

Written evidence submitted by Mr Joe Waters at National Housing Federation

Summary

Despite challenges brought about by the pandemic, housing associations have remained committed to ensuring the safety of homes, maintaining their contribution to levelling up, working with the government to prevent rough sleeping, and supporting people to live independently with improved quality of life.

Housing associations are in a unique position to support the government's levelling up agenda. In addition to providing safe, sustainable, affordable housing, housing associations are embedded in their local communities – supporting residents across their lives, including accessing jobs and skills training, or being able to live independently.

The newly-formed Department for Levelling Up, Housing and Communities (DLUHC) should harness this potential and ensure that existing funding is maximised to support housing-led regeneration across the country.

We are calling for targeted funding for our sector so that housing associations can continue to work with the government to deliver on our shared objectives:

1. Remediating buildings so that they are safe
2. Providing supported housing to enable everyone to thrive
3. Preventing and ending rough sleeping
4. Supporting regeneration and levelling up across the country

Introduction

The National Housing Federation (NHF) is the voice of England's housing associations – not-for-profit social landlords that provide more than two and a half million homes and support for around six million people across England. Our members also provide other services that enable individuals to have a better quality of life in their neighbourhood and communities.

Housing associations have already worked with the government on a number of key priorities – including quickly identifying buildings with aluminium composite material (ACM) cladding, progressing with work on decarbonisation, creating opportunities for individuals to live independently in their communities, and playing a key role in town centre renewal, regeneration and economic development. As a result, they are in a unique position to be at the heart of the nation’s social and economic recovery from the pandemic. They also stand ready to continue working in partnership with the government to deliver on shared goals including building safety, housing quality and supply, supported housing, and ending rough sleeping.

However, the sector faces certain challenges in balancing investment across these goals, including the high cost of making buildings of all heights safe, proposals to remove existing planning processes which ensure the delivery thousands of affordable homes each year, and uncertainty around the future of funding for supported housing.

That’s why this submission is calling for targeted financial support for our sector to provide much-needed certainty to people as the country continues to recover from the pandemic.

1. Remediating buildings so that they are safe

Resident safety is always the top priority for housing associations. Following the tragedy at Grenfell Tower, housing associations have already undertaken significant remediation and mitigation works to buildings that need them. However, money spent on remediation means less to spend on building much needed new affordable homes or improving existing homes.

A [recent survey](#) conducted by the NHF found that more than 1 in 10 (11%) new affordable homes to rent and buy in England can no longer be built due to the costs of making buildings safe. Without additional funding for safety work, housing associations are having to cut plans to build 12,900 new affordable homes over the next 5 years to prioritise spending on building safety. Housing associations built 25% of all new homes in England last year, and this includes the vast majority of new affordable homes.

In February 2021, the government made £3.5bn of additional funding available for homeowners to remove dangerous non-ACM cladding from high-rise buildings, but there is no funding to remove this cladding from housing association buildings where residents in social rented homes live, or for other safety works beyond cladding.

As at the end of July 2021, of the 222 claims made by social sector building owners on behalf of leaseholders in buildings eligible for the Building Safety Fund, 44 had been approved, with a total grant allocation of £78.7m. Housing associations do not believe that leaseholders should have to pay for remedial works to buildings that they bought in good faith, and so we welcome this funding as a means to protect leaseholders in eligible buildings from some remedial works costs. However, in contrast, the NHF and our members estimate that the cost to our sector of making buildings of all heights safe, including those not covered by the Building Safety Fund, could exceed £10bn.

Not-for-profit housing associations are putting their residents' safety first, but without further access to government funding they are left with no choice but to divert money away from building new social housing for those most in need. Without additional government support the costs of making buildings safe will be borne by the poorest people in our society for many years to come.

We are therefore calling for the government to provide upfront funding for all remedial works for all buildings that need them, regardless of whether leaseholders or social housing tenants live in them, and recoup the costs from those responsible later, as one way of supporting housing associations to remediate more quickly.

While further government funding would provide some help to buildings owners in overcoming the financial barriers to remediation, the lack of capacity among the sectors we need to work with to remediate buildings, such as qualified and competent fire engineers and specialist contractors, also determines the timeframe for completing remedial works.

Therefore, alongside additional funding, **we are also calling for the government to coordinate the resources needed to remediate buildings, and direct them first to buildings that need them most.** The government is the only agency that can ensure that limited capacity is directed to buildings on a risk-basis, and such an approach is the best way to ensure residents' safety quickly and over the longer-term.

2. Providing supported housing to enable everyone to thrive

Housing with support exists to make sure everyone in our communities can live their best life, whatever their circumstances, ideally within their own home, delivering independence and wellbeing for many people with long-term care and support needs. The role of supported housing providers has never been more critical than during the pandemic, with supported housing providers keeping their residents safe in the most challenging circumstances, showing the value of care and support services and the difference they can make to people's lives.

Housing associations deliver over 70% of the country's supported housing including sheltered and extra care housing, homeless hostels, mental health step-down units, homes for veterans and domestic abuse refuges.

Supported housing can reduce the use of temporary accommodation, which an MHCLG report showed that English councils spent [£1.2bn on in 2019/20](#), up from [£1.1bn in 2018/19](#). It provides a stepping stone for homeless people, from rough sleepers to young people and more, enabling people to secure longer-term accommodation as well as the skills and support to find employment, training or education.

The NHF welcomed the positive announcement in the Affordable Homes Programme on funding for new supported housing, however revenue funding for support is crucial to the delivery of these new homes. There is a significant shortfall in revenue funding for support costs. As a result, supply of supported housing is reducing at a time when demographic trends show demand increasing. [Research in 2015 calculated that by 2024/25 we will be facing a national shortfall of 46,771 supported, sheltered and extra care housing places.](#)

[A recent report by the NHF and Housing LIN](#) found that long-term uncertainty over capital investment, revenue funding for support, and funding for housing costs through the Housing Benefit system have all been barriers to housing associations developing new supported housing schemes. **Housing associations need clarity on long-term funding so they can provide more homes for people with support needs and retain and reward dedicated frontline staff. We are calling for a return to £1.6bn ring-fenced budget for local authorities to fund housing-related support.** [This was the level of spend in 2010.](#)

3. Preventing and ending rough sleeping

Housing associations play a key role in preventing and ending rough sleeping and homelessness, and have been heavily involved in alleviating rough sleeping and homelessness during the pandemic.

Housing associations welcomed the leadership shown by government to bring rough sleepers into self-contained provision, as part of 'Everyone In', and the accompanying funding. The requirement to house all rough sleepers demonstrated the government's commitment to protect them from coronavirus and many housing associations played a part in this massive, [life-saving effort](#).

Rough sleeping essentially ended overnight with the government's emergency accommodation measures during the first national lockdown. This shows what can be achieved with the right level of resources, coordination and commitment. **We should build on this success by ring-fencing funding dedicated to preventing rough sleeping and supporting people to stay housed.**

According to [government figures](#), 37,430 people have moved into settled or supported accommodation since 'Everyone In'. However, there remain [1.6 million people on the social housing waiting list](#) and [96,600 households in temporary accommodation](#) (second highest to June 2020, which was a 15-year peak). This suggests a need for better move-on.

The shortage of move-on accommodation remains problematic. The government's highest single [funding commitment](#) to affordable housing in a decade is welcome. However, more investment is needed if we are to build the 145,000 affordable homes annually, including 90,000 for social rent, [needed to meet housing need](#), and stop people risking homelessness or being stuck in temporary accommodation.

In April of this year, the NHF and the Local Government Association (LGA), held an [event](#) on partnership working to tackle homelessness during the pandemic, which brought together representatives from housing associations, local government, central government and the voluntary sector.

Event delegates felt that by allowing a wider group of people to access temporary accommodation during the pandemic response, a more accurate [picture of homelessness levels emerged](#). The imperative to accommodate everyone in need ensured a clearer understanding of the numbers when compared to temporary accommodation statistics alone. Delegates had managed to reach people they had not engaged with before. There was a spotlight on hidden homelessness, especially among young people and 'sofa surfers'. It was also felt that housing market,

employment and welfare challenges meant rough sleeping was in danger of [returning to pre-coronavirus levels but was affecting different population groups](#).

However, overall, [ONS statistics](#) suggest that there has been a sustained reduction in rough sleeping since 2017. **The government should build on this success by ring-fencing long-term funding dedicated to preventing rough sleeping and to supporting people to stay housed – crucial to fulfilling the government’s objective to end rough sleeping by 2024.**

The government should also ensure that the lowest paid and poorest people across the country have economic and housing security. The benefits system should provide the first line of mainstream support for people experiencing financial hardship – it is a swift, efficient, and targeted way of giving security. Specifically:

- **The Department for Work and Pensions (DWP) should reinstate the £20 per week Universal Credit uplift and carry out a wider review of benefit levels as part of the government’s priorities on levelling up, ending rough sleeping and supporting people into work.**
- **The Discretionary Housing Payment budget should be increased to mitigate the impact of the withdrawal of £20 per week from Universal Credit and allow local authorities to support more people at risk of homelessness.**

4. Supporting regeneration and levelling up across the country

Housing associations build thousands of new homes for communities around the country. [In 2019/20, they built more than 46,000 homes](#) – more than a quarter of all new homes in England. This includes nearly 5,000 homes for social rent, nearly 20,000 homes for affordable rent, and nearly 15,000 homes for shared ownership. To do this, housing associations invest their own money to top up funding provided by the government, including that earned from the sale of homes on the open market. In 2019/20, housing associations invested £13.7bn on top of the £1.7bn invested by the government.

[England needs 340,000 new homes every year, including 145,000 social and affordable homes](#), and housing associations are driven to keep building new homes to meet outstanding and future need. The pandemic has further highlighted the need for secure, affordable homes, especially for those most affected by the crisis: low-paid key workers, rough sleepers, families in temporary accommodation and people in unsuitable, unsupported or overcrowded homes.

As anchor institutions, housing associations already play a key role in town centre renewal, regeneration and economic development. **The government should harness this potential and ensure that existing funding is maximised to support housing-led regeneration across the country.** This will revive communities by providing investment in much-needed jobs and skills, while contributing to national strategic priorities including levelling up, supply of high quality affordable housing, and decarbonisation.

Housing-led regeneration can deliver a wide range of benefits to local areas including improving housing quality and therefore residents' health and wellbeing, increased employment and skills, reduction of crime and antisocial behaviour, and a potential to combine decarbonisation interventions to achieve higher energy efficiency. Housing-led regeneration should therefore be a priority for any place-based funding such as the Towns Fund or the Levelling Up Fund.

Areas with devolution deals, including combined authorities with elected mayors, are also ideally placed to implement housing-led programmes that fit local needs. In areas with lower land value or where homes have lower energy efficiency, these locally administered funds can be used strategically, in coordination with other place-based funds, to invest in housing-led regeneration. This needs to include demolition and rebuilding where necessary, and developing on brownfield sites.

Where existing devolution deals aren't in place, it will be important that the benefits of this approach can nonetheless be delivered. We expect the Levelling Up White

Paper to set out the government's plans for devolution, and recommend that there is a clear route to access the benefits of devolution for areas not currently covered.

Housing-led regeneration needs to be a key element of any devolution deals or urban renewal programmes, and government funding for these should include conditions to ensure partnership working between local authorities and housing providers. Examples from [our 2019 Great Places research project](#) include many successful case studies of housing associations in the North and Midlands leading local economic development through investment in regeneration and the physical quality of social homes.

Including housing associations as key delivery partners in placed-based renewal programmes will enable local areas to align levelling up outcomes with other strategic priorities such as achieving net zero, improving housing standards and investing in much-needed jobs and skills.

New homes and planning reform

The NHF raised major concerns about the government's proposals for a new infrastructure levy in our [response to the Planning for the Future consultation](#). We know these concerns were widely shared by many beyond our own sector. We are committed to working with the government and other stakeholders to ensure that any policy change delivers the stated ambitions of the white paper to secure "at least as much, or more" affordable housing as under the current system.

Section 106 agreements are imperfect, but they are an established, relatively effective and improvable process which delivers tens of thousands of new affordable homes each year. The change to the proposed replacement to allow levy rates to be set locally was very welcome, but there are still areas which are unclear and potentially unworkable.

An area of further concern in the proposed replacement is the potential weakening of the connection between developments and their contributions. The NHF have strongly made the case that on-site affordable housing delivery must be protected, potentially through a similar mechanism as already exists in the National Planning Policy Framework. Any move away from on-site provision could hinder future development and endanger the efficient delivery of mixed communities delivered under current arrangements.

The NHF and others in the housing sector continue to report problems caused by under-resourced planning departments with over-stretched staff. Proposed wider changes to planning risk making this issues worse, particularly during any

implementation period where it's expected that the two systems will run concurrently and where there will be a prescribed deadline for bringing forward Local Plans.

The NHF are very clear that early engagement with housing associations in the planning process ensures on-site affordable home delivery is of good quality.

Our members engage with house builders on the location of affordable homes within developments and negotiate additional features before construction is finished which ensure that homes meet the needs of their residents – for example, higher specification bathrooms, kitchen fittings and measures like PV and air-source heat pumps which are more conducive to their net zero ambitions and cheaper to install at construction stage rather than retrofitting.

Conclusion

Housing associations are in a unique position to be at the heart of the UK's economic and social recovery following the impact of coronavirus. In addition to providing safe, affordable housing that supports people to live independently, housing associations can make a significant contribution to the government's ambitions on levelling up and building safety.

The scale of our sector – providing homes and support for around six million people across England – means that the sector stands ready to provide homes, jobs and growth to all parts of the country.

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