Briefing Paper

Housing: State of the Nation

May 2017

Stockwell Park in Lambeth.

Introduction

The Public Accounts Committee published its report 'Housing: State of the Nation' on 28th April 2017.

The Public Accounts Committee is appointed by the House of Commons to examine:

"The accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, and of such other accounts laid before Parliament as the committee may think fit"

The Department for Communities and Local Government leads on housing on behalf of the government. It has two strategic housing objectives: driving up housing supply, with the ambition of delivering one million new homes over the five years of this Parliament; and increasing home ownership. These objectives are supported by a range of interlocking programmes. In February 2017, the government published a White Paper in which it acknowledged the housing market in England was "broken", and had not been delivering enough houses to meet demand for many years.

A copy of my briefing paper on the Housing White Paper can be downloaded from: http://awics.co.uk/files/module_document_pdfs/housing_white_paper_-_briefing_paper.pdf

The Public Accounts Committee found that the results of this long-running shortfall in supply are that, in many areas of the country, housing has become increasingly difficult to afford. First-time buyers now on average need to borrow over three times their income, for example, and private tenants in London have seen rents go up twice as fast as earnings in a decade. Homelessness has risen since 2009/10, with more than 70,000 families in temporary accommodation at the end of March 2016.

The number of homes built in England has lagged demand for housing for decades. The Public Accounts Committee found that the effects of this long-running shortfall in housing reveal themselves in the growing barriers people face in getting on the property ladder, or simply affording their rent. The human costs are emphasised by the growing problem of homelessness, with the number of families living in temporary accommodation rising from 50,000 in 2011/12 to 72,000 in 2015/16. Almost 120,000 children in England live in temporary accommodation in April 2017.

Between 2001 and 2010 an average of only 144,000 homes were built a year, 100,000 fewer than were constructed in the 1970s – far below the 225,000 to 275,000 required to meet demand according to the Public Accounts Committee.

The Department for Communities and Local Government has an ambition to deliver a million new homes over the five years 2015 to 2020. However, the Public Accounts Committee found that, despite acknowledging that the housing market in England is ‘broken’, the Department for Communities & Local Government remains dependent on the existing market to realise its ambition. Currently the house building market is dominated by ten large firms, accounting for 60% of private homes built. The report states these developers limit the rate of construction to what they believe the market can absorb and they have ‘little incentive’ to accelerate this process.

Even if the one million target is achieved, the Department for Communities & Local Government acknowledges that it will not come close to meeting the actual level of housing need, so problems of affordability and homelessness are likely to persist for years to come. The Public Accounts Committee complains that the Department for Communities & Local Government’s lack of ambition on such a fundamental issue is matched by a lack of information on the impacts and value for money of the roughly £21billion the government spends each year on housing benefit.

The Public Accounts Committee noted that of the £20.9billion spent on housing benefit in 2015/16, £8.4billion went to housing associations that use rental income such as this to borrow to invest in new homes. However, neither the Department for Communities & Local Government nor the Department for Work & Pensions can quantify the impact of this funding on the construction of new homes.

A further £8billion of housing benefit went to private tenants. This subsidises landlords in the private rented sector but did not contribute to the financing of new social housing.

The Public Accounts Committee study highlighted that the housing crisis is not just having a human cost, with rising homelessness, but also has a financial cost as councils spent £840million in 2015/16 on temporary accommodation. This represents a real-terms rise of 46% in just five years.

The purpose of this briefing paper is to summarise the report and to provide a commentary.

The full report of the Public Accounts Committee is available on their website at: https://www.publications.parliament.uk/pa/cm201617/cmselect/cmpubacc/958/958.pdf

The Housing Gap in England

The Public Accounts Committee found that housebuilding in England has lagged behind demand for decades: between 2001 and 2010, for example, an average of only 144,000 new homes were completed annually—100,000 fewer per year than in the 1970s. The Department for Communities and Local Government (the Department) acknowledges that to make up for this long-term shortfall, and to keep up with population growth, between 225,000 and 275,000 additional homes are now needed each year. Despite this, its ambition of overseeing the construction of one million additional homes over the five years of this Parliament equates to an average of only 200,000 net additions per year. In the absence of any clear plans for raising supply further, the Department conceded that the fundamental flaws in the housing system could persist for decades to come.

The Public Accounts Committee are highly concerned by this lack of urgency and ambition, most of all in view of the rising costs, both human and financial, of homelessness. Not only does becoming homeless people represent a terrible blight on people's lives, it also places additional strain on public spending: councils' spending on temporary accommodation amounted to £840 million in 2015/16, a real-terms rise of nearly half (46%) in just five years.

The private housebuilding market is dominated by around ten large firms, between them accounting for nearly two-thirds (around 60%) of new private homes. The Home Builders Federation agrees that such firms limit the rate at which they build to what they believe the market can absorb. The Department for Communities & Local Government's view was also that big housebuilders have little incentive to accelerate housebuilding through investing in innovative methods of construction. In its recent White Paper the Government accepts that the housing market is 'broken'. Yet the Department remains dependent on the big housebuilders to deliver its one million homes ambition, and accepts that its ambition therefore depends on the health of the wider economy. Dependence on the market means that even the social housing sector is increasingly reliant on profit from private sales to finance construction. Local government stakeholders, meanwhile, complain that councils are being prevented from building more homes because of government policies that limit their ability to borrow. Despite this, the Department for Communities & Local Government remains confident, that councils retain the capacity to build new homes, and that in the event of a downturn it has the tools to facilitate public investment.

Both Shelter and the Local Government Association suggested to the Public Accounts Committee that the private housebuilding sector could not be relied on alone to meet the demand for housing. The Local Government Association and other local government stakeholders suggested that the social housing sector was capable of building much more affordable housing, but that councils were being prevented from doing so by limits on their ability to borrow against their housing revenue accounts. The Department for Communities & Local Government conceded that borrowing caps on these accounts were a constraint for some councils, but thought there were still many things councils could do to facilitate housebuilding. It made clear that lifting councils' borrowing caps on these accounts was a decision for the Treasury that in turn suggested this could have a negative impact on the Government's fiscal position. However, not all economists agree with the Treasury on this (see below) and research by the Local Government Association published in its report 'Let's Get Building' showed that the financial markets would not be averse to local authorities borrowing more to fund house building.

Lord Gary Porter (Conservative), Leader of South Holland District Council and Chair of the Local Government Association told the Public Accounts Committee that:

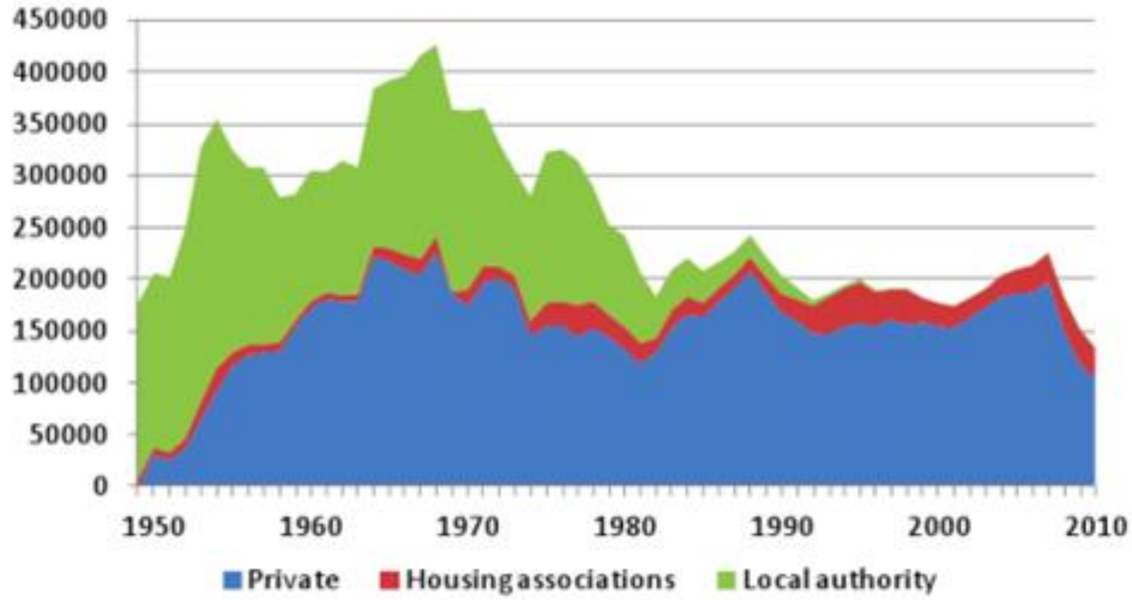
"We have more families than we have housing. We need to build more housing. For the past 45 years, successive Governments have fallen out of love with developing enough homes of the type that people want, in the place where they want to be and at a price that they can afford. The coalition Government failed to do what was necessary, but the previous Labour Government drove councils away from delivering council housing. The only way we have ever built enough homes in this country to keep the country in satisfactory accommodation is when the state plays its part in building enough homes. The private sector generally, with the exception of recessions, does roughly the same number of properties year on year. It is the state sector that has failed to keep up with the demand, which we should have kept up with.

"Councils have been actively discouraged… from building houses. I cannot recall any previous Labour Housing Ministers while I was leading on housing for the Local Government Association that ever attempted to encourage councils to build houses. In fact, the Labour Government… actively tried to make us get rid of the housing through stock transfer. We have now got a Housing Minister who actually is open to housing. I just think his hands are being tied by the Treasury. If Governments really loved housing, somebody would get hold of the Treasury and make them understand that it is all their fault.

"This is not about the Treasury printing new pound notes. The private sector banks, either in this country or in Canada, have enough money to lend to us to build houses. We are sitting on two million council houses that do not have sufficiently large mortgages on them. We are prepared to get big mortgages on those, secured by the value of the asset, to build new council houses. You just have to let us. That's all. We don't need a cheque; we just need the permission.

"The problem is that we put those houses on the public sector debt book. The rest of Europe does not do that."

This point is supported by the following graph:



The Chartered Institute of Public Finance & Accountancy has calculated that, as a result of the rent reductions, councils will not have the cash to build any new homes between 2017-18 and 2028-29. However, Helen MacNamara, the Director General for Housing & Planning at the Department for Communities & Local Government, did do not agree with that analysis, saying that:

"There is still headroom in the housing revenue accounts that councils could borrow against. There are places. I was up in Newcastle last week and they are doing some fantastic development in a joint venture with a housing developer where they have put their land in, so it is not quite as simple as the rent reduction therefore leading to councils not being able to build. There are many things that they can do.

"I would be surprised if we came to the conclusion that we would lift the cap across the piece. There is an interesting conversation to be had with places in particular areas of high demand, where we as Government have to think about how we can use the products that we have to support local councils to build. The White Paper is very clear that we are supportive of supply wherever it comes from and we are supportive of local councils doing their own development."

The Chartered Institute of Housing expressed concern to the Public Accounts Committee that it was not just private housebuilders that are reliant on a buoyant property market, but also housing associations, many of which increasingly depend on private sales to support their social housebuilding programmes. On a similar theme, the Public Accounts Committee noted that, even where the market remains buoyant, the requirement for social housing providers to build for sale could induce them to build luxury developments, out of the reach of local people, to cross-subsidise the construction of affordable housing elsewhere. The Department for Communities & Local Government acknowledged that in such circumstances local people might find it hard to accept being outpriced by 'a wall of money from overseas', especially where such properties were left unoccupied. However, it said that it had always been the case that central London was 'beyond the reach of people'; and that, positively, such developments levered in significant investment for infrastructure and other housing.

Terrie Alafat, Chief Executive of the Chartered Institute of Housing, told the Public Accounts Committee that:

"The worst thing that can happen with housing associations is uncertainty, because as we know, the whole model relies on private finance. That was the biggest issue with the decrease in the rent: there was a 10-year rent settlement, and then there was quite a rapid decision which affected their whole model… I think it is quite an important one going forward, particularly when there is a lot of discussion about what the next rent settlement might look like and there is a lot of debate about rent flexibility and various things. I think it does need to be thought through very carefully, because it is that issue of certainty.

"It is not just about rents; a lot of the debate is now around supported housing, for example, which we have not touched on today. There is the Local Housing Allowance cap on supported housing and the funding of supported housing. We also know that the uncertainty around the future funding of supported housing means that some organisations are holding back. The other thing is that organisations have obviously looked at what they are there to deliver. Different organisations are deciding what their core purpose is and pulling back from some sectors. One has to look really carefully at those kind of policies and bear in mind the environment that they create, which then affects access to funding and building.

"Having said all that, we know that there are a lot of other things where the housing association sector is responding very positively in terms of diversifying tenure, going into the private rented sector and those sorts of things. They are also becoming more and more reliant on sales to support their housing programmes, and in a downturn that is riskier. Bearing in mind where we might be going—I do not want to speculate—in a downturn, counter-cyclical investment has helped the housing market. It just needs to be looked at in the round in that way. A lot of things have changed around the whole model and system, and it is worth looking at that and thinking about the right model to sustain going into the future."

The ability of housing associations to access capital funding at a lower cost than the private rented sector was highlighted by Peter Schofield, the Director General for Housing Benefit at the Department for Work & Pensions, as follows:

"If you compare the business models and the cost of capital of housing associations with the business model and the cost of capital of the major private sector house builders, it is dramatic. One is capital markets-funded to a large extent, which is important. You can raise finance cheaply in the capital-intensive industry that house building is. On the other, you have one that, primarily I suppose, is equity-funded and therefore has a much higher cost of capital, and that will constrain its ability to deliver the volumes of house building that we need."

He also commented on the effectiveness of the 2011/15 affordable housing programme:

"When we went into the 2011-2015 affordable housing programme, there was £4.5billion of Government grant. That leveraged in £15billion of funding from particularly the capital markets, but it was private sector borrowing. So it gives you some indication of the scale of funding that was being brought in as a result of this funding model from the capital markets."

The trend for housing associations to become more dependent on market sales and less committed to social and affordable housing was noticeable in the Global Accounts of Private Registered Providers 2016 that was published recently by the Homes & Communities Agency.

A copy of my briefing paper on the Global Accounts of Private Registered Providers can be downloaded from: http://awics.co.uk/files/module_document_pdfs/global_accounts_of_private_registered_providers_-_briefing_paper.pdf

The Public Accounts Committee is enthusiastic to see an increase in rates of self-build and other more innovative forms of housebuilding.

The Public Accounts Committee found that the Department for Communities & Local Government did not announce publicly that its ambition for a million new homes over five years was actually to be achieved in nearly six years, making it easier to achieve. Neither did it announce formally that it had changed this ambition back to be delivered within five years, within a month of the National Audit Office's January 2017 report. The only metric of progress towards the one million new homes ambition in the Department's Single Departmental Plan is a backward-looking figure for net additions in the previous year. The Department is taking a similarly backward-looking approach to judging its progress against meeting a commitment for a one-for-one replacement of council housing sold under the reinvigorated Right to Buy. The Public Accounts Committee found that this does not enable Parliament or the public to judge whether the Department is on track. The Department's plans to develop metrics for public land disposal, and for the efficiency of the planning system, are welcomed by the Public Accounts Committee, but have been very slow in coming.

Getting more out of Spending on Housing Benefit

Total government spending on housing in England stood at approximately £28billion in 2015/16. Of this, around three-quarters (£20.9billion) went on housing benefit that subsidises the costs of rented accommodation in both the social and private rented sectors. This means that most government spending on housing does not directly support either of the Department's strategic priorities for housing, neither driving up housing supply nor increasing home ownership. There is a further £3billion a year spent on housing benefit in Northern Ireland, Scotland and Wales.

Both the Department for Communities and Local Government and Department for Work and Pensions stressed in their evidence to the Public Accounts Committee that housing benefit makes a significant indirect contribution to housebuilding, by providing a revenue stream against which housing associations can borrow to finance the construction of new homes. In 2015/16, the total amount of housing benefit that went to housing associations was £8.4 billion (less than a third of total spending). However, the Department for Work & Pensions was unable to provide any figures for how much private capital this leveraged in, nor how many new homes resulted from it.

Before 2011, the Department for Communities & Local Government used to do more to finance the construction of housing directly. The Department for Work & Pensions explained to the Public Accounts Committee that this:

"Involved very significant amounts of government capital grant going to fund affordable housing with a lower ongoing rent".

However, from 2011, the Department for Communities & Local Government reduced grant funding and allowed social rents to increase, Shelter pointed out to the Public Accounts Committee that it had been a long-standing government policy that 'housing benefit was there to take the strain'. In 2012 the previous Committee of Public Accounts questioned whether this would deliver better value for money, given that the rise in housing benefit spend would shift costs from one department to another. The Department for Work & Pensions argued there were two advantages of this policy: first, it levered in capital finance that was outside public spending; and second, by not directly funding construction, it meant government subsidy was not 'baked into the bricks and mortar'. This meant it could respond to people's changing circumstances - if someone's income increased, that is, their housing benefit could be reduced, unlike a capital grant which would already have been spent in building a new home.

In 2015/16 tenants in the private rented sector received £8billion in housing benefit, a rise of £3.6billion in real terms compared with 2007/08. The Chartered Institute of Housing told the Public Accounts Committee that this illustrated the effects of the 2008 financial crash, and the ongoing problem of wages relative to housing costs since then. According to the London Borough of Newham, private sector rents in the Borough rose by 40% between 2011 and 2015, while wages stagnated. The Department for Communities & Local Government is aware that in some other countries the state regulates private rents and spends much less on housing benefit, but confirmed it is a policy position of the Government to allow the market to set private rental levels in England. The Department for Communities & Local Government is aware that private rents have been increasing, but conceded it was 'quite tricky' to do something about it, suggesting the long-term solution was to build more homes. It did not suggest that housing benefit in the private rented sector could be levered to aid the construction of new homes.

In 2001, the Department for Communities & Local Government set out a definition of a 'decent' home. Following the introduction of this standard, and substantial central government spending on the Decent Homes Programme, there has been a significant improvement in the number of social rented homes that meet these standards. The government spends around £8billion in housing benefit a year on subsidising the rents paid by tenants in the private rented sector. Yet, according to the latest available data, in 2014 the private rented sector had the highest proportion of non-decent homes (29%), compared with 14% in the social rented sector. In view of the poor quality of much private rented stock, local government stakeholders suggested that the Government was obtaining poor value for money from the £8billion or so of housing benefit with which it annually subsidises private landlords. The Department for Communities & Local Government accepts that 29% is too high, but the Public Accounts Committee found that it seems reluctant to use the leverage from the money it is paying to private landlords to encourage them to provide accommodation of a standard comparable to the social sector.

Lord Gary Porter raised the issue of resourcing new responsibilities and advocated the creation of local authority housing companies as the way to drive improvements in the private rented sector as follows:

"The Local Government Association will give you the standard line that we are quite happy to get involved in enforcing higher-quality housing to let, but that will require resource, and that is an unmet resource. Central Government would need to resource it, but I think we are missing a trick at that level. I think the best way of doing it is seen in the councils that are starting to set up their own housing companies, where they are keeping some of their stock as buy-to-let stock. Getting councils to become the landlord of choice for the private sector renter is probably a better way of driving quality and ensuring that we build houses and rent out houses that are high quality, so that the private sector has to follow suit. To get a sustainable private sector, you need more than regulation. You need market competitiveness. If they have to compete against good quality council-owned private sector rental units, that will drive up the sector quality. Then, obviously, when people are found to be mistreating their tenants, the courts need to have serious amounts of teeth to bite people who are serial offenders."

Planning

The Public Accounts Committee considered the role of local authority planning departments, and were advised by Melanie Dawes, the Permanent Secretary at the Department for Communities & Local Government as follows:

"This is one of the areas that has actually experienced some of the largest cuts as local government finances have been reduced over the last few years. The NAO has shown that in previous Reports and it tallies with the Departments figures. That is why the Government have said that they will allow planning departments to increase their fees, which will help to bring more money into those departments. We also have capacity funding in the Department. We have found that to be quite helpful, particularly in areas that are seriously planning for large increases in homes and have a lot of work that they need to do with developers and so on to get those homes built, as well as the early stages of planning. We have a number of means to get more money into the system and I think we need to keep that under review. The lack of capacity in local authority planning departments is often an area that developers say they think is their number one priority."

The Committee noted that while one of the Government's key reforms is to insist that all councils have an up-to-date local plan for housing, Lord Gary Porter, stated that his own council (South Holland District Council) did not have one, because it was unnecessary as follows:

"You don't actually need a plan to be able to build houses; you need a plan to stop building houses. The idea of a local plan is to control development, not to enable development. That is the whole point of the plan. If you really are free and open to building more homes, you need to be compliant with the NPPF; you don't need a local plan that sits underneath that… I must defend my own council. Strategically, I am not bothered that we do not have a local plan, because we are a pro-growth council."

Right to Buy and Sale of High Value Council Homes

The Committee considered the Government's commitment to ensure a one-for-one replacement for council homes sold under the reinvigorated Right to Buy since 2012–13. Caroline Flint MP (Labour) stated that to replace the number of council homes that are currently being sold under right to buy there is a need to increase the rate of construction fivefold. The Department for Communities & Local Government conceded that to continue to meet the commitment to one-for-one replacement, it would need to see an acceleration in the construction of new council homes, but nevertheless considered that 'We aren't actually behind yet', given that the time allowed to meet this commitment had not yet expired.

Melanie Dawes told the Committee that:

"The latest figures that we have, which are for the three months to September 2016, show an increase in the rate of replacement. We remain on track to meet our commitment to replace one for one homes sold since the right to buy was reinvigorated in 2012 (but) we will need to see an acceleration yet further. We aren't actually behind yet. There are three years that local authorities have to replace the homes and so far they have been meeting those numbers. We are on track so far, but to remain on track we are going to need to see an acceleration in the rate of council replacements. It is certainly true that, in some areas, councils do not get high enough sales proceeds to meet the cost of new homes. In other areas, they have enough money, but they are caught by the Housing Revenue Account borrowing cap. We are talking to them. In particular for those caught by the Housing Revenue Account cap and some of the cost issues, our backstop has always been that after three years they have to return the money to the Homes and Communities Agency, which has a good track record of building new affordable homes. We want these homes to be replaced as far as possible by the councils themselves in the areas that they prioritise, but in the end, the commitment is for an overall national number, so our backstop is to bring the money into the Homes & Communities Agency. We are talking to councils about how we can make that something that they do quicker, when they know that they are just not going to be able to build the homes, rather than wait until the end of the period."

When asked about the sale of high value council homes, Melanie Dawes said that:

"That is a separate policy again. We have not been asking for any payments from local government yet, certainly not during 2017-18. Ministers will say more about how we are going to take that forward in due course. It is still under discussion."

Conclusions and Recommendations of the Committee

Conclusion and Recommendation 1

Conclusion: Housebuilding has been falling short of demand for many years, with escalating human costs. The Department for Communities and Local Government acknowledges the scale of the 'housing gap' between supply and demand, but its ambitions do not come even close to addressing it.

Recommendation: In its Single Departmental Plan, the Department for Communities & Local Government should publish a 'housing gap' figure (updated on an annual basis), showing the difference between the latest rate of net additional housebuilding and estimates of the rate required to meet demand as identified in its recent White Paper.

Comment: While it is generally accepted that the level of housebuilding is insufficient to meet need there is currently a lack of robust evidence at national level of the gap between development and housing need and the cumulative gap between the number of households requiring homes and the number of dwellings available.

Conclusion and Recommendation 2

Conclusion: While the Department has acknowledged that the housing market is 'broken', it is still reliant on the market to achieve its housing ambitions.

Recommendation: To aid evidence-based consideration of alternative policy options to accelerate housebuilding, the Department for Communities & Local Government should:
a) review international evidence and report to Parliament on lessons to be learned from the housing policy and institutional landscape of other countries with higher rates of housebuilding than England, in particular focusing on innovative methods of accelerating construction and improving affordability; and
b) write to us within six months with estimates of how many homes councils will be able to build up to 2020 under current financing arrangements, and with details on what other, more innovative measures councils can pursue to develop new housing.

Comment: The United Kingdom government takes a different approach to controlling public expenditure to most other developed countries. Most developed countries allow public bodies to borrow to invest in infrastructure such as housing if the cost of that borrowing can be met without using taxation – for example through rents. However, the United Kingdom government has imposed 'borrowing caps' on English local authorities that prevent them from using their borrowing capacity to build new homes and fund them from the rent. The Welfare Reform and Work Act, by requiring local authorities and housing associations to reduce their rents by 1% a year for four years has also reduced capacity for development; as has the capping of housing benefit at local housing allowance levels and the uncertainty created by the government's proposals to reform the funding of supported housing. Local authorities are also losing stock because of 'Right to Buy' and may lose more when the provisions of the Housing and Planning Act 2016 relating to the sale of high value council are implemented. It would certainly be useful to establish exactly how many homes local authorities are planning to build in the medium-term as part of forecasting future housing need and supply. There are many international models that could be studied including the Scottish model where, compared to England, local authorities have more discretion over setting rents, can make full use of prudential borrowing powers and are building more new homes.

Conclusion and Recommendation 3

Conclusion: The Department has not been transparent enough about its overarching housing objectives and the progress of individual programmes which will contribute to meeting them.

Recommendation: The Department for Communities & Local Government should improve the transparency with which it reports both its objectives and progress towards achieving them. In particular, in its Single Departmental Plan it should set out:
a) the cumulative total of net additions since the beginning of its one million homes ambition, showing how many homes need to be completed in future years; and
b) how its individual programmes and spending are contributing to the one million homes ambition (making clear where these are projected as being additional to what the market is likely to have delivered in any case).

Comment: Transparency is important. ‘Openness’ is one of the seven Nolan principles of public life.

Conclusion and Recommendation 4

Conclusion: The Government spends around £21billion each year on housing benefit, but does not know what contribution this money makes to the supply of new housing.

Recommendation: Reporting back to us within one year, the Department for Communities & Local Government should work with the Department for Work & Pensions to:
a) identify metrics that can be used to establish the full impact of housing benefit on construction of new homes; and
b) examine the scope for this financing to be used more innovatively to increase housing supply and home ownership.

Comment: The Housing Benefit budget is substantial and is increasing. There is clearly a need to establish the outcomes that are being achieved. There is also a need to establish how best to use public money to achieve the government’s objective of supporting the building of new affordable housing. It is currently unclear whether this is through paying Housing Benefit or through the affordable housing programme. This evidence is required for the government to take evidence-based decisions on housing policy.

Conclusion and Recommendation 5

Conclusion: Too often, the Government is subsidising landlords in the private rented sector to provide homes below a decent standard.

Recommendation: Working with the Department for Work & Pensions, the Department for Communities & Local Government should commission research on how many non-decent homes in the private rented sector are being subsidised through housing benefit, the total amount of housing benefit this represents, and potential policy mechanisms for utilising this funding to raise the quality of the housing it subsidises so as to meet decent homes standards.

Comment: The private rented sector currently receives £8billion a year in housing benefit and this figure is increasing. There is also a considerable amount of non-decent stock in the private rented sector. There is an argument that government should only support the private sector if homes are decent and rents are reasonable. There is certainly an argument that a cost-benefit analysis is required of expenditure on housing benefit in the private rented sector so that the government could make evidence-based decisions on housing policy.

Conclusions

The Public Accounts Committee has asked some very relevant questions principally around housing supply and the effectiveness of the government's considerable expenditure on housing benefit. House-building in the United Kingdom still falls behind need and it is not clear that the government's strategy of relying on the private sector to increase building will be successful. There is a lack of transparency in the government's approach to housing, including a lack of information about the outcomes being achieved as a result of considerable expenditure on housing benefit in the local authority, housing association and private rented sectors. Local authorities are prevented from achieving their full potential by constraints that have been imposed by central government.

Adrian Waite
May 2017

Seminar: Developments in Local Authority Housing Finance in England 2017

June / July 2017

We are holding seminars on 'Developments in Local Authority Housing Finance in England' during June and July 2017. This seminar will look in depth at current developments in local authority housing finance in England – especially the implications of the outcome of the 2017 General Election for local authority housing, the Autumn Statement of 2016 and the Budget of 2017, whether the Housing & Planning Act 2016 will be implemented in full, the future funding of supported housing, the vote for Britain to leave the European Union, the affordable housing programme, the public finances, welfare reform, rent reductions, issues around the reinvigorated 'right to buy', sale of high value properties to fund the extension of 'right to buy' to housing associations and new development.

If you want to be up to date with the world of local authority housing finance, this is the seminar for you!

The seminar will address the following questions:

- What is the Political, Economic, Social and Technical Context?
- What will be the implications for local authority housing finance of the new government's policies on housing and welfare?
- How, and to what extent, will the Housing & Planning Act be implemented?
- How can councils develop effective self-financed business plans?

Who should attend?

All those with an interest in developments in local authority housing finance in England, including Managers in Local Authorities and Arm's Length Management Organisations, Elected Members, ALMO Board Members, Housing Accountants and Tenant Representatives. The session will assume a basic knowledge of local authority housing finance but will not assume that delegates are experts.

The session is accompanied by a very useful book entitled: **"Developments in Local Authority Housing Finance in England 2017"**

Venues and Dates:
London: Novotel Hotel, Waterloo – Wednesday 14th June 2017
North: Novotel Hotel, Leeds – Wednesday 5th July 2017

The price of the seminar is £195 plus £39 VAT, total £234.

For further information or to make a booking, please click here: http://awics.co.uk/developments-in-local-authority-housing-finance-in-england-2017-seminar

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- All You Want to Know about Service Charges in Social Housing in Wales
- All You Want to Know about Local Authority Housing Finance

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Services that we offer include:
- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars — http://www.awics.co.uk/Seminars2017.asp
- Webinars – http://www.awics.co.uk/webinars.asp
- In-House Training — http://www.awics.co.uk/inHouseCourses.asp
- Independent Residents' Advice — http://www.awics.co.uk/IndependentTenantAdvice.asp
- Technical Books — http://www.awics.co.uk/publications.asp
- Information Service — http://www.awics.co.uk/aboutUs.asp