Briefing Paper on the Coalition programme for government

May 2010
The Coalition: our programme for government

Introduction

This CIH briefing sets out the main policies of the Conservative/Liberal Democrat coalition government contained in the document, The Coalition: our programme for government. It is part of CIH’s Housing Futures service to help the sector to keep up to speed with housing issues and the many expected changes given the election of a new political administration. For more information see our Housing Futures website.

The document sets out the coalition government’s proposals on a comprehensive range of domestic, foreign, economic, social, environmental and political challenges. At the heart of the domestic programme is a commitment to promote decentralisation with central government devolving new powers and responsibility to local authorities, neighbourhoods, communities and individuals. The overarching vision is of a society based on freedom, fairness and responsibility.

Whilst there is no overarching vision for housing, the housing and community policies contained in the document forms the substantive body of housing policy priorities under the coalition government and sets out the general direction of travel. The policies in the programme are found mainly within the section on Communities and Local Government. The housing and community policies are ones that in the main were announced in the Parties’ respective general election manifestos. (Below, we have indicated from which Party each policy originates and any new announcements).

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Summary of the main measures relating to housing

Social housing
  • Help social tenants and others to own or part own their home; (Conservative)
  • End the ban on social tenants starting businesses in their own homes (Conservative)

CIH comment
CIH is supportive of measures that help people to move between tenures, but is concerned that policy may drift towards making social housing a transition tenure without explicit debate about the implications of this.

CIH believes the commonly used tenancy condition should be reviewed to allow tenants to enjoy equal opportunities for home working. However, as in any tenure, this must be balanced by the right of all residents to peaceful enjoyment of their homes.

Increased access to home ownership
  • Promote shared ownership schemes (new announcement)
  • Review the effectiveness of the raising of the stamp duty threshold for first-time buyers; (Conservative)
  • Explore a range of measures to bring empty homes into use; (Lib Dem)
  • Promote ‘Home on the Farm’ schemes that encourage farmers to convert existing buildings into affordable housing; (Lib Dem)
  • Create new trusts that will make it simpler for communities to provide homes for local people; (Conservative, Lib Dem)
  • Provide more protection against aggressive bailiffs and unreasonable charging orders, ensure that courts have the power to insist that repossession is always a last resort, and ban orders for sale on unsecured debts of less than £25,000. (new announcement)

CIH comment
There is explicit support for home ownership with very little reference to the social rented sector and no reference to private rented or intermediate rent. There will be a need to monitor the impact of the above policies to deliver the required number of homes that are needed.

The policies on increasing access to home ownership are and will continue to be clearly constrained by the challenging economic environment and anticipated public spending cuts and efficiencies.

Proposed additional changes to protect vulnerable homeowners are welcome.

Relevant CIH products and services
CIH Practice Brief on Promoting Homeownership – this new CIH Brief will be available to purchase in June 2010. Promoting home ownership is an
important activity for many social housing providers. This practice brief deals with all the ‘pre-sale’ aspects of homeownership, including government policies, the different ‘products’, marketing properties and all the legal aspects of the right to buy/right to acquire.

Repossessions – CIH has worked extensively at national, regional and local level to support development of appropriate help for homeowners facing repossession. We have also worked with Shelter, CAB and Crisis to secure legal protection for private tenants whose landlord faces repossession.

Access to assets – Save for Homebuy sets out how households can save for a deposit through their tenancy, helping people to develop a savings habit as well as building assets.

Planning

- Rapidly abolish Regional Spatial Strategies and return decision-making powers on housing and planning to local councils, including giving councils new powers to stop ‘garden-grabbing’; (Conservative, Lib Dem)
- In the longer term, radically reform the planning system to give neighbourhoods far more ability to determine the shape of the places in which their inhabitants live, based on the principles set out in the Conservative Party publication Open Source Planning; (hyperlink to full document and CIH briefing) (Conservative)
- Publish and present to Parliament a simple and consolidated national planning framework covering all forms of development and setting out national economic, environmental and social priorities. (Conservative)
- Provide incentives for local authorities to deliver sustainable development, including for new homes and businesses. (Conservative)

CIH comment

These commitments are ones that are key Conservative policies first announced in the Shadow Green Planning Paper, Open Source Planning.

As CIH has previously commented, these proposals could lead to a fundamentally different approach to building more and better homes. Whilst we welcome the moves to strengthen local accountability and decision making around planning, the scale of the proposed reforms should not be understated. They come with potentially significant risks, and any transition from the current system will need to be handled carefully to protect various interests, including housing output.

The implications of the proposals if implemented include:

- In effect, the replacement of much of current planning orthodoxy:
  - As long as local authorities comply to a basic national framework of planning policies and priorities, the proposed system will give local authorities and local people much scope for producing their own local, distinctive policies and decision-making;
  - Individual local authorities should be responsible for deciding the level of affordable housing development in their
local area, may deliver much lower numbers of social housing or could also provide a higher number than is needed;

- Strong local political leadership will be critical to help ensure that housing that is unpopular and meets local resistance are provided for, for example, the delivery of social rented housing and housing for particular vulnerable groups;
- Therefore, will the proposed new ‘basic’ national framework of planning priorities and policies provide the necessary safeguards to ensure that more unpopular issues are not sidelined;
- The proposals will put new demands and pressures on local authority housing and planning teams who will require additional resources and capacity to deliver against their increased and changed responsibilities;
- The strategic role carried out at the regional level would cease in its current form and it is not clear where responsibility for the strategic role will lie;
- The proposals raise questions about how future central government funding for homes will be best assessed and matched to the aspirations of local communities across different housing markets.

**Relevant CIH products and services**

CIH’s report Great Expectations: Management of land supply for delivery of affordable housing examines the complex process of securing land for affordable housing, highlights examples of effective practice and makes recommendations for practice as well as policy and guidance.

CIH and The Royal Town Planning Institute’s (RTPI) network promotes shared understanding between people who are involved in planning for and shaping communities. The network provides opportunities for the exchange of ideas to support the sector create sustainable and vibrant communities.

CIH responded to the Commission for Cooperative and Mutual Housing’s call for evidence on cooperative and mutual housing, click here for the CIH response.

**Community empowerment**

- Introduce new powers to help communities save local facilities and services threatened with closure, and give communities the right to bid to take over local state-run services; (Conservative)
- Implement the Sustainable Communities Act, so that citizens know how taxpayers; money is spent in their area and have a greater say over how it is spent. (new announcement)

**CIH comment**

There is explicit commitment on devolving power from the centre to the local level, so that people, neighbourhoods and communities can exercise greater control and say over planning matters including the number of new homes, their local area, assets and public services. However, there will be a need to manage the inherent policy tension around giving communities new powers to save local facilities and services threatened with closure and the expected

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drastic public expenditure cuts which will inevitably result in a cutting back of services and facilities.

Relevant CIH products and services
Our new report on Resident-led self-regulation sets out how to implement a new approach to resident involvement and performance management which is allowing tenants of a number of housing organisations to call their landlords to account

Active Learning for Residents - the explicit focus on strengthening the role of tenants and residents in shaping the vision of communities and housing organisations means that many residents and housing organisations will have to re-address their approach to capacity building. CIH offers resident focused qualifications through its unique Active Learning for Residents programme which are designed for officers and residents to learn together as they develop Local Offers, re-invigorated governance, and from this summer, Resident Scrutiny.

Empowering local authorities
- Promote the radical devolution of power and greater financial autonomy to local government and community groups. This will include a review of local government finance;
- Phase out the ring-fencing of grants to local government and review the Housing Revenue Account; (new announcement)
- Create directly elected mayors in the 12 largest English cities, subject to confirmatory referendums and full scrutiny by elected councillors (Conservative);
- Give councils a general power of competency; (Conservative)
- Cut local government inspection and abolish Comprehensive Area Assessment; (new announcement)
- Stop the restructuring of councils in Norfolk, Suffolk and Devon. (new announcement).

CIH comment
There is explicit commitment to devolving power to local authorities through the new ‘general power of competency’ which is being aligned with a commitment to giving councils new financial freedoms to fulfil their new responsibilities and powers. Local authorities, however, will need ongoing support, capacity building and skills to support them to fulfil their leadership role.

CIH is pleased that work will be taken forward under the coalition government to review the Housing Revenue Account. It is essential that progress made to date is retained and built on, and that the work can proceed outside of the scope of the wider reform of LA finance. CIH has worked closely with local authorities, with other agencies and government over many years to advance proposals and believe that the moment has come to make this vital reform. It is essential reform toward enabling investment to be undertaken to complete the decent homes programme, addressing other backlogs of improvement
works whilst emphasising more local control, active tenant empowerment in planning and decision making, sustainability and fairness, and achieving the objective of building more council homes.

**Relevant CIH products and services**
CIH has been very heavily involved with the HRA review to date. We have issued various briefings on the HRA reform process and, through ConsultCIH, can offer assistance in modelling, briefings, capacity building and with responses to the recent reform offer.

CIH has been at the forefront in its work on the local authority strategic housing role (LASHR). Our series of reports on LASHR are available [here](#).

CIH’s training course [Skills for strategic housing](#) offers a programme developed with Idea to help local authorities develop their strategic housing role.

**Government agencies/QUANGOs**
- Abolition of Infrastructure Planning Commission and replace it with an efficient and democratically accountable system that provides a fast-track process for major infrastructure projects; (Conservative, Lib Dem)
- Abolish the Government Office for London and consider the case for abolishing the remaining Government Offices. (Conservative)
- Regional Development Agencies will be replaced with Local Enterprise Partnerships – joint local authority-business bodies brought forward by local authorities themselves to promote local economic development. They may take the form of existing RDAs in areas where they are popular.

**CIH comment**
The above announcements signal only an initial abolition of QUANGOS and government agencies and further announcements can be expected from the government within the near future. This could potentially alter the structural landscape in which the sector operates.

**Environment**
- Require continuous improvements to the energy efficiency of new housing; (new announcement)
- Retention of energy performance certificates while scrapping HIPs
- Through ‘Green Deal’ encourage home energy efficiency improvements paid for by savings from energy bills; (Conservative, Lib Dem)
- Take measures to improve energy efficiency in businesses and public sector buildings. (new announcement)

**CIH comment**
CIH welcomes the announcement that an Energy Performance Certificate has to be commissioned prior to marketing the property. It sends out a strong
signal of the importance of energy efficiency. Whilst we are long way off a situation in which the energy efficiency of a property guides/determines buying behaviour just like location, it is an important step closer to that goal.

We are pleased of the roll-out of pay-as-you-save to improve energy efficiency of the existing stock. Whilst we should be building homes to the highest environmental standards we should not lose sight of the pressing task of addressing the energy efficiency of our existing stock which accounts for over a quarter of the UK’s CO2 emissions. Reducing its carbon footprint through comprehensive retrofit measures is crucial if the UK is to achieve its legally binding carbon reduction targets.

The key priority now must be to deliver a programme of volume greening. This includes putting in place effective finance mechanisms as well as skilling-up the work force to deliver the high workmanship needed. In fact, compared to others sectors such as aviation and transport, reducing our nation’s carbon footprint is a relatively ‘straightforward’ task. In addition a volume retrofit programme would present the UK with opportunities for:

- Deep emission cuts;
- Reduction of fuel poverty;
- Improved energy security;
- Retaining skills and capacity within the construction industry during the recession;
- Stimulating the economy and job market.

Relevant CIH products and services
CIH is a founder member of the Existing Homes Alliance, which has campaigned strongly in favour of the feed in tariff and a focus on retrofitting existing homes.

CIH’s publication on Housing, the environment and our changing climate provides an overview of current debates around housing and climate change and sets out potential responses. This book can be purchased from our online bookshop.

Anti-social behaviour
- Promote better recording of hate crimes against disabled, homosexual and transgender people, which are frequently not centrally recorded. (Lib Dem)

CIH comment
CIH welcomes the above measure but believes that the data should be used proactively to improve the support and services for those groups who are victims of hate crime.

Relevant CIH products and services
The ASB team – CIH is managing a service providing four ASB Action Team Advisors who will work with social housing landlords in England to tackle anti-social behaviour. The team has been commissioned by the Tenant Services
Authority (TSA) and funded by Communities and Local Government (CLG). Click here to contact the ASB team

CIH has written a toolkit providing guidance on the use of existing powers to tackle ASB for CLG.

CIH has set up a Lesbian, gay, bisexual and transgender (LGBT) Practice Network—an online community of practice to talk and share information about lesbian, gay, bisexual and transgender issues in housing and communities.

Jobs and welfare
- Investigate how to simplify the benefit system in order to improve incentives to work;
- Ensure that receipt of benefits for those able to work is conditional on their willingness to work.
- Rationalise all Welfare to Work schemes into one.

CIH comment
CIH is pleased that there is a commitment to continue the work begun under the previous administration to simplify the benefit system in order to remove barriers to work. The English Housing Survey 2007/08 showed that a disproportionate number of people living in social rented housing are economically inactive (69%) and are in receipt of benefits which was further corroborated by the John Hills Review. The current structure and administration of Housing Benefit can act as a disincentive for tenants to take up work and to make reasonable choices about the housing services they consume. Reforming HB is therefore a key policy lever for helping people back into work and ensuring that the most efficient use is made of housing stock.

Relevant CIH products and services
Worklessness – Our Tackling Worklessness Toolkit helps housing providers to plan, implement and evaluate successful initiatives to tackle worklessness.

Moving off benefits – Our submission to the recent Housing Benefit consultation sets out ideas for how to make it more practical for households to move into paid work.

Access to work – CIH’s Positive Action for Disability programme promotes professional traineeships for disabled people in England and Wales.

Equalities – Our Practice Brief on equality illustrates how equality, diversity, good relations and community cohesion impact on the housing sector and shows how providers can work towards delivering them.

CIH has responded to the Equality and Human Rights Commission (EHRC) Statutory Code of Practice for services, public functions and associations. CIH response

Financial inclusion

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• Create a free national financial advice service funded in full from a new social responsibility levy on the financial services sector.

CIH comment
CIH very much welcomes this new initiative which will provide a much needed and valuable service to many households given the difficult and challenging economic climate. Social housing tenants are most vulnerable to loan sharks and door-step lending.

Relevant CIH products and services
CIH has been a leader in the sector in developing and promoting work on financial inclusion.

Our two Financial Inclusion Advisers, funded by Barclays and the FSA, help housing organisations develop a strategic approach to financial inclusion work. For further information contact Paul O’Connor. We also host the DWP’s Financial Inclusion Champions for Housing, who work with key stakeholders to embed financial inclusion within existing local and regional strategies, and help develop new approaches and initiatives. For more information sign up to our financial inclusion practice network

Save with rent – This CIH paper sets out how landlords can encourage tenants to save through the Saving Gateway so that tenants can benefit from the government’s matched payments.

CIH general comments

Whilst the coalition government has set out the substantive general direction of housing and community policies, the anticipated statements on financial commitments will really drive the direction of policy in coming months. Many of the policies in the coalition document are ones which are not dependent on firm financial commitments.

The sector can expect to experience significant cuts in housing spending and pressure to deliver increased efficiencies. The coalition government has already announced that it will make cuts of £6 billion this financial year to public spending, and the emergency budget on June 22 will set out more detail on cuts in public funding and any taxation changes. The Comprehensive Spending Review in autumn 2010 will be key in setting out the levels of public investment in housing for the period 2011-2013. Work is already underway with our partners, Shelter, the NFA and NHF, to develop a comprehensive submission to the CSR.

The coalition government programme has set out initial policy commitments. CIH is working with government, our partners and our members to inform and influence the development of housing policy and practice in the coming weeks and months.

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CIH has published *Practical Help – Working Together to deliver homes and communities we can all be proud of* which sets out our proposal to work with and support the UK’s parliamentarians to develop strengthened housing policy and practice, as well as setting an expectation that they will support housing and communities agendas.

The ‘House Proud’ booklet to accompany the campaign jointly run by CIH and Inside Housing magazine has highlighted the crucial role played by the UK housing sector’s 150,000 professionals in every major policy area. This document has been sent to all MPS, along with our Working Together document. You can download a copy from the link at the bottom of the [Shaping Housing Futures](http://www.cih.org) website.

A central feature of this year’s [Harrogate conference](http://www.cih.org) will be the Housing Pact. In the week of the conference, we will identify the sector’s priorities for the new government as well as the sector’s offer of ways to help deliver on housing matters.

To share your thoughts on the new national policy direction, or for more information, contact Abigail Davies, Head of Policy, [abigail.davies@cih.org](mailto:abigail.davies@cih.org)