

# Rethinking Housing

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# Big caveats

- Housing supply top priority and focus
- New Housing Minister
- Worklessness push at a time of rising unemployment?
- Housing green paper that doesn't tackle housing supply?
- Changing the welfare deal at a time of stress (both political and personal)?
- Opposition v Support for reform?
- Political appetite?



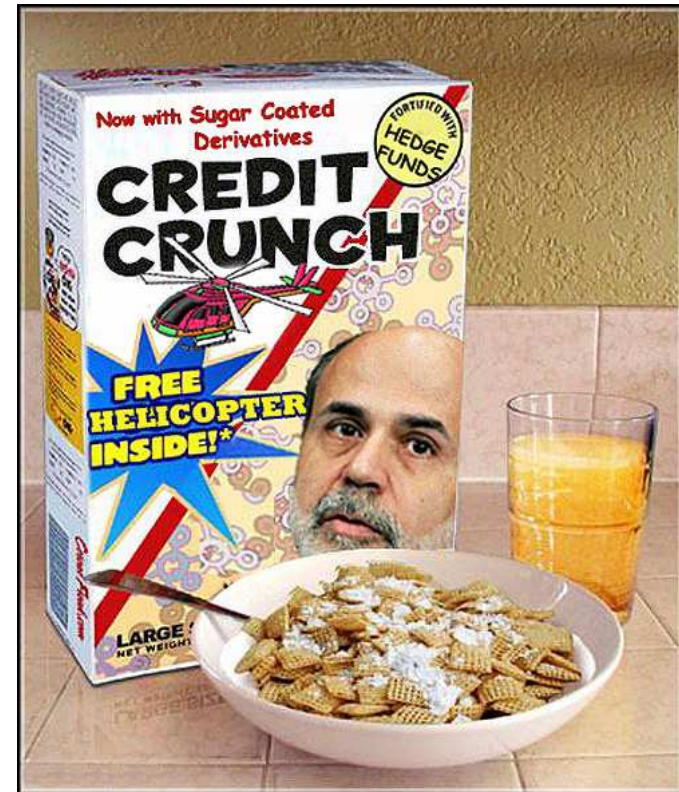
# A wider agenda

- ***Britain needs a welfare system that identifies and addresses the barriers that hold people back and ensures that everyone who can work does so.***
- ***Understanding and meeting the complex needs that hold some groups back is becoming increasingly important as standards improve for the majority. A one-to-one relationship between, for example, a housing officer and family at risk, can be particularly important in addressing complex needs or preventing problems from occurring in the first place.***
- Excellence and Fairness: Achieving world class public services, June 2008



# July 07 Housing Green Paper

- £8.4 billion across 08-11
- Target of 180,000 new affordable homes, reaching 70,000 pa in 2010/11
- Of these 2010/11 outputs, 45,000 will be new social rented homes, with a goal of 50,000 new social rented homes per annum in the next spending review
- 2008-11 at least 25,000 affordable home ownership homes per year.
- BUT 110,000 this year across all tenures, 55,000 2009 and 2010?



# But new supply only part of the picture

- 22 million existing homes v ??k pa new homes
- Physical condition of homes and neighbourhoods – decent, ageing, green, renewal, regeneration
- BUT also strong policy interest in what we get from £20bn + subsidy in housing
- Crunch as catalyst – What can we do differently? How do we want things to look like in future? Or distraction....



# So, what is social housing?

“housing run by not-for-profit or public landlords for rent, normally at below-market rents”

“a decent home for all at a price within their means”



# Social rent

- Roughly 50/50 split LAs, ALMOs and RSLs
- 4m households - 8.4m social tenants in England - @One in five homes
- Regulated by HC and soon to be TSA
- Massive decent homes spend
- Ongoing management spend outstrips new supply spend
- Rents capped by government (2/3rds on HB, most 100% of rent paid)
- Majority of tenants provided with security of tenure
- Access determined by priority need (homelessness) and local lettings policies
- Agreements between local authorities and landlords on nominations and lettings



# But...

- Scarce stock - increasingly residualised via allocations and lack of social mobility
- Today houses lowest income groups
  - 70% are in poorest 40% of population
- High levels of worklessness
  - 32% employed, 22% full time
- High levels of disability
  - 43% serious medical condition / disability
- Disproportionate numbers of
  - lone parents (18% : 7%)
  - single people (43% : 28%)
  - BME households (27% : 17%)
- Real challenges around creating mix and fairness
- Demand increasing just now - 5m by 2010 (LGA)?
- Value for money in terms of capital and revenue support?
- Concerns around widening intermediate affordability



# All change?

- *New investment and regulatory institutions, **time for a new system?***
- *Ends and Means*
- Housing and Regeneration Act (HCA, TSA, LHCs)
- Housing Green Paper and CSR
- Housing Green Paper 2 and Community Empowerment, Housing and Economic Regeneration Bill
- Review of Housing Benefit (DWP, HMT)
- Review of PRS
- Cave
- HRA review (includes rents)
- Backdrop of wider government concerns about welfare and fairness in public services



# Social housing management

1. New regulatory model will go live from Oct 2010
2. Decision on domain regulation agreed in principle (Cole) and now in Act
3. TSA will champion and ensure improved services for tenants, including > recourse and choice
4. Drive forward efficiencies from landlords (and linked to HCA from providers)
5. Protect current and future public investment in affordable housing
6. Wider range of proportionate powers
7. Tenant, not organisation focused
8. Promote wider mixed economy – > distinction between landlord and developer



# Post Hills housing reform

1. Social housing has become polarised and residualised - more tenants with greater needs and lower incomes live in social housing, and existing tenants with higher incomes have left
2. The number of social tenants who do not work has significantly increased
3. Housing "wealth inequalities" have widened - home owners have financial advantages over others, and people now find it harder to enter homeownership
4. Mobility is very low - tenants find it difficult to move house, especially for work or training
5. Tenant dissatisfaction is high and has worsened in some cases.



# What might happen?

Housing reform could lead to changes in social housing that provides options which:

- are different for people with different needs and in different circumstances
- are offered fairly and transparently and make best use of finite resources
- are delivered through a "family" of providers which is led by local authorities - but includes housing associations and the private rented sector
- make ownership of all or part of a home more accessible.



# CIH Rethinking housing

1. Housing advice and information
2. Households wishing to stay in their existing housing
3. Private rented sector
4. Social housing
5. Intermediate ownership
6. Home ownership
7. Paying for housing (housing benefit).



# Our starting point

*Reforms must look at all tenures and should consider how change in one tenure can support or enable change in another. They must also take a long term view of a range of issues and needs, not just the current priorities of worklessness and the credit crunch.*



# Social housing

- **Housing allocations.** CIH believes robust discussion is needed on who is allocated social housing, how lettings are prioritised, and how the overall system interfaces with support and housing options. The role and purpose of social housing needs to be clearer.
- **A move towards flexible tenure and tenure reviews.** CIH would welcome a move to a system of housing tenure and management offering more choice, and is capable of responding to changing circumstances and aspirations.
- **Joined up approach to mobility.** CIH would like to see the opportunity for tenants to have a greater choice of providers and a stronger ability to move for jobs or social needs.



# Private rented sector

- **Improving access.** CIH believes work is needed to look at how to improve choice of private rental accommodation for tenants, especially those in receipt of housing benefit.
- **Improving quality and management.** CIH believes a different approach to regulation is needed to help establish good standards as the norm, with effective remedies for poor services.
- **Supporting housing aspirations.** CIH would like to see more support to enable people to save and move towards sustainable home ownership from the private rented sector.



# LCHO

- **Improved knowledge of shared ownership products.** CIH would welcome more communication, better targeting to likely client groups and simplification of products, to ensure people are aware of their full housing options offer.
- **Integration of shared ownership products into a flexible tenure model.** CIH believes this would provide security and sense of ownership for people who can no longer sustain full homeownership or who want to change into ownership from renting without moving house.



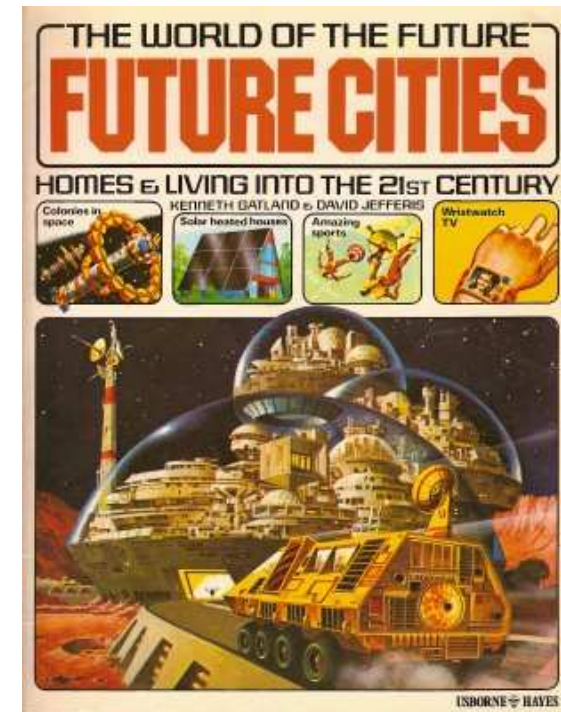
# Buying a home

- **Advice.** CIH would urge good housing advice to be available to all, including potential and existing home owners and shared owners.
- **Universal savings scheme.** CIH would support the establishment of a savings scheme to support entry into home ownership and shared ownership when it is affordable and sustainable.
- **New approach to flexible tenure.** CIH would welcome a new mechanism to help home owners staircase down into shared ownership when their circumstances change acutely e.g. divorce, bereavement and redundancy.
- **Reverse equity market.** CIH is concerned about the sell and rent back and equity release markets and would welcome more regulation and more suitable provision to avoid damaging housing careers.
- **Vulnerable home owners.** CIH would welcome the development of an integrated system of support for vulnerable homeowners to avoid financial hardship and repossession.
- **House buying.** CIH believes more work is needed to simplify and improve the process of buying a house in England, including HIPS.
- **Stamp duty.** CIH considers the current model creates unnecessary pressure points and distorts transactions. CIH would welcome a review of the scheme.
- **Banks and financial institutions.** CIH wants development of a long-term system of responsible lending



# Where next?

- Remember the caveats – but what about wider political appetite?
- Reform green paper being worked on now
- Current social housing landscape could change – but how fundamentally?
- Could (re)shape the system in which TSA, HCA, LAs, RSLs and others operate.
- Different allocations and eligibility for some groups
- Wider mixed economy of management including more use of the PRS
- Stronger voice and choice for existing residents (TSA, NTV)
- New approaches to rents and benefits?
- Impact on managing organisations and incomes?
- Longer term question about best use of subsidy



# CIH

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