



Chartered  
Institute of  
Housing

# HOMES AT THE HEART

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A STRATEGY FOR HOUSING



SEPTEMBER 2023

# Introduction

**Housing should provide a foundation for life, but many people face huge challenges accessing and maintaining an affordable, decent home that meets their needs.**

Housebuilding has failed to keep pace with demand for years. At the same time, home ownership and social renting have fallen, while private renting (generally less secure and more expensive) has increased. Private rents are increasing at the **fastest rate** since the ONS data series began (in turn increasing public spending on housing benefit) and evictions have **escalated**. **Forecasts** suggest we could see over 300,000 British households experiencing the worst forms of homelessness in 2023, an increase of about a third over three years. One in five children are now living in overcrowded, unaffordable or unsuitable homes.

Added to pressures of supply, with an ageing housing stock the need to decarbonise and tackle energy inefficiency of the residential sector is more urgent than ever; the **cost of inaction** is considerable. The cost of living crisis, exacerbated by the tragic war in Ukraine, meant that nearly **seven million** UK households were in fuel poverty last winter even after the government's unit price cap - and **forecasts** for this coming winter show pressures will continue. The cost of living crisis is not just about whether people can heat their homes or put food on the table - it's also about being able to access and maintain an affordable home.

We need a sustainable housing system which supports a vibrant economy and society, with urgent action to support those on the lowest incomes, decarbonise the residential sector and finance new social and truly affordable housing. **We urge all political parties to commit to recognising housing as a foundation for creating healthy and sustainable communities and as a central part of national and regional infrastructure planning.**

This should be underpinned by a long-term strategy focussed on ensuring everyone has access to:

- **A decent, safe, accessible and affordable place to call home**
- **A warm and zero carbon home**
- **A social security system that provides a safety net when needed**
- **A fair and good quality service from their landlord.**

The policy proposals set out in this paper look at how these principles could be applied in practice.

First, we need to address the supply challenge in England.

**The costs of failing to provide people's housing needs are felt by society at large. More than 70 per cent of the public believe the government should do more to house people on very low incomes, and people with disabilities (YouGov polling for the NHF, 2023)**



# Tackling undersupply of affordable housing in England

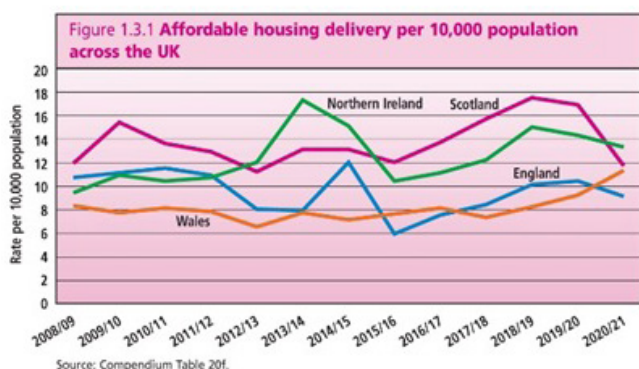
In 2010, funding for affordable housing was cut by 63 per cent, including all funding for social rented homes. Although rules were later relaxed to allow some social rented homes to be built, this caused a devastating 81 per cent fall in delivery of new social housing. Last year only around 7,500 were built, compared to nearly 40,000 in 2010.

Our analysis for the [UK Housing Review 2023](#) shows that England continues to under-invest in affordable housing development compared with the rest of the UK. Housing has a consistently lower share of government spending in England (1.6 per cent of total; Northern Ireland is highest at 4.1 per cent), which continues to be out-of-step in directing a high proportion of investment towards the private market. Whilst comparisons cannot be made on a strictly like for like basis, the proportion of investment in affordable housing supply is much higher in Scotland (90 per cent), Wales (87 per cent) and Northern Ireland (100 per cent), compared with England at just 41 per cent. As a result, in the last decade England has delivered around 10 affordable homes per year per 10,000 population, compared with 15 in Scotland and 14 in Northern Ireland (Wales delivered nine). **Housing investment needs to be a much higher priority for the Westminster Government.**

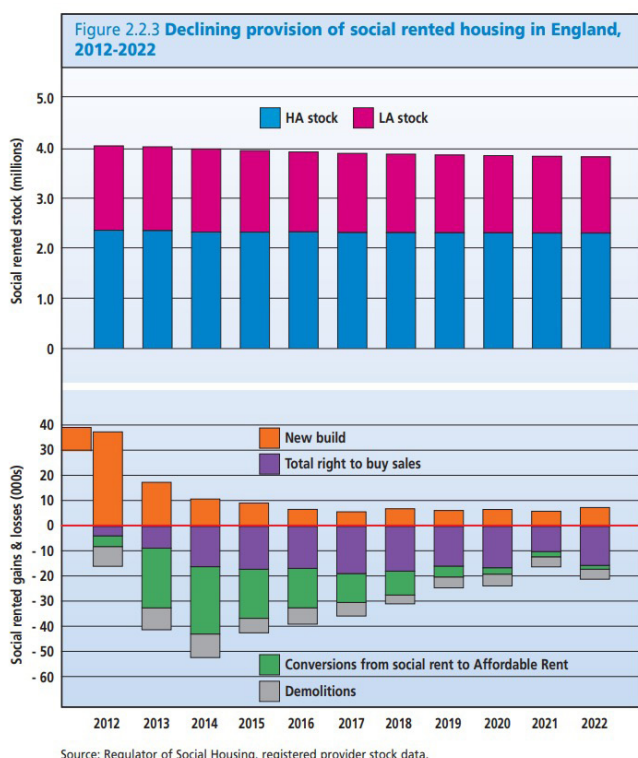


This lack of investment means the supply of new social homes in England lags far behind the numbers needed - falling by 85 per cent since 2010. Analysis by Heriot Watt University in 2018 identified a need for 340,000 homes each year in England to 2031, including 90,000 for social rent, 30,000 for intermediate rent and 25,000 for shared ownership. In contrast around 233,000 new homes (not all new build) were supplied in 2021/22, of which only around 7,500 were social homes - and whilst in huge demand, these continue to be lost through Right to Buy. Net losses of social rented homes since 2011 exceed 200,000, even taking account of new build (UK Housing Review).

Pressures on housing supply fuel housing inflation. [UK private rental prices](#) have increased by their highest annual rate since records began in 2016, rising by 5.3 per cent in the year to July (up from three per cent in June 2022). **The government is set to spend five times more (£58.2 billion) on subsidising private landlords via housing support than on its entire affordable housebuilding programme (£11.5 billion for the Affordable Homes Programme) over the next four years** ([New Economics Foundation](#), February 2023).



The impact of failing supply is felt at an economic and social level. There are half a million more families in need of social housing in England than are recorded on official housing waiting lists (NHF, 2021). This equates to 4.2 million people, including 1.3 million children. Overcrowding is the largest problem nationally, affecting nearly 3.7 million people. We urgently need to reverse this pattern: the number of households in England is projected to rise from 23.2 million in 2018 to 26.9 million in 2043 – an average increase of 150,000 households per year (ONS)<sup>1</sup>.



UK Housing Review 2023

**The supply challenge cannot be fixed quickly but the government must commit to increasing the supply of truly affordable homes to rent and buy.**

A programme to meet the full scale of need would be expensive, but would also save money in benefits, temporary accommodation and costs of other services. One estimate of the total cost puts it at £52 billion annually, of which up to £14 billion would be capital grant and the rest raised by social landlords (Legal & General - updated). Grant for social rented homes would have to rise to around £175,000 per unit. CIH is working with other bodies in the sector to update the estimated costs in the current environment of high inflation and competing demands on

resources and to set out a realistic timetable to reach the target level of output of affordable homes.

The investment required is far above current investment levels but will be partly offset by substantial savings in the housing benefit costs of low-income tenants being able to move out of the private sector, and by reducing and eventually removing the need to use expensive, private sector temporary accommodation. The extra cost could also be partly met by redirecting a substantial part of the £5 billion in grant currently spent annually to support the private market (see below).

House building also boosts economic growth. In 2010, for instance, Oxford Economics, commissioned by Savills, concluded that every 100,000 new homes built would create 228,000 direct construction jobs and a further 228,000 jobs on the supply side. Research by Shelter and the CBI in 2014 showed that for every £1 spent on construction, the UK economy benefits by £2.84.

The scale of investment required, taken together with the wider challenges that must now be faced, call for a comprehensive reappraisal of policy leading to a much larger long-term investment programme. The Joseph Rowntree Foundation’s report, *Building a housing market that works for all*, includes a series of practical policy recommendations on sustaining the supply pipeline and construction activity to address this. The rest of this section sets out our main asks.



<sup>1</sup>NB. Because the projections are based on past trends in household formation, they can be affected by past constraints on people’s ability to form new households. This means they do not necessarily reflect the number of households that would form in the absence of any economic or supply constraints.

# Financial reforms

## Increase investment and redirect subsidies

As set out above, the [UK Housing Review 2023](#) shows that, of some £43 billion invested by the government in housing in the current four-year period, 59 per cent is spent on support for the private market, including about £5 billion annually in grants. In contrast, in Scotland and Wales over 87 per cent of support goes towards affordable housing. A major shift of subsidy from private market support would enable funding to be directed where it would meet the greatest housing need.

Work by [CIH with the Centre for Homelessness Impact](#) in 2021 showed that a modest increase in output of social rented housing of 10,000 homes annually could largely be financed by direct savings in temporary accommodation costs and in housing benefit/universal credit that would otherwise be paid for higher-cost private rented properties. Since then, use of temporary accommodation has grown further and is now at [record levels](#), making the need for social rented homes even more urgent, on cost grounds alone. **Investment in social housing is the most cost-effective way to tackle homelessness and reduce housing benefit, providing a safety net to those who need it.** A series of studies have shown that much of the cost of extra investment comes back to the government in savings elsewhere (e.g., in benefits and health service costs), in higher tax revenue and in wider economic stimulus. (The [NAO](#) reports that an appraisal by Department of Levelling Up, Housing and Communities (DLUHC) officials showed that investing in social rented homes provides the highest cost-benefit ratio of investment in any tenure: while, for the government's Affordable Homes Programme as a whole, every £1 spent produces £2.70 of benefits, for social rent investment alone the benefits are as high as £3.40.)

## Allow flexibility in grant programmes

Alongside investment in supply, flexibility of grant programmes is needed to enable funding in regeneration (plus retrofit which is covered later), removing net additionality requirements in places with low demand housing markets. It should also be possible to grant-aid social rented housing across the country, not just in regions with the worst affordability issues. The [review of Homes England](#) provides an opportunity to ensure government infrastructure enables this.

## Provide a long-term rent settlement

Analysis for the [UK Housing Review 2023](#) shows the impact on housing associations' income of restrictions on rents since 2015/16. Income was lost from four years of obligatory one per cent reductions and further income will be lost from the below-inflation cap on rent increases for 2023/24. The cumulative impact of this, compared with rents rising at CPI plus one per cent, is to remove 20 per cent of rental growth from the sector over an eight-year period. For housing associations this is equivalent to a loss of £2.3 billion, which could have levered in £40-50 billion of new investment. This impacts the sector's ability to invest, both in new development and in the existing stock.

We need a new rent settlement that balances affordability and transparency for tenants and supports social landlords to develop and maintain sustainable business plans. Longer-term certainty about rent levels would enable providers to develop more homes for social rent. This should include a convergence mechanism to enable providers to invest in new and existing homes with confidence, where income lost through the imposition of a rent cap could be recovered over multiple years upon inflation returning to normal levels.

## Change the way government accounts for housing debt to unlock additional investment

CIH has in the past raised the issue of the status of council housing investment in the national accounts, because of the limitations it places on councils' ability to borrow to invest in their stock and in new homes. Although this was partly resolved by the Conservative government's decision to lift the caps on such borrowing, it remains the case that the extra debt counts towards public sector net debt. This is not the case in other countries where councils invest in housing. A future government should reconsider earlier proposals to review the rules about borrowing for local housing investment, which (as CIH has argued) could be changed while staying within the parameters that apply under international accounting systems. Treasury rules should be updated to recognise social housing as national infrastructure.

## Land and planning reforms

### The need for certainty

Differing government proposals for national planning policy changes since 2019 and stop-start planning reform since then have resulted in uncertainty amongst local authorities, planners and developers. A significant number of councils have stalled, delayed, or withdrawn their local plans for housing delivery, halting much needed development. Clarity and consistency in the system are urgently needed. Committing to the provision of genuinely affordable good housing must be at the heart of this, backed by a comprehensive resource and skills strategy which addresses capacity gaps in the current system and helps to future proof it.

## Clarify target setting and the definition of affordable housing

To provide clarity of ambition and need the government should set out the proportions of different tenures that will make up overall housing targets. Local planning authorities should be required to set tenure and affordability-based targets based on comprehensive assessments of current and future housing need, with a nationally consistent methodology set by government. Robust local assessments must take account of the full range of needs, including people who are homeless, living in temporary accommodation and registered on council waiting lists. This is essential to build up a full profile of the types and tenures of homes needed. Planning policy should enable local authorities to have the flexibility, tools, and guidance to carry out assessments and apply policy appropriately to ensure it delivers the right mix of local housing.

'Affordable' and 'affordability' are often confused and used in broad terms in planning, leading to developers and local authorities satisfying planning requirements without providing housing for social rent. A national definition is needed which relates to local incomes, with targets for social rented housing linked to a proportion of lowest quartile household incomes rather than average household incomes.



## Maximise developer contributions for affordable housing provision

Developer contributions collected through Section 106 (S106) play a vital role in the delivery of affordable housing, particularly social rented homes, making up **44 per cent** of all affordable homes delivered in 2021-22. Whilst the government's own amendments to the Infrastructure Levy proposals go some way to strengthening the duty of local authorities to deliver at least as many affordable homes under the new IL as under the current system, they will not guarantee it. We remain concerned that the resources and energies involved in developing proposals to replace S106 would be better marshalled into improving the current system. This should include properly resourcing planning and legal teams in local authorities and supporting councils to insist on onsite affordable housing delivery to create balanced and mixed communities. We know that where local authorities have most success in ensuring affordable housing is not negotiated away, they have:

- ▶ **Strong leadership which prioritises affordable housing delivery**
- ▶ **Well-defined local plans which set out clear expectations of what is required of developers**
- ▶ **The skills and resources to ensure obligations are met in practice, resorting to enforcement mechanisms where necessary.**

Improvements to the system should seek to ensure these conditions are the norm rather than the exception.



## Address 'hope value'

The price of land is often a barrier to house building. High land prices can force down the quality and size of new homes and present difficulties for SME builders when seeking to compete for sites to develop. Local authorities acquiring sites through compulsory purchase order (CPO) must factor the "hope value" into the purchase price (the added value based on the expectation that land will gain planning permission in future) which artificially inflates land values, making it extremely hard for councils to buy land to build social housing. Reforming the Land Compensation Act (1961) to diminish the hope value and allow councils to purchase land closer to its existing use value is essential. (Civitas **estimated** in 2018 that reforming 'hope value' could slash 38 per cent off the total development costs of a home in a new scaled up programme of social housebuilding across England.)

## Restore strategic level planning

Some elements of planning are better managed at a strategic rather than individual authority level. This supports greater cooperation and certainty in areas requiring growth and regeneration, setting out more co-ordinated thinking around growth and delivery proposals (which have been significantly lacking since their removal - the duty to cooperate has been neither effective nor workable). Metro Mayors should have a responsibility to produce a strategic plan for their area.

The Levelling-Up White Paper promised that by 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution. The 2023 Budget made progress on this, with trailblazer deals for Greater Manchester and the West Midlands. CIH supports the devolution of housing and planning powers where there is local support for this.

## Consider Green Belt reform

Whilst the development of brownfield sites should be prioritised and incentivised (with funding), these sites alone cannot deliver the number of homes needed in the long-term. In some circumstances, development of land designated as Green Belt may be both necessary and appropriate (and should be decided at a level higher than individual local authorities). Such proposals should be considered within the context of comprehensive housing needs and development capacity assessments - and where assessed priority housing needs cannot be otherwise met. Any use of Green Belt sites should meet the same criteria as development of other sites in terms of tenure mix, build type and access to transport and other services. A national review of Green Belt is needed to assess the circumstances where brownfield sites within the Green Belt should be considered for development.

## Apply caution to permitted development rights

Given the housing emergency and the changing nature of our high streets, with the right checks and measures in place there could be merit in more conversions of buildings to homes. However, the track record on permitted development rights (PDR), which the government has championed, is very poor.

The continued trajectory of deregulation in this area has had negative impacts on housing quality and design, residents' health and wellbeing, the provision of sufficient physical and social infrastructure, housing delivery of mixed tenures, the future of our high streets, democratic engagement, and local planning authority (LPA) abilities to plan to meet the needs of their communities.

We need more homes, but successfully tackling our housing crisis is not only about numbers; it is also about delivering the right homes in the right places as part of communities in which residents want to live and can afford. While high quality office/retail conversions to residential could play an important role in supply, we believe these should be subject to planning rules.

We agree with the recommendations of the joint All-Party Parliamentary Group inquiry into rethinking commercial to residential conversions that three key areas must be addressed if PDR conversions are to play a role in addressing the housing emergency:

- **PDR standards must be strengthened to ensure developments are of high quality**
- **Local authorities must be able to give greater direction over where conversions take place**
- **Conversions should be required to contribute to affordable housing.**





# Address policies undermining supply

## Suspend Right to Buy until replacement catches up with homes lost

**Research** by Savills, commissioned by the Local Government Association, Association of Retained Council Housing and National Federation of ALMOs, estimates that 100,000 homes are likely to be sold through the right to buy (RTB) scheme by 2030, with just 43,000 replaced as significant discounts leave councils without funding to replace the much-needed homes on a like-for-like basis. The analysis warns that there will be no region of the country or local authority with the capability to provide one for one replacements of homes sold under RTB over this period.

As the LGA notes, RTB can enable families to get on the housing ladder and own their own home, but every home sold that is not replaced risks pushing more families into the private rented sector, driving up housing benefit spending and rents, along with exacerbating our homelessness crisis. RTB sales should be paused until councils are able to catch up with replacing lost homes, with the necessary funding and powers. (This was done in Scotland before RTB was abolished.) Once restored, discounts should be reduced to make the policy more sustainable.



## Tackle the supply pressures from second homes and short term lets

Latest data from **ONS** shows that more than one in ten addresses are used as holiday homes in some parts of England and Wales. A high concentration of these, particularly the conversion of residential property previously rented out in the private rented market, is dramatically reducing choice for local residents and pushing up prices. In areas where short term lets are concentrated, particularly in rural and coastal areas, this exacerbates an already challenging housing situation.

Short term lets should not be prioritised over access to adequate housing, and we welcome government's exploration of this issue through recent consultation exercises. This is a pressing and complex issue which must be addressed through planning, registration, regulation and taxation (with scope for local controls). The Scottish government's licensing scheme and use of the planning system to limit short term lets in certain areas should be considered as a potential solution. Resourcing of local authorities to monitor and enforce any controls will be essential to success.

The government also recently announced further reforms to the planning system to focus investment in urban areas. We are concerned that this will compound the housing issues facing those living in rural areas, making housing even more unaffordable for local people and driving hidden homelessness. In addressing supply we must not overlook the pressing need for more affordable housing in rural areas.

## Make the case for new towns to meet England's housing needs

CIH believes that the target to build at least 340,000 new homes per year cannot be met simply by using brownfield land or by extending existing settlements - large new developments will be required. New settlements should be sustainably located, and steps are needed to ensure that these are built on sustainable principles and are attractive places to live.

An important way to achieve this would be to designate a new round of new towns or 'garden cities' that would embody these objectives. Such communities can offer multiple benefits, creating highly sustainable new environments for people while at the same time increasing the rate of housing delivery and avoiding urban sprawl.

There are obstacles to this however, as set out by the Town and Country Planning Association (TCPA) in [Unlocking the potential of large-scale new communities](#). For example:

- New towns require a consistent and long-term commitment of major resources for the infrastructure and public facilities required, including sufficient provision of affordable housing (including for social rent) as well as market housing.
- The existing planning framework (the NPPF and local plans) is inadequate to the scale and long-term nature of the task.
- Despite the interest in new communities, including through the Garden Communities programme, there are no recent precedents for large-scale new towns, and none based on 'net zero' principles. New and rigorous planning processes would be required to support ambitious local authorities who want to follow these principles.

- Current proposals for reform of the compulsory purchase process need to be sped up and made more specific, to facilitate land acquisition at close to pre-development values.

To address these obstacles and produce a coherent and sustainable programme for the development of new towns, CIH calls on the government to:

- Recognise that sufficient homes will only be built if a number of new towns are constructed, alongside the use of brownfield land and the extension of existing settlements.
- Make a strategic commitment to a new generation of environmentally sound new towns based on Garden City principles, and to the long-term commitment of resources required.
- Ensure that this commitment is cross-government, creating a mechanism to deliver the transport networks, utilities, and new public services (health, police, etc.) that will be needed.
- Reform the planning system so that potential new town locations can be identified nationally and implemented regionally and locally, via appropriate mechanisms (akin to new town development corporations).
- Ensure that compulsory purchase procedures are reformed to facilitate the building of new towns on land acquired at close to present use value, with a standardised return for landowners.
- Develop a detailed approach to delivering new towns on 'net zero' principles.
- Launch a campaign to engage public support for this new strategy, using materials such as the TCPA's 'myth-buster'.

# Everyone has access to a decent, safe, accessible and affordable place to call home

Homes that are damp, cold, or in poor repair impact our health and wellbeing, causing or exacerbating respiratory and cardiovascular diseases, dementia, hypothermia, increased risk of falls, and mental health problems. Poor quality housing costs the NHS £1.4 billion each year and contributes to the UK's high number of excess winter deaths, reaching an estimated 13,400 between December 2021 to March 2022. It also affects childhood development, with impacts that can last into adulthood.

This was **reinforced** during the pandemic, where poor quality or overcrowded housing was associated with higher risks of mortality from Covid-19. Disabled people in inaccessible, non-adapted homes also reported greater negative impacts on their wellbeing, being 17 times more likely to require help with essential tasks of daily living than non-disabled people during lockdown. Whilst all types of households experienced decline in wellbeing during lockdown, it was largest amongst private renters.

Analysis by the **Resolution Foundation** of how people living in poor quality housing have fared during the cost of living crisis (April 2023) found that renters were most likely to have fallen behind on housing costs and those living in poor quality housing are twice as likely to have poor general health. Black, Asian and Minority Ethnic households are disproportionately affected.



## Prioritise housing quality, safety and accessibility

### Existing homes

The **English Housing Survey 2021-22** highlights the continued problem of poor housing conditions across our homes. 3.4 million homes (14 per cent) don't meet the Decent Homes Standard (DHS), with nearly a quarter (23 per cent) of private rented homes failing. Whilst social rented homes are the best performing tenure against the DHS, around 10 per cent of homes still fail, and 13 per cent of owner-occupied homes. The private rented sector also has the highest percentage of homes with a category one hazard (14 per cent) and damp problems (11 per cent) compared to social rented homes (four per cent for both category one hazards and damp) and owner-occupied homes (10 per cent and two per cent respectively).

The DHS is now outdated and under review. In addition, components installed as part of the original standard are likely to be nearing end of useful life. Renewing components and meeting a refreshed standard will require investment that will have to be balanced and aligned with targets for other improvements in housing, including fire and building safety measures, net zero targets and new regulatory changes. The success of the original DHS programme was the additional and targeted long-term funding to reverse years of underinvestment.

The [Better Social Housing Review \(BSHR\)](#), which CIH and NHF commissioned last year, said that central government must recognise that it remains fully accountable for the provision of decent housing nationally and it must act on that responsibility as it already does in relation to health and education.

The Social Housing (Regulation) Act will reform the regulation of social housing and its consumer standards. The government recently announced plans for new qualifications for social housing managers and has introduced unlimited fines for landlords failing residents. But these actions will not address the fundamental problem that much of England's social housing is old, poorly insulated and deteriorating. As a sector we want to work in partnership with the government to create ways to fund the regeneration and renovation of this country's social housing stock. To do this, we need government support to fund the building of new quality social homes and to support investment in current stock, as well as demolition of some life-expired homes in the social and private rented sector.

CIH calls for investment in a renewed DHS programme which would be offset by the benefits arising from better housing conditions supporting health and wellbeing, and savings for other public sector services and costs, notably health and social care. The BRE's [analysis](#) of the cost of poor housing explores the level of investment required and savings to the NHS across housing tenures. The Social Housing Decarbonisation fund will address some energy efficiency elements of a renewed DHS, but funding is still required to tackle other safety measures, to reduce risk of falls and accidents.

This should be mirrored in continued, inflationary increases for ongoing investment in Disabled Facilities Grants to deliver necessary adaptations for older and disabled people to maintain the health and wellbeing of residents.

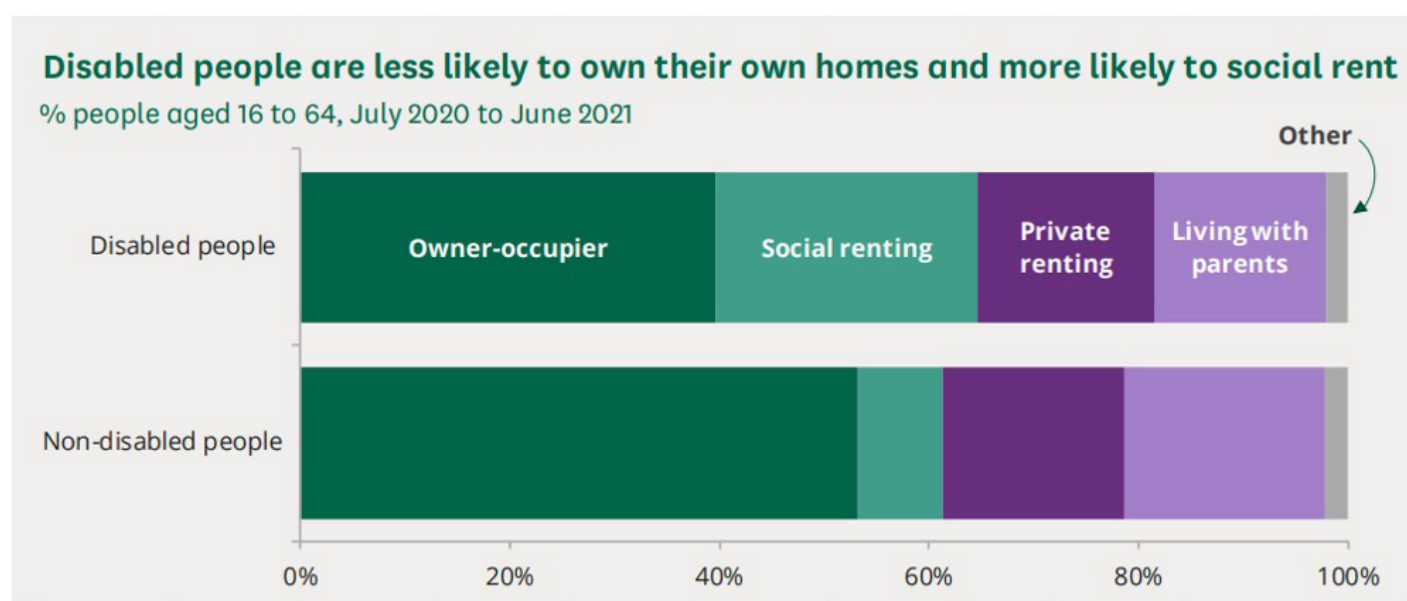
As set out under the Supply section above, a long-term rent settlement for social housing providers is needed to ensure sufficient investment in existing as well as new homes. Private landlords should also be [incentivised](#) to make energy efficiency improvements.



## New homes

We have noted that we need to increase delivery of new homes to address housing need - these new homes must meet both current and future need as we look to support our ageing demographic. By 2066, [ONS](#) estimate about 26 per cent of the population, around 20.4 million, will be aged 65+. The most rapid growth will be in those aged 85+; numbers in this cohort will treble to about seven per cent of the population (5.1 million). This will impact on the nature of services required and how people access them. Ensuring appropriate housing with related support will be increasingly important to help people age healthily and safely.

In addition to more older people living longer with life limiting conditions, there is a growing proportion of disabled children and working aged adults, requiring appropriate homes. Disabled people of working age are more likely to live in social housing.



Source: [ONS, Outcomes for disabled people in the UK: 2021](#), Disability and housing dataset, Table 1

There is a shortage of properly adapted homes for disabled people to live in. CIH welcomed the commitment made in July 2022 that all new homes should be developed to higher accessible and adaptable standards (with limited exceptions) but this is still to be brought into effect. Making this the default standard will enable local planners to focus more closely on what additional wheelchair accessible homes are required.

The latest [Census](#) identified that 17.7 per cent of the population in England and 21 per cent in Wales were disabled. [Research](#) by Habinteg reveals that currently over 400,000 wheelchair users are living in unsuitable homes that are not accessible or adapted to their needs. Its analysis of local plans shows that future needs are also unlikely to be met, with only 31.5 per cent of homes planned for development (between 2020-30) being accessible and only 1.5 per cent being fully wheelchair accessible. Disabled people of working age living in an unsuitable, non-adapted home are four times more likely to be unemployed than non-disabled people. More wheelchair adapted housing is required across all tenures, but particularly for social rent.

It is important to ensure that accessible and healthy homes are developed within healthy neighbourhoods with appropriate access to green space and necessary facilities; in addition to increasing the accessibility standards in homes, a number of other measures, captured in the [TCPA's](#) healthy homes principles, should be the minimum required for all new and converted homes.

## Supported housing

Specialist and supported housing for working age and older people with additional support needs is an important resource to ensure they can live well and safely in communities. It also helps prevent or reduce reliance on more costly public services, notably social care and health. [Research](#) by Frontier Economics in 2010 demonstrated the value of investing in supported housing with £639 million savings delivered each year across other areas of public spend (such as health, care and crime) – £938 per person pa.

Supported housing can also be a critical route back into independent living for people who have experienced a crisis such as homelessness or escaping domestic abuse, or who are care leavers. Recent [research](#) has revealed that supported housing supports and prevents increased homelessness for an estimated 41,000 people (with significant savings delivered, based on average costs of £40,000 per person per year). In the light of increasing homelessness, appropriate and affordable supported housing supports those with shorter as well as longer term needs for support and help.

Investment is needed to drive greater integration of housing, health and care at the local strategic level – it provides an opportunity to deliver the right accessible, supported homes in the right places to meet current and future needs, and to support services for the benefit of communities. This should also support effective transfer of care from hospital to housing based solutions, where providers and partners identify opportunities. These settings can help people recover to move back home or provide alternative housing and support solutions that reduce the ongoing and increasing need for hospital and social care services. Greater investment in good quality housing and support to increase options for people in places where they want to live can play a significant role in supporting health and wellbeing more broadly, and help to avoid crisis, short term responses.

Consistent investment is needed for critical support services within specialist housing that provide invaluable help and support to maintain independent living. The lack of funding for a core element of supported housing causes real difficulties for landlords and service providers and does not create a conducive environment

in which to invest in new supported housing. A recent [survey](#) by NHF into supported housing development plans demonstrates the restrictions on housing associations' capacity due to low grant levels, land availability and reduced commissioning of support. 69 per cent of respondents indicated a greater willingness to deliver more supported housing if these issues were addressed.

**CIH calls on the government to provide a national, ringfenced funding stream for housing related support to address this deficit and to support the sustainability of existing and new supported housing schemes.** This should be at least equivalent to the last such investment programme of £1.4 billion (we note that figures of £1.58 billion for England and £2.05 billion for Great Britain were estimated in the most recent [evidence review](#) for government in 2016).

In terms of quality of accommodation and support services within supported housing, we welcome the new Supported Housing (Regulatory Oversight) Act but call for further council powers to strengthen its effectiveness, such as those analogous to Part 1 of the 2004 Housing Act (a care and support rating system, which would include a range of enforcement actions available to local authorities where they identify non-compliance with / poor standards of accommodation and support within supported housing).



Given the increased complexity of needs for people living within general needs social housing, many social landlords are continuing to invest in support services for residents, including tenancy sustainment service, debt advice etc. These are largely resourced through rental income, alongside some commercial activities, but CIH is concerned at the sustainability of this given the pressures on organisations to meet multiple vital investment and targets (relating to energy efficiency, building and fire safety, as well as development). This is occurring at times of increased costs for materials and labour, and rising interest rates. CIH calls for further research by government into the level of support needs within the social sector more broadly to consider additional funding as well as into revenue support that is critical to sustain supported housing.

## Temporary accommodation

Temporary accommodation has a role to play in emergency housing provision. While its use and duration should be much reduced with increased social housing supply it is important that it is of decent quality. We call on government to commit to making people's experiences of it short and safe.

New legally enforceable minimum standards and services should be introduced which include basic kitchen appliances and washing facilities, beds for all members of a household, including babies, adequate access to wifi, safe space for children to play and learn, and no mixed households in B&Bs, hotels and apartment complexes.

Local authorities should be required (and resourced accordingly) to inspect temporary accommodation before it is offered to ensure it is suitable and of a decent standard.

## Support access to affordable home ownership

Over three million people are currently pushed into poverty by their housing costs. Research from [Shelter](#) (November 2022) shows that a quarter of private renters - equivalent to 2.8 million people - are constantly struggling to pay their rent, an increase of 24 per cent compared to the same period in 2021; and that more than two thirds (69 per cent) - equivalent to 7.7 million people - would struggle to find a suitable home if they were evicted.

The poorest households spend more than 40 per cent of their income on housing, often subsidised by the state - a third of private renters now rely on housing benefit to pay rent. Over the five years from 2021 the government is expected to spend over £58 billion on housing benefit to private landlords - this compares with just over £11 billion in capital spending on social housing via the Affordable Homes Programme ([New Economics Foundation - Beyond new build](#)).

Where people are unable to access secure accommodation, they are increasingly housed in temporary accommodation. Over 120,000 children in England are living like this - the equivalent of one in every 100 children in the country ([Shelter](#)). Analysis for the [NHF](#) shows that the number of children living in temporary accommodation will rise from 131,000 to 310,000 by 2045 without a long term plan to address.

In the past, home ownership was in reach of key workers such as teachers and nurses, but now the ability to buy or even rent an affordable home is becoming increasingly difficult. The 'Bank of Mum and Dad' is now supporting with rent too.

## Shared ownership

With higher interest rates and rising costs of living, the need for affordable homeownership opportunities has never been greater. As we set out in our earlier report on [Shared Ownership 2.0: Towards a fourth mainstream tenure](#), shared ownership has the potential to provide more households with a positive alternative to full ownership or renting and attract investment at scale.

Over 80 per cent of the (now closed to new applicants) Help to Buy scheme's users were first-time buyers and, of those, around 20 per cent could not have entered ownership without it. There is now a growing options gap at the very time affordable home ownership opportunities are most needed.

Shared ownership has the potential to address this and to support homeownership households as their circumstances change, for example growing families, divorcees, people moving regions for work, older people who want to release equity and access care support.

Consumer experience of shared ownership has been mixed and some reforms are needed. But, as set out in a recent discussion paper by [Social Finance](#), a new industry-led framework could drive many of the improvements and help to re-launch shared ownership so it meet its full potential. Any reforms should also translate to existing shared owners.

## Mortgage interest support

For those who do own with a mortgage, interest rates have placed significant pressure on their ability to pay. The cost of new mortgages has risen from around 1.5 per cent at the start of 2022 to 5.25 per cent by August (the most recent month for which data are available). As a result, the Financial Conduct Authority [suggested](#) that some 200,000 households were in mortgage arrears in mid-2022 and a further 570,000 would be at risk of default over the next two years because their housing costs would exceed 30 per cent of their incomes.

As set out in our analysis for the UK Housing Review 2023, the majority of households buying with a mortgage receive no financial assistance from government. Historically, mortgagors in receipt of out-of-work means-tested benefits such as income support were eligible for help with their interest payments. The rules changed over time, but the system ended in 2018 when support for mortgage interest (SMI) ceased to be a social security benefit and became a loan. Those facing difficulty with mortgage payments today are therefore most likely to have to rely on flexibility from lenders.

It's not just mortgage payers who are exposed to mortgage rate rises; renters are vulnerable too. Research by Zoopla estimates around 60 per cent of rented properties are mortgaged, with most of those on interest only mortgages, meaning they are particularly exposed to rate changes.

Ultimately there are limits to the forbearance of lenders. Given the unprecedented interest rate increase and potential high cost of state support for those who lose their homes, we would suggest that more government intervention may be needed. This could include removing the wait period and reverting to the scheme being a grant rather than a loan.

## Deliver on leasehold reform

DLUHC estimates there are around 4.86 million leasehold homes in England, of which 69 per cent are flats and 31 per cent are houses. Leaseholders report a range of problems with this tenure which represents an unfair balance of power with freeholders. This includes high service charges and a lack of transparency; freeholders who block attempts to exercise the Right to Manage; excessive administration charges and charges for applications to extend lease agreements or enfranchise; and a lack of knowledge over their rights and obligations.

The government should introduce legislation to fundamentally reform the leasehold system, building on the Law Commission's recommendations.



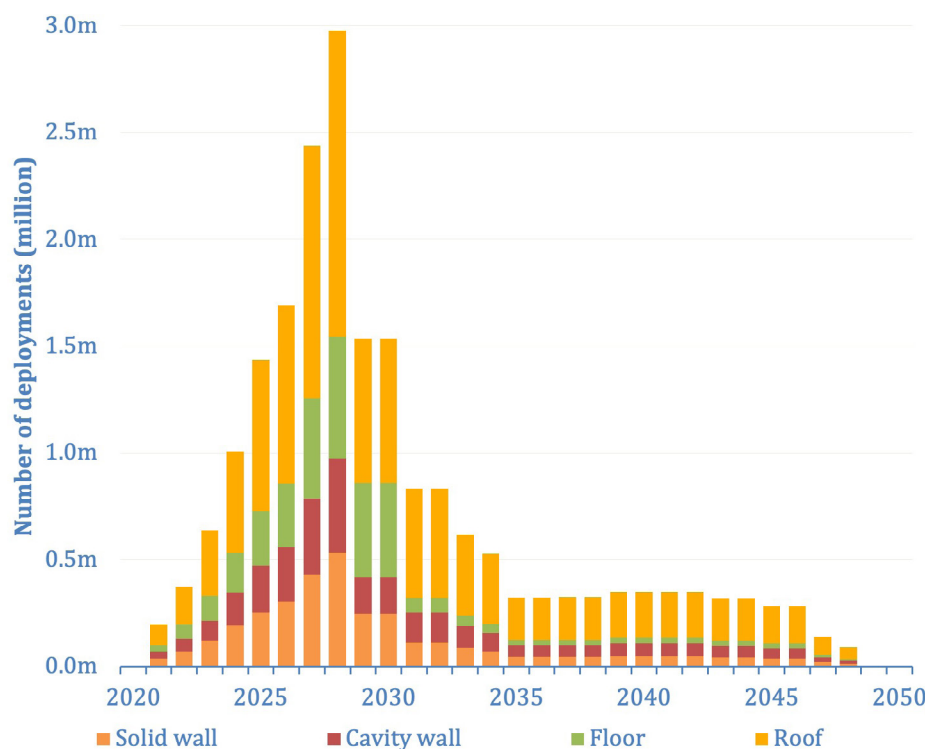


# Everyone has access to a warm and zero carbon home

Significant progress must be made in the next decade to decarbonise the UK's housing stock at the pace and scale needed to meet net zero targets and drive energy efficiency. Buildings contribute around 20 per cent of the UK's carbon emissions. Given that four-fifths of the homes that will be with us in 2050 have already been built, most of this work will involve retrofitting existing homes to improve their energy efficiency. In addition, the 2021 census recorded that almost three quarters of homes in England used mains gas to heat their homes; all of these, as well as homes using oil and other similar fuels, must be transitioned to low-carbon heating in the coming years.

## Drive the investment needed to decarbonise our homes

The housing sector is committed to working towards net zero, but sector-wide assessments of the costs highlight the scale of the task. [In 2022 the Committee on Climate Change estimated](#) that an investment of about £250 billion will be needed to fully decarbonise UK homes by 2050, the equivalent of about £9 billion each year from the late 2020s to 2050. Other estimates put the figure even higher, with [research by Savills](#) suggesting up to £330 billion could be needed for the UK residential sector to meet targets, including a desire for all homes to reach EPC band C by 2035 and by 2030 for fuel poor homes. Looking specifically at the social housing sector in England, [analysis](#) for the NHF shows that housing associations need to invest almost £36 billion to achieve EPC band C by 2030 and the replacement of all fossil-fuel boilers by 2050.



Number of energy efficiency measure installations required in existing homes to meet the CCC's 6th Carbon Budget. Source: CCC (2023) [Progress in reducing emissions - 2023 Report to Parliament - Charts and data](#), Figure 5.7.

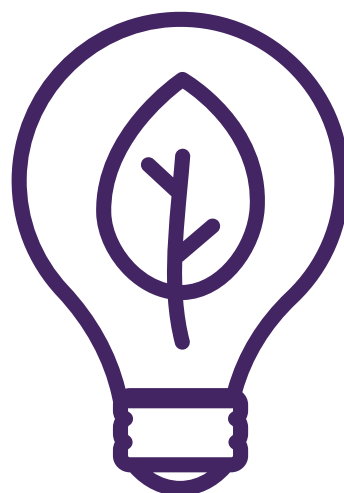
While there are currently various national and devolved funding streams available to retrofit and decarbonise domestic homes, their competitive, complicated, and ‘stop-start’ nature have not given the housing sector the certainty to drive the delivery that is necessary. Moreover, the scale of the task is different across each tenure. The limited resources of social housing providers need to be spread across different areas of asset management, including building safety remediation, repairs and maintenance, and energy efficiency upgrades. Many providers consequently face a large shortfall that cannot simply be passed onto residents through higher rents. In the other tenures, **over half of owner occupied and private rented homes in England have an EPC rating of D or below**. The Committee on Climate Change has consistently highlighted that the owner-occupied sector does not have a coherent strategy or the necessary regulatory mechanisms to drive decarbonisation at the pace that is required, and the private rented sector has made little progress in recent years, and **continues to have the highest proportion of homes in EPC bands E, F and G** compared to other tenures.

Investing in retrofit is not just critical for achieving net zero, but for meeting wider social objectives of tackling fuel poverty and reducing cold-related ill-health. **Analysis by the Energy and Climate Intelligence Unit (ECIU)** highlights that those living in ‘net zero homes’ with good insulation and low-carbon heating will have energy bills around 60 per cent less than the UK average in 2023. Accelerating the installation of insulation and low-carbon heating systems will therefore contribute significantly to the creation of warm, safe, and healthy homes. Investing in retrofit also has noteworthy co-benefits for wider society; it drives the **upskilling of the workforce, boosts the economy**, and reduces the **winter burden on the NHS**.

The government must as a priority devise a national cross-tenure retrofit strategy and commit to a substantial long-term investment in retrofitting and decarbonising the UK’s housing stock. At the same time, it cannot and

should not pay for everything, and can unlock additional billions of pounds worth of retrofit funding by working with the private and public sectors to stimulate investment. CIH calls on the government to:

- **Develop and implement a national, cross-tenure retrofit strategy**, underpinned by fabric first and worst first approaches.
- **Commit to a 10-year cross-tenure retrofit programme worth on average at least £6 billion per year**, covering energy efficiency and low-carbon heating, so that all homes are sufficiently insulated. This should include better-structured and simplified funding schemes, longer terms to complete works, increased funding for revenue costs, and an end to competitive bidding, with funding distributed to all local authorities or combined authority areas and social housing providers according to need.
- **Commit to 100 per cent fully funded grants for whole-house retrofits of households defined as low-income or in fuel poverty**, guaranteeing no household contributions and focusing on insulation and low-carbon heating.
- **Instruct the UK Infrastructure Bank to support a mass-market for retrofits**, potentially through property-linked finance and more flexible funding arrangements for local authorities and social landlords.
- **Stimulate the market and private investment by committing to zero rate VAT on repairs, maintenance, and retrofit work**, supporting the development of green finance products, and highlighting the co-benefits of retrofit (e.g., through savings to the NHS and wider society).



## Make clean energy affordable, now and forever

The transition to net zero must be fair, affordable, and accessible to everyone, including vulnerable households and those on the lowest incomes. Between the introduction of [Ofgem's price cap in January 2019 and the end of 2021](#), the average household was unlikely to have paid much more than £1,200 a year – or £100 a month – for gas and electricity. In April 2023, the government's Energy Price Guarantee capped average household energy bills at over twice this level, a figure of £2,500. Households with a greater need for domestic energy services – [families with young children, older people, and those dependent on powered essential medical equipment](#) – will necessarily have had to pay more to meet their needs, and heat network customers have faced increases in energy bills of [up to 700%](#). As a result, [government projections](#) put the number of households in fuel poverty as of 2023 at up to 12 million, more than double historic levels. [Analysts Cornwall Insight](#) have forecasted that energy prices will remain volatile and above pre-pandemic levels for the remainder of the decade. As well as investing in retrofit and low-carbon heating, the government must also ensure that clean energy is affordable for everyone, particularly those who need it most.



The number of households in fuel poverty (required to spend more than 10% of their income on energy costs), before and after housing costs, according to government figures. Source: DESNZ (2023) [Annual Fuel Poverty Statistics in England](#), 2023 (2022 data), p.79.

At the household level, electricity currently costs between three and four times the price of gas. This is despite renewable energy production being [up to nine times cheaper](#) than the wholesale cost of gas. This is because [fossil fuel electricity generation often dictates electricity prices](#), ensuring that the cost of renewable electricity remains consistently above that of the gas that increasingly does not produce it. Despite their efficiency advantages, the cost of running heat pumps and other low-carbon heating technologies is consequently difficult to afford for millions of households, especially in an era of volatile and high energy prices. Driving down the price of electricity is therefore critical to ensuring that clean energy is accessible to all. To do this, the government must ramp up the production of renewable electricity and break the link between the wholesale prices of gas and electricity.

At the same time, the government must make sure that the running costs of low-carbon technologies do not exceed the budgets of the poorest and most vulnerable households in society. Even before the rapid increase in gas and electricity prices, **approximately 4.5 million households** were living in fuel poverty in the UK, unable to afford to keep their homes warm, safe and dry. Households paying for their energy through prepayment meters are particularly at risk of the worst consequences of fuel poverty. As the wider electricity grid decarbonises and power becomes cheaper, these households will still need additional targeted support with their energy costs and must not be disadvantaged by the addition of new green levies onto future energy bills.

Making clean energy affordable, now and forever, should be a central pillar of the government's net zero strategy. CIH is calling on the government to:

- **Reduce the price of electricity through the Review of Electricity Market Arrangements (REMA), increasing clean electricity generation, and equitably rebalancing gas and electricity levies.**
- **Commit to the long-term funding of a social energy tariff, targeted at low-income, fuel poor, and vulnerable households.**
- **Assess how prepayment meter customers can access clean and affordable energy as part of a wider review of the prepayment market. This should include consideration of reducing or removing standing charges and how prepayment customers can access smart and flexible electricity tariffs.**
- **Take steps to make heat networks affordable by growing the Heat Network Efficiency Scheme (HNES) and developing a Heat Network Guarantee to protect heat network customers from poor performance.**

### **Invest in skills and innovation to make Britain a world leader in low carbon technology, retrofit, and construction**

A world leading transition to net zero needs a world leading industry and workforce. However, **the Construction Industry Training Board (CITB) has highlighted** that the country faces major shortfalls in a number of trades essential

for the transition to net zero. The **Committee on Climate Change** have underlined that an exponential rise in new workers, especially project managers, retrofit coordinators, plumbers, and HVAC installers is required to reach net zero by 2050. **The UK's oil and gas sector needs** to be supported to retrain in offshore renewables, carbon capture and storage, and hydrogen, and the importance of low-carbon skills needs to be embedded across the education sector to drive the requisite number of skilled tutors, apprenticeships, and retraining opportunities. At the same time, Modern Methods of Construction (MMC) offer significant opportunities for accelerating the construction of zero-carbon homes. **Evidence suggests** that homes built with MMC can cost 55 per cent less to heat than the average UK home and 32 per cent less than traditional new builds, and the carbon intensity of the full development cycle can also be up to 83 per cent less than traditional construction. But the sector faces considerable barriers to scaling up that require government support to overcome, including skills shortages, difficulties securing finance and investment, and an underdeveloped supply chain.

The role of housing professionals will also be key to meeting net zero, from senior executives to housing managers, and to the frontline advisors and resident liaison officers stepping over the thresholds of people's homes. Housing professionals will play a key role in supporting residents and their organisations in transitioning their homes to net zero; they will be answering resident queries on heat pump installation timelines and developing zero carbon asset management roadmaps for social housing stock. However, **there remains a skills, knowledge, and funding gap in the sector.** The ongoing proliferation of different low-carbon technologies, smart tariffs and appliances, and new heat services and products means that housing professionals need a detailed understanding of which technologies are suitable for which homes, and how residents can benefit from them. Investing in skills for net zero therefore extends beyond the construction, installation, and manufacturing sectors, and there is a pressing need to ensure that housing professionals can access the appropriate training,

accreditation, and development opportunities to help themselves, their organisations, and most importantly the people they support maximise the opportunities of the domestic transition to net zero.

As the [Committee on Climate Change](#) has noted, businesses, housing organisations, and workers ultimately need certainty that low-carbon skills, technologies, and markets will be profitable and employable in the long-term. They need backing and investment to support their ambitions. CIH calls on the government to:

- **Develop training and skills funding streams for the public and private sectors, including the housing sector, and support the acceleration of schemes such as the Heat Training Grant.** These schemes should be funded over expanded durations to cover the full timescales required for completing courses and obtaining qualifications.
- **Commit to the establishment of funding for local authorities and social landlords for trained planning and retrofit officers, and to fund updates to local plans and planning standards for local authorities.**
- **Support the development of Modern Methods of Construction (MMC) to build more green homes.** If we're to meet our net zero targets, the government needs to back innovative methods for building new homes. Given the practical difficulties of achieving high levels of energy efficiency in on-site construction, MMC offers a huge opportunity to make a step change in the delivery of highly energy efficient, climate friendly homes, and the government should explore how it can support the sector to rapidly scale up.
- **Pilot and rollout trusted, tailored advice hubs for retrofit across the country by 2025 at the latest, to give people clarity and confidence regarding the changes that need to be made to decarbonise their homes.** This should be integrated into the national, cross-tenure retrofit strategy, and build on existing best practice in the UK and elsewhere. Advice hubs must be inclusive and provide for a range of accessibility requirements (e.g., digitally excluded households and households without English as an additional language), balancing face to face and digital support.

## Build the policy, legislative, and regulatory environment for a fair and equitable transition

Investment to decarbonise our homes, make clean energy affordable, and boost the workforce must be underpinned by a policy, legislative, and regulatory environment fit for net zero. [The Independent Review of Net Zero emphasised](#) that “well-designed, smart regulation acts as a guide and enabler of growth”, and everyone who has a stake in net zero – especially consumers, businesses, as well as housing organisations and professionals – need long-term stability and certainty to make the changes that are required.

In the housing sector, several areas need timely action from government. Certainty and clarity are required on the phase-out date for the installation of new fossil fuel heating systems in existing homes, and housing developers need to understand the technical specifications to which they will be building the homes of the future without delay. Without this, we run the risk of building thousands of new homes that will require costly retrofitting in the future. Renters in the private and social rented sectors need to be protected by enhanced minimum energy efficiency standards, and the government needs to set out how it will achieve EPC C in owner-occupied homes by 2035, [as recommended](#) by the Committee on Climate Change. Lastly, the sector requires clear and transparent direction on the future of the gas network, including working closely with housing providers and professionals to understand any potential implications of the transition to a hydrogen gas network.



CIH is calling on the government to:

- **Legislate to ensure all new homes are built to a truly zero carbon standard** aligned with science-based targets, prioritising low-carbon heating solutions such as heat pumps and heat networks alongside the highest standards of fabric efficiency. From 2025, no new homes should have connections to the gas grid, and the Future Homes Standard should forbid the installation of gas boilers, even if 'hydrogen ready'.
- **Introduce clear and legally binding minimum energy efficiency standards across all tenures and implement the updated Decent Homes Standard**, bringing the private rented sector and social rented sector to a decent level of energy efficiency by the end of the decade at the latest, and working towards a target of 2035 for the owner-occupied sector.
- **Phase out new fossil heating systems in existing homes** by confirming regulatory timelines as a priority.
- **Provide certainty on the future of the gas network** by committing to a decision on hydrogen in 2026 and working closely with the housing sector to understand the implications of a partial or complete decommissioning the gas grid ahead of this date.
- **Commit to supporting the regulation of the heat network sector**, to generate a stable regulatory environment in which heat networks can provide affordable heat and power to millions more people.



# Everyone has access to a social security system that provides a safety net when needed

Even before the recent spike in inflation, basic benefits were worth 11 per cent less than a decade ago - equivalent to a benefit cut of £1,800 for a family with two children. Those on the lowest incomes face impossible pressures. As the APPG on Poverty noted recently, our social security system should exist to support households and provide genuine financial security, but low rates of social security are pushing people into poverty and driving destitution.

Annual data from the [End Child Poverty Coalition](#) (of which CIH is a member) in June looks at [local child poverty statistics](#) (after housing-costs) for local authorities and constituencies in the UK. At a national level, an end to the additional support made available during the pandemic has driven up the number of children experiencing poverty to 4.2 million in 2021/22 (29 per cent of all dependent children aged 0-19), up from 27 per cent in the previous year. In-work poverty is an increasingly pressing issue across the UK - in 2021/22, 71 per cent of children who were in poverty after housing costs were in a family where at least one adult was working, up from 65 per cent and six per cent, respectively, in 2020/22.

**We call on the government to undertake an independent review of the welfare system** to assess whether the different elements are delivering against their stated objectives. We believe this will highlight a number of fundamental changes needed, as highlighted in the APPG on Poverty's recent report and set out below.

## Ensure the basic rate of benefits cover life's essentials and support never falls below

Universal credit (UC) and legacy benefit headline rates are not based on any objective rationale or assessment of need. This has left UC's basic standard allowance at the lowest level it, or its equivalents, have been in 40 years. Meanwhile, various policies (e.g. debt repayments or the benefit cap) can reduce income below these low headline rates. Collectively, these issues mean UC does not cover essential needs for many people and the shortfall is a significant driver of deep poverty. As the foundation of the UC system, a standard allowance that does not cover the cost of essentials forces people to spend money meant for other elements, e.g., for children or for supporting health needs, on covering the basic core needs of the adults in the household. The ['Essentials Guarantee'](#), developed by the Trussell Trust and Joseph Rowntree Foundation, would ensure that the core rate of UC at least covers people's essentials, such as food and utility bills, and guarantee that reductions, such as the benefit cap or debt repayments to government, can never pull support below that level.

We set out further detail on benefit adequacy in our [evidence](#) to the work and pensions select committee.



## Establish an independent panel to decide benefit levels

The level of the essentials guarantee (above) would need to be annually reviewed by an independent process which would consider the current cost of essentials. Like the Low Pay Commission, this panel should make recommendations to government on the minimum benefit uprating levels.

## Increase local housing allowance rates to reflect the true cost of renting

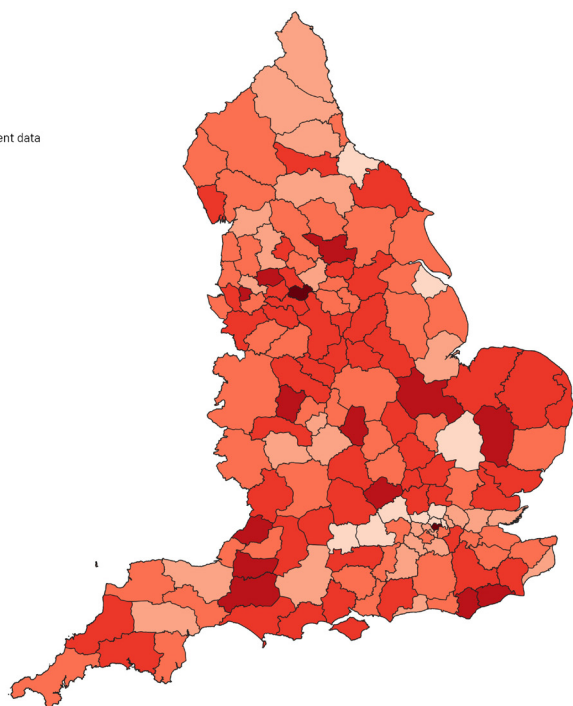
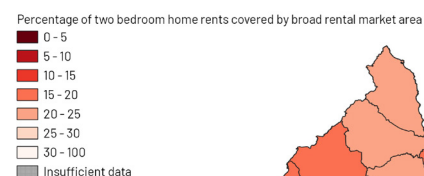
1.8 million private renters in England – one in three of all renters – receive help through universal credit or legacy housing benefit to afford their home. The local housing allowance (LHA) sets the maximum amount they can claim and is meant to ensure that people can access the cheapest 30 per cent of local homes. But LHA has

been frozen since 2020, based on rents in 2018-19, while private rents have risen rapidly to their highest recorded levels. As a result, we have seen an increase in homelessness and an increase in families living in ‘temporary’ accommodation (over 100,000). (As set out above, analysis by [CIH with the Centre for Homelessness Impact](#) in 2021 showed that a modest increase in output of social rented housing of 10,000 homes annually could largely be financed by direct savings in temporary accommodation costs and in housing benefit/universal credit that would otherwise be paid for higher-cost private rented properties.)

[Analysis from CIH and Shelter](#) reveals that last year fewer than one in five private rents in England were within LHA rates and that in every local area LHA fails to cover the cost of the cheapest 30 per cent of two-bedroom family homes.

The long-term solution is to reduce housing benefit through investment in social housing, but this will take time. In the meantime government should avoid further hardship for renters by uprating LHA in line with local rents.

Percentile of local market covered by 2023/24 local housing allowance rates



Map of the percentage of two-bedroom rents affordable within the local housing allowance rates by broad rental market area in England. Data source: Valuation Office Agency, [Local Housing Allowance List of Rents: 2021-22](#). Percentile analysis by Chartered Institute of Housing and mapping by Shelter.

*“The failure of local housing allowance rates to keep pace with market rents is quite obviously making the private rented sector even less affordable for many people who are only there because the social housing sector has been cut back and can no longer accommodate them. If the government believes the PRS is the right place for those on the lowest incomes, it should at least make sure housing benefit does what it was designed to do and covers benefit recipients’ housing costs.” (Levelling Up, Housing and Communities committee)*

Some households face even more of a challenge finding an affordable home, such as people under 35 without children, who are normally only eligible to claim the cost of a room in a flat-share. It has become very common for there to be virtually no affordable rents at this shared accommodation rate in parts of the country.

A future administration should remove the shared accommodation rate of LHA. Alternatively, young people who could afford the rent on one bedroomed self-contained flats when they entered the contract should be protected for at least three months as they were previously under housing benefit.

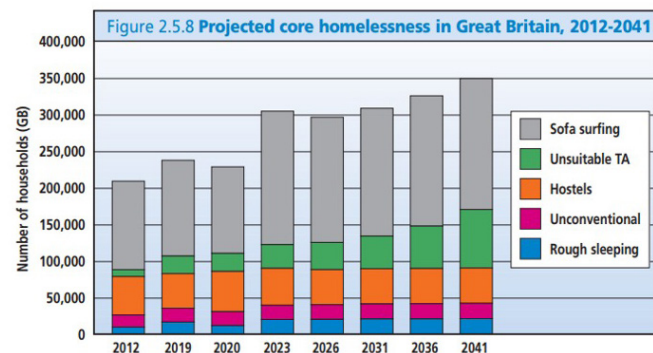


## Scrap the two-child limit and benefit cap

The two-child limit and benefit cap purposefully reduce a household's benefits below the already inadequate levels of benefit income. Benefits are simply far too low for claimants to be able to live a decent life. These policies are the main drivers of child poverty among larger families, who are already at a higher risk of living in poverty. Scrapping the two-child limit would lift 250,000 children out of poverty and mean a further 850,000 are in less deep poverty. It would help families in low paid employment as well as those out of work. Removing the benefit cap would substantially reduce the depth of poverty for the 250,000 children living in families affected by the cap (CPAG).

## End homelessness in all its forms

'Everyone In' and the provisions made to protect people experiencing street homelessness during the pandemic demonstrated what can be achieved with political will and funding. However, the latest government figures for England ([rough sleeping snapshot for 2022](#)) show that the number of people sleeping rough has increased for the first time since 2017, up 26 per cent on the previous year. This is just the 'visible' end of homelessness - the [latest government statistics](#) for England show that over 105,510 households are now living in 'temporary' accommodation, an increase of nearly 12 per cent on the previous year. The number of households with children has also increased by over 12 per cent. The impacts on the mental and physical health of such housing insecurity cannot be underestimated, nor can the costs: councils [spent £1.6 billion](#) on temporary accommodation in 2021-22 alone. Analysis of the [Homeless Monitor](#) suggests that core homelessness will continue to rise without significant further intervention.



Source: Crisis, The Homelessness Monitor: Great Britain 2022, figure 5.3.

Source: UK Housing Review

The best way to tackle homelessness is to prevent it happening in the first place. Research shows that effective early interventions reduce the personal and financial cost. [Analysis](#) by homelessness charity Crisis shows that if 40,000 people were prevented from becoming homeless for one year in England it would save the public purse £370 million (NB. 2016 figs so likely to be a higher saving now). In 2012 the [cost of homelessness in England](#) was reported as being up to £1 billion (gross) a year. Comparative research in the USA and [Australia](#) shows that the cost of [preventing and solving homelessness](#) is less than the cost of doing nothing at all.

Homelessness is the result of structural inequalities and personal risk factors or disadvantage. Viewing it as the ultimate social exclusion brings it under the remit of multiple departments and makes it 'everyone's business'. **We therefore call on the government to develop and resource a cross departmental strategy to end homelessness in all its forms, with a focus on prevention.**

To end homelessness, **we must have a homelessness support system which works for everyone.** This includes providing bespoke pathways, support and services for people often not well served by generic service offers, including for example care experienced young people, and members of the LGBTQ+ community.

## Scale up Housing First

Housing First is a model proven as an effective means to ending homelessness for people with high support needs, including through [DLUHC evaluations](#) of the pilots in the Greater Manchester, Liverpool and West Midlands combined authority regional areas. The benefits of Housing First extend further than only tenancy sustainment and [high fidelity Housing First](#) should be scaled up to be the default offer for people experiencing homelessness with histories of repeat homelessness, very complex needs and experiencing multiple disadvantage.

## Provide dedicated support for domestic abuse survivors

In 2022 [over 10,000 people fleeing domestic abuse were unable to access safe housing because of a lack of capacity or appropriate support](#). CIH is a member of the [Domestic Abuse Housing Alliance](#) (DAHA) which brings together experts from the housing, domestic abuse, and violence In 2022 over 10,000 people fleeing domestic abuse were unable to access safe housing because of a lack of capacity or appropriate support. CIH is a member of the Domestic Abuse Housing Alliance (DAHA) which brings together experts from the housing, domestic abuse, and violence against women and girls' (VAWG) sectors. Based on our shared understanding of the housing needs and issues faced by survivors of domestic abuse, we call on the government to commit to the following actions:

- **Support survivors who share a joint secure or assured social tenancy with their abuser, so that survivors can maintain their tenancy and their home, while placing the responsibility of leaving on perpetrators of abuse.**
- **Introduce a statutory exemption for survivors of domestic abuse from local connect or residency requirements as part of their qualification criteria for of social housing.**
- **Recognise and respond to women's rough sleeping and broader homelessness as a distinct and urgent problem which requires a distinct and urgent response. This must include a gender informed homelessness pathway and women-only accommodation offer across the country.**

## Ensure everyone has access to decent and secure accommodation regardless of their immigration status

A range of restrictions, many forming part of the 'hostile environment', make it difficult for people who are not British nationals to access decent and secure accommodation. Many of these issues were raised in the 'Lessons Learned' review of the experiences of the Windrush generation, and these lessons should now be put into practice:

CIH urges a series of reforms that are needed to open up new housing opportunities for the millions of people whose access to housing is affected by their immigration status:

### ➤ **Tackle the discrimination caused by the 'right to rent'**

The Right to Rent scheme requires landlords and agents to check the immigration status of all prospective tenants and refuse a tenancy to 'irregular' migrants, with severe penalties if they fail to comply.

A [report](#) by the Joint Council for the Welfare of Immigrants (JCWI) reveals that migrants, including refugees, as well as British citizens without passports, particularly those from ethnic minorities, are being discriminated against in the private rented sector as a result: For example, 51 per cent of landlords surveyed said that the scheme would make them less likely to consider letting to foreign nationals.

The scheme has created structural incentives for landlords to discriminate unlawfully against foreigners and ethnic minorities, and does not contain adequate safeguards against, or mechanisms to monitor, discrimination, nor does it allow victims any form of redress.

We call on the government to abandon the policy, in line with its commitment to tackle blanket bans on renters from ethnic minority backgrounds through the Renters Reform Bill.

► **End 'no recourse to public funds' and restrictions on the right to work**

'No Recourse to Public Funds' (NRPF) is an immigration restriction which prevents people accessing the social security system and most forms of government support when in need. People with NRPF are at high risk of homelessness and destitution because they cannot access mainstream housing, welfare benefits and employment.

Over one million people are affected by NRPF in the UK. A report by [Citizens Advice](#) in 2021 highlights the hardship which it creates. For example, 81 per cent of people with NRPF are behind on at least one bill, compared to 20 per cent of people in the UK at large, and 60 per cent are behind on rent, compared to eight per cent for the UK population at large. Some 48 per cent live in overcrowded accommodation.

With limited and inadequate exceptions, NRPF places a blanket ban on these long-term residents claiming state support when needed. Some of the harm could be mitigated by reforming the policy - for instance by ceasing to apply the conditions to families with children. But the best way to address the damage caused by it is to give people who are building their life in the UK the access to the safety net they need, by removing the NRPF condition from all those who are habitually resident in the UK.

Allowing all migrants to work would reduce the burden on the state and allow migrants the potential to support themselves and pay for their own accommodation.

► **Ensure rough sleeping and domestic abuse services include all migrants**

A large proportion of rough sleepers recorded in street counts are non-UK nationals, including numbers who sleep rough even though they have low-paid work. During the Covid-19 pandemic the government successfully moved the majority of people living on the streets into temporary accommodation, regardless of their immigration status. This principle should be made permanent, excluding no one from support services based on their immigration status.

Victims of domestic abuse who are non-UK nationals are entitled to help under housing, homelessness and benefits rules, but many do not receive it.

The government should include all people from abroad in the drive to end rough sleeping and to help victims of domestic abuse. While NRPF conditions continue to apply, it should encourage social landlords to provide small numbers of units on a 'no charge' basis for those excluded from the benefit system, as some landlords already do.

It should also extend the Domestic Violence Indefinite Leave to Remain (DVILR) and Destitution Domestic Violence Concession (DDVC) model for those on partner/spousal visas to all migrant victims regardless of their immigration status, and extend the current three-month provision to six months under the DDVC to give victims the breathing space to resolve problems by seeking advice and recover from abuse, and to encourage more refuge providers to accept referrals and not turn victims away.

► **Provide decent accommodation for asylum seekers while processing claims more quickly**

Asylum seekers who are waiting for claims to be processed should not be accommodated in hotels, barracks, barges or other substandard accommodation. The same standards should apply to their accommodation as would apply to anyone in the private rented sector, including full protection under licensing arrangement for houses in multiple occupation.

The government should explore the handing back of its asylum accommodation services to local authorities, who operated them before 2000, provided that adequate funding can be allocated. It should also ensure far quicker processing of asylum claims and allow all asylum seekers whose claims have taken more than a year to process, to work and pay for their own accommodation.

► **Provide realistic housing options for accepted refugees**

The problems faced by refugees after their asylum claims are approved are longstanding, and they continue. The government should extend the current 28-day notice period to leave asylum accommodation to 56 days and encourage – as the Home Office has done in the past – social landlords to engage in joint working arrangements to house refugees, as occurs in the west of Scotland.

► **Build on the success of ‘Homes for Ukraine’ to assist all those arriving from conflict**

The Homes for Ukraine scheme has faced problems but, overall, has been a tremendous success, with at least 126,000 people benefitting from it. The scheme should be a model for future emergency refugee resettlement schemes, in particular to avoid the long-term use of hotels as has happened in the case of those evacuated from Afghanistan.

The government should create the mechanisms and resources for a permanent ‘Homes for Refugees’ scheme, modelled on that for Ukrainians, run by and resourced through local authorities.

► **Take a gender-informed approach to migrant women’s housing needs**

The government should adopt a gender-informed, trauma-informed and culturally competent approach to meeting the housing needs of migrant women (many of whom are victims of trafficking and other forms of gender-based violence), pregnant women, mothers and children. This should include increasing the availability of women-only safe house accommodation and support for trafficking victims.



# Everyone has access to a fair and good quality service from their landlord

The Social Housing (Regulation) Act, passed in July 2023, marks an important step change in re-balancing the relationship between social landlords and tenants and professionalising the sector.

As the UK body for housing professionals, CIH is focused on ensuring that the new mandatory qualifications for housing managers, introduced by the Act, are delivered effectively. Professionalism goes beyond the need for a qualification and includes the commitment to continuous professional development and to the right behaviours and attitudes.

In 2022 CIH and NHF launched the '[Better Social Housing Review](#)', led by an independent panel with extensive experience of the social housing sector. Its [report](#) included a challenging set of findings and set out [seven recommendations](#) on how to improve issues with the quality of social homes, with action required from both the sector and government.

CIH and NHF have produced an action plan that sets out how we will work alongside housing associations to improve the quality of their homes and services across the country. Embedded at the heart of this are proactive steps to ensure equitable access to good quality homes and services for all people.

Around 36 per cent of households in England rent their homes (19 per cent privately and 17 per cent socially, [English Housing Survey](#)). With over 4.4 million households, the private rented sector (PRS) is now the second largest tenure in England. Whilst the majority of PRS properties are well maintained, nearly a quarter do not meet basic

decency standards. The sector is often associated with insecure housing as the end of an assured shorthold PRS tenancy (the most common) is the second biggest cause of homelessness; latest government figures show 24,060 households were threatened with homelessness in England from a section 21 notice in 2022 – up 50 per cent on 2021. Private rents last year increased at the [fastest rate](#) since the ONS data series began (in turn increasing public spending on housing benefit).

We support government action to help level the playing field between renters and landlords through the [Renters \(Reform\) Bill](#) which will:

- ▶ End the landlord's right to end the tenancy without good reason and tackle unfair rent increases
- ▶ Establish an Ombudsman for private renters and a portal to help private landlords understand and fulfil their obligations and enable tenants to better hold their landlords to account
- ▶ Introduce a Decent Homes Standard
- ▶ Make it illegal for landlords and agents to have blanket bans on renting to tenants in receipt of benefits or with children
- ▶ Strengthen local councils' enforcement powers.

We call on the government to honour the commitment to rental reform, if not delivered in this Parliament.

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We recognise the need for landlords to be able to recover their properties in certain circumstances, but appropriate protections must be in place to avoid abuse. We've set out a number of issues where we believe safeguards need to be included - set out in our parliamentary [briefing](#). In summary:

- Where a landlord evicts a tenant because they claim they want to sell the property or move in but fail to do so, they should not be able to put the property back on the rental market for at least six months unless they can evidence good intent.

Where notice is served, a four-month notice period should be granted to allow people time to find a new home and make the necessary arrangements.

- Where grounds for possession are triggered by rent arrears, the timeframe should be reasonable in order not to discriminate against people who may have missed a payment but settled their account.
- Where eviction is based on anti-social behaviour, protections should be in place to ensure the new grounds cannot be unfairly misused, particularly in cases where domestic abuse has been misdiagnosed as ASB. Landlords and managing agents should follow pre-eviction protocols to ensure vulnerable tenants are not disproportionately impacted and to give ample opportunity to remedy ASB before eviction actions are taken.
- In order not to deter scrutiny of rent increases, the rent tribunal should not be able to award a higher rent than the landlord's original proposal.
- Local housing allowance should be updated each year in line with local rents as part of the statutory benefits uprating to reflect the true cost of renting.



# Conclusion

Our housing and welfare system is broken, but it is not beyond repair. Together we can fix it.

The UK faces numerous economic and social challenges, but housing is part of the solution. Even whilst the UK was at war, the government of the 1940s was planning for reconstruction with a large house building programme. The establishment of the cradle to grave welfare state included the aim to abolish poor quality housing and provide affordable homes for all. The government should do the same and put housing at the heart of the UK's economic and social recovery.

**We need a clear, long-term plan backed by targets to meet housing need, with transparency and accountability for how it will be delivered. With the right investment and support social housing partners can play a key role in this. Through their work managing homes and working with the community they can help to advocate for what places need and target their resources to bring about positive change.**

As the UK body for housing professionals, we are committed to working in partnership to help provide the advice, support, and knowledge housing professionals and organisations need to help deliver on this.





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