



Housing, Communities and Local Government Committee

House of Commons, London SW1A 0AA

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Rt Hon Robert Jenrick MP
Secretary of State
Ministry of Housing, Communities & Local Government

20 October 2020

Dear Robert,

THE GOVERNMENT RESPONSE TO THE COMMITTEE'S REPORT 'BUILDING MORE SOCIAL HOUSING'

Thank you for your Department's recent response to the Committee's report into the long-term delivery of affordable and social rented homes.

We are disappointed that the response did not consider key conclusions in the report. Our inquiry lasted over a year and we received almost a hundred written submissions and held four evidence sessions. As featured prominently in the report's summary, based on the evidence we read and heard, we concluded the following:

There is compelling evidence that England needs at least 90,000 net additional social rent homes a year and it is time for the Government to invest. The sector estimates that £10 billion in extra grant funding will be needed.

This summarised our conclusions in paragraphs 90–92. Your Department's response to the report did not include any consideration of these three conclusions, even though it did respond to the recommendation in paragraph 94, which is contingent on the paragraphs 90–92.

As I am sure you understand, it is disappointing to see your Department not engage with the core conclusions of our report. We entitled the report, 'Building more social housing', because we believe it is imperative that the Government expands its social housebuilding programme to meet the backlog in demand for affordable homes.

You will recall that this is not the first time we have felt that the Department has not responded adequately to the Committee during this inquiry. Following the Minister for Housing's appearance before the Committee on 8 June, we wrote to Mr Pincher to express our dissatisfaction with the way he answered several questions put to him.

We are not alone in our call for 90,000 social homes a year. The Affordable Housing Commission in July 2020 came to the same conclusion. A coalition across the industry, including the National Housing Federation, Crisis, Shelter, the Campaign to Protect Rural England, and the Chartered Institute of Housing, have also backed the same estimate of need.

We also set out how much we believe it would cost to scale up the social housebuilding programme to meet the country's need. In the long-term, the programme will pay itself back in full to the Exchequer, like many infrastructure projects. COVID-19 has exposed what the Department itself has called "a broken housing system".

There were other important supporting conclusions which did not receive a response.

Paragraph 53

We concluded that we were disappointed that the Government did not have a published plan on social housing, nor its own assessment of social housing need, given that we believe it is essential to calculate how much investment is needed to meet such a need.

When we asked Mr Pincher about the consensus in the sector on social housing need, he told us that he did not think it was right to put “a number on the number of homes that need to be built of one tenure or another”. Given the Government’s new Affordable Homes Programme will deliver less affordable homes than its predecessor, and at a lower output than 9 out of the last 10 years, we consider this conclusion deserves a full response from your Department.

Paragraph 54

We concluded that the cross-subsidy model had reached its limit, and without further grant funding from the Government, social rent housebuilding would not increase and might drop even further.

We pressed Mr Pincher for a response to this issue in our correspondence following his appearance before the Committee on 8 June. We asked if he accepted that the main reason housing associations and local authorities could not build more social rent homes was due to a lack of sufficient grant investment to meet a funding gap.

In response to our question, Mr Pincher told us that social rent was limited to areas with acute affordability pressures but did not engage with the core of our question. We would again ask for this matter to be responded to fully.

Conclusion

Given the crucial conclusions which were not responded to, the Committee is requesting that the Department supplements its published response with a letter which provides responses to the following paragraphs: **53, 54, 90, 91 and 92**.

We will consider other ways to push for further Government action on our recommendations, given how important fixing the housing crisis is to the future of this country. We look forward to working with yourself and your Ministers on the best way forward.

A handwritten signature in black ink, appearing to read 'Clive Betts', with a stylized flourish above the name.

Clive Betts MP
Chair, Housing, Communities and Local Government Committee