

# HISTORY

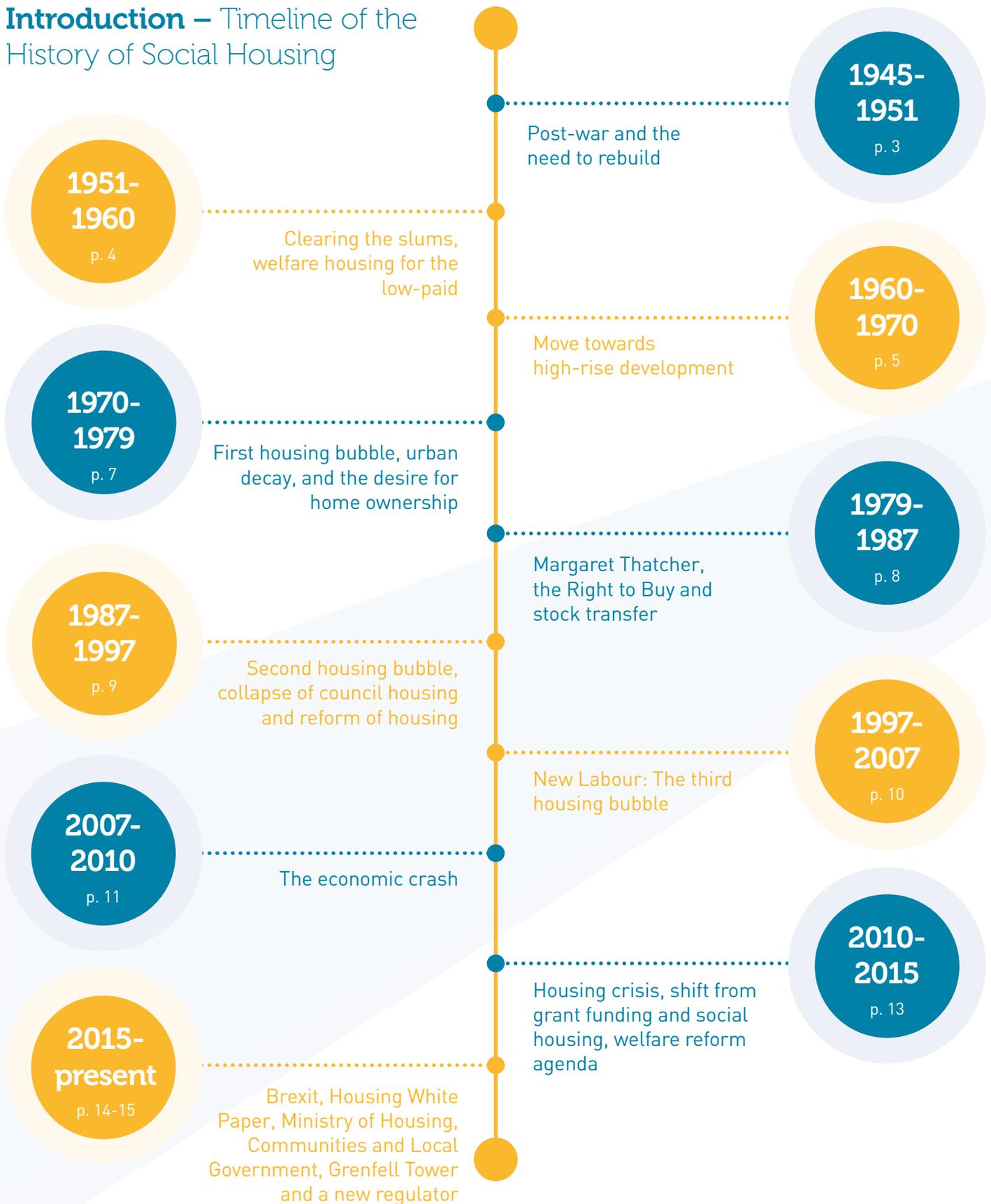
OF SOCIAL HOUSING

1945 - PRESENT



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## Introduction – Timeline of the History of Social Housing



## 1945-1951 Post-war and the need to rebuild

World War II created a significant need for new houses across the country but particularly in those areas affected by bombing raids, where overcrowding was now rife. This was particularly exacerbated by the almost non-existent housebuilding programme during the war years, and the 'baby boom' of the late 1940s. The need for good-quality housing to move people out of 'squalor' was widely recognised.

### Housing for everyone

With around 2,000,000 homes destroyed in Britain during World War II, and many more damaged, two-thirds of which were in London, millions were made homeless. The change in government in 1945 did not stop many of the wartime concepts from being introduced by the new Labour administration. This included introducing legislation that removed explicit references to housing for the 'working class', and introduced the concept of 'general needs' - that council housing should be available for a variety of needs and members of society.

### Prefabricated homes

Following the war, homes were needed quickly and cheaply, and the idea of 'rebuilding' was both a symbolic and physical aspiration.

Envisaged under the Housing (Temporary Accommodation) Act 1944, after a review of public housing in 1942 prefabricated homes, or 'Prefabs' as they became colloquially known, became the symbol of post-war rebuilding. To keep costs and build times down, they were created using new construction techniques including pre-cast reinforced concrete (PRC).

It was originally intended that there would be 500,000 Prefabs, designed to have a 20-year lifespan. However, only 150,000 were built as part of the Government's post-war building programme out of a total of 1,500,000 new homes between 1945 and 1951.

Despite being a temporary solution, many of these homes still existed well into the 21st century

### The New Towns Act 1946

In 1944, the Abercrombie Plan for London was published, proposing eight new towns to be built around 50 miles around London. These towns would be designed to accommodate up to 500,000 inner-Londoners in order to combat overpopulation in urban areas, with similar scenarios proposed for Manchester, Birmingham and elsewhere.

The Atlee Government, having unexpectedly won the 1945 General Election, established the New Towns Commission to build on the Abercrombie Plan. The Commission concluded that Development Corporations, backed by the Government, would be needed to bring forward these new towns.

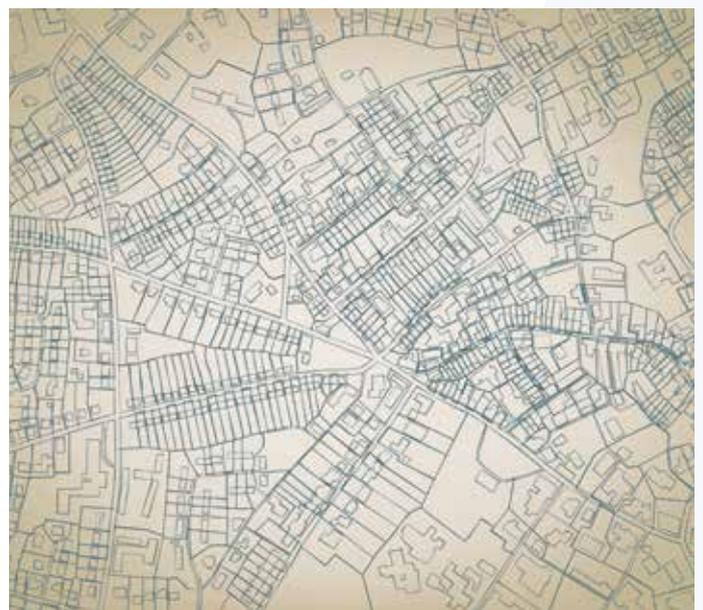
The Commission also recommended that these settlements should be built for up to 60,000 people, organised into neighbourhoods (with associated shops, amenities, and infrastructure) and, controversially, should be primarily built on greenfield sites.

The first of these new towns was Stevenage, approved in 1946, with 14 others planned throughout the 1940s including Crawley, Hemel Hempstead, Harlow and Basildon.

### The birth of town planning

Before World War II there was very little control over the planning of settlements. In the 1930s, expansion of suburban areas was largely uncontrolled, and undersigned, meaning that it soon got out of hand. The Town and Country Planning Act 1947 was passed through Parliament to counter concerns about this 'sprawl', requiring new developments to receive planning permission before they could go ahead, with development plans being required for each county.

Many of the measures introduced in the Act still apply today, or form the basis upon which were built upon.



## 1951-1960 Clearing the slums, welfare housing for the low-paid

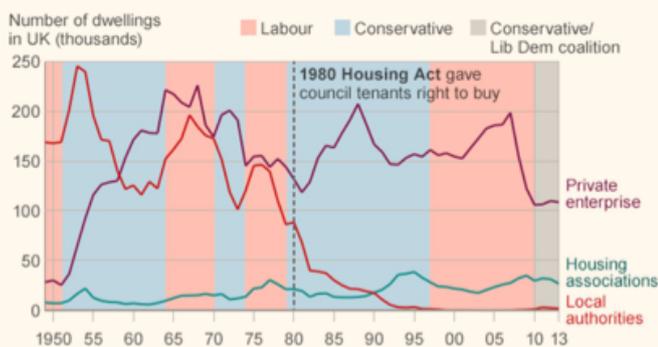
After returning to Government, and with new planning and housing measures in place, the Conservative Party set about looking to stimulate the building of new homes, and replacing those that were no longer fit for purpose. It was a mammoth task, and one that could only be achieved through significant public investment in housing.

### Council housing at its peak

The 1950s saw the Government's investment in council housing hit peak levels as it sought to address poor quality housing and housing shortages. In 1951, only half of English households had their own fixed bath, toilet, running hot water and a stove. Therefore, it was felt that more needed to be done to help poorer families into good quality housing. Under Harold Macmillan, then Housing Minister, the Conservatives set themselves an ambitious target of 300,000 new homes a year, the bulk of which would be two-bedroom terraces known, colloquially, as the 'People's House', which were of a smaller size and standard to those previously constructed in the post-war housing programme.

The following graph demonstrates the marked decline in council house building throughout the later 20th century from private, social and local authority builders.

### New homes built by private and social sectors, 1949-2013



Source: Department for Communities and Local Government; BBC

### Clearing the slums

Clearing the slums was a major part of the inter-war period between the First and Second World Wars, but was once again required during the 1950s. The aspiration to do this had been demonstrated in 1930 with the passing of the Housing Act, which included slum clearance measures, but these were largely unused once war became more likely and then dominated the political agenda. To do this, local authorities were given powers of compulsory purchase to purchase urban land and housing for development. This included poor quality, cramped and overpopulated homes that had become unfortunately common – partly due to the pressures of the war and the loss of homes due to bombing raids.

Maximising this land was crucial, and so funding for local authority housing was prioritised for higher densities, with the most homes possible placed on as little land as possible. In 1951, the UK's first multi-storey residential apartment tower block was completed at The Lawn in Harlow, Essex. This showcased the potential for high-rise development to solve the housing crisis.

Housing association activity in this was minimal, with the vast majority of social housing being provided by councils and in new towns. This meant large-scale up-rooting of families across the country, many of whom were later re-housed in these new 'communities'. More than 900,000 would be moved from slums during the 1950s and 1960s.

### Rise in home ownership

Encouraging home ownership has long been a policy priority for the Conservative Party, in order to help people achieve their aspiration of owning their home. This took off in earnest in the 1950s, when the Conservatives returned to power. In 1951, only 29% of households owned their homes but by 1964, when they left office, this had increased to 45%. Helping people to achieve home ownership would continue to be a staple Conservative policy long into the later 20th century and in the 21st too.

### The Green Belt

While the notion of the 'Green Belt' – a land use designation for areas of largely undeveloped or agricultural land that acts as a buffer between major settlements – had first been proposed in 1935, it wasn't until 1955 that the Government began encouraging local authorities to consider protecting land around their settlements and officially designating them as Green Belts. Green Belt protections are still in place today, with the Government prioritising brownfield development before the Green Belt is built on. Approximately 13% of land in England is currently designated Green Belt, some 1,600,000 hectares.

The Green Belt has since become a controversial aspect of the planning system, with some suggesting that it is vital to protect the natural environment from urban sprawl and others saying it is a barrier to building the new homes we need.

## 1960-1970 Move towards high-rise development

After peaking in the 1950s, council housing had begun its decline as private developers stepped up to the plate to provide new housing, often for home ownership. Meanwhile, lack of available land in towns and cities meant that a new approach to maximising land was needed.

### Building upwards

High-rise development was seen as an effective way of solving the post-war housing crisis: more homes built on less land and taking advantage of smaller, inner city sites. There was something aspirational, even utopian, in the desire to build upwards.

Building upwards also meant that more homes could be built more quickly, due to the smaller sizes of apartments compared to a comparable number of houses. This meant that, by 1968, the total number of new homes built was 425,830 – the highest level achieved in the UK.

This did not necessarily mean tower blocks, as blocks of six to eight storeys also became common, with 'deck access' – flats that were accessed by an outside walkway – also being developed. Many of these deck access buildings exist today in urban areas, particularly in London.

The developments were also notable for their minimal, functional design, and the often-unattractive designs meant that the public reaction to high-rise development was often negative. At the end of the decade, in 1969, the next Housing Act shifted the balance in new build away from demotion towards restoration, reducing the emphasis on high-rise.



Source: Department for Communities and Local Government

### New regulation of housing associations

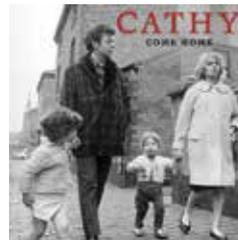
The 1964 Housing Act established the Housing Corporation, the public body to fund and regulate housing associations in England. The Corporation was established to promote low-cost rented and co-ownership housing, but it was not until the 1970s that its remit was expanded to expand significantly the social housing sector.

The Housing Corporation continued to be the housing association regulator until December 2008, when its responsibilities were passed to the Homes and Communities Agency (HCA), the current regulator of social housing providers, and the Tenant Services Authority.

### First Building Regulations

1965 saw the first set of national building standards, the Building Regulations 1965 introduced, replacing the by-laws for construction that existed until then. These set out for the first time in law requirements for specific aspects of design and construction of new buildings, as well as what qualifies as 'building work', and what notification must be given to alert people to building work being carried out. These were in force until 1974, when they were replaced by the Building Act in 1984.

### Cathy Come Home Campaign



In 1966, a BBC television play called *Cathy Come Home* became one of the best single television dramas when it highlighted the homelessness and poor housing issues, apparent in the 1960s. The play tells the story of a young couple, Cathy and Reg, and their descent into poverty and homelessness. As the plot develops, their plight into homelessness unravels, where they are forced to move with their children from one crowded home to another, often living in illegal conditions. Eventually Cathy and Reg decide to temporarily separate so that Cathy and the children can move into temporary emergency accommodation. However, this also expires and the family are once again homeless and separated.

The hard-hitting drama forced the public to face the reality of what was happening in towns and cities across the country. In light of the public reaction to the film, and following a publicity campaign highlighting the plight of homelessness, the charity Crisis was formed the following year in 1967. By coincidence, another charity for the homeless, Shelter, was launched a few days after the first broadcast. Though it was not connected to the programme, the film alerted the public, the media, and the Government to the scale of the housing crisis, and Shelter gained many new supporters.

Despite the public outcry over the play, it wasn't until 1977 that any legislation was passed to reduce homelessness when the Labour Government passed the Housing (Homeless Persons) Act 1977. For the first time, the 1977 Act gave local authorities the legal duty to house homeless people in priority need, and to provide advice and assistance to those who did not qualify as having a priority need. In the intervening 30 years, this and subsequent legislation has helped thousands of vulnerable households to access decent, secure housing.



## 1970-1979 First housing bubble, urban decay, and the desire for home ownership

The Conservative Government of the early 1970s placed much emphasis on economic growth, which saw the first rapid increase of house prices. With housing getting more expensive, and councils no longer building homes in great numbers, when Labour came to power in 1974 they needed someone else to provide housing for low-earners. Could housing associations be the answer?

### First Housing Bubble

Home ownership had overtaken private and social renting combined by the start of the decade and was continuing throughout the 1970s. This demand for homes to buy, coupled with an easing of credit conditions by the Bank of England and pro-growth agenda of the then Conservative Government saw the UK's first 'housing bubble' – where house prices undergo a rapid increase over a relatively short period of time.

Between 1970 and 1973, average house prices rose from £5,000 to £10,000 having only risen £3,000 over the previous 20 years.



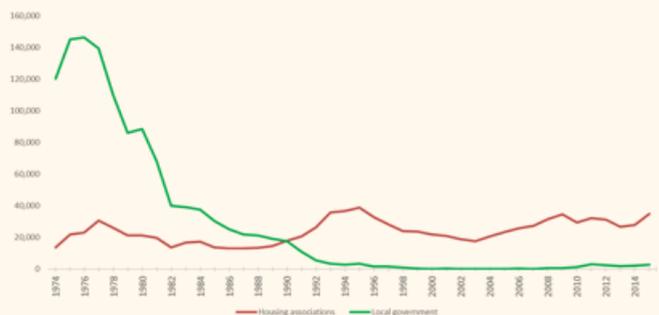
### 1974 Housing Act

Following the first General Election of 1974, the new Labour Government introduced the Housing Act 1974 which, for the first time, saw large-scale funding by Government of the housing association sector. At the time, housing associations were effectively voluntary, relying on charitable donation and support from philanthropic benefactors.

Under the measures in the Act, housing associations would receive the whole costs of housing construction and renovation of existing housing, in return for registering with the Housing Commission, which was restructured by the Act, and abiding by its regulation.

The passing of the Act marked the beginning of a significant increase in development by housing associations: the average completions by housing associations in the 25 years following the Act was almost double that of the previous 25 years. Meanwhile, as the Government diverted funding away from new council housing and local authorities shifted from development to repairs of existing stock, the next decade saw the rapid decline in council house building. This would be exacerbated by the Housing Acts of the 1980s (see overleaf).

### Social housing completions by tenure since Housing Act 1974



Source:

Department for Communities and Local Government



## 1979-1987 Margaret Thatcher, the Right to Buy and Stock transfer

When the Conservatives returned to power in 1979 under Margaret Thatcher, they did so with encouraging home ownership as a priority. This extended to lower earners in council housing, and much to the chagrin of local authorities and to great opposition from Labour, they saw giving council housing tenants the right to buy their homes as an answer.

### What is Right to Buy?

Right to Buy was a scheme under which longstanding local authority tenants were entitled to purchase their homes at a heavily discounted price. The policy was introduced by the Housing Act 1980 in England and Wales and the Housing Tenants Rights etc. [Scotland] Act 1980.

The legislation established a legal right for almost all tenants of three years' standing and applied to almost all properties where the landlord was a council, new town, non-charitable housing association or other public sector body.

These homes were sold at a discounted market valuation taking account of years of tenancy in any relevant dwelling: starting at 33% (for three years), increased by 1% for each additional year, up to a maximum of 50%.

### History of Right to Buy

It was the Labour Party that had initially proposed the idea of the right of tenants to own the house they live in, in its manifesto for the 1959 General Election. Later, the Conservative-controlled Greater London Council of the late 1960s created a general sales scheme, which had reasonable interest from housing tenants during the 1970s.

As a result, the Conservative Party had committed itself to introducing Right to Buy before Margaret Thatcher became leader. It was largely in place in 1974, but did not prove an asset due to undesirable economic conditions. However, it was a key feature of Conservative Party literature in the run up to the 1979 General Election, with it being introduced as legislation in the 1980 shortly after Margaret Thatcher became Prime Minister.

### Increase in home ownership

The policy proved popular with voters as aspiration to see home ownership increased. However, there was significant opposition to the policy from local many councils – particularly Labour-controlled ones – as new homes were not being replaced. However, the legislation prevented councils from blocking purchases, so there was little that they could do except complain. In 1982, Right to Buy sales hit an all-time peak of over 240,000, and in 1984 the available discounts were increased. Realising how popular a policy it was, the Labour Party abandoned its opposition to the policy in

1985. 1989 saw sales exceed 200,000 for the second time. Between 1979 and 1995, 2.1 million properties were transferred from the public sector under Right to Buy.

### Stock transfer

Following the Housing Act 1980, which cemented the right to buy one's council home, there was a significant decline in levels of public housing. This trend continued throughout the late 1980s with the Housing and Planning Act 1986, which gave councils the options of transferring all or part of their housing to another landlord, such as a registered social landlord, which included housing associations.

### Right to Buy: A controversial yet popular policy

Despite the increase in sales, from the outset there were restrictions on local authorities' use of receipts from sales, which largely reverted to the Treasury. There was also no policy commitment to replace sold dwellings, which meant that many councils were unable to replace the stock they had lost.

The policy was considered expensive for councils, as they were forced to sell their housing stock at below the market rate. Large-scale stock transfer also diminished council housing accounts, hampering authorities' ability to carry out repairs and improvements. As a result, many people who had purchased their home under Right to Buy were now faced with structural problems with some types of concrete houses, including the prefabricated concrete homes still in use homes. This made them unmortgageable and many people who had bought these sorts of houses found that they were effectively impossible to resell.



## 1987-1997 Second housing bubble, collapse of council housing and reform of housing associations

With the Right to Buy still going strong and reducing the number of council homes available, and the Government of the view that councils were not meeting the needs of their tenants, someone else had to step in to build new, and maintain old, social housing. Once again, housing associations were seen as the potential solution.

### Second Housing Bubble

The Right to Buy policy saw the value of homeowners' assets surge in what became known as the second housing bubble – the Lawson Boom. House prices rose by 16% in 1987 and a further 25% in 1988, creating a positive wealth effect. This in turn led to an increase in consumer spending.

The Lawson Boom was a classic example of a 'boom and bust' economic cycle. The late 1980s were a period of rapid economic expansion. This 'boom' period followed from the recession of 1981 where unemployment had peaked at 3 million.



## Housing Act 1988

CHAPTER 50

### Collapse of council housing

In its 1987 White Paper, *Housing: the Government's Proposals*, the Government set out the main objectives of its future housing policy in England and Wales, which included giving council tenants the right to transfer to other landlords if they chose to. The legislation that gave impetus to this reform was contained in the Housing Act 1988. The Government's rationale behind this policy was the perception that the public sector was not paying enough attention to the wishes of tenants. It felt that by offering tenants a variety of forms of ownership and management, their requirements would be better met.

The Housing Act 1988 also spelled out ways in which councils could dispose of some or all of their housing stock to other landlords under powers in the Housing and Planning Act 1986. Many councils explored the possibility of transferring their stock to housing associations. This required a balloting system, whereby the majority of tenants in an authority would have to vote in favour of voluntary transfer to the housing association for it to take over.

### Reform of Housing Associations

The Housing Act 1988 also introduced several reforms for Housing Associations. The Government sought to expand the housing association sector by drawing in private finance to create 'mixed funding' schemes. The attraction of this formula was that any given level of capital grant to housing associations could achieve more new building for letting than the same funding for local authorities, who were unable to lever in private loans. However, it also meant that housing associations were operating at greater financial risks.

The Government also introduced the policy of Housing Action Trusts. This was the Government's key strategy to improve the most run-down council estates and, ultimately, give tenants of these estates a choice over whether the estates should be run by local authorities, housing associations or private companies.

## 1997-2007 New Labour: The third housing bubble

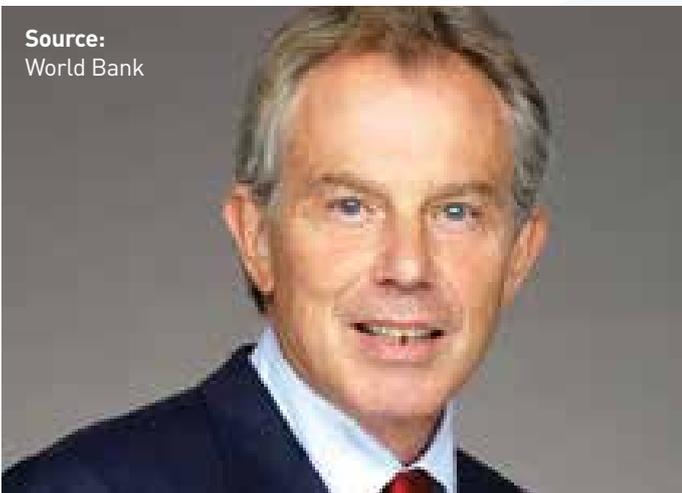
Labour returned to power for the first time in 19 years in 1997 with a landslide majority. Labour wanted to be seen as a party that provided a socially progressive ideology with economic responsibility. With access to finance becoming more and more easy, home ownership came in reach of many who could not before.

### New Labour's spending limits

In the run-up to the 1997 General Election, the leader of the Labour Party, Tony Blair, pledged to stick to the Conservative Government's spending plans. Having won with a landslide majority in 1997, Tony Blair could implement his 'New Labour' manifesto, one which he hoped would overcome the narrative that Labour could not be trusted with the economy.

In 1997/98, just over £4 billion was spent by the Government on social housing - less than in any year during the Conservative's 18-year administration beforehand. Indeed, the Labour Government only increased investment into social housing during its third term in office, in the 2005/06 and 2008/09 financial years.

Source:  
World Bank



### Continuity of stock transfer

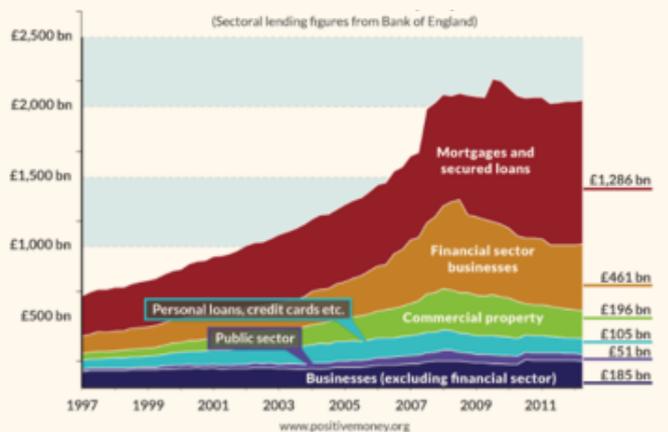
During the early years of the New Labour Government (1997-98), Labour continued with the 'stock transfer' programme where council homes were being sold off to housing associations. Between 1997 and 2010 almost 1 million council homes had been sold to housing associations, 80% of all stock transfer sales since the Conservatives launched the Right to Buy programme.

### The third housing bubble

The New Labour years experienced strong economic growth over a sustained period. Workers were earning more and the unemployment rate declined, while the financial deregulation begun during the Thatcher years continued. As a result, it was particularly easy to access mortgages, coupled with the willingness to lend, that made housing seem more affordable.

Because 31% of all money created between 2000 and 2007 went to residential property, house prices rose considerably faster than wages. This contributed to Britain's third big housing bubble of the post-war period. The average house price more than doubled from £100,000 in 2000 to just under £225,000 in 2007, before the financial crash brought the boom to an end.

### How have UK banks used the money they created?



### Changes in Right to Buy

The New Labour Government devolved housing powers to Scotland and Wales, and these administrations adopted different approaches to the Right to Buy. Given that fewer new homes were being built, Right to Buy discounts were reduced from £50,000 to £25,000 in 1999. Restrictions were also introduced on resale of Right to Buy homes in designated rural areas. Increasing concerns about abuses of the Right to Buy and the impact of the Right to Buy on regeneration of council estates were addressed in the Housing Act 2004 which also extended the initial qualification period from 2 to 5 years and extended the discount repayment period from 3 to 5 years. These changes reduced the rate of sales.

### Raising standards in social housing

New Labour also committed to raising standards in social housing. This included making all social homes warm, weatherproof and with reasonably modern facilities under its new decent homes standard, which launched in 2002. Landlords were given until the end of 2010 to get their properties up to scratch. By 2007 86% of all social homes had met the standard, compared with less than half in 1997.



## 2007-2010 The economic crash

The period 2007 to 2010 saw one of the most significant global financial crashes since Second World War, and the UK was not outside of its reach. The crisis caused banks to limit their new lending to businesses and households, which caused prices in these markets to drop. The house price bubble burst.

### The impact on housing

A significant impact of the financial crisis was the decline in new house building. In particular, small and medium-sized (SME) developers, as well as prospective buyers, struggled to secure funding and many were subsumed by the major developers. In 1988, 40% of new homes in the UK were built by SME builders; today that stands at just 12%. In June 2008, the number of new houses being built in Britain plummeted by nearly 60% from a year previously to 6,890 as tighter mortgage lending conditions put off potential home buyers.

The recession also took its toll on the labour market. Due to the slump in the housing market, 5,000 building workers alone were laid off in the first few months of the crash. By July 2008 property sales had hit a 30-year low, another blow to the housebuilding market.

The development of public housing also suffered and the impact was two-fold. Many housing associations had diversified into building properties for sales and so were also caught up in the steeply rising credit costs and a collapse in land house prices. At the same time, public housing was also dependent on private sales to deliver units through Section 106 agreements - legal agreements between Local Authorities and developers, whereby the developer contributes to improvements in infrastructure in the local area or obliging to an affordable housing contribution.

### Establishment of the Homes and Communities Agency

When Tony Blair stepped down as Prime Minister in 2007 and Gordon Brown took over, a new Green Paper, Homes for the future: more affordable, more sustainable, set a fresh target to accelerate annual house building rates to 240,000 homes a year by 2016.

Under the Housing and Regeneration Act 2008, the Homes and Communities Agency (HCA) was established as one of the successor bodies to the Housing Corporation, taking over the Housing Corporation's role as Social Housing Regulator and funder of new affordable housing in England.

As part of the HCA, a National Affordable Housing Programme (NAHP) was set up committing £8.4 billion of funding over the period 2008-2011 to provide 155,000 new affordable homes. Furthermore, the Government announced more than £1 billion of funding for affordable housing during 2009. However, due to the collapse of the global financial market, and house building plummeting, the HCA's role became the housing market's rescuer rather than accelerator. As UK development figures fell during 2008 to just 37,380 completions in the first quarter of 2009, the HCA pumped an extra £1.5 billion of taxpayers' money to kick-start stalled projects and help social landlords build through the credit crunch.



## 2010-2015 Housing crisis, shift from grant funding and social housing, welfare reform agenda

A hung parliament at the 2010 General Election, where no party achieved an overall majority, led to the first Coalition Government since the Second World War. The new Conservative-Liberal Democrat Government set about 'balancing the books' through significant public spending cuts and reform.

### Reform to housing grant and 'Affordable Rents'

The Coalition Government's agenda of reducing government spending saw a reduction in capital spending on affordable housing (including housing association homes) from £8.4 billion to £4.5 billion by 2014/15 as part of the 'Affordable Homes Programme'. As part of this, housing associations would have to bid for grant funding, with delivery agreements made with the Homes and Communities Agency. Social landlords would be able to charge rents of up to 80% of the market rate (now known as 'affordable rent', to make up this shortfall. Further funding of £3.3 billion for the period 2015-18 was announced in 2013.

Since the introduction of affordable rents, there have been questions asked about whether social housing is now genuinely affordable to those on low-incomes. Meanwhile, the number of new homes built for social rent has dropped from two-thirds of all new social housing in 2010/11 to 10% in 2016/17. However, housing associations have diversified their offerings, including new models of affordable home ownership such as shared-ownership, meaning that total housing association development has increased on average since 2010/11 compared to the previous 7 years.

### Welfare reform agenda

Alongside changes to grant funding, the Coalition embarked on a programme of welfare reform spearheaded by Work and Pensions Secretary Iain Duncan Smith, introduced in the Welfare Reform Act 2012. Key to this was the introduction of Universal Credit, a single monthly 'standard allowance' benefit payment which was topped up with additional elements such as housing benefit.

The reform agenda also included the introduction of a 'benefits cap', reducing the total amount of benefits that a family can claim in a year. The Government originally set this cap at £26,000 in London and £23,000 outside of London, but later reduced it further to £23,000 in London and £20,000 outside of London. This was part of the Government's campaign to promote the idea that 'work pays' by reducing welfare benefit payments to below average wages.

Perhaps the most controversial reform was the introduction of the 'under-occupancy charge', which became known colloquially as the 'Bedroom Tax' by opponents to the policy. The policy would reduce housing benefit payments for those who were not using additional bedrooms in their socially rented home. Exemptions apply for those who have care or disability requirements.

### Institutional Private Rented Sector

While the point at which the number of households who rented from private landlords rather than renting from social landlords occurred before the Coalition took power in 2010, since then the private rented sector (PRS) has continued to grow as the Government encourages institutional investment in the sector. The Government hopes that, by encouraging this investment, it will lead to a 'professionalisation' of the sector, while reducing the impact of so-called 'rogue landlords' who offer poor housing conditions but charge high rents to take advantage of demand outweighing supply.

### Voluntary Right to Buy

Ahead of the 2015 General Election, in a bid to reignite one of its electorally popular policies, the Conservatives announced that they would extend the Right to Buy to housing association tenants. Upon winning a majority at the Election, the Government introduced a Housing and Planning Bill, which included the extension. The National Housing Federation (NHF), on behalf of the housing association sector, offered to Government that the sector would implement this through a voluntary agreement, with the Government paying discounts to eligible tenants to help them to buy their homes. The agreement gave the housing association sector more control over which houses could be sold, and guaranteed them full compensation for properties sold and that the homes would be replaced on a one-for-one (but not like-for-like) basis. The discounts would be paid for by the sale of high-value council housing.

The voluntary Right to Buy is currently being piloted by five housing associations across the country, with a further pilot having previously been announced.

### NPPF

In 2010, the Government announced its intention to consolidate all planning policy statements, circulars and guidance documents into a single document: the National Planning Policy Framework (NPPF). Following a consultation draft being published, the final 65-page document was published in March 2012, down from over 1,300 pages. Local authorities have now had to ensure that their planning policies are compliant with this reduced policy framework.

## 2015-present Brexit, Housing White Paper, new Ministry of Housing, and the Grenfell Tragedy

The 2015 Conservative manifesto included a commitment to hold an in/out referendum on the UK's membership of the European Union, which took place on 23 June 2016. Following this, and a snap General Election that saw the Government lose its majority, has created significant political uncertainty, and has the potential to radically reshape British society.

### Housing White Paper – Key announcements

Wanting to set out its new direction in housing and planning policy, the Government announced in late 2016 that it would publish a Housing White Paper to guide its housing policy through the next Parliament. The 2017 Conservative General Election manifesto sets out that the Government will implement the changes proposed, which include:

#### Building new homes

Ensuring up-to-date Local Plans across the country

Making more brownfield and surplus public land available

Encouraging higher densities where appropriate

Addressing skills shortages

Holding local authorities to account on housing delivery

Supporting SME and custom builders

Combatting 'land banking'



#### Diversifying the housing market

Encouraging innovative new models, such as modular and prefabricated housing

Encouraging institutional investment in housing, particularly the private rented sector

Supporting housing associations and local authorities to build more affordable housing

Guiding local authorities on how to meet the needs of older and disabled people

#### Help for buyers and tenants

Helping 200,000 people to become new homeowners by May 2020

Looking at ways that the shared ownership sector could grow

Tackling unfair leasehold terms

Introducing safeguards in the private rented sector

Introducing longer, more secure tenancies in the private rented sector

#### Brexit

Following the referendum on the UK's membership of the European Union, the uncertainty surrounding the 'Brexit' deal has led to many calling for the Government to set out its negotiation position, and plan to mitigate the impacts of leaving. One key aspect that has been raised by the construction and housing sector is the impact of Brexit on skills, particularly skilled labour from the continent who play a major role in the construction sector.

#### No further radical welfare reform plans and new rent settlement

Following a major shake-up of the welfare system under the Coalition Government and the successor Conservative Government, the Government under Theresa May has set out (including in its 2017 General Election manifesto) that there will be "no plans for further radical welfare reform".

As part of this, the 1% annual reduction in social rents will not be continued beyond 2020. This comes after significant campaigning by housing sector bodies as housing providers reported significantly

reduced incomes – in Stonewater's case around £34 million – after the four years, and the significant threat it posed to supported housing.

The Housing White Paper of February 2017 contained a commitment to develop a rent policy for social landlords beyond 2020. Following this, the Government announced in October 2017 that social housing rents would be permitted to rise by 'CPI plus 1% for 5 years from 2020', providing a stable financial environment for tenants, councils and housing associations.

## Homelessness Reduction Bill

Over 50 years since the Cathy Come Home campaign, and 40 years after the Housing (Homeless People) Act 1977, a new Bill, known as the Homelessness Reduction Bill was passed in April 2017 after receiving Royal Assent. The Bill will oblige councils to start assessing someone at risk of being made homeless 56 days before losing their home. Currently, the threat of homelessness is defined as starting 28 days before the person loses their home.

Both the Cathy Come Home campaign and subsequent legislation surrounding homelessness have been integral to the aims of Stonewater in helping vulnerable people.

### The Grenfell Tower tragedy

The terrible tragedy of a recent tower block fire in Kensington, where 71 residents died and over 70 were injured in June 2017, had led to a call for greater scrutiny around health and safety, in particular fire regulations, building materials and construction standards for all buildings. As an immediate action, fire safety tests were ordered for 600 buildings across the country, with 228 failing.

The tragedy has also seen an immediate reassessment of council and housing association stock, with the issue high on the political agenda. A public inquiry, which began public hearings in September 2017, is expected to publish its interim report around Easter 2018.

This area will likely see further scrutiny and a likely change in regulations and standards in the near future.



### New Ministry of Housing



In January 2018, the Prime Minister, Theresa May reshuffled her Cabinet, and as one of the key changes the Department of Communities and Local Government was renamed the Ministry of Housing, Communities and Local Government (MHCLG). The name, which heralds back to the Ministry of Housing and Local Government from the 1950s.

Although the Department always had housing within its remit, the change is designed to reflect the Prime Minister stating that it would be her *“personal mission”* to *“fix the broken housing market”*.

The name heralds back Sajid Javid kept his position as Secretary of State of the new Ministry, which now means that housing is represented by name in Cabinet for the first time since 1970. The emphasis has been welcomed by the sector, although there have been calls to ensure that this is not just a renaming but a genuine commitment.

### New social housing regulator



Reform of the social housing regulator, the Homes and Communities Agency (HCA), was first announced in 2010 under the Coalition Government, but further details were not set out until the publication of the Housing White Paper in February 2017, which confirmed that the regulation aspect of the HCA would become a separate entity.

This was confirmed in January 2018, following the reorganisation of MHCLG, with the HCA becoming Homes England, and the regulatory function being moved to the new Regulator of Social Housing (RSH). The new Executive Director of the RSH, Fiona Macgregor said that the new Regulator will *“continue to promote a viable, efficient and well-governed social housing sector able to deliver homes that meet a range of needs”*.

### Supported housing funding

In October 2017, DCLG published a new policy paper and consultation on funding for supported housing post-2020. This called for a tailored approach to funding for supported, sheltered and extra care, short-term supported and long-term housing.

The system would be designed to see supported housing be funded through the welfare system, with a 'Sheltered Rent' to be introduced in April 2020. This would be regulated by the new RSH and rates would be set by MHCLG. Short-term supported housing would be funded through a new, ring-fenced grant to local authorities in England, with the ring-fence retained and protected in the long-term. The results of the consultation are yet to be confirmed.

## Who is Stonewater?



Stonewater is an ambitious social housing provider, with a mission to deliver good quality affordable homes to people who need them most.

They manage around 31,500 homes in England for over 65,000 customers, including affordable properties for general rent, shared ownership and sale, alongside specialist accommodation such as retirement and supported living schemes for older and vulnerable people, Foyers and women's refuges.

They have a bold house-building programme of 1,000 new homes every year which is driven by their vision of everyone having the opportunity to have a place that they can call home.

With an annual turnover of around £181 million and £1.7 billion in assets, Stonewater is a strong, dynamic and well-managed social business with an A2 Moody's investor's credit rating and a top G1/V1 governance and viability ranking from the Regulator of Social Housing.

For more information, visit their website at [www.stonewater.org](http://www.stonewater.org)