

AWICS Housing News

July 2017



**The Annual General Meeting of Impact Housing Association held in May 2017.
Following the meeting Adrian Waite wrote to the Chair about
Governance and Resident Engagement.**

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Outcome of the General Election 2017

The Conservatives have emerged from the General Election as the largest party, but without an overall majority. At the time of writing it is expected that they will form a minority government with support from the Democratic Unionist Party.

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Obviously, there is speculation about what policy changes the Democratic Unionist Party will request as part of any arrangement. It appears that their main requests will be around additional funding for Northern Ireland, a 'softer Brexit' and an easing of austerity. It is unlikely that any changes to Housing or Local Government policy in England will result as different systems already operate in the four countries of the United Kingdom. However, Welfare is still largely administered at the United Kingdom level and the Democratic Unionist Party would like to see some changes in approach including:

- The abandonment of the policy of capping housing benefit at the level of the Local Housing Allowance in Supported Housing
- The abandonment of the 'Under-Occupation Penalty' (Bedroom Tax)
- Changes in the implementation of Universal Credit

In the ministerial re-shuffle that took place after the election, David Gauke, MP for Southwest Hertfordshire has been appointed Secretary of State for Work & Pensions; while Sajid Javid, MP for Bromsgrove, continues as Secretary of State for Communities & Local Government. The new Minister of State for Housing is Alok Sharma, MP for West Reading. Alok Sharma has generally voted in line with the government on housing related matters. He voted in favour of the bedroom tax and has consistently voted for a reduction in welfare spending. He is also reported to have opposed several housing developments in his constituency. Prior to entering parliament Alok Sharma trained as a chartered accountant and then worked in banking for sixteen years.

Gavin Barwell, the former Minister for Housing and now Prime Minister's Chief of Staff, revealed in an interview with 'Inside Housing' towards the end of the election campaign that the Conservatives' proposal that the government should enter into 'deals' with local authorities and housing associations to deliver more 'social' housing was, in fact, a proposal that they should deliver more 'affordable' housing. Nonetheless, it will still be interesting to see how these 'deals' will be constructed.

I certainly hope that the new government will give urgent attention to the future funding of Supported Housing.

The capping of Housing Benefit at the level of the Local Housing Allowance combined with slow progress on developing an alternative way of funding Supported Housing has caused uncertainty in the sector. This has led to an end to new developments and the closure of some schemes as has been reported in 'Inside Housing'.

The former government's proposals, contained in their statement of September 2016 and their consultation paper of November 2016 based on cash-limited locally administered 'pots', were not fully thought through – hence the need for a consultation paper.

The Parliamentary Select Committees for Communities & Local Government and Work & Pensions, have considered the government's proposals and issued a report in May 2017. The committees proposed that the Government introduce a Supported Housing Allowance, banded to reflect the diversity of provision in the sector and sufficient to ensure supported housing tenants will only require recourse to top-up funding in exceptional circumstances. They also proposed that emergency accommodation be funded through a locally administered grant system, while refuges, that operate as a national network, should have a separate funding mechanism that reflects their unique role.

It is to be expected that the government will be concentrating on the Parliamentary arithmetic and on Brexit and there will be a new Housing Minister. However, if confidence is to be restored, housing is to be provided for vulnerable people and unmanageable pressure on health and social care services is to be avoided, the new government will have to act with urgency to address the Funding of Supported Housing.

I have written several briefing papers on the funding of supported housing. To view them please click here: <http://awics.co.uk/LAHousingFinance>

I have also written a briefing paper on the housing policies of the main political parties for the 2017 General Election. To download a copy please click here: http://awics.co.uk/files/module_document_pdfs/general_election_2017_-_housing_policies_-_briefing_paper.pdf

Homes for Londoners – Affordable Homes Programme 2016 to 2021

London Mayor Sadiq Khan (Labour) has secured £3.15billion in government funds to help start building at least 90,000 affordable homes by 2021. This is intended to help Londoners who would otherwise struggle to rent or buy. It's part of 'Homes for Londoners', the Mayor's work to tackle London's housing crisis. The Mayor and Government have agreed at least 58,500 of this total will be a combination of London Living Rent and shared ownership.

The announcement that £3.15billion will be given to the Greater London Authority to deliver 90,000 affordable homes was made in the autumn statement of 2016 by Philip Hammond, the Chancellor of the Exchequer. Sadiq Khan said that the cash was:

"The largest sum of money ever secured by City Hall to deliver affordable housing".

Sadiq Khan said that rules surrounding the use of the funding had been relaxed, and it will be used to fund homes for low-cost rent, London Living Rent, and shared ownership between now and 2021. London Living Rent is set at 35% of local wages calculated on a local basis.

Sadiq Khan said that:

"I'm delighted that we today took the first steps towards a major new devolution deal for London... The record-breaking affordable housing settlement means we can get on with the hard slog of building new genuinely affordable homes, but it won't happen overnight – fixing the housing crisis will be a marathon and not a sprint."

Jamie Ratcliff, Assistant Director of Programmes at the Greater London Authority, said that:

"Now our funding settlement with Government is confirmed we will move to publish funding guidance as soon as possible. This will enable us to provide housing associations with muscular backing to deliver many more genuinely affordable homes for Londoners."

The Mayor is committed to delivering homes that are tailored to the different needs of Londoners. He published his 'Homes for Londoners: Affordable Homes Programme 2016-21' funding guidance in November 2016. His long-term aim is for half of all new homes to be affordable. His Homes for Londoners: Affordable Homes Programme 2016-21 is intended to increase the supply of new homes and the number of those that will be genuinely affordable. The Greater London Authority expects that most of the homes in this programme will be built by partners who would deliver half, or more, of their homes in London as affordable. Supplementary Planning Guidance was published at the same time.

Homes funded in this programme are expected to be primarily composed of three affordable products. The types of affordable homes the Mayor is funding include:

- London Affordable Rent - for people on low incomes
- London Living Rent - helping Londoners on average incomes save for a deposit to buy their first home
- London Shared Ownership - for people who want to buy but can't afford the open market

Other products may be funded under the Mayor's programme where they are genuinely affordable to Londoners. They may also be funded by providers' own resources or secured through the planning system. Existing pipeline schemes may have affordable housing tenures fixed already, in which case there will be some flexibility during the transitional period.

The Greater London Authority expects most the funding in this programme to be used as grant to support affordable housing delivery, but is also keen to identify how this funding can be used in flexible and innovative ways. This will include supporting new housing products through an Innovation Fund, and other interventions such as those to support land assembly and to increase affordable housing delivery in Housing Zones.

The Greater London Authority will fund affordable housing through three different routes:

- The Approved Provider route, with a single set grant rate for London Affordable Rent at or below the benchmarks, and a different set grant rate for both London Living Rent and London Shared Ownership;
- The Developer-led route, with a single set grant rate to increase the level of affordable homes provided on section 106 sites;
- Negotiated grant rates mainly for supported and specialised housing, and for London Affordable Rent at levels above the benchmarks.

The allocation to London represents 67% of the allocation for England as a whole, compared with the 40% that was allocated to London during the previous round. Of the £3.15billion that has been allocated; £2.171billion is available for the Mayor's Homes for Londoners 2016-21 programme; £579million is required for affordable allocations that had already been made; and £400million has been allocated to the Housing Zones Programme.

The mayor's interventions in London's housing market with the powers, the influence and the money he has could be very significant. Boris Johnson was Mayor from 2008 to 2016 and oversaw the building of a record 100,000 'affordable homes'. Sadiq Khan intends to help fund 90,000 over just four-and-half years under a stricter definition of 'affordable'. That is an average of 20,000 a year compared to the 12,500 a year completed by his predecessor and is to be achieved with more central government funding than was available before 2016.

However, London's overall housing need is generally held to be about 50,000 new homes a year. Sadiq Khan acknowledged this in his manifesto, though he did not pledge to meet it. He has set no overall absolute target for delivering (or starting) 'genuinely affordable' or any other kind of home by the end of his term. The potential impact of extending the 'right to buy' to housing association tenants and of the sale of high value council housing as provided for in the Housing & Planning Act 2016 (if it happens) is also unclear.

A key 'long-term strategic target' that Sadiq Khan has set is for 50% of all new homes in London to meet his definition of 'genuinely affordable' including London Shared Ownership, London Affordable Rent, London Living Rent, traditional social rent or anything else that fits the definition. This is a higher proportion than has been sought in the past.

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However, if 20,000 'affordable homes' are built each year and the total requirement of 50,000 homes a year is met the proportion that would be affordable would be 40%. However, if the total new housing output in London remains at the 25,000 a year that it has been in recent years, the proportion that would be affordable would be 80%.

We have published a briefing paper on 'Homes for Londoners – Affordable Homes Programme 2016 to 2021'. To download your copy, please click here: http://awics.co.uk/files/module_document_pdfs/homes_for_londoners_-_affordable_homes_programme_2016-21_-_briefing_paper.pdf

Impact Housing Association: Governance and Resident Engagement

From 2009 to 2015 I was on the Board of Impact Housing Association and from 2011 to 2015 I was the Chair. Since 2015 I have remained a member of the Association, keeping contact with its activities and attending its annual general meetings.

As Chair, I was obviously concerned with governance while prior to that I was the Board Champion for Resident Engagement. Following the Annual General Meeting that was held in Penrith in May 2017 and at which it was announced that a review of governance was underway, I was prompted to give these issues some further thought and to write to the current Chair, Mark Costello, as follows:

"Dear Mark,

"Following the AGM I have been giving some thought to the role of the members of Impact Housing Association and the function of the AGM.

"Clearly, the Board are accountable to the membership principally through reporting annually to the AGM and through being elected by a ballot of the membership. However, for this to be effective there need to be sufficient active members of the association who are not current board members. For some years we have had an intention to increase the membership of the association (I think the current target is sixty) but despite various efforts being made I think the membership is now about forty.

"I would suggest that it is one of the issues that should be looked at as part of your review.

"You will remember that accountability was one of the issues that I raised at the AGM in 2015. At that time I asked who we should be accountable to: Government or Residents & Communities; and suggested it should be residents and communities.

"My suggestion now is that all Impact tenants of five years' standing who are not in breach of their tenancy agreements should be enrolled as members of the association. I think this would ensure that Impact had a sufficient number of active members and would also demonstrate its accountability to residents and communities. This option has been discussed informally in the past but I think that it should now be considered formally.

"I hope you find this suggestion helpful."

Mark has replied to say that:

"We have formed a smaller recovery task group that is meeting between the board meeting and reporting back to the board.

“Membership indeed came up at the meeting before the AGM last month and we have asked an external consultant who is supporting the group to look at this in more detail and have forwarded your suggestion on to her. It will be an agenda item on the next recovery group meeting.

“Associations have different membership criteria. But like I say we'll feed it in for discussion and thank you for your interest and determination to help.”

I will await the outcome with interest.

In the meantime, there is nothing to stop Impact tenants from applying for membership. In my view, it would be in their best interests to do so. Membership only costs £1 and can be applied for through the Impact Housing Association website at: <http://www.impacthousing.org.uk/membership>

Indeed, anyone with an interest in social housing in Cumbria or North Lancashire who would like to support Impact Housing Association in its mission of 'Improvement through Action' may want to consider membership!

The Need for More Wheelchair Accessible Housing

Everyone seems to agree that we are living longer, that medical science has advanced so much that people are surviving longer with multiple disabilities. There is also a shortage of housing for families in the UK which is putting a societal pressure on older people to downsize to smaller properties.

Bungalows with rising land prices have fallen out of favour, they are seen to provide too little return for developers per square metre of build. There seems to be a dichotomy of need from two very much opposite and opposing forces. Therefore, we need Local Authorities and Government to put on their strategic hats and do what is right long term for all the citizens of the UK and not just those that are abled-bodied and have money.

Over the last 15 years Habinteg and others have strongly advocated the building of what are called lifetime standard homes [now Building Standard Part M 4 (2)] and in many quarters their message has borne fruit, there are a great deal more low threshold entrances to modern housing, dropped kerbs, slightly wider doors etc. These homes when built to the full standard are excellent for aging in place where the occupier is a part time chair user, semi ambulant etc.

Unfortunately, at the same time again because of land price pressures we are increasingly putting disabled old and young people in apartments. Many of these serviced by inadequate sized lifts, over multiple floors. Apartments by their very nature tend to have small rooms, even smaller bathrooms, lack of storage, sometimes dodgy evacuation procedures, etc. All totally incompatible with living rather than just existing, when you have a mobility disability and need help to live independently using care-workers or kinship carers.

To care for someone properly with multiple medical, physical limitations you need space. Space to hoist, use sliding sheets, charge up equipment, space in a wet room to use a shower trolley or specialised commode, space to move freely with more times than not now-a-days a large electric wheelchair. Here even the Building Standard supposedly written for wheelchair users BS PartM4 (3b) lets many wheelchair users down, as it advocates a minimum end of bed space requirement of 1.2m which has led to the building of bedrooms that are too small for many electric chair users who need at least 1.5m to not bang their toes.

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There are many examples in this legislation that just does not stack up to the minimum clearance and room sizes that in reality disabled people need to live safely.

From lived experience we have found the following design minimums are needed in Full Spec Wheelchair accessible homes:

- **Double Accessible Bedrooms:** must assume that there will be two single beds one of which a hospital profiling bed that needs to have access to all sides for care to be delivered safely. A measurement of 4m x 4m allows this. [Width] 1m to care, the bed, 1m to care/move, other bed + space x [Length] 0.2m wall to headboard bed clearance +2.1m bed +at least 1.6m end of bed clearance. Even this is tight and allows very little room for storage.
- **Single Accessible Bedrooms:** still needs a 4m length but only 3m width. Again, tight for storage space.
- **Wet-Rooms:** where ever possible these should be en-suite as rolling disabled people for anything other than very short distances in what are usually very uncomfortable washing conveyances, when often have very poor body temperature control is nothing short of being cruel. Space wise anything less than 2.5m x 2.5m working floor space is too tight a space to use commodes / shower trolleys safely.
- **Second Bathroom / Hygiene Room:** this is my most contentious to many, suggestion that disabled people's housing must have a second bathroom. Where care is provided by non-family members or the disabled person is immune compromised it is essential to have separate washing facilities for those caring to prevent cross contamination to both parties. The family live in carer should also be considered as a full bath maybe needed for them.
- **Corridors:** where space is at a premium, corridors are wasted potential living floorspace, that limit free movement of a wheelchair.
- **Kitchen:** by default, kitchens in homes where wheelchair users likely to live should be as accessible as possible, both in design of units and size to safely turn and move in a wheelchair. There are many moveable wall units on the market now that are more mainstream than they used to be.
- **Laundry:** disabled people often have to do more laundry than abled-bodied family units. It therefore makes more sense to have machines tucked away in specially designed cupboards, where the noise can be more controlled.
- **Living Room:** often in social housing units this room is way too small and narrow for a wheelchair user to sit comfortable and not feel they are in the way of the abled bodied in the home. Many use wheeled side tables to store stuff close at hand to retain some sense of independence. Many designs do not allow space for at least 3 other abled bodied people to sit in the same room. Ideally this room should be 5m x 4m but never less than 4m x 4m.
- **Extras:** often not thought about at all in disabled housing design is space for physiotherapy, enough space to sit at a dining table or space for care-workers to write up reports etc. Storage is never adequately thought through and access to outside space is often poorly designed.

Designers often do not seem to appreciate the 24/7 way disabled and their carers / care-workers use their homes, this leads to bad claustrophobic designs that fail to appreciate the need for time out space. Compact housing and the requirements of wheelchair users are mainly incompatible, but with a little more thought can be achieved to a certain degree.

When abled-bodied people are looking for housing, first they choose an area they want to live in, then they search according to their need and means, private rent, social rent, buy, lease etc.

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Many wheelchair users because of the lack of accessible housing, get told where and how they will live how is this equitable? This is one reason why local authorities need to get to grips with the amount of accessible housing there is in their areas and quickly.

There is a demographic time-bomb ticking where the old will outnumber the young, many of these need, accessible housing. More and more younger people are surviving with life changing injuries, many of this group need accessible housing.

As each generation passes expectations of living standards rise, Local Authorities need to plan to these expectations, what grandma expected as okay to be put in a one bedroom non ensuite, non- internet connected care-home room will not meet the expectations of the 1960's generation when they retire.

Finally, in a civilised supposedly progressive society why should not the disabled community have similar choices to able-bodied people as to where and how they live.

Angela Cavill-Burch

This article is written by Angela Cavill-Burch, who says:

"I write from personal experience and not from any formal qualifications in urban planning, architecture or the like. I do though come from a background of working in international engineering project management, having worked in post-Gulf- War II, Iraq for 2 years, where I spent time living in a 100, person tent, a 20ft container, old classroom made into a dormitory. I then spent another 2 years working in Abu Dhabi as a project manager on the master plan project, developing the plans for the building of a new off shore port and industrial zone. So I do have some knowledge of strategic and master plans.

"In 2007 my life changed when my Husband caught a staphylococcus infection in his neck, that over the space of four days turned a very fit healthy man into a partial tetraplegic."

Angela has a website at: <http://onmybiketoo.blogspot.co.uk/>

Funding Temporary Accommodation

Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996. Households might be placed in temporary accommodation until enquiries into an application are complete, or they might spend time in temporary accommodation after their application is accepted until suitable permanent accommodation becomes available.

The number of households in temporary accommodation peaked in 2004 and then declined until 2011. However, since then numbers have increased with the quarterly statistics published in March 2017 recording that 75,740 households were in temporary accommodation at the end of December 2016. This is the twenty-second quarterly increase in the seasonally-adjusted number of households in temporary accommodation. Of these households, 54,170 (72%) were placed in temporary accommodation in London. The number of families with dependent children and / or pregnant woman placed in bed and breakfast style accommodation (that is regarded as an inappropriate solution to their housing needs) increased from 630 at the end of March 2010 to 2,780 at the end of December 2016.

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Successive governments have taken initiatives to try to reduce the use of bed and breakfast temporary accommodation. For example, local authorities have tried to secure private rented housing through lease agreements with private landlords. Authorities, particularly in areas of high housing demand, complain that the government's welfare reforms have reduced their ability to do this, as landlords can now secure higher returns from letting their properties on the open market to non-Housing Benefit claimants. Some councils have decided to use temporary accommodation outside of their own areas.

In August 2016, the Communities and Local Government Parliamentary Select Committee published an enquiry into the causes of homelessness, as well as the approach taken by national and local government to prevent and tackle homelessness. Some councils provided evidence to the enquiry that argued for more flexibility in providing temporary accommodation outside of their local areas. The Committee called on the Government to initiate a 'renewed, cross-Departmental Government strategy'.

In February 2016, the Centre for Housing Policy at the University of York published research commissioned by 'London Councils' that identified specific issues for London authorities in securing temporary accommodation.

The research included calculating the cost of temporary accommodation and identifying how these costs are met. This was done through focus group meetings with temporary accommodation officers and finance officers.

Key findings from conducting the costing exercise included information on the limited use of local authorities' own property within the Housing Revenue Account but there was some disagreement as to whether the use of that property constituted a nil cost to the local authority; under-reporting on hostel use, comparing returns with data from the P1E data indicating that, overall, costs have been under-estimated; and definition of incentive payments could be problematic, as in some instances 'incentives' constituted a degree of advanced payment of rent to secure longer tenancies at a lower rent but it is likely that there has been some under-reporting of one-off incentive payments.

Councils were generally unable to disaggregate the £40 management element of the temporary accommodation subsidy (now replaced with the Flexible Homelessness Support Grant). Anecdotally, temporary accommodation officers reported that this fee was largely absorbed by the shortfall between the rent asked by the temporary accommodation provider and the lower local housing allowance subsidy available for property.

The research found that Discretionary Housing Payments did not constitute a major source of funding to meet temporary accommodation costs although some boroughs were not able to disaggregate this source of income. Application for discretionary housing payments is discretionary for London boroughs, and not all boroughs chose to allocate their discretionary housing payment spending to meeting demand for temporary accommodation. On average, for the fourteen boroughs able to disaggregate their discretionary housing payment contribution, that income met less than 2% of the total cost.

Contributions from tenants to meeting the costs of temporary accommodation varied substantially, and in one instance met over 20% of the costs. The level of tenant contribution reflects the number of tenants in temporary accommodation who are in work.

Overall, the gross cost of temporary accommodation from the twenty boroughs included in the research, reached £463.7million in 2014/15, increasing from £349.6million in 2012/13. Boroughs were meeting close to one quarter of that cost from their General Fund. Using this data to model costs across all London boroughs, the University of York estimated that costs of temporary accommodation reached £663million in 2014/15. The contribution from London boroughs General Funds was estimated to be at least £170.4million.

The report concluded that:

"A perfect storm of market conditions and policy changes means that providing temporary accommodation for homeless individuals and families is increasingly challenging for London boroughs."

In November 2016 the BBC [reported](#) that councils in Britain had spent more than £3.5 billion on temporary accommodation for homeless households over the last five years, with London accounting for 61% of this cost.

The Homelessness Reduction Act that requires local authorities to be more pro-active in the prevention of homelessness, was passed in March 2017. At the same time the government introduced a new Flexible Homelessness Reduction Grant. To download a copy of our briefing paper on the Flexible Homelessness Reduction Grant, please click here: http://awics.co.uk/files/module_document_pdfs/flexible_homelessness_support_grant_-_briefing_paper.pdf

Scottish Government announces Affordable Housing Programme

The Scottish Government has announced in June 2017 how it will allocate £1.75billion of funding for affordable housing between councils, as it seeks to hit its target of 50,000 affordable homes by 2021. The funding will cover the next three years, with £532million available in 2018/19, £591million in 2019/20 and £630million in 2020/21. This is the first time the Scottish Government has allocated affordable housing funding three years in advance.

The cash is first allocated to local authorities, which can then use it to develop themselves or allocate it to housing providers and builders in their area.

The total size of the programme is £3billion over five years and will fund social rented, affordable rented and affordable homeownership units. The government has committed to building at least 35,000 social rented homes by 2021 as part of its 50,000 affordable homes target. The five councils with the largest allocations are Glasgow City, Highland, Edinburgh City, North Lanarkshire and Fife.

Kevin Stewart MSP, Minister for Housing in the Scottish Government, said:

"Today's announcement will provide the certainty that local authorities and the sector need to accelerate this progress and ensure we keep up this momentum to reach our goal of 50,000 new affordable homes by 2021."

Statistics released at the same time show that 6,495 social rented homes were approved in Scotland in 2016/17, a 34% increase since last year and the highest figure since 2010. The government said that 10,276 affordable homes of all tenures, including homeownership, were approved in 2016/17, a 29% increase and also the highest number since 2010.

Across all tenures, completions are at their highest level in six years, with 16,498 homes built in the calendar year for 2016. This remains below pre-recession levels when close to 25,000 homes were being built each year.

Annie Mauger, executive director at the Chartered Institute of Housing Scotland, told 'Inside Housing' that:

"A 29% rise in the number of approvals for affordable housing over the year ending March 2017 is to be welcomed, particularly when we consider the Scottish Government's ambitious target to deliver 50,000 new affordable homes by the end of the current Scottish parliamentary term in 2021.

"There are always challenges in building capacity to deliver when significant investment is forthcoming. Be it in terms of land supply, planning policy or finance and investment, we are bound to encounter obstacles on the road to delivering that commitment in what continues to be a challenging economic environment."

Kevin Stewart also told the Local Government and Communities Committee of the Scottish Parliament that grant subsidy can be made available to facilitate so-called 'off the shelf' purchases in cases:

"Where it can be demonstrated that the use of grant to acquire housing for rent 'off the shelf' is the most appropriate method of meeting the housing needs identified within a particular area – and where this is consistent with the priorities identified in the local authority's Strategic Housing Investment Plan".

Of the 33,490 homes that were delivered over the last Parliamentary term, 408 'off the shelf' purchases for rent by housing associations and councils were recorded in the official statistics. This accounts for 1.2% of the overall affordable housing supply programme. A further 1,343 properties were noted as having been rehabilitated over the five years to March 2016; and a further 1,110 'off the shelf' purchases for rent were acquired through the Mortgage to Rent element of the Home Owners' Support Fund.

In his announcement, Kevin Stewart said that:

"We are also aware that ex local authority properties have been purchased with the support of Affordable Housing Supply Programme (AHSP) grant funding, and also through the Home Owners' Support Fund. We are unable to provide exact numbers however as we do not record that level of information.

"More generally, we are aware that a small number of local authorities have strategies in place to buy properties without the aid of Scottish Government grant funding.

"While these units are not counted against our 50,000 target, they can make an important contribution to the delivery of affordable housing locally.

"We will look to strengthen forthcoming SHIP guidance to make absolutely clear our expectation that such projects funded or supported by sources other than Scottish Government funding are clearly recorded."

"It is for local authorities to identify the strategy for meeting affordable housing need as part of its Local Housing Strategy.

“For some local authorities, the redevelopment of poorer quality or underused housing stock can prove to be effective in not only meeting housing need but in delivering additional benefits such as regeneration.

“However for other areas or local authorities demolition and replacement may be the preferred approach, due to the quality, cost and/or broader plans for the area.

“Where local authorities consider that the rehabilitation of existing stock has a role to play locally we would expect them to identify specific projects in the SHIP and to discuss these projects with the relevant Scottish Government area team.”

Social House Building in Wales

Welsh housing associations maintained a strong development programme during 2016/17. During the year, 1,243 homes were completed. This is only eleven fewer than were completed during 2015/16 and the second highest figure ever.

Stuart Ropke, Chief Executive of Community Housing Cymru, told ‘Inside Housing’ that:

“We welcome the housebuilding figures released by Welsh Government today. We signed a housing supply pact with Welsh Government in December 2016, committing Welsh housing associations to build 12,500 new homes of the 20,000 target agreed in the pact.

“We will continue to work with Welsh Government to achieve these goals and, as part of the Homes for Wales coalition which has been re-launched for this month’s general election, we are also calling on the new UK government to support a welfare system that ensures everyone can access an affordable home, and to support the construction industry in light of Brexit negotiations so it can access the materials and labour it needs to build new homes.”

Overall figures for Welsh housebuilding showed a similar trend, falling to 6,833 in the past year from 6,900 in the one before. Again, the past two years represent a significant increase from previous years – 6,170 homes were completed in 2014/15.

The two-year rise in housebuilding has been driven in part by an increase in completions in South West Wales. Pembrokeshire and Carmarthenshire have seen 355 social homes built in the past two years between them, in comparison to 90 over the two years before that. In Swansea, meanwhile, 256 social homes have been built in the past two years, in comparison to 105 in the two years previous.

Stock of Social Housing and Right to Buy in England

A recent survey by ‘Inside Housing’ has confirmed what many in the sector already suspected: Since ‘right to buy’ was ‘re-invigorated’ in 2012, 51,352 council houses have been sold with only 10,644 new homes being started – a replacement rate of one-in-ten rather than one-for-one. Furthermore, fewer than half of the council houses built to replace those sold under the ‘right to buy’ are at social rents with many of the replacements being at ‘affordable’ rents that are set at 80% of market rents. However, some councils such as Islington Borough Council and New Forest District Council have ensured that all replacement homes are at social rent. This raises the question: Could more councils be building social homes rather than affordable homes?

Meanwhile, the National Housing Federation has announced that in the year to April 2017, housing associations completed 38,000 new homes – 5% fewer than during the previous year. In contrast, the number of new starts for market sale increased by 56%. Of the new starts only 8% were for social rent.

This means that the national stock of social homes is continuing to decline and that the trends in housing building in England do not match those in Scotland and Wales as described above.

Sir Robert Naylor's Review of National Health Services Property and Estates was published in March 2017. One of its proposals is for the sale of National Health Service land for housing development through a new housing association owned by the National Health Service. Naylor found that unaffordable housing is a barrier to recruitment and retention of staff. His idea is that new homes would be built either by existing housing associations or by the new housing association owned by the National Health Service. New homes would be earmarked for National Health Service staff thus enabling them to access affordable housing.

Ministers had not responded to the Naylor report before the general election was called. However, the proposal appears to have found favour with Theresa May, the Prime Minister, who told the BBC that she is now backing the proposals in the Naylor report.

Housing Association Rents

The government's decision, implemented through the Welfare Reform & Work Act 2016, to reduce local authority and housing association rents by 1% a year for four years had an adverse effect on business plans that had been based on the government's previous policy of increasing rents by the consumer prices index plus 1%. Furthermore, as the government has not said anything specific about its rent policy after 2020, it is difficult to make assumptions about rents when doing long-term planning.

The National Housing Federation is currently working with a group of its members to consider the future of housing association rents after 2020. Following their member consultation on this issue, a group was established, to consider a new model of rent setting based around three key principles:

- Housing associations will be able to plan and invest with confidence due to greater certainty and control over their core income
- Housing association rents will be affordable for those in housing need and responsive to local markets
- Rent setting will be transparent and accountable at a national, regional and local level.

At the group's latest meeting in April 2017, members talked about the All Party Parliamentary Group on Housing and Planning's recent evidence session on rents. At that session, parliamentarians wanted to understand what could be done to ensure that a new approach to rents continues to support housing associations' ambitions to deliver new homes, while remaining fair and affordable for tenants, and making the best use of public funds.

The group then discussed building the research base for a new rent model that supports every part of the sector to deliver on its social purpose, and what is needed to build a case with the Government for an agreement based around certainty and control for boards.

The General Election of June 2017 placed these discussions briefly on hold. During this pause, the Federation has been considering what impact the election could have on the timings of this project, and has been working on developing a dedicated area of our website for information about our work on the future of housing association rents.

The Conservative Party manifesto proposed that the government should enter into 'deals' with housing associations in which additional borrowing capacity would be made available to fund the delivery of additional affordable homes. It is assumed that this additional borrowing capacity would come in the form of greater rent flexibility. It would be consistent if this approach was also extended to local authorities.

Service Charges

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works.

Housing Associations have traditionally levied service charges with most local authorities in England introducing them in the 'noughties'. Financial constraints and proposals for the future funding of supported housing are leading many local authorities and housing associations to look at reviewing their approach to service charges. The rolling out of Universal Credit is having an impact on benefit entitlement for service charges.

In Wales, local authorities and stock transfer associations are now introducing service charges as part of the Welsh government's new rent policy.

Our seminars on service charges continue to be popular and, due to popular demand, we have just launched a new session in London on 10th October 2017. For information in upcoming sessions, please click on the links below:

- Cardiff - 12th September 2017 - <http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-in-wales-2017>
- London – 10th October 2017 - <http://awics.co.uk/schs2017>

AWICS Website

We have updated some pages on our website, including the following:

- What do people say about our courses: <http://awics.co.uk/course-feedback>

Editorial Note

The AWICS Housing News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

AWICS Survey

We would be grateful if you could take part in our survey of our clients, website users, newsletter readers or others with an interest in local government or housing. If you would like to please visit <http://form.jotform.me/form/50612526489459>

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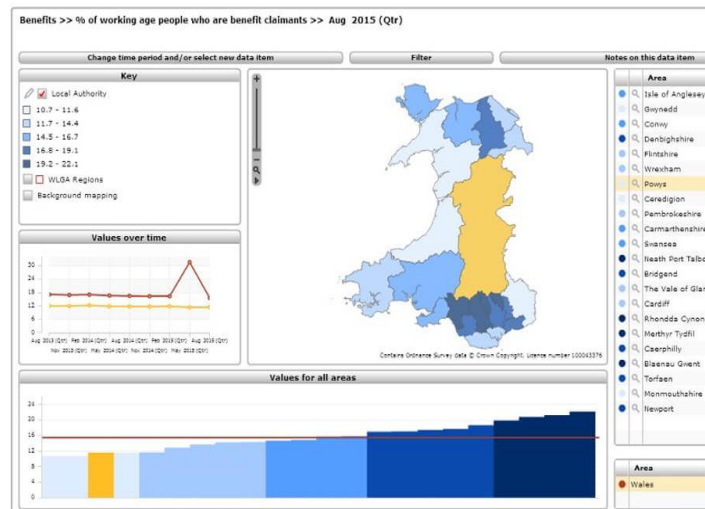
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AWICS Seminars:

Our next seminars are as follows:

- All You Want to Know about Service Charges in Social Housing in Wales.
 - Cardiff – 12th September 2017
- All You Want to Know about Local Authority Housing Finance.
 - London – 27th September 2017
- All You Want to Know about Service Charges in Social Housing
 - London – 10th October 2017
- All You Want to Know about Housing Association Finance.
 - Leeds – 24th October 2017
- All You Want to Know about Local Authority Finance
 - Leeds – 21st November 2017

Information about all our seminars can be found at: <http://awics.co.uk/seminars2017>

Feedback that we have received at our seminars can be found at: <http://awics.co.uk/course-feedback>

About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

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