

# **APSE Summer Roundtable – Next steps for tackling the housing crisis**

To: All APSE members in England, Wales, Scotland and Northern Ireland

## **1 Context**

Following the general election on the 4 July 2024 and the change in government, this roundtable session was convened for APSE Members with responsibility for Housing, to examine the proposals set out in the King's Speech and the potential impact on the local authority housing services.

Housing is a devolved matter in Scotland and certain aspects of housing legislation are devolved in Wales, therefore the proposals set out by the new government in the King's Speech primarily relate to England and in part to Wales.

This briefing provides a summary of the current position, an overview of the roundtable discussion, and outlines the key asks of the new UK government and the Scottish and Welsh Government.

## **2 Current position**

There are currently 1.3 million households on social housing waiting lists, 145,800 children are being housed in temporary accommodation and the number of people sleeping rough has increased from circa 1770 people in 2010 to 3070 in 2022.

During the height of council building, in the 1950's councils built on average 147,000 homes per year. In the last 10 years the number of homes councils have built has averaged 1,400. In addition, more than two million homes have been sold under the Right to Buy scheme since it was first introduced in 1980.

There are numerous reasons cited for the reduction in the number of homes councils build, which centre around government policy and the lack of available funding, for example the

current cap on social rents at 7.7% has resulted in a shortfall of £644 million over the last two years.

This is set against the backdrop of subsequent governments focusing policy and being reliant upon developers and the private rented sector to provide housing, an approach which has resulted in the current housing crisis.

What is Labour proposing

In the Labour Party's Manifesto and in subsequent statements following the general election, there has been a strong emphasis on housing with a commitment to build 1.5 million houses over the next five years. Although no targets have been set, there has also been an emphasis on social housing and affordable housing being part of this figure.

This target means that there needs to be one thousand built every day to hit the target by 2029. To achieve this aim, the King's Speech sets out a range of proposals, including reforming the planning system.

## **2.1 Planning and Infrastructure Bill**

The proposed Planning and Infrastructure Bill primarily focuses on making improvements to the planning system at a local level, modernising planning committees and increasing capacity in local planning authorities. A more detailed exploration of the proposals related specifically to planning were explored in the Summer Roundtable on Planning.

## **2.2 Draft Leasehold and Commonhold Reform Bill**

The new government is intending to implement the Leasehold and Freehold Reform Act 2024 but is looking to add additional protection and rights for homeowners on private estates and will be consulting on the best way to do this.

Under the Draft Leasehold and Commonhold Reform Bill, it proposed that the remaining Law Commission recommendations to bolster leaseholders' rights will be enacted, and the commonhold framework will be modernised. The government also plans to tackle existing ground rent through the Bill and end the injustice of forfeiture.

## **2.3 Renters' Rights Bill**

The Renters' Rights Bill seeks to deliver on the new government's commitment to transform the experience of private renting and applies to England and Wales. Measures being proposed include: -

- Abolishing Section 21 'no fault evictions'
- Strengthening tenants' right and protections for example empowering them to challenge rent increases
- Giving tenants the right to request a pet
- Applying a Decent Homes Standard to the private rented sector
- Applying Awaab's Law to the sector
- Creating a digital private rented sector database to bring together key information for landlords, tenants and councils
- Supporting quicker, cheaper resolution when there are disputes – preventing them escalating to costly court proceedings
- Making it illegal for landlords to discriminate against tenants in receipt of benefits or with children when choosing to let their property.
- Strengthening local councils' enforcement powers.

## **2.4 The English Devolution Bill**

The English Devolution Bill proposes to establish a new framework for English devolution, moving power out of Westminster and back to those who know their areas best, and give local leaders the tools they need to drive growth by: -

- Putting a more ambitious standardised devolution framework into legislation
- Making devolution the default setting
- Making it easier to provide devolved powers quickly to more areas
- Improving and unblocking local decision making
- Empowering local communities

## **2.5 The Skills England Bill**

With the ambitions of the new government to build more homes and infrastructure, the Skill England Bill proposals are seeking to support economic growth by transferring functions from the Institute for Apprenticeships and Technical Education.

It is proposed that Skills England will convene employers, unions, education and training providers, and experts with national government to: -

- Develop a single picture of national and local skills needs
- Identify the training for which the Growth and Skills Levy will be accessible
- Ensure that the national and regional skills systems are meeting the needs and are aligned.

### **3.6 The Mental Health Bill.**

Although not directly related to housing, it is reported that around 50% of people who find themselves homeless have a mental health condition. Therefore, reforming the mental health provision and providing the support required is a piece in the jigsaw for tackling the housing crisis.

## **3 The current challenges in the housing sectors**

As part of the Roundtable discussion, there were various points raised through the discussion regarding the current issues being experienced in delivering the service and these can be summarised as follows:-

- It was commented that the Right to Buy Scheme has a greater impact in rural areas and where there are protections such as Areas of Outstanding Natural Beauty (AONB) as there is not the available land to replace the homes sold under the scheme.
- Concern was raised that the Private Rented Sector is not delivering quality, affordable homes that meet the needs of the community and as such are resulting in more people seeking support from local authorities and hindering economic growth.
- Concerns were also raised about councils not being able to plan for budgets and programmes of work as the proposed Decent Home standards had not been provided.
- It was commented that there is a lack of take up of Section 106 funding by developers to build affordable housing.
- Attendees at the roundtable reported that there is a backlog of retrofitting for older and more difficult to retrofit housing stock and that there are examples of Housing Associations off loading houses that are deemed to be too expensive to retrofit, reducing the amount of social housing and putting houses into the private rented sector that are of poor quality.
- Concern was expressed that councils have statutory duties regarding homelessness and the reasons for people becoming homeless are extraordinarily complex. The cost of tackling the issues is costing far more than the funding received from government. This results in funding being targeted at the absolute essential requirements under the legislation, and programmes that look at preventing people from becoming homeless are receiving less funding.

- It was raised that local authorities have been hollowed out in terms of skills and capacity due to austerity and resources were not available to undertake what they are currently being asked to deliver, let alone an increase in house building.
- The attendees from Scotland, highlighted the significant impact that the reduction in funding from the Scottish government for affordable housing was having on the future delivery of affordable housing, and that planned programmes of delivery where been reviewed.
- The cap on social rents was impacting future delivery as the costs of providing social homes have risen significantly more than the rent increases, reducing the ability to build new homes, and retrofit homes.
- There was also discussion regarding the severe issues in the private rented sector with regards to the cost of renting being unaffordable for a growing number of people and landlords are pulling out of the sector due to recent policy changes resulting in more people turning to local authorities for housing.
- It was commented that the competitive bidding process for funding resulted in local authorities being required to put resources into the bidding process that could be better spent elsewhere.

#### **4 Asks from the sector to government**

Following the discussion regarding the challenges in the sector, the group outlined their key asks for the new government and the main asks were noted as follows: -

- Housing needs to be recognised as critical infrastructure.
- There has been an emphasis on for profit developers and the private rent sector to provide housing for several years and this approach has clearly failed in providing affordable, quality housing. Therefore, there needs to be a shift in emphasis and a different approach adopted that recognises the role that local authorities play in their communities and providing homes.
- Building homes is a long-term programme of work and policy and funding needs to reflect this rather than the current position of short termism, which results in councils being reluctant to invest in the long-term development programmes or having to refocus or revise plans throughout the business case. Government needs to be clear of the long-term outcomes and set policy and funding that aligns with the outcomes and

priorities.

- Homes England needs to review S.106 contributions to ensure they are fit for purpose and deliver the affordable housing that is required.
- The housing crisis is multifaceted with many co-dependences. Current legislation and policy relating to housing is stitched together, with previous governments tinkering around the edges and adding new policy in response to circumstances such as building safety and Awaabs law. To tackle the crisis the government needs to look at the issues holistically across all government departments and not as 'just housing' to ensure there is a joined-up approach.
- For areas without Metro Mayors and Combined authorities there needs to be mechanisms put in place to enable them to develop housing to ensure those areas are not left behind.
- Investing in building capacity and skills is one aspect of the system, but this alone will not speed up the house building process, it will just move the blockages further down the line. There needs to be investment in the capacity and skills of the whole housing sector.
- The gap between the funding received from the government and the cost of tackling homelessness needs to be bridged. Without greater emphasis on homelessness prevention the situation will only continue to grow.

## **APSE Comment**

The focus that the new government is placing on housing and bringing forth the next wave of social and council housing is welcome and is a good starting point, but there needs to be a long-term commitment to policies and funding, to give local authorities and other providers the confidence to invest and embark on ambitious house building programme.

APSE also welcomes the ambition from the new government to build 1.5 million homes over the next five years, but unlike the governments in Wales and Scotland there is currently no target on social and affordable housing to hold the UK government to account on the delivery of this tenure of housing. As identified in numerous APSE research papers it is the lack of council housing that has led to the crisis in rents and quality of provision in the private rented sector as there is no balancing market-force to counteract this by having available alternative council housing.

Building new homes is not just a numbers game. Alongside the numbers there needs to be an emphasis on building homes that people want to live in. The lessons from the past need to be learnt to ensure homes are built where people want to live with the required services and connectivity. In addition, any new homes built need to be fit for the future, in terms of meeting the needs of an ageing population and being able to withstand the challenges presented from the effects of climate change. Good quality affordable housing, and in the rented sector, secure tenures, are the foundation for communities to not just survive but to thrive.

The causes of the housing crisis are complex, have been decades in the making and there are many components that will need to come into play to tackle the crisis. The sector as a whole needs to play its part to meet the ambitions of the new government and local authorities are a key part in this.

Government needs to listen to all parts of the sector to ensure that the funding and priorities are aligned, that the current barriers are removed, and prevent an over reliance on one part of the sector to deliver.

The number of people sleeping rough has virtually doubled since 2010, and these people are only a tip of the iceberg as there are thousands of families in temporary accommodation and even more living in unsuitable housing that are not recorded in the figures. In addition, the private rented sector is failing in many ways from landlords who provide poor quality housing to landlords pulling out of the sector or taking the property out of the rental market in favour of short-term holiday lets.

APSE welcomes the proposal to bring the Private Rented Sector in line with social housing providers, but there does need to be an understanding of the potential consequences from further regulation of the private rented sector.

On a final point, local authorities are the last hope for people who are being failed by the housing system. The funding provided for councils to deliver their statutory duties, is a long way short of the actual costs, which has the impact of councils only being able to support those in most need, and prioritise their budgets, accordingly, often resulting in funding being diverted from preventative support.

Through the research that APSE has conducted over the years, there are numerous case studies which showcase that despite the challenges, local authorities are finding innovative ways to deliver good quality homes for their communities and as such, the government needs to listen and empower local authorities to be part of the solution for tackling the housing crisis.

**Vickie Hacking**  
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