

4/2018 Labour's Green Paper: Housing For The Many



25/4/18

Key Points

- The Labour Party has published a Green Paper on social housing: *Housing for the Many*, it is a consultation document to which responses are invited.
- The document's central proposal is a commitment to build one million genuinely affordable new homes over 10 years, of which the majority will be for social rent, with the rest at Living Rent no more than one third of average local incomes or for low-cost home ownership.
- A separate Department for Housing would be established, with a Secretary of State with Cabinet membership, together with an OBR-style Office for Housing Delivery, with a specific remit to monitor and audit delivery of the affordable housing programme.
- Right-to-buy would be suspended, with councils only allowed to reinstate it if they had a proven plan to replace homes sold on a one-for-one, like-for-like basis; the higher-value assets levy would be scrapped.
- Labour would lift the caps on HRA borrowing to prudential limits, and review the way this borrowing is recorded in the national account;
- Labour would scrap the bedroom tax, protect housing benefit for under-21s and "pause and fix" Universal Credit;.
- Labour propose to give local authorities a new duty to deliver affordable homes, linked to a better measure of local need for affordable housing. They will consult on new accountability mechanisms to help councils meet the new duty, including an increase in the New Homes Bonus affordable homes premium.
- Various other reforms to the planning system are proposed to encourage the provision of affordable housing.
- Resident approval through a ballot would be required before an estate regeneration scheme could go ahead, and all schemes would be required to deliver no loss of social housing.
- Better minimum standards for new affordable homes would be encouraged.
- A new Decent Homes 2 programme, to be completed within 5 years, would include a new fire-safety standard to add to the existing four Decent homes criteria, including fitting sprinklers in all high-rise blocks.
- Labour plans to consult on making the national system of building control and fire safety inspection publicly accountable through local authorities and fire services.
- A number of measures are proposed to strengthen the rights and power of tenants; Labour proposes:
 - following consultation, to set up and support an independent national organisation and a Commission to give tenants a stronger voice;
 - to consult on a duty for housing associations to have tenant representatives on their boards and consider how to improve the representation of council tenants in governance arrangements;
 - to consult on strengthening the regulatory regime to improve consumer standards and the involvement of tenants;
 - to reform the system of complaints and redress and consult on plans for a single housing Ombudsman;
 - to scrap the potential ban on long-term council tenancies;
 - to clarify the law to make sure that councils can offer homes to local people first without facing challenge in the courts;
 - a new clampdown on illegal sub-letting and right-to-buy fraud;
 - to look at ways of improving access to legal aid in housing cases;

- to drop the currently-proposed reforms to the funding of supported housing and work with the housing sector on a new plan for long-term funding, while encouraging the provision of more homes for older and disabled people.



Background

In September 2017, the Labour Party announced a review of its policy on social housing. Over 70 individuals and organisations made submissions to the review. ARCH submitted its policy statement *Social Housing We All Be Proud Of*. On 19 April, the Labour Party published the initial outcome of the review in the form of a Green Paper, *Housing for the Many*. It is a consultation document containing a number of questions to which responses are invited.

A million new genuinely affordable homes

The document's central proposal is a commitment to build one million genuinely affordable new homes over 10 years, of which the majority will be for social rent. Ahead of the next election Labour plans to carry out a major piece of work on building local authority capacity to ensure that the output of affordable housing exceeds 100,000 a year within 5 years. A longer-term goal is for half of all new homes built to be genuinely affordable.

Labour would scrap the existing affordable rent definition of up to 80% of market rent, and end the conversion of existing homes from social to affordable rent. Labour's affordable housing programme would embrace three types of housing:

- Social rent, the majority: social rent means rents set according to the "established" formula; the document commits to consulting on a "new and longer" 10 year rent settlement;
- Living rent: targeted at low-to-middle income working families, key workers and younger people, living rents would be set at no more than one third of average household incomes;
- Low-cost home ownership: in addition to homes for shared ownership and rent-to-buy, these would include FirstBuy homes for sale at a discounted price that would bring mortgage payments below one third of average household incomes; it is not clear what deposit would be expected. The discount would be "locked in" so that subsequent purchasers would benefit from it; it is not specified whether the discount "locked in" would be an amount, or, more likely, a percentage.

A Government Department for Housing

Labour proposes a separate Department for Housing, with a Secretary of State with Cabinet Membership, together with an OBR-style Office for Housing Delivery, with a specific remit to monitor and audit delivery of the affordable housing programme. The document also proposes to strengthen Homes England in the regions, encourage bids from councils and combined authorities on new 'devo-housing' deals, and support strategic partnerships between councils, housing associations and central government to boost affordable housebuilding.

Right to Buy

Housing for the Many reiterates Labour's 2017 manifesto pledge to suspend the right to buy, allowing councils to reinstate it only if they have a proven plan to replace homes one-for-one and like-for-like. The levy on higher value assets would be scrapped, removing any public funding for the extension of right to buy to housing associations.

Finance

National grant assistance for council and housing association investment in affordable housing would initially be restored to £4 billion a year; housing benefit savings from the affordable housing

programme would be recycled to help tackle the causes of the housing crisis (presumably this means additional investment in affordable housing). The document also commits to exploring the option of a housing finance grant for councils, drawing on the experience in Wales.

Labour would scrap the bedroom tax, protect housing benefit for under-21s and “pause and fix” Universal Credit.

Labour would lift the caps on HRA borrowing to prudential limits, and review the way this borrowing is recorded in the national accounts. Steps would be taken to lower the cost of finance for housing associations through guarantees and greater access to PWLB funding. Pension funds would be encouraged to invest in affordable housing. A Labour government would also consider steps to enable more local authority mortgage lending to help local first time buyers.

Land and Planning

Labour propose to give local authorities a new duty to deliver affordable homes, linked to a better measure of local need for affordable housing. They will consult on new accountability mechanisms to help councils meet the new duty, including an increase in the New Homes Bonus affordable homes premium.

Labour would fast-track plans to establish a comprehensive public register of land ownership “so that local communities will know who owns, controls and has an interest in land, including ‘option agreements’ between landowners and developers”. An English Sovereign Land Trust would be established to work with local authorities to enable more pro-active buying of land at a price closer to existing use-value. Legislation would be introduced to establish a new generation of new towns and garden cities, with a new role for the National Infrastructure Commission.

Other proposed reforms of the planning system are:

- to remove the ability of developers to negotiate away affordable housing obligations through viability assessments, and allow councils to claw back excess profits where affordable housing obligations are not met on new developments;
- a presumption that there is no development without affordable housing, including smaller and rural sites, and end the avoidance of affordable housing obligations through permitted development;
- to review the circumstances in which it is beneficial to calculate affordable housing requirements in floorspace rather than units;
- to ensure that new developments on public land include an appropriate amount of public housing.

Delivery

Labour would help councils which have transferred their housing stock to re-establish HRAs and start building again; they will consider an enabling grant to councils with limited current capacity to build. Help would also be given to smaller housing associations that want to develop their house-building capacity.

“For-profit” housing associations would be prohibited, and community housing provided by community land trusts and community self-build projects supported through a Community Housing Fund.

To develop the capacity of the house-building industry, Labour would make apprenticeships a condition of receiving housing grant and explore the option of a national affordable housing training scheme for graduates along the lines of Teach First. Off-site methods of production of new homes would be encouraged, and Labour would consult on ways of supporting its expansion.

Regeneration and Empty Homes



It would be a condition of any estate regeneration scheme that there is no loss of social housing and that all existing residents are offered a home on the new site on the same terms. Resident support through a ballot would be required before a scheme could go ahead.

A Labour government would invest in tackling areas of low housing demand and work with councils, other social landlords and residents on inclusive local growth plans. It would strengthen the Empty Dwelling Management Orders and consider incentivising social landlords to purchase empty properties and bring them back into use. Councils would be able to charge a 300% council tax premium on properties that have been empty for more than a year.

Homes people want to live in

Labour proposes new minimum standards for new affordable housing:

- an exemplar design guide to encourage first-class design, accompanied by appointment of a chief architect for affordable housing to advise on new developments;
- minimum space standards and Lifetime Homes criteria may be made mandatory;
- councils and housing associations will be supported to build new homes to Passivhaus standard;
- ways of making smart-tech standard-fit in new affordable homes will be considered.

A new Decent Homes 2 programme, to be completed within 5 years, would:

- tackle the remaining non-decent and unfit properties in the council and housing association stock;
- include a new fire-safety standard to add to the existing four Decent homes criteria, including fitting sprinklers in all high-rise blocks.

Labour also plans to consult on

- developing a new repairs standard with full publication of performance levels and redress for residents in affordable housing;
- requiring social landlords to publish an annual outsourcing statement, setting out any value-for-money, service standards and residents' satisfaction case for their service contracting policies;
- making the national system of building control and fire safety inspection publicly accountable through local authorities and fire services.

Labour would extend the Freedom of Information Act to housing associations and tenant management organisations, and consider further extension to cover contractor-held information. They would also ensure the routine release of fire safety reports by all social landlords.

Tenant Empowerment

Labour proposes:

- following consultation, to set up and support an independent national organisation and a Commission to give tenants a stronger voice;
- to consult on a duty for housing associations to have tenant representatives on their boards and consider how to improve the representation of council tenants in governance arrangements;
- to consult on strengthening the regulatory regime to improve consumer standards and the involvement of tenants;



- to reform the system of complaints and redress and consult on plans for a single housing Ombudsman;
- to scrap the potential ban on long-term council tenancies;
- to clarify the law to make sure that councils can offer homes to local people first without facing challenge in the courts;
- a new clampdown on illegal sub-letting and right-to-buy fraud;
- to look at ways of improving access to legal aid in housing cases;
- to drop the currently-proposed reforms to the funding of supported housing and work with the housing sector on a new plan for long-term funding, while encouraging the provision of more homes for older and disabled people.