



The Case for a New Generation of Council Housing

SUPPLY

We are asking all political parties to promote an integrated housing policy that values the role social housing can play in solving the UK's housing crisis.

A well-functioning and sustainable housing market offers a range of tenures that meet the needs of all. The UK has an escalating homelessness crisis and rising numbers of families in costly and unsuitable temporary accommodation. A key response should be wiser use of public money through a council house-building renaissance that allows local authorities to control the self-financing HRA and encourages council-owned ALMOs to build.

We need to increase the grant funding available to ALMOs, councils and housing associations. We need to reform Right to Buy policies, making one-for-one replacement compulsory and giving council tenants an equitable and sustainable home ownership offer. We need to invest in supported housing that meets all needs, recognising that this will also reduce NHS, social care and support services costs.

1.1 Investing in new social rented homes

Building 100,000 social rent homes a year would have a significant positive impact on public spending, delivering budget benefits worth up to £300bn in every one of four potential post-Brexit scenarios, according to a 2016 Capital Economics report.

Every pound spent on construction output is estimated to stimulate an increase of £2.84 in gross domestic product, says a report for the UK Contractors Group. A large proportion of money spent on construction remains in the domestic economy, making this a beneficial investment for government.

The current Government has set a housebuilding target of **300,000** new homes a year. An explicit target should be set within that of at least **90,000** new council and social homes. The NFA believes at least a third of those should be built by councils or their ALMOs because this will offer best value for public money invested.

We are calling on all parties to focus funding on increased building for social rent. To achieve this, the next government should:

- ↑ **increase social housing grant rates to meet 50% of the cost of building social rented homes.**
- ↑ **increase overall investment in social housing rates to at least £14.6bn p/a for the next 10 years.**
- ↑ **create a stable financial framework for Council Housing Revenue Accounts.**
- ↑ **commit to a 10-year rent policy that allows annual increases of CPI plus 1%.**
- ↑ **allow councils full control over their own self-financed HRAs with no further interference from central government.**

1.2 Setting new supply targets

CURRENT RATES OF BUILD will not deliver the promised “new generation” of council homes or make the “real difference” to communities spoken of in recent months by Government.

Around 13,000 homes have been lost to the social rental market since the reinvigoration of Right to Buy. A sector target of 10,000 new homes a year – in the Government's 2018 budget - is barely enough to match the additional sales to which the one-for-one replacement policy strictly applies. **An explicit strategy is needed: a costed and fully funded action plan that will first deliver the 30,000 homes a year needed to replace Right to Buy sales and end the homelessness crisis.**

A second phase will then **steadily increase annual council house building to 45,000 homes or more a year to meet future demand, supported by central government** - the private sector and social landlords cannot do this alone.

We ask the next government to:

- 📌 **allow all councils to use receipts to fund construction of housing for social rent – not just affordable rent.**
- 📌 **allow all councils to supplement receipts with Affordable Housing Grant to make local one-for-one replacement possible.**
- 📌 **extend to five years the period within which current and future receipts can be used.**
- 📌 **let local authorities transfer receipts to their ALMOs as they can to housing associations.**
- 📌 **extend the RTB cost floor mechanism from 15 to 30 years, to better protect public investment in housing from financial loss when newer homes are sold.**
- 📌 **allow local authorities to keep 100% of net receipts from RTB sales and use them to finance replacement housing.**
- 📌 **consider the case for wider review of RTB discount and eligibility rules.**

1.3 Investing in supported housing

Only a national, ringfenced funding stream for housing-related support can address the current lack of sufficient suitable and affordable accommodation for those who have extra needs.

As things stand, other over-burdened services are struggling to cope with the ‘overspill’ of those unable to find specialist housing that suits their needs or their pockets. **So we support the CIH’s recent call for both additional capital investment for more supported housing and more revenue funding for the services that underpin a supported living package.** ALMOs already do what they can to deliver additional older people’s housing through careful asset management, infill opportunities and redevelopment of existing sites, leading the way in developing inclusive community hubs around them.

We urge all political parties to acknowledge the need for central government support for extra care and supported housing provision. To achieve this, we need to:

- 📌 **enable councils and ALMOs to build new, desirable and ‘future-proofed’ homes that can accommodate people’s changing needs.**
- 📌 **increase government resources through Homes England grant funding to support extra care schemes and other supported housing projects.**
- 📌 **provide a ring-fenced funding scheme to local authorities to help them support such schemes.**
- 📌 **support further joining-up of healthcare and housing budgets. making housing providers a statutory partner on Health and Wellbeing Boards.**

STANDARDS

We urge all parties to continue the work started by the previous government to improve standards for social housing tenants.

We believe Government should insist on excellent housing management across the social housing sector. Government should be an active partner in that goal, investing for the long term in areas where only large-scale physical regeneration can improve living standards and residents’ life chances.

Climate change should be front and foremost in an updated Decent Homes Standard that sets ambitious carbon emission reduction goals, and Government should develop strategies to help property owners and managers meet those targets.

2.1 Improving consumer regulation

Landlords should be assessed against standards that matter to residents; the Social Housing Regulator should police a set of consumer standards that cover all social housing landlords.

The NFA believes a comparator basket of KPIs would help the Regulator compare performance and identify outliers for further investigation and inspection.

Some programme of inspection is critical; it should focus on what matters to tenants such as health and safety, repairs, complaints and opportunities to get involved. ALMOs only ask for the flexibility to agree above-minimum local standards where that is possible.

The NFA believes it is right for social landlords to be open and transparent about their performance, and accountable to their tenants. We therefore urge politicians of all parties to support:

- 📌 **a strengthened role for the Regulator**
- 📌 **a consumer satisfaction index that drives service improvement**
- 📌 **an inspection regime that monitors and enforces compliance.**

2.2 Making existing homes safe

Current work on building regulation and fire safety is warmly welcomed by the NFA. Many ALMOs already align their safety work with the recommendations of the Independent Review of Building Regulations and Fire Safety, and we urge all parties to push ahead with both new legislation and regulatory reform to make compliance compulsory.

At the same time, we argue strongly for a focus on a risk-based process rather than the overly bureaucratic approach that seems to be the basis of some proposals, especially in the occupation phase of high-rise buildings.

A duty for residents to cooperate with the person or agency accountable for building safety is an essential and much-needed tool to help ALMOs and councils manage health and safety, particularly in blocks of flats.

More than two years after the Grenfell tragedy, we are asking all parties to:

- 📌 **urgently review and revise building regulations and guidance on fire safety best practice.**
- 📌 **work with social landlords on a realistic framework for future building safety regulation.**
- 📌 **clarify the duty of tenants to co-operate with building safety requirements and create routes for swift redress where they don't comply.**

2.3 Decent homes

THE DECENT HOMES STANDARD, introduced in 2002, was a significant step forward in UK housing quality and the management of council housing.

But its focus now seems too narrow. It doesn't address issues vital to living conditions such as energy efficiency, security, upkeep of common areas, local environment, other facilities, opportunities for diversity in types of home and tenure in the same area, and the problems of anti-social behaviour.

Many of our members have developed 'Decent Homes-Plus' standards tailored to household and local circumstances. This is a body of work and evidence that can inform an urgently needed revision of the Decent Homes Standard.

We ask that:

- 📌 **the next government should look to the 'Decent Homes-Plus' standards delivered to tenants by our members and others in the social housing sector.**
- 📌 **ministers and policy makers should use this body of best practice as the basis for a swift and confident revision of the Decent Homes Standard.**

2.4 Addressing climate change

AN ENVIRONMENT AND CLIMATE emergency was declared by the UK parliament on 1 May 2019, a move mirrored by councils across the country, many of which set 2030 zero carbon targets.

The UK government's current target, however, is to reduce carbon emissions from 1990 levels by 80% by 2050. Yet the United Nations says we could have only 11 years left to control a looming climate change catastrophe. Without a step-change in central government support and funding, the UK is unlikely to achieve even its own relatively modest current target.

We acknowledge it can be difficult for policy makers to balance the conflict between quick and fairly cheap short-term measures that improve energy efficiency slightly, and deeper retrofits that meet the longer-term goals of significantly reduced national carbon emissions. However, our members' retrofit and energy efficiency efforts offer empirical evidence that longer term approaches offer much better value for money.

We believe that:

- 📌 **improved energy efficiency and increased use of renewable energy should be part of any minimum Decent Homes Standard (DHS).**
- 📌 **an updated DHS should align with the Clean Growth Strategy, bringing social homes in line with Energy Performance Certificate Band C by 2030 where practical, cost-effective and affordable.**
- 📌 **all political parties should go further; strategies should be developed to help property owners and managers meet 2030 or 2050 zero-carbon goals, providing seed funding where necessary.**

2.5 Regeneration

IT IS JUST NOT COST effective to improve some homes. Some are structurally difficult to retrofit, some badly built and unpopular with tenants. There are always some phases of housing development that either need wholesale regeneration or demolition and rebuilding.

Central government funding available at the moment for these types of schemes is nowhere near enough and many schemes have stalled or are waiting on further funding being made available.

We call on all parties to increase capital grant programmes for the physical regeneration of whole neighbourhoods.

STIGMA

Social tenants are not second-class citizens. It should be accepted that for many, social housing is not a 'stepping stone' to home ownership. It is a tenure of choice, the place where people live, raise families and invest in their community.

It should also be the housing sector where people can find specialised and supported housing as their needs change throughout their lives.

The NFA has been directly addressing the problem of stigma that plagues social housing and its residents since 2015. We support campaigns such as See the Person and challenge negative stereotypes through a number of annual events, including our own photography competition.

Part of the problem is that the number of people who have positive experiences of social housing is dwindling because government policy has for many years residualised social housing, Revival of Right to Buy schemes without replacement of homes sold and withdrawal of central government support and financing has shrunk the sector, and made it immensely difficult for people to build good lives and supportive communities in social housing.

The NFA calls on all parties to make a consistent and long-lasting commitment to recognising the equal status of social housing tenure with all others in a thriving mixed-tenure market.

We urge all parties to:

- 📌 **actively challenge the stigma that plagues social housing tenants.**
- 📌 **value social housing and the part it plays in a well-functioning housing market that puts a stable home within reach of everyone.**
- 📌 **see high quality design and construction as the norm when existing social rented homes are refurbished and much-needed new ones are built.**
- 📌 **support investment in community initiatives and projects which improve life chances and empower communities.**
- 📌 **look for ways of holding to account influential people, such as politicians and journalists, who perpetuate stigma.**

Read the full NFA manifesto at www.almos.org.uk