy rolls-out.
- 1.18 In this context, we welcome the re-branding of the Ministry of Housing, Communities and Local Government and we very much support a Minister with overall responsibility for housing. We would hope that this will allow the substantial policy developments to embed over a longer period of time and give the sector the stability it needs.

Q2. What were the successes and shortcoming of Labour's approach in government?

Decent Homes programme

- 2.1 The introduction of the Decent Homes standard which is aimed to ensure that social sector homes (and private rented homes for vulnerable households) reached or exceeded quality standards has improved the quality of stock in the last decade, although there is still some way to go in the private rented sector. Figures from 2014

show that the private rented sector had the highest proportion of non-decent homes (29%), while the social rented sector had the lowest (14%).

Area-based Regeneration including the Housing Market Renewal (HMR) programme

- 2.2 HMR was intended to rebuild housing markets and communities with the aim of improving neighbourhoods. This brought much needed investment to parts of the North and Midlands experiencing low demand for housing and long-term economic and social decline. Some local authorities (e.g. Rochdale Borough Council) considered it to be one of the best government-promoted regeneration schemes as it was based on a strong understanding of the key issues. The HMR programme was a unique initiative combining policy integration at the sub-regional level, with a 'localist' approach to neighbourhood renewal which allowed partnerships to build bottom up development plans. The later impact of the withdrawal of funding from HMR areas has had a negative impact on the North and Midlands.

Q3. What have been the successes and shortcoming of the Conservatives' approach in government?

Housing White Paper: Fixing the Broken Housing Market (February 2017)

- 3.1 The White Paper was a useful step forward in shaping a range of policy interventions that can ensure delivery of the right homes in the right places. NHC members welcomed Ministerial comments³ regarding the differing nature of housing markets and proposals that will not only boost supply but also work to ensure existing homes and communities are places people where people want to live. The document demonstrated a good analysis of the challenges facing housing supply and has made useful steps towards developing some solutions.

Local decision taking

- 3.2 Establishing a discourse on localism has led to a positive environment in which local involvement in decision-making can thrive. However, the localism agenda has not yet materialised in any substantial reforms for social housing. A focus on place-making through devolved agreements is very welcome and local flexibility will be significant in ensuring each locality can reach its housing aspirations.

Planning Reform

- 3.3 Reforms have the potential for greater pace, simplicity, and transparency around the planning process. The National Planning Policy Framework has the laudable aim of delivering suitable land more quickly, although whether this will translate into significant increases in supply remains to be seen. We would support greater emphasis through the NPPF regarding the importance of place and promoting well-being in local and neighbourhood plans alongside a renewed emphasis on the quality of new homes.

³ Gavin Barwell Housing Minister July 2016 – June 2017

Home ownership

- 3.4 There are many positive benefits at an individual level from home ownership with a range of policies directed at boosting and protecting homeownership, Mortgage Interest Tax Relief, removing stamp duty for first-time buyers, Help to Buy and New Homes Bonus. However, when policies are pursued to the exclusion of other tenures, in an aggregate sense home ownership, as a sole focus, creates housing policy weaknesses including the consequences for longer-term affordability.

Who lives in social housing

- 3.5 From the middle of the last century the public sector was major player in the provision of social housing. In 1971, just over 32% of households rented from local authorities or housing associations. The figure today is below 20%. Unlike today, state support for housing was not concentrated purely on low income families. In 1979, 20% of households in the top decile of the income distribution lived in social housing. An increased focus on allocating housing to those most in need changed this and it was close to zero by 2004-05.
- 3.6 Policies such as Right to Buy have reduced the stock of social housing, leaving greater concentrations of low income families and out of work families in the sector. The RTB policy, as well as being a contributory factor to the loss of social housing, has altered radically the demographics of the social sector. Whereas the sector had once appealed to the 'working classes', the sector now includes a far higher proportion of out-of-work households, which subsequently creates a role for social housing providers in tackling many social issues beyond the provision of a home.

Impact of Welfare Reform

- 3.7 The overall impact of welfare reforms, particularly around Housing Benefit and the roll-out of Universal Credit have had a detrimental effect on the financial position of Housing Associations. Universal Credit is the biggest current threat to the business plans of housing providers as the policy rolls out – putting future plans severely at risk.
- 3.8 In the medium term this is likely to reduce the reserves that are available to invest in development programmes. This may also constrain the ability of some Housing Associations to facilitate regeneration.
- 3.9 As referred to earlier, the housing benefit system perversely rewards private landlords for providing sub-standard homes and is poor value for money.
- 3.10 The combined impact of welfare reform on households in more deprived local authority areas have been more severe, with reforms reducing the housing element of the welfare safety net.

Definition – what should ‘affordable’ mean?

Q4. What vision and role should social housing have under a Labour government?

- The vision for social housing is that everyone should have the right to a decent home.
- The role of Social Housing should be to provide a range of quality, affordable homes and to provide security and stability to those people in need.

Q5. Does social housing need rebranding? In name, in concept, or both?

- 5.1 In our engagement with tenants they have expressed concerns about stigmatisation and this is tied into attitudes towards welfare and benefits. However, our housing provider members are clear that the issues and challenges are not about branding. Social housing is about positive outcomes for people in need – it is more than housing, but because social housing is providing for people in the most challenging circumstances, often the positive messages are ignored.
- 5.2 Over the last decade and longer, social housing providers feel they have been responding to more and more challenging issues. This is the result of changes in society, and not about branding.
- 5.3 There are wider societal issues to be tackled which social housing providers cannot respond to on their own as general purpose housing providers. Social housing providers are very successful at providing an holistic service to their residents, but they cannot continue to be all things to all people. The impact of welfare reform, cuts to public services including lack of resources in mental health services all play a role in shaping perceptions of social housing.
- 5.4 The support needs of some groups of tenants in social housing, with greater vulnerability and more complex needs require a wide-public service and place-based response.
- 5.5 The strengths of the sector remain the same, despite increasing challenges – quality, affordability and security.

Q6. What should we mean by social/affordable housing, both to rent and to buy?

- 6.1 The Housing White Paper set out a proposed definition of affordable housing to be included in the revised National Planning Policy Framework which included social and affordable rented housing; starter homes; discounted market sales housing; affordable private rented housing and intermediate housing. Our members felt that this should also include living standards alongside affordability as in some areas properties may be affordable but are either sub-standard, or not fit to live in

- 6.2 Affordability should also be more closely linked to income – the displacement of social rented housing by ‘affordable’ or market alternatives does not assist those on low incomes when property labelled as affordable is bought up by those who have the means to buy anyway.
- 6.3 Affordability is driven by an overheated south east market and there are different issues in North. Some parts of the North, for example, have terrific opportunities to exploit their advantage in being able to provide affordable home ownership. In the North housing is intrinsically linked to population retention and economic growth and the imperative is to provide quality housing, of the right type, in the right places. A programme of public sector development, partnership working and joint ventures is needed.
- 6.4 Right to Buy offers an enormous benefit to those it benefits directly, but the effect on future tenants continues to present problems because of the inability to recycle all the receipts and replace the lost properties. Future policy should follow the example of the devolved administrations and end the scheme.

Building – how do we build the scale of social housing required?

Q7. How many genuinely affordable homes are needed?

- 7.1 Strategic Housing Market Assessments show that there isn’t enough affordable housing to support the Northern region’s growth.
- 7.2 At least 500,000 new homes are needed across the North of England over the next ten years⁴. Supply shortfall in the North is expected to make up 29% of the country’s entire projected demand in the next 10 years. Across the three regions the picture for general housing need is:
- North East – 7,700 dpa
 - Yorkshire & Humber -
 - Leeds 13,000 dpa, Sheffield 5,395 dpa and Hull 2,540 dpa
 - North West – due to the Manchester growth agenda this area accounts for 20% of the overall OAN⁵ of c500,000
- 7.3 Within this general need, the split of affordable provision is identified as 73% social rented and 27% intermediate.
- 7.4 It should be noted that in the proposed standard methodology for an assessment of housing need (DCLG *Planning for the Right Homes in the Right Places September 2017*), affordable housing is no longer a component in arriving at the housing need figure, although local authorities will continue to assess affordable housing need in the total need. But there are potential difficulties if the combined need for specific types of housing need is greater (when sitting alongside the need and demand for market housing) than the overall need arising from the standard methodology. This could result

⁴ Homes for the North

⁵ Objectively Assessed Need

in Local Plan policies that prescribe a mix of housing that in turn squeezes the scale of market housing that is needed to support delivery of specialist housing products, particularly affordable housing.

- 7.5 It should further be noted that when considering use of existing stock and the extent to which this is subject to demolition or conversion of existing dwellings, and for the purposes of planning for housing policies, local planning authorities and regional planning bodies should use the gross estimates of current and future housing need rather than the net estimates of need. These net figures can then be considered against any estimates of future affordable housing supply which are derived from strategic housing land availability assessments.
- 7.6 We remain firmly of the view that to deliver the 500,000 new homes that are needed across the North, new supply is only a small proportion of future supply and it will be important to continue to support regeneration of the existing housing stock, particularly in meeting the requirements for affordable housing.

Q8. What groups of people are most in need of new affordable housing, to rent and to buy?

- 8.1 Social housing provides for low income households, people not in employment, those in temporary or precarious employment and people in need of supported housing. An increased focus on allocating housing to those most in need was driven partly by the policy emphasis (which grew in the 1980s) that the market should be the main provider of housing for those who could afford to live in private sector housing. Those in the social rented sector are now much more likely to be on low incomes – specifically incomes under £9,500 a year - compared to the general population, although market rent is not always the excluding element for people to move on from social housing with securing a deposit and uncertain working contracts limiting people's access to affordable housing.

Q9. What range of agents and actors should be involved in delivering these homes?

- 9.1 The future of housing requires strategic planning across economic areas, and the Housing White Paper offered support for collaboration across local authority boundaries.
- 9.2 Devolution deals also offer significant hope for rejuvenating areas including housing at scale but there is limited impact to date on housing. We see the potential for greater focus on housing devolution in future deals.
- 9.3 The NHC and its members firmly believe that devolution of both investment and policy shaping is essential to enable local authorities and registered housing providers to create effective local solutions. Devolution offers the hope of a new way of working with both central and local government (and their partners) to think and work differently. The concept of Total Place when launched in 2009 was well received by NHC members

(indeed Durham was the only Total Place pilot focusing on housing and regeneration) and we would welcome further dialogue with the Labour Party as to how devolution can support housing delivery.

- 9.4 In the North we can see progress is being made through devolution deals and there is much more potential in the future for sector-specific deals. Greater flexibility over devolution of policy would in our opinion lead to even more effective local housing solutions being developed.
- 9.5 Local authorities and housing associations will continue to build on their partnership work in a number of major areas, including establishing affordability in their areas, managing allocations and lettings and responding to homelessness. In recent years the operational environment between these agencies has become more competitive, rather than mutual. Many housing associations are now larger bodies, working across multiple local authorities. At the same time, many councils may have lost dedicated housing functions and have fewer specialist housing staff so relationships have changed and partnership is harder to achieve in this operating environment but we recognise that it is essential if wider housing issues are to be successfully tackled.
- 9.6 Across the wider public sector, further support and guidance would be welcome on the development of joint protocols between housing and welfare, children's services, adult social care, public health and the National Health Service. In the private sector, there is also more scope to work with the property industry and lenders, architects and construction firms who have been involved in regeneration projects.

Q10. Our manifesto committed us to building 100,000 genuinely affordable homes to rent and buy each year including the biggest council housebuilding programme in over 30 years. Besides extra public subsidy, what other measures could be taken to boost investment to meet our target?

- 10.1 We feel that local authorities in particular need support with capacity to drive forward their ability to unlock supply. Local Authorities have seen a significant reduction in their capacity as financial constraints have hit. This capacity gap has seen a diminution in departments such as planning which has been particularly badly hit. The Housing White Paper acknowledged this capacity shortfall with proposals to boost planning capacity.
- 10.2 In terms of public investment we feel that agglomeration and devolution of investment streams through Homes England should be a priority and a move to outcome focused bidding. The provision of multiple funding streams with specific and discrete bidding requirements is not effective or efficient. Such an approach drives (perhaps unintentionally) silo thinking, additional administrative requirements, and does not encourage a holistic place based strategy. The bundling of investment programmes supported by greater levels of devolution on decision making would in our opinion drive more effective and transformative delivery.

- 10.3 We support a move towards bespoke deals for some local authorities so they can borrow more to build more homes with flexibility in the way they fund homebuilding projects. Councils will need financial flexibilities to build new homes of all tenures through local rent setting, flexible grant support, delivery vehicles and housing revenue accounts.
- 10.4 Right to Buy - (or more specifically the rules around the receipts of RTB which make it difficult to replace homes which are sold) has been a costly disincentive to councils building again. There are claims that around 80,000 council homes could be lost with the extension of RTB (i.e. forcing the sales of higher value properties to fund housing associations' RTB).
- 10.5 Industrial Strategy - There is potentially a missed opportunity if the industrial strategy does not link its ambitions to housing supply. One of the greatest constraints to jobs growth is where the housing market offers insufficient housing in the areas where jobs are created.

Q11. High land prices make it expensive to build social housing. How can we reduce land costs and increase the availability of land for social housing?

- 11.1 From a Northern perspective it is vital to acknowledge issues created by viability of land and government support in terms of investment and the intervention of Homes England is required to ensure land with marginal viability could be available to boost housing supply. We need to treat the securing of land viability as part of our wider investment in infrastructure and recognise that public sector investment to boost viability in low value conditions can unlock much needed delivery to improve and transform areas.
- 11.2 Land release by the public sector must also be a key factor in reaching our ambitions to meet housing supply requirements. However, NHC members report a mixed picture across the public sector with some parts of the sector seeking best financial price on land presumably to meet their own strategic objectives but creating a situation where the public sector is charging and paying itself. A shared focus on locality based outcomes would lead to more effective deployment of public sector resources.
- 11.3 One effective way to encourage land into use is incentivising the market to use the land more quickly and gain earlier profits from it. This could include a tax on land values or on undeveloped land with planning consent to act as a strong disincentive for developers to hoard land, tax breaks for purchasers (such as stamp duty holidays) and this could also have the advantage of reflecting local variations in demand.

Q12. What should we do to increase the acquisition and conversion of empty homes?

- 12.1 Empty homes are often linked to a different type of market failure and these properties can have a hugely negative impact on an area. Empty properties in very poor condition often cannot be considered viable for purchase and conversion.

Case Study: Liverpool City Council

The council launched a new 'matchmaking' initiative to bring more empty homes back into use over the next three years. Empty home owners complete a property information form which is shared via email to more than 100 investors already registered on the councils' database.

12.2 Local authority empty homes teams will be working with private sector landlords where there are opportunities for regeneration activity and a mixture of approaches is required to support teams to investigate what is already happening across the North to bring empty homes back in to use. This requires national level support for local initiatives with possibly government investment in neighbourhood improvement schemes to support local authorities to buy and refurbish empty properties and to tackle the underlying causes. At the same time, the government could usefully work with local authorities to review the powers that already exist to tackle empty homes to make sure they are optimal.

Q13. What should we do to increase the contribution that private developers make to providing more affordable homes?

13.1 Despite housing and planning reforms house-builders and private developers are still failing to provide enough affordable homes.

13.2 Some of our local authority members raised concerns that the viability assessment⁶ can be undermined by developers with unviability being used to sidestep plans to build affordable homes and avoid the need to meet local plan policy requirements where this could affect developer profit. The amount of affordable homes delivered through section 106 has fallen as a result. This 'loophole' in the NPPF allows developers to build fewer affordable homes and estimates have shown this has contributed to 79% fewer affordable homes being built.⁷ In addition, there are reports that the government has overruled councils fighting house builders over affordable property numbers in 17 out of 23 appeals since 2013⁸.

13.3 Issues regarding sub division of larger sites were raised by NHC members with regard to the pooling limitations on S106 planning obligations. The limitation of five contributions to deliver key infrastructure is leading to challenges around viability of delivery (cost of a new primary school is unlikely to be met by 5 pooled contributions of smaller housing sites). If we wish to continue to encourage small builders into the market place then it is imperative that these constraints arising from this restriction are adequately addressed.

13.4 Local authorities have tried to make policies work by increasing the number of planning permissions, and with elected members taking difficult decisions that are frequently unpopular with the local electorate. But when the private sector subsequently fails to

⁶ Viability assessments allow developers to reduce the number of affordable houses they build on their site, if they can show building them risks reducing their profits to below 20%.

⁷ Shelter research looked at 179 planning permissions, collected from 11 local authorities

⁸ The Times 'Affordable homes shortage blights the countryside' 19 September 2017

respond by renegotiating away the development contributions, infrastructure or affordable housing originally agreed, local authorities have felt frustrated.

Standards – how do we secure decent standards in current and new social housing?

Q14. Our housing stock is ageing and over half a million council and housing association homes are classified as non-decent. How can Labour deliver decent homes for all?

- 14.1 Local authorities have an important role in managing and overseeing standards and in knowing their local areas. The government has handed councils powers to fine rogue landlords. However, NHC members have raised issues with aspects of the powers available to them – in summary these are:
- Some powers are lengthy and resource intensive.
 - Some powers should be extended (specifically HMO mandatory licensing).
 - The so-called 20/20 rule - The Secretary of State's consent is now required for implementation of any selective licensing scheme which covers more than 20% of a local housing authority's geographical area, or more than 20% of the PRS homes in the district area. Our members have stated the required approval significantly curtails the scope of established consent for selective licensing schemes.
- 14.2 All of the above relate in some way to the capacity for councils to enact powers. NHC members are of the view that they have seen significant constrictions due to years of financial austerity.
- 14.3 In relation to the current provisions, we welcome the new powers including the database of 'rogue' landlords. Our members have stated that where selective licensing has been used there is evidence it has led to improvements to the condition of properties including improved fire safety measures. We also support the aims of Karen Buck's proposals in the Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill seeking to amend the relevant sections of the Landlord and Tenant Act 1985 by extending its obligations to cover almost all landlords, particularly if this can protect tenants from 'revenge eviction'.
- 14.4 Overall, the laws relating to standards, quality and health and safety in the rented sector are piecemeal, complex, dependent on tenure, and patchily enforced due to capacity issues. We concur with the CLG Select Committee who in their report of 2013 summed up the need for a simpler, more straightforward set of quality standards for housing in the sector. While there have been a raft of new provisions since then, they have not necessarily helped councils to impose better standards. This is further evidence that responsibility for housing policy must rest with one ministerial lead.
- 14.5 We would propose that a strand of work from this review would be to look at the extent to which the regulatory and legal framework on decent and healthy homes needs to be modernised and streamlined to support councils, landlords and tenants.

- 14.6 We would also support a review of the impact of austerity measures on local authority enforcement teams which, as result of budget cuts, often lack resources to carry out proactive inspections and enforcement work. As a result of this, complaints from tenants are much more heavily relied upon in order for teams to carry out their work and the enforcement activity becomes largely reactive.
- 14.7 Regeneration Strategy - The powers currently in force are welcome but are seen as reactive to particular issues and problems in localities. NHC members feel that the challenges faced by local authorities in tackling dysfunctional housing markets require broader, well-funded, large-scale, proactive solutions. The specific issues listed above (extension of licensing, changes to permissions regarding selective licensing) are seen as part of the solution in moving to a more proactive approach but should be placed in the context of a much needed debate on wider regeneration.
- 14.8 We reiterate our call for government to consider how we can respond to the challenges of poor quality private rented homes and owner occupied stock as part of a wider holistic regeneration strategy.
- 14.9 Engagement with tenants - whilst many tenants may feel powerless to bring about change and improvement in their living conditions, conversely there are circumstances when tenants are resistant to changes and are not necessarily convinced of the risks to their health from problems such as refusing access for gas safe checks. We can see there would be positive benefits in greater clarity and transparency to the complex way in which hazards in homes are classified and this could make it easier for tenants to enforce their rights.

Q15. How should we make new and existing social homes greener and more energy efficient?

- 15.1 Social housing providers have been highly innovative in using green energy technology including ground and air source heat pumps, solar and modern heat schemes and improved energy efficiency including the use of Modern Methods of Construction (MMC).
- 15.2 Any revision of an energy policy must recognise the wider issues including that many residents are living in fuel poverty. Any policy should work in tandem with other key policies such as the Fuel Poverty Strategy and energy efficiency targets. Funding for the different programmes must be closely coordinated and sit within the wider agenda of sustainable communities

Case Study: Local growth deal funding to cut home energy bills reaches £6m

West Yorkshire Combined Authority approved a further £1m investment into energy efficiency support for homes. Around 1,200 households across the Leeds city region are being supported out of fuel poverty thanks to a £6m investment into energy efficiency measures. A total of £5m had already been committed to improve hard-to-insulate homes. Funding is coming from the city region's Local Growth Deal. Keepmoat Regeneration (part of ENGIE Group), are delivering the scheme.

Tenants and residents – how do we improve involvement, voice and rights?

Q16. How do we make the regulation of social housing more tenant-focused?

- 16.1 One of the overarching outcomes from our tenant engagement activity is the need for a more sophisticated understanding of the two-way relationship between tenant and landlord. Roundtable discussions with residents have shown wide variation in methods in the way that residents are listened to and we fully support the ‘no wrong door’ approach to enquiries.
- 16.2 Provided that access routes are clear, quick and effective for residents to raise concerns and be listened to, there is no wrong way for contact to be made, and therefore no need for further top down approach.
- 16.3 Our evidence shows the need for the most flexible range of opportunities for residents to get their voices heard so that it doesn’t necessarily require people to come to formal meetings. Getting out to where different groups of residents live in order to reach them and gather views is important: as is working with other organisations who may find it easier to reach isolated or ‘hard to reach’ groups of residents.
- 16.4 Registered social landlords in the North of England have track record of being innovative in tenant engagement activity.

Case Study – Community Gateway Association, Preston

Preston council transferred its stock of 7700 homes to Community Gateway Association (CGA) in 2005. Tenants are represented on the board and are involved in governance structures centrally. CGA has a community empowerment strategy that supports and sustains resident and community involvement. They deliver a range of programmes to support this around digital inclusion, environment, young people, equality and diversity, employment and skills, community facilities, health and wellbeing. As well as supporting tenants to become involved centrally, support is provided for local tenants and residents associations, community centre management committees, local social enterprises, local PACT meetings, neighbourhood forums and develop neighbourhood action plans.

- 16.5 With some exceptional examples in the North, and more innovation being developed, it is important to providers not to have imposed an off-the-shelf, top-down approach. Within the context of changes taking place across the housing sector following the tragedy at Grenfell Tower and calls for a cultural change, we would urge recognition of the very good practice that already exists with a focus on genuine engagement and customer outcomes.

Case Study – Rochdale Boroughwide Housing

Rochdale Boroughwide Housing (RBH) is a mutual housing society co-owned by its members and employees. The mutual governance arrangements revolve around understanding and clarifying the role and function of members in a mutual housing society. A key consideration was to ensure that the principle of engagement was equitable and so gave a voice to all customers. Extensive consultation, research and projects took place which informed an approach to engagement. The principle of engagement supports mutuality by ensuring all

stakeholders have the chance to pass on their views and influence how services are shaped and it is only members who have the ability to develop and design these further, decide on proposals and evaluate the results.

16.6 Overall, our members feel that there is a deficit in oversight and regulation in the rental sector and with reduced regulation the weight given to the voice of the customer has diminished, other than where providers have chosen to maintain a high level of tenant involvement. We believe some form of additional regulation, potentially with an extended role for the Housing Regulator linked to a 'kite mark' to recognise a home fit for habitation as a requirement for housing benefit, is needed to achieve accountability for public investment at local level, and to act as a deterrent to eviction for those tenants that could be at risk in the private rented sector.

Q17. How do we best ensure a voice for tenants in national standards and policy-making?

17.1 We have welcomed the government's intentions to improve redress across the housing sector.

17.2 Our member organisations have demonstrated strong links between organisations and people, and make best use of the evidence gleaned through customer satisfaction and complaints information to achieve strong democratic principles in local areas. Our members have suggested that this large data bank of customer satisfaction information could be more formally recognised as integral to the provision of quality services at both individual and strategic levels.

17.3 An additional consideration is resident's role in achieving value for money. This is a requirement for landlords but is also an important area for tenants whose rent pays for the services provided. Residents can be strong champions of greater value for money and in coming up with new ideas to improve it, should be involved locally in those discussions.

Q18. How do we ensure an effective voice and role for tenants with their landlords, including on estate regeneration?

18.1 There is strong evidence that resident involvement is critical to the long-term success of regeneration projects. Viability of estate regeneration projects relies heavily on the needs of existing residents and these vary across the country – what works in the south will not necessarily apply in Northern areas.

18.2 Estate regeneration must work for everyone. It is most often the existing community who know what works in their area.

Case Study: Sheffield, Park Hill

The estate's prominent city centre location made regeneration vital to improving what had become an 'eyesore'. 26 households had to be rehoused.

These residents were engaged to understand what worked and didn't work. In addition, the housing association landlord, Great Places, worked with residents of the new block to set up a residents' association to support community integration and give residents a voice as the scheme progressed. 18 of the 26 social rented flats in the redeveloped block have been let to residents who have moved from elsewhere on the estate. The other eight are now occupied by residents who were decanted and have now been able to move back onto the estate.

18.3 Community involvement in regeneration programmes is essential and the definition of 'community' does not just involve social housing tenants but also leaseholder homeowners and private landlords and private tenants as well. Therefore a common understanding of what housing led regeneration can – and can't – do is needed together with its wider benefits in place-making - but the aims and objectives must be clear from the outset.

Conclusion

Housing remains a critical issue for people and places across the North. There have been welcome strides forward locally and nationally and we look forward to continuing to work with leading stakeholders working for our regions to act as champions for housing in the North.

Our main points in conclusion are:

Policy

1. A recent welcome development is the re-branding of the Ministry of Housing, Communities and Local Government and we very much support a Minister with overall responsibility for housing. This role must lead on identifying and coordinating a policy to create a national holistic housing framework covering housing renewal, affordability, welfare, home-ownership, decent standards, integration of public funding and co-ordination in delivery at local and regional levels;
2. The provision of multiple funding streams with specific and discrete bidding requirements is not effective or efficient. Bundling investment streams through Homes England should be a priority with a move to outcome focused bidding;
3. The sector needs recognition of the role that social housing plays in responding to some of the most difficult societal issues with a cross-public service response;
4. Guidance and support is needed on the development of joint protocols between public services so that one area of policy does not negatively impact on another policy area. Furthermore, the role of housing as an enabler and contributor to other public policy areas, such as health, needs further recognition;
5. Policy must reflect the distinction between social housing and affordable housing, which needs to be linked to income.

6. Greater flexibility over devolution of policy would lead to more effective local solutions and offers significant hope for rejuvenating local areas at scale.

Supply

7. The current restrictions on the ability of local authorities to borrow to build social housing are anomalous. Council's need financial flexibilities to build new homes of all tenures through local rent setting, lifting the housing borrowing cap which is acting as a constraint and removing restrictions on using Right to Buy receipts to build homes;
8. Consideration should be given to the use of financial incentives to bring land into use more quickly and gain earlier profits from it;
9. Too great a focus on home ownership neglects other tenures for those who need low cost rental accommodation. Opportunities should be explored to increase investment and funding in social housing as well as in home-ownership.
10. On empty homes, local authorities should be supported with national level support for local initiatives and government could usefully work with local authorities to review the existing powers to make sure they are optimal;
11. Private developers should be required to deliver a minimum percentage of affordable homes on sites greater than 20 units with no 'get out' clause;
12. One of the greatest constraints to jobs growth is where the housing market offers insufficient housing in the areas where jobs are created and for this reason, the industrial strategy must link its ambitions to housing supply.

Decent Homes and living standards

13. We should move away from the perception of social housing as 'welfare' and instead of it being a cost to the public purse, see it as an enabler and investment to other areas of public policy;
14. We would propose that a strand of work from this review would be to look at the extent to which the regulatory and legal framework on healthy homes needs to be modernised and streamlined to support councils, landlords and tenants. This could include a review of the impact of austerity measures on local authority enforcement teams;
15. A strategy is needed to reward landlords who are meeting or exceeding standards and conversely, penalties through the benefits system should be introduced to deter those who are providing sub-standard homes;
16. An assessment is needed of the current regulatory and legal framework for the Decent Homes Standard to determine what are the barriers and restrictions to the use of current powers;
17. Energy policies should be linked to other strategies such as fuel poverty with funding for programmes closely coordinated within the wider agenda of sustainable communities.

Place-making

18. Place-based interventions, particularly in the most deprived areas, should include the role of existing housing stock which if used efficiently can support the stimulation of the market for whole areas;
19. We should recognise the importance of regeneration at scale and promote the positive outcomes and the transformation of areas of market weakness;
20. The funding of regeneration schemes through individual packages of support lacks clarity and scale. There is a need for a clear policy framework and the need to tailor policies to capacity at the local level;
21. It is not clear how lessons from past regeneration schemes are being drawn on or how existing successful initiatives will be developed - as a result momentum and new investment is lost.

Tenants

22. Tenants are already very involved by their housing association landlords in Northern areas. Guidance would help on the ways to capture in a more structured way how to use the large amounts of customer information already held by social landlords;
23. There is no 'right way' to engage with tenants and a variety of approaches are needed - gathering existing good practice examples and sharing this information would support a good standard approach, rather than further regulation;
24. Council and social housing tenants have a range of existing mechanisms to raise complaints and our local authority members are keen to support the strengthening of these including clarifying the statutory powers of the Housing Ombudsman;
25. Overall, there is a deficit across the rental sector as whole and regulation in some form is needed, potentially with an extended role of the Housing Regulator and use of a housing kite mark to achieve accountability on behalf of residents for public investment.

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