



Chartered
Institute of
Housing

A 10-POINT PLAN FOR MORE AND BETTER HOMES

GOOD FOR THE ECONOMY,
HEALTH AND PEOPLE



SEPTEMBER 2023

Introduction

Decent and affordable homes make our lives better – improving our health and wellbeing and providing the safe and secure foundation we all need. But shortages and unequal access to housing mean that too many people are forced to live in overpriced, insecure and poor-quality homes.

We are all paying the price for this. Poor housing costs the NHS **£1.4 billion** each year. It negatively impacts a child's **education** and has **long-term effects on incomes and employment**. 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) over the next four years. This needs to change if we are to build a society in which everyone can thrive.

At the heart of the issue is supply. 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. Latest **forecasts** suggest we could see over 300,000 GB households experiencing the worst forms of homelessness in 2023. One in five children are 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. Nearly **seven million** UK households were in fuel poverty last winter. 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 a decent, affordable home as the foundation for a good life. For people on low incomes, this is fast diminishing.

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 a long-term plan for housing which recognises it as the foundation for creating healthy and sustainable communities.

We can do this with a focus on more homes and better homes:

More homes

- 1 Invest in more social homes
- 2 Reduce homelessness and use of temporary accommodation
- 3 Improve the planning process to speed up new homes
- 4 Invest in more supported housing to reduce the burden on health services
- 5 Invest in affordable home ownership

Better homes

- 6 Provide sustainable funding for landlords to maintain decent homes
- 7 Improve security and standards for private renters
- 8 Accelerate a fair and equitable transition to net zero homes
- 9 Prioritise building safety
- 10 Strengthen the safety net

This paper provides a summary of what this means in practice. More detail is set out in our **Strategy for housing**.

More homes

1. Invest in more social homes

We need **340,000** new homes each year in England to 2031, including 90,000 for social rent. But only around **233,000** were delivered in 2021/22, of which around 7,500 were social homes. The supply of new social homes in England lags far behind the numbers needed - falling by 85 per cent since 2010.

As a result, there are an estimated **4.2 million** people in England, including 1.3 million children, in need of a social home. Overcrowding is the largest problem nationally, affecting nearly 3.7 million people.

Housing investment needs to be a much higher priority for the Westminster government.

A generational step-change in social housebuilding is required to boost housing supply, help families struggling to meet housing costs, and tackle housing waiting lists.

This supply challenge cannot be fixed quickly but the government must commit to increasing the supply of truly affordable homes to rent and buy. This should include:

► Financial reforms

- o Increasing investment and redirecting subsidies
- o Allowing flexibility in grant programmes
- o Providing a long-term rent settlement
- o Changing the way government accounts for housing debt to unlock additional investment

► Addressing policies undermining supply

- o Suspending Right to Buy until replacement catches up with homes lost and then reducing the discount to minimise losses
- o Reducing the number of long term rentals lost to short term lets



2. Reduce homelessness and use of temporary accommodation

'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 - with a drop of 37 per cent in the 2020 homelessness figures. However, the latest data for England show the number of people sleeping rough is increasing - as are numbers of people in 'temporary' accommodation. Analysis of the [Homeless Monitor](#) suggests core homelessness will continue to rise without significant investment.

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.

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.

Research shows that with the necessary funding and political support, local authorities and social housing providers can dramatically improve the lives of people experiencing homelessness. This has considerable social and economic benefits: [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.

Analysis by [CIH with the Centre for Homelessness Impact](#) shows 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.

To ensure that homelessness is rare, brief and non-recurring the government should develop and resource a cross departmental strategy to end homelessness in all its forms, with a focus on prevention. This should include a mix of short- and long-term action:

- Increasing local housing allowance rates (used to calculate housing benefit) to reflect the true cost of renting
- Bringing forward the Renters Reform Bill to end 'no fault' evictions
- Providing dedicated support for domestic abuse survivors
- Ensuring everyone has access to decent and secure accommodation (with minimum standards for temporary accommodation), regardless of their immigration status
- Investing in Housing First for those with complex support needs
- Increasing the supply of social housing.



3. Improve the planning process to speed up new homes

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.

The government must provide clarity and consistency in the planning framework, backed by a comprehensive resource and skills strategy. This should include:

- Clarifying target setting and the definition of 'affordable' housing
- Maximising developer contributions for affordable housing provision
- Resourcing local planning authorities
- Addressing 'hope value'
- Restoring strategic level planning and considering Green Belt reform
- Making the case for new towns to meet England's housing needs at scale
- Avoiding unnecessary changes which create further uncertainty and delay.



4. Invest in more supported housing to reduce the burden on health services

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).

Supported housing can also be a critical route back into independent living for people who have experienced a crisis such as homelessness or domestic abuse, or who are care leavers. [Research](#) shows 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).

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.

The government should provide a national, ringfenced funding stream for housing related support to address the supported housing deficit and support the sustainability of existing and new supported housing schemes.



5. Invest in affordable home ownership

With higher interest rates and rising costs of living, the need for affordable homeownership opportunities and support has never been greater. Shared ownership has the potential to address this and support homeownership households as their circumstances change.

Consumer experience of shared ownership has been mixed and reforms are needed so that it meets its full potential. **The government should invest in strengthening the shared ownership offer.**

For those who already own with a mortgage, interest rates have placed significant pressure on their ability to pay, leading to 'mortgage misery'. The Financial Conduct Authority has [suggested](#) around 570,000 households are at risk of default over the next two years because housing costs will exceed 30 per cent of their incomes. Most households buying with a mortgage receive no financial assistance from government and those facing difficulty with mortgage payments are most likely to have to rely on flexibility from lenders.

Given the potential high cost of state support for those who lose their homes, the government should intervene to support mortgage holders. This could include removing the wait period for Support for Mortgage Interest (SMI) and reverting to the scheme being a grant rather than a loan.



Better homes

6. Provide sustainable funding for landlords to maintain decent homes

The [English Housing Survey 2021-22](#) highlights the continued problem of poor housing conditions across our homes. 3.4 million (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 still fail, and 13 per cent of owner-occupied homes.

The DHS is now outdated and under review but there is no new funding committed to its refresh and expansion. [The Better Social Housing Review](#), 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 this 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.

The success of the original DHS programme was the additional and targeted long-term funding to reverse years of underinvestment. **CIH calls for investment in a renewed DHS programme which would be offset by the benefits arising from better housing conditions, with savings on health and social care.**

Alongside investment in a new DHS programme, a long-term rent settlement for social housing providers is needed to ensure sufficient investment in existing and new homes. Private landlords should also be incentivised to make energy efficiency improvements.



7. Improve security and standards for private renters

With over 4.4 million households, the private rented sector (PRS) is now the second largest tenure in England. This means that what happens in the PRS affects proportionately more people, hitting younger people particularly hard.

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. It is also becoming increasingly expensive and inaccessible to those on low incomes - private rents are increasing at the **fastest rate** since the ONS data series began (in turn increasing public spending on housing benefit).

We support government action to drive improvements through the [Renters \(Reform\) Bill](#) and **call on the government to commit to delivering reforms** to:

- Uprate local housing allowance and ensure support for housing costs rises in line with rents
- 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 which includes stricter minimum energy efficiency standards
- 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
- Tackle the supply pressures from short term lets.



8. Accelerate a fair and equitable transition to net zero homes and buildings

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.

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 (all) homes by 2050, the equivalent of about £9 billion each year from the early 2020s to 2050, and clean energy must be made affordable for everyone to access.

As the [Committee on Climate Change](#) has noted, businesses, housing organisations, and workers need certainty that low-carbon skills, technologies, and markets will be profitable and employable in the long-term; they need backing, investment, and a stable regulatory environment to support their ambitions.

The government must:

- Drive the investment needed to decarbonise our homes, and commit to a 10-year cross-tenure retrofit programme worth on average at least £6 billion per annum
- Make clean energy affordable, now and forever
- Invest in skills and innovation to make Britain a world leader in low carbon technology, retrofit, and construction
- Build the policy, legislative, and regulatory environment for a fair and equitable transition to net zero.

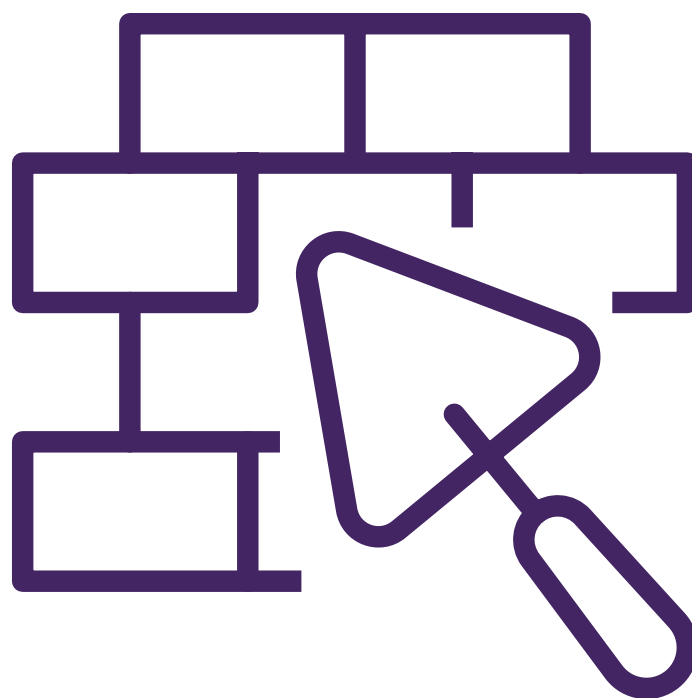


9. Prioritise building safety

The tragic fire at Grenfell Tower in which 72 people lost their lives provides a constant reminder of the importance of building safety of housing. Our priority must be to ensure everyone feels safe in their own home and that they are listened to when they raise a concern.

Parliament has passed legislation to begin to correct regulatory gaps, but secondary legislation is required to enact many of the measures. Significant funding has been provided for the remediation of some high-risk buildings, but more is needed to remedy past errors. [Research for the LGA](#) estimates that the sector-wide requirement to achieve building safety standards for high-rise residential buildings and buildings housing vulnerable residents in council housing is £7.7 billion. There is a significant risk that the costs of fixing social housing blocks will fall on councils' already overstretched Housing Revenue Accounts, and on housing associations, who face multiple financial pressures. CIH agrees with government that the construction industry must be made to fix the fire safety defects it has built into blocks owned by councils and housing associations, and the recent establishment of the Responsible Actors Scheme is a welcome step towards this goal.

However, social landlords have not been able to access building safety funds on equal terms with the private sector. This is necessary to prevent any remediation costs being passed to residents through their rents. **We look to the government to work with the housing sector on this, ensuring financial support for social landlords in rectifying building safety defects that they did not create (to prevent costs falling on tenants) and protecting leaseholders** from having to pay to address building safety defects for which they bear no responsibility.



10. Strengthen the safety net

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.

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
- Establish an independent panel to decide benefit levels.
- Increase local housing allowance rates to reflect the true cost of renting (as set out above)
- Scrap the two-child limit and benefit cap
- End 'no recourse to public funds' and restrictions on the right to work



Summary

We have a broken housing market and a broken (social security) safety net but social housing is an important 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. We need to do the same now and put social house building at the heart of the UK's economic and social recovery.

At CIH we urge all political parties to commit to recognising the role of housing, particularly social housing, as a foundation for life. We need a clear, long-term plan, backed by targets and investment, to meet housing need - with transparency and accountability for how it will be delivered. With the right support social housing partners can play a key role in this. Through their work managing homes and working within the community they can help to advocate for what places need and target their resources to bring about positive change.

Let's work together to create a sustainable housing system which supports a vibrant economy and society. With people and home at the heart, these solutions are good for the economy, good for health, good for the people - and great for the country.

About CIH: The [Chartered Institute of Housing](#) (CIH) is the professional body for people who work in housing, the independent voice for housing, and the home of professional standards. Our goal is to support housing professionals to create a future in which everyone has a place to call home by providing housing professionals and their organisations with the advice, support, and knowledge they need. CIH is a registered charity and not-for-profit organisation. Further information - policyandpractice@cih.org.

