

9 April 2020



Response to Housing for the many: Labour's review of social housing

SUBMISSION RESPONSE 31 January 2018
Sent by e mail to socialhousingreview@labour.org.uk

On behalf of The Housing Forum, I am pleased to submit the following response by The Housing Forum

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About The Housing Forum

The Housing Forum is a uniquely cross sector membership organisation of 150 major organisations including house builders, housing associations, local authorities, consultants, manufacturers and investors. We are at the forefront of debate and championing of good practice. Our regular work on new build and regeneration issues assists the industry in interpreting the housing market and consequently, supports and encourages investment.

The Housing Forum has considered many of the issues in relation to affordable housing, housing at scale and quality in our recent reports and findings which are drawn from across the supply chain, public and private sector.

Response:

1. **What should affordable mean?**

Our view is that affordability should be based on ability to pay and this varies regionally and depending on household size. Ultimately we believe housing is affordable for working people when it represents no more than 45% of net income.

2. **Building – how do we build the scale of social housing needed?**

The Housing Forum's February 2017 report "Future proofing housing supply" made ten recommendations on increasing supply:

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Leadership and structures:

1. Take party politics out of housing strategy and delivery by creating cross-party housing groups and removing elected members from decision-making on planning applications below 250 homes.
2. Government to appoint a Housing Minister to the Cabinet and directly commission new homes.
3. All local authorities must become more pro-active leaders of housing supply.
4. Create a single voice for the housing industry.

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Sector capacity:

5. Government and industry to implement the Farmer Review's call for modernisation of house building skills and technology.
6. Central and local government to incentivise new entrants to the market.
7. Central and local government to revise the planning system so it favours increased supply.

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Commissioning and investment:

8. Government to agree a long-term, large-scale capital investment plan for housing supply.
9. Give local authorities the financial mechanisms to directly commission new housing and greater freedom for risk sharing.
10. Create a centre of excellence for procurement expertise for use across the sector.

3. **Standards – how do we secure decent standards in current and new social housing**

The Housing Forum focused on quality and the consumer in its December 2017 report "Building Homes Better: The Quality Challenge". Our key recommendations are below:-

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Supporting a quality culture

1. Government should direct efforts to increase supply towards housing associations, institutional landlords, local authorities, custom build, and build-to-rent providers – namely, those parts of the market that are interested in the long-term benefits that quality housing brings. It should use public land released for new housing to demonstrate different approaches to delivering high quality
2. Government should review its deregulation policy and accept that appropriate legislation sends a signal it intends to set a decent bar for quality, provides a safeguard against unacceptable outcomes and creates the certainty and the level playing field that a competitive sector needs.

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Protecting tenants and buyers

3. We want Government to support the proposition that tenants and buyers should be made aware of the size, quality and performance of their dwelling on a wide range of metrics before signing contracts to purchase or occupy.
4. We recommend that Government should end the practice of tying the Building Regulations compliance of the site to the time of registration of the first phase
5. We would like to see the setting up of customer-focused rating systems to gather feedback from buyers and tenants about how well or badly their new home is working and whether it is proving expensive to maintain.
6. The industry should collect and publish statistics on occupant satisfaction through unconnected independent bodies.
7. Government needs to support a mechanism to aid homebuyers gain redress for faulty homes. The idea of a New Homes Ombudsman has been mooted already and we think this is the right step to take.

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Improving pre-planning, regulation and design quality

8. Government to mandate that all major housing projects are built to Building for Life or a similar design quality standard, e.g. BRE Home Quality Mark or LEED, supported by a training programme for local planning authorities, developers and others that make use of the standard.

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9. Government to review the Building Regulations with the aim of encompassing a wider set of quality issues than is currently included, such as space standards, daylight, overheating and environmental impact.
10. We want Government to mandate the introduction of adequate space standards in all dwellings to protect first-time occupiers.
11. We recommend that Government and industry demand higher technical and design standards for large-scale development and dense urban development such as the Manchester Residential Quality Guide and London Housing Design Guide.

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Improving procurement and construction

12. We recommend that the industry works to ensure that there is a role within the design team for a quality champion to identify and protect the quality elements of the scheme from the beginning to the end of the process, ideally the architect of the scheme. This professional role can work alongside the local planning authority, ensuring quality is delivered through planning to construction.
13. We recommend that the industry supports the creation of a revised form of contract between design and build contractors and their clients to give a clear role to the quality champion and to independent site supervision. This will help to counter the tendency to cut costs and quality without recognising the long-term problems it causes.
14. We recommend that the industry, supported by Government, works with insurers and mortgage lenders to promote new and innovative forms of construction that will speed up delivery, reduce build costs and improve the final quality of new homes.
15. The Housing Forum undertook a detailed review of the case for affordable housing in our report "[Making a place for low cost housing](#)" and believe that the recommendations contained within it remain relevant.

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Other measures to boost investment Empowering local authorities as long term patient investors

Many times complex planning gain negotiations or market changes stall or delay housing delivery and mean low cost homes are negotiated out of developments. The Government could amend planning powers to allow local authorities to take an equity stake in a private development as a condition of planning consent. This would be a constructive alternative to both the current system of planning obligations through section 106 agreements and the Community Infrastructure Levy (CIL), reforming both regimes. This would ensure that a development is not delayed by debate over initial obligations. It

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will protect the public sector interest in terms of benefiting from any long-term value appreciation, while increasing outcomes regarding social housing provision.

Setting up a National Housing Investment Bank

This could be based on the German Sparkasse model and would be structured through a network of regional banks. This could deliver more lending to small businesses and to promote dedicated regional investment in housing under a national framework.

The bank would raise finance through bonds, ISAs, the co-ordination of lending or even Right to Buy receipts, recycled tax (on capital gains from overseas investors, for example) to invest in low cost housing products for rent, sale and shared ownership.

Social Housing Government Guarantees

The Housing Forum Working Group suggests that a 'Help to Invest' guarantee programme for low cost housing, similar to the Help to Buy scheme, would bring a boost to provision. The same principle could also be used to tackle the extremes of inner city housing poverty through a remodeled stock transfer programme - with funding for a 30-40 year period. This could extend to the remodeling of the existing stock and the re-planning and of homes to offer a new product to downsizers, freeing up family homes elsewhere.

Tax incentives to bring forward land

More land in private ownership could be bought into use for housing. Different models for land taxes exist in Australia and the USA, and elsewhere in the developing world.

Release of more land for housing

Land supply for housing must be tackled and together with infrastructure investment, planned on a 10-20 year basis and removed from the short-term political cycle.

If more land were made available, competition for land would be less intense and prices would come down. We would advocate that the principle should be that public land is retained as the equity stake in development, retaining the right to influence the amount of low cost homes developed and ensure the public purse benefits from both ground rents and future capital asset appreciation. The public sector represents the largest land bank, including small parcels of land which can accommodate up to 100 homes and could be developed at a faster rate than large, complex schemes.

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Yours faithfully

A handwritten signature in black ink that reads "Shelagh Grant". The signature is written in a cursive, flowing style.

Shelagh Grant
Chief Executive
The Housing Forum

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