



Chartered
Institute of
Housing

What you need to know about the Autumn Statement

November 2023



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Introduction

On 22 November, the Chancellor of the Exchequer published his [Autumn Statement](#) (Budget). This guide summarises the key measures that members are likely to be interested in, alongside CIH's response. Our [initial response](#) to the package of measures was published on our website following the announcement. A copy of our Budget submission is available [here](#).

Key announcements

- Unfreezing of Local Housing Allowance (LHA) (though only for one year)
- Uprating of benefits in line with September CPI
- Extension of Affordable Homes Guarantee Scheme
- Extension of the Public Works Loan Board policy margin
- Additional skills funding for planning departments
- New phase of the Local Authority Housing Fund to support with homelessness prevention
- New funding for domestic abuse support.

Social security changes (UK)

Local Housing Allowance (LHA)

The Chancellor announced that LHA rates from April 2024 will be restored to the 30th percentile of local market rents for each category of dwelling. The rates had been frozen since April 2020 and research by CIH and Shelter [published in June](#) had shown that less than 20 per cent of privately rented homes were available within the frozen rate. Most recently,

CIH Scotland published a [report](#) to highlight the stark shortfall. (DWP have confirmed that the national maximum caps will be increased, so claimants in inner and central London will also see an increase in their housing support payments. The national caps will be increased to be based on the 30th percentile of market rents for outer London plus an additional 20 per cent.)

The indicative spending figures provided alongside the Autumn Statement indicate that from April 2025 rates will be frozen again at their 2024 cash value.

CIH comment

We very much welcome the announcement that LHA will be uprated to reflect the bottom 30 per cent of local rents, as we and others had been calling for. Frozen LHA has meant that rents have been increasingly unaffordable for many on low incomes, fuelling debt and evictions and driving homelessness (in turn putting financial pressure on councils through temporary accommodation). Restoring LHA to the lowest 30 per cent of housing is the minimum required.

However, waiting until next April to unfreeze LHA will be little comfort to those struggling with their rent over the winter months. And refreezing after a year means renters will start to face the same issue again from April 2025. Furthermore, a significant number of households will be impacted by the benefit cap (see below).

We are also disappointed that the LHA rate to determine the subsidy for claims in respect of people living in temporary accommodation will not be uprated as the maximum subsidy remains capped at 90 per cent of the January 2011 rates.

Social security benefits and pensions annual up-rating

The Chancellor confirmed that working age benefits would be fully uprated by the September CPI figure of 6.7 per cent. State pensions and pension credit guarantee will rise by 8.5 per cent in line with the government's 'triple lock' policy.

No accompanying announcement was made about uprating the benefit cap – and there is no legal requirement to do so, so it can be assumed that it will be frozen at its 2023 level. Since benefits and rents (including the LHA) will increase it can be assumed that the number of capped households will also increase from the [current figure](#) of around 86,000 households.

CIH comment

Whilst we welcome confirmation that benefits will be uprated by September CPI (and not the lower rate in October as some had feared), uprating by 6.7 per cent does not address the real terms loss in value arising from previous freezes in benefit rates and is not connected to the actual cost of living experienced by low-income families. Analysis shows that benefits are still outpaced by inflation even after being uprated in line with inflation.

Back to Work reforms

The Chancellor announced a new "Back to Work plan" ([pre-briefed](#) ahead of the Statement), designed to support more people into work. These measures include:

- **Restart scheme:** The 'Restart' programme of employment support for the long-term unemployed will be extended for two years from 2024. Eligibility is also to be extended to those who have been on Intensive Work Search for six months, rather than the current requirement of nine months. If individuals have completed the Restart programme and remain unemployed for 18 months, they will undergo a review conducted by a work coach which may introduce new claimant commitments, such as mandatory work placements or new intensive work search

activities. Any individual who refuses new commitments 'without good reason' may have their claim closed and their benefit payments stopped.

- **Work Capability Assessment (WCA) and 'fit note' reforms:** Reforming the activities and descriptors in the WCA that determine whether individuals should be considered unfit for work and entitled to related benefit payments. Reforms are to be implemented from 2025, with additional focus on changing working patterns such as the increasing number of positions that allow employees to work from home. A consultation on reforms to fit notes will be launched in 2024.

CIH comment

Whilst it is positive to support people into work, the changes to the WCA and strengthening of conditionality to groups who have barriers to work risks vulnerable people falling into hardship. It is important to ensure that our social security system provides the support people need.

The increase in National Living Wage will boost the income of millions of workers, but those on universal credit will not see the full increase as their benefit is withdrawn by 55 per cent (the taper rate) for each pound they earn after tax.



Housing and planning (England)

The Chancellor set out measures to 'reform the planning system' to speed up approvals. This included:

- **Planning system performance reforms** – plans for authorities to offer guaranteed accelerated decision dates for major developments in England in exchange for a fee, ensuring refunds are given where deadlines are not met and limiting use of extension of time agreements. This will also include measures to improve transparency and reporting of planning authorities' records in delivering timely decision-making.
- **Local Nutrient Mitigation Fund** – £110 million of funding to support Local Planning Authorities (LPAs) to deliver high quality schemes to offset nutrient pollution, unlocking planning permissions that are otherwise stalled. (Allocation process to be announced.)
- £5 million in additional funding for DLUHC's **Planning Skills Delivery Fund** for Local Planning Authorities (LPAs) to target application backlogs.
- An **extension of Permitted Development Rights** to enable one house to be converted into two homes. This will be implemented in 2024 following consultation in the New Year.
- **Funding to accelerate the delivery of new housing** in Cambridge, Leeds and London. As part of this, the government will support the Cambridge Delivery Group to drive the long-term vision for Cambridge by exploring the case for a development corporation.
- £110 million will be made available through the **Local Nutrient Mitigation Fund**. This will support LPAs affected by nutrient neutrality rules to deliver high quality local nutrient offsetting schemes, unlocking new homes.
- A £3 billion extension to the **Affordable Homes Guarantee Scheme** to help the scheme deliver 20,000 new homes, as well as improving the quality and efficiency of more homes.

- Alongside the Statement, the Treasury published the [government's response to the National Infrastructure Commission report](#) on improving nationally significant **infrastructure** planning, which includes achieving targets for reducing consenting times for Nationally Significant Infrastructure Projects.

CIH comment

It's good to see the importance of affordable homes acknowledged, and we welcome the recognition that planning needs to be properly resourced to support housing delivery and sustainable growth. However, as the Housing Forum have identified, the £5 million Planning Skills Delivery Fund for LPAs to tackle planning application backlogs won't go far as it equates to around 0.5 of a new planner, per local authority. The government has committed to ensuring councils will be able to set planning fees to cover the full cost of processing major applications which is welcome, but we need to see the details. Any new money should be ringfenced, with the necessary flexibility to ensure it removes barriers to the delivery of new homes.

We have raised concerns previously on the relaxation of permitted development rights (PDRs) (see our latest [consultation response](#)), including the design and quality of residential units created through them, and potential safety issues. We will continue to support local authorities' vital role in enforcing good standards through the planning system and the ability to exempt areas from PDRs where appropriate.

We were expecting government to announce further action on nutrient neutrality, following its recent defeat in the House of Lords (on LURA). It remains to be seen how far £110 million will stretch. (The Home Builders Federation have [estimated](#) that 145,000 homes are currently held up by nutrient neutrality rules.)

Extra funding for the Affordable Homes Guarantee Scheme is welcome as it reduces the costs of borrowing for Registered

Providers building social housing. However, we would have liked to have seen additional support for social house building, as we had called for. Building more genuinely affordable homes remains the best way to help people struggling to meet housing costs, provide homes to rent, reduce homelessness and tackle council housing waiting lists in the long term.

Local authority housing announcements

Continued support for local authority housing investment

The government has extended the preferential rate from the Public Works Loan Board (PWLB) for housebuilding by local authorities to June 2025. These discounts, first announced at the Spring 2023 Budget, provide a 40 basis point discounted rate, and were previously only intended to last for one year so this is welcome news. The Office for Budget responsibility says it means that local authority housing capital will hold up or increase slightly. It's currently at its highest levels for several years, around £8bn. This includes both new build and investment in existing stock.

A new phase for the Local Authority Housing Fund

The government announced an additional £450m for the Local Authority Housing Fund - the current fund has had two phases totalling £750m so this is for a third tranche. It provides extra capital funding which local authorities have used to acquire or build housing for temporary accommodation or for refugees, for example some councils have acquired houses which have been allocated to Ukrainian families who left the Homes for Ukraine scheme. The government believes the new funding will allow 2,400 extra homes to be provided, although the actual figure will of course depend on the distribution of the fund and how councils use it. (Thank you payments for Homes for Ukraine sponsors have also been extended for a further year, at £500 per month.)

CIH comment

We welcome these commitments, though note they are largely extensions of existing schemes. The continuation of discounted borrowing rates for councils will provide much-needed additional support for vital council housebuilding projects. The additional money for the Local Authority Housing Fund will help councils support families to move into their own homes and reduce homelessness risks amidst reduced supply of temporary and move-on accommodation for councils. The extension of thank you payments for Homes for Ukraine sponsors is also helpful and will reduce pressure on councils.

However, as the Local Government Association (LGA) and London Councils have highlighted, the lack of long-term additional funding in the Statement risks councils' ability to meet rising demand, provide critical care and support a healthy population with access to housing, training and jobs.

Decarbonisation, energy efficiency, and fuel poverty

The Chancellor's statement included little on decarbonisation, energy efficiency, and fuel poverty. CIH had hoped to see the announcement of [further financial support](#) for people struggling to afford their energy bills, as well as the introduction of a '[Help to Repay](#)' scheme to accelerate the repayment of energy debt. We also hoped to see the announcement of future waves of funding for government energy efficiency and decarbonisation schemes, including the Social Housing Decarbonisation Fund.

None of this was forthcoming in the Autumn Statement. However, there were some smaller announcements of relevance:

- **Reforming energy-saving materials VAT relief.** Earlier in the year, [HMRC consulted](#) on expanding VAT relief on energy-saving materials to more technologies, including

battery storage, and extending the eligibility of this relief to buildings used solely for a charitable purpose. CIH [responded positively](#) to this consultation, providing evidence that it would support the installation of battery storage technologies in social homes. The Chancellor has confirmed these reforms will be implemented UK-wide in February 2024. While detailed information is not yet available, the government has said it will publish its formal decision shortly.

- **Changing planning rules to encourage the installation of domestic heat pumps.** Under current planning rules, there is a blanket restriction on heat pumps installed one metre from a property boundary, partly because of noise pollution. As part of its proposed new permitted development rights, discussed elsewhere in this guide, the government will end this restriction. We expect that further detail on the government's proposals will be released in due course.
- **Reaffirming low-carbon infrastructure as a critical national priority.** This includes [a plan](#) to reduce the time it takes renewable energy projects to connect to the electricity grid, and the publication of new [Energy National Policy Statements](#). The government will also consult on proposals to support the rollout of electric vehicle charging infrastructure as part of its wider work on the NPPF.
- **Exploring the further devolution of retrofit funding and strategic energy system planning.** Subject to the outcome of pilots with the GMCA and WMCA, [the government will consider](#) devolving net zero funding, including for retrofitting buildings, to the eligible institution as part of its proposed Level 4 devolution framework. This will also include consideration of the role of regional institutions in local area energy planning and heat network zoning.

CIH comment

The Chancellor made frequent reference to the fall in inflation in the Autumn Statement, which has been partly caused by a drop in the wholesale price of energy. However, this will not translate into a significant reduction in energy bills, especially as the day after the Autumn Statement, Ofgem [increased its energy price cap](#) from £1,834 to £1,928 per year. [Research](#) from the Resolution Foundation, shows that this means over 40 per cent the poorest households will face higher energy bills this winter than last. On average, energy bills are still approximately [double](#) what they were before the pandemic.

In this context, it is disappointing that no support with energy costs or additional funding for government energy efficiency schemes was included in the Autumn Statement. The uprating of benefits, increases to the National Minimum Wage, and the 2p reduction in National Insurance Contributions will make no difference to household finances this winter. However, in their evidence to the Energy Security and Net Zero's inquiry into home heating before the Autumn Statement, senior civil servants [hinted](#) that a third wave of the Social Housing Decarbonisation Fund could be in the pipeline. This would be very welcome, and help to rebalance an Autumn Statement that did not sufficiently acknowledge the crucial role of retrofit in meeting our fuel poverty and decarbonisation targets.



Domestic abuse

The Chancellor announced additional funding of £10m in 2024-25 for projects that aim to understand the impacts of domestic abuse on the labour market, support victims of domestic abuse in the workplace or prevent victims experiencing further abuse. The government will also provide £2m of additional funding to expand the Flexible Fund, which trials an innovative new approach to provide one off payments to victims of domestic abuse.

CIH comment

Domestic abuse has a significant personal cost to victims and an economic cost to society of at least £74bn pa so this new funding for projects is very welcome. We await the detail on how it will be allocated. An additional £2m for the flexible fund will enable more victims and survivors to access urgent financial support, providing a lifeline for many and saving the public purse in the long term.

Levelling up

Ahead of Autumn Statement the government [announced](#) £1 billion of funding to 55 local projects as part of Round 3 of the Levelling Up Fund, spread across the country. It has now confirmed details of 6 of 13 Investment Zones in the UK and will work with local partners with the aim of confirming details of all Investment Zones by summer 2024.

CIH comment

We welcome the ongoing commit to fund levelling up projects across the country, particularly in high priority areas. Housing has a key role to play in this.

Health and housing

Although the focus of the Autumn Statement overall was intended to be on growth and support/reform of public services, there was no connection made between the benefits of decent, supportive housing for people's health and wellbeing, and the savings it can deliver for health, social care or the justice service.

CIH had called for more funding, including £1.6bn for housing related support, to increase the development of valuable supported housing, which provides huge help for individuals - often those facing significant health conditions and complex needs. In the process, supported housing makes savings for public services, particularly health and social care. As an example, National Housing Federation (NHF) [research](#) demonstrates this type of housing helps to prevent a further 41,000 people from homelessness - which costs around £41,000 per person per year. Nine out of ten people living in supported housing have at least one significant long term health condition, but half experience more than one, and benefit from the additional help that this type of housing provides. Without more capital and revenue funding for supported housing, we risk further increases in homelessness.

CIH also called on government to follow through its recognition that housing delivers benefits for health and care as well as individuals and households - as identified in its own adult social care white paper, [People at the heart of care](#) - by delivering its commitment of £300m to support local strategic plans at local level. Without this there is a postcode approach to planning for improved existing and new housing, often hitting those local communities already facing the greatest health inequalities. It's a small investment that could have huge long-term benefits for local communities.

Devolved nation funding

For measures that are not UK-wide, funding for the devolved administrations will be determined through the normal operation of the Barnett formula and Block Grant Adjustments. It is for the devolved administrations to decide how to spend any additional funding on priorities in Scotland, Wales, and Northern Ireland. The Scottish Government will receive an additional £545 million and the Welsh Government £305 million (NB not all new money). The Northern Ireland Executive will receive £75 million, but worryingly this will go towards reducing the Stormont overspend and not result in additional public spending.



Overall CIH response

There are some key elements to be welcomed in this package of measures, which we called for in our Budget submission. The Chancellor's decision to unfreeze LHA will mean that those on the lowest incomes are helped to keep up with increasing rents, though we believe this uprating should be brought in before next April and remain at 30 per cent beyond 2025. The accompanying decision to uprate benefits payments in line with inflation (from April) will give many people struggling with living costs some much needed relief. However, we're concerned that tougher rules and potential benefit reductions for people who are unable to find a job will result in increased hardship.

It was, however, disappointing not to see more investment in local government finance given the pressures councils are under, and nothing on supported housing.

It was also disappointing that the government did not use the Autumn Statement to do more to support people with high energy costs this winter, or to drive energy efficiency, including announcing further waves of government energy efficiency schemes. This will limit progress on making homes more energy efficient at the scale and pace needed, saving residents money, tackling fuel poverty, creating jobs and decarbonising homes.

Overall, while the Autumn Statement brought some positive short-term news, we still need government to commit to a long-term plan to address the housing crisis if we are to make a real difference to people in housing need.

We will update members as further detail is released. If you have any questions, please contact the CIH policy team: policyandpractice@cih.org.