



Social Housing: Case for Increased Provision Debate on 31 January 2019

Summary

This House of Lords Library Briefing has been prepared in advance of the debate due to take place on 31 January 2019 in the House of Lords on the motion moved by Lord Whitty (Labour) “that this House takes note of the case for a long-term commitment to increased provision of social housing to help to reduce housing costs, homelessness and housing benefit expenditure”. Housing policy is a devolved matter and so this briefing focuses on England.

The number of socially rented houses in England has been falling consistently since the 1980s; between 1981 to 2016 social housing stock has decreased by 25%. In 2016 17% of houses were socially rented compared to 30% in 1981. Some commentators have put this decrease down to aspects of government housing policy. For example, right to buy, a policy introduced in 1980, allowed local authority tenants to purchase their council houses at a reduced rate, which has contributed to reducing social housing stock numbers. A commitment to replace a proportion of the properties sold under the scheme was introduced in 2011, although the latest statistics suggest that these obligations are not being met. Over the same period, central government funding for building new homes for social rent was also reduced, replaced in part by funding for construction of homes for affordable rent, with rents up to 80 percent of market rates.

It has been argued that these housing trends have had implications for several housing-related issues. Statistics show that private renters spend a higher proportion of their income on rent than social renters. Although, in general, rents have risen roughly in proportion to income, renters in London, 25 to 34-year olds and those on low incomes are facing increasing housing burdens. Real-term spending on housing benefit has also increased substantially over the past thirty years, with some attributing this to the lack of investment in social housing. In addition, Crisis has argued that insecure housing in the private sector has also led to increased rates of statutory homelessness, and that the lack of available social homes has posed additional challenges for local authorities when trying to house those which it owes a duty of prevention or relief.

In 2017, the Government committed to working with local councils to build more social homes, and its 2018 green paper outlined its strategy for achieving this. However, its proposals have been criticised by housing groups and homeless charities for being unambitious and failing to meet demand for social housing. In addition, Labour denounced the plan saying that it did not include any government investment for new homes.

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I. Trends in Social Housing

Social housing refers to rented housing provided by local authorities, or private registered providers, known as housing associations,¹ at sub-market rates determined by a formula set by central government.² Local authorities are responsible for devising a scheme in accordance with which social housing is allocated, and are legally required to give “reasonable preference” to certain categories of applicant.³

Housing policy was devolved in 1999; therefore, the UK Government is now only responsible for housing policy in England.⁴ Since devolution social housing policy has diverged in each administration, for example in 2014 the Scottish Parliament voted to end right to buy in Scotland; the scheme ended in July 2016.⁵

As demonstrated by Figure 1, the number of social houses—those rented from housing associations, local authorities and other public sector housing—in England has been falling consistently since the 1980s; between 1981 to 2016 social housing stock has decreased by 25%. In 2016 17% of houses were socially rented, compared to 30% in 1981. In the same period the proportion of privately rented houses has nearly doubled from 11% to 20%.⁶

¹ Private not-for-profit organisations that provide social housing.

² Ministry of Housing, Communities and Local Government, ‘[Definitions of General Housing Terms](#)’, 14 November 2012.

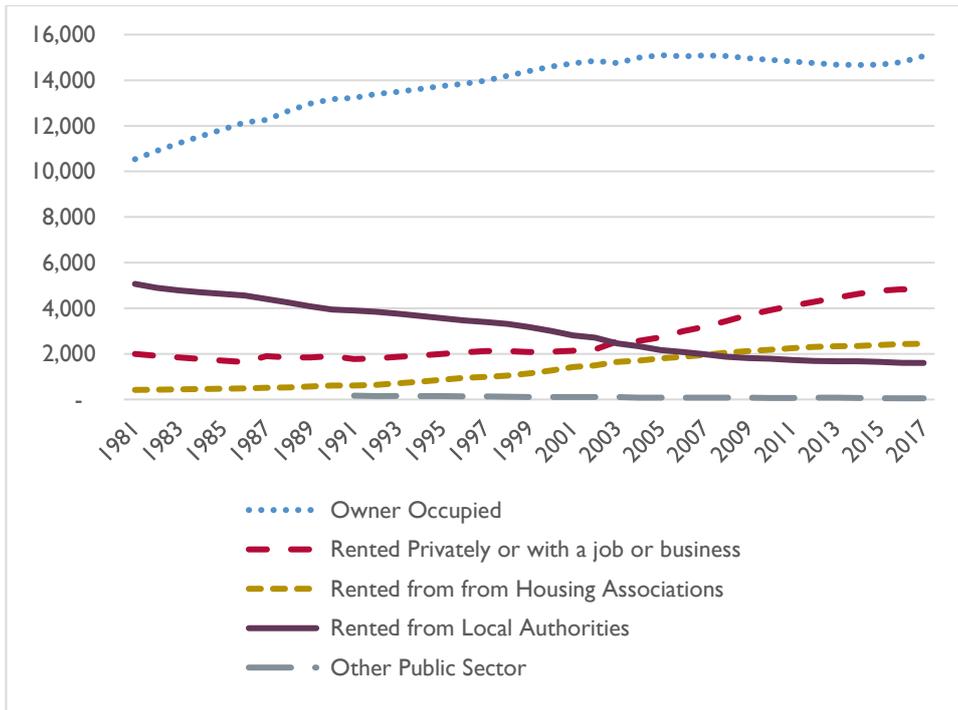
³ House of Commons Library, [Allocating Social Housing \(England\)](#), 21 May 2018.

⁴ For more information on social housing policy in each of the devolved administrations see: Scottish Government, ‘[Social Housing](#)’, accessed 23 January 2019; Welsh Government, ‘[Social Housing Rents Policy](#)’, 2 March 2017 and Department for Communities, ‘[What is the Social Housing Reform Programme?](#)’, accessed 23 January 2019.

⁵ BBC News, ‘[Housing Bodies Welcome End of Right to Buy in Scotland](#)’, 31 July 2016.

⁶ Ministry of Housing, Communities and Local Government, ‘[Live Tables on Dwelling Stock \(Including Vacants\)](#)’, 20 November 2018.

Figure 1: Dwelling Stock by Tenure, England 1981–2016



Note: Definitions may not be consistent over time, Years are calendar years for 1981–1990 and financial years for 1991–2016.

(Source: Ministry of Housing, Communities and Local Government, [‘Live Tables on Dwelling Stock \(Including Vacants,\) Table 104’](#), 20 November 2018)

In a survey about social housing in England, the Institute for Fiscal Studies (IFS) suggested two reasons for the decline of the size of the social housing sector in the past few decades:

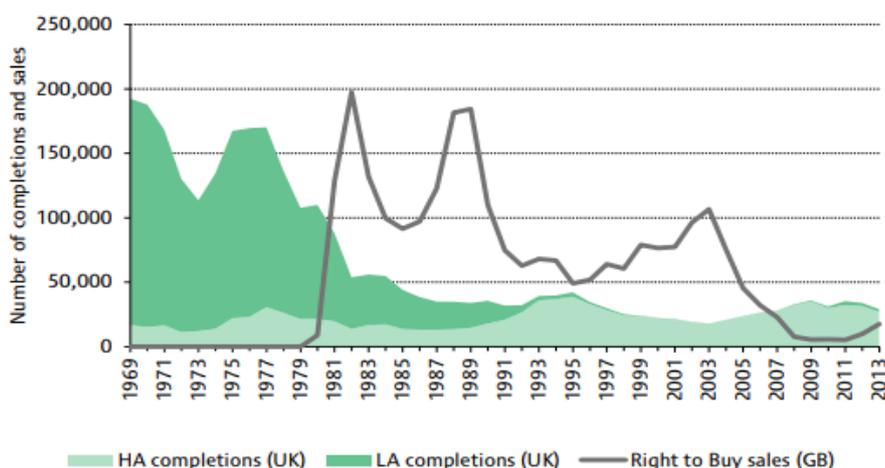
First, there has been a massive flow of properties out of the local authority sector under the right to buy, which was introduced in 1980 and gave tenants in LA[Local Authority] housing the right to purchase their home at a heavily discounted price. Second, over and above the fact that not all the proceeds from right to buy were used to replace the sold-off housing, there was a large decline in construction of new social housing relative to previous levels after large cuts to grants from central government.⁷

Figure 2 shows the sales of social housing over time through the right to buy scheme, compared to the number of social houses completed in the same period. Construction of new social housing, particularly by local authorities, declined sharply in the late 1970s; construction continued to fall throughout the 1980s during which time a large number of social homes were sold

⁷ Stuart Adam et al, [Social Housing in England: A Survey](#), Institute for Fiscal Studies, November 2015, pp 8–9.

under right to buy, following the introduction of the policy. Since then the number of completions has remained at a low level—well under 50,000 per year—and the number of sales under right to buy consistently exceeded that until the late 2000s. Changes to right to buy were introduced in 2012, as discussed in the next section.

Figure 2: Social Housing Completion and Right to Buy Sales 1969–2013



Note: Years are calendar years for completions and financial years for sales. ‘Right to Buy sales (GB)’ has been calculated by combining separate series for England, Wales and Scotland, and includes HA properties sold under (preserved) Right to Buy. There are some minor differences in what is included in this category for each country – see sources below.

Source: DCLG table 241, ‘House building: permanent dwellings’; DCLG table 678, ‘Social housing sales: annual sales by scheme for England: 1980-81 to 2013-14’; Statistical Directorate, Welsh Government, HOU50901d, ‘Total social housing sales’; Housing Statistics for Scotland, ‘Sales 3 returns to the Scottish Government’.

(Source: Stuart Adam et al, *Social Housing in England: A Survey*, Institute for Fiscal Studies, November 2015, p 10)

Right to Buy

When right to buy was first introduced there was no requirement for local authorities to replace properties sold under the scheme. Restrictions were also placed on the spending of right to buy receipts by local authorities from the mid-1980s, so not all of the proceeds from the sales were reinvested in social housing.⁸

In 2011, the Coalition Government promised to “reinvigorate” right to buy in England by increasing the maximum discount available on properties. Alongside this measure, introduced in 2012, it committed to replacing any “additional” properties sold as a result of the discount with affordable housing on a “one-to-one” basis.⁹ This is calculated by subtracting the number of sales it estimated would have taken place without the discount

⁸ House of Commons Library, *Introducing a Voluntary Right to Buy for Housing Association Tenants in England*, 25 October 2018, p 4.

⁹ *ibid.*

from the actual number sold.¹⁰ Local authorities can retain the receipts from additional right to buy sales to build affordable housing; however, to do so they must enter an agreement with the Government which places restrictions on their use:

Under the terms of the current agreements, made under section 11(6) of the Local Government Act 2003, local authorities are required to spend retained right to buy receipts within three years, and for the receipts to fund no more than 30 percent of the cost of a replacement unit. Where a local authority is unable to spend receipts within three years they have to be returned to the Ministry of Housing, Communities and Local Government, together with interest of 4 percent above base rate, to be spent on affordable housing through Homes England or the Greater London Authority.¹¹

Recent statistical releases from the Ministry of Housing, Communities and Local Government acknowledged that the one-to-one replacement commitment is not currently being met:

Between Q1 2012–13 and Q2 2018–19 there were 20,746 additional affordable properties started or acquired, falling short of the 3 year replacement commitment. This is measured against the replacement target of 23,247 (ie the number of additional sales between Q1 2012–13 and Q2 2015–16).¹²

In its 2015 manifesto, the Conservative Party proposed extending the right to buy to tenants in housing associations, provoking strong reaction from social landlords. Following negotiations with the National Housing Federation (the body that represents housing associations), it was agreed that right to buy would be extended on a voluntary basis.¹³ The deal contains a commitment to replace homes sold under the voluntary scheme on at least a one-to-one basis. However, the House of Lords Economic Affairs Committee noted that concerns remain that replacement homes may not be like-for-like: “the replacement homes which are built may not be in the same area, of the same size, or of the same tenure”.¹⁴

¹⁰ Therefore, this policy does not apply to all properties sold under right to buy, or those sold prior to 2012.

¹¹ Ministry of Housing, Communities and Local Government, [Use of Receipts from Right to Buy Sales: Consultation](#), August 2018, p 6.

¹² Ministry of Housing, Communities and Local Government, [Right to Buy Sales in England: July to September](#), 19 December 2018, p 9.

¹³ House of Commons Library, [Introducing a Voluntary Right to Buy for Housing Association Tenants in England](#), 25 October 2018, p 4.

¹⁴ House of Lords Economic Affairs Committee, [Building More Homes](#), 15 July 2016, HL Paper 20 of session 2016–17, p 99.

Funding for Social Housing

Housing associations and local authorities raise revenues through rents which cover the costs of management, maintenance and debt servicing of social housing. As housing associations are not-for-profit, any surplus revenue must be reinvested in social housing. Local authorities' housing budgets, known as a housing revenue accounts (HRA), are ring-fenced from the rest of their budget.¹⁵ Prior to 2012, local authorities also received an additional subsidy for social housing, but this was removed when the Localism Act 2011 made local authorities self-financing for day-to-day activities.¹⁶

As explained by the IFS, funding for new social housing comes from a range of sources:

New investment for both local authorities and housing associations is typically funded through a combination of central government grants, loans from private sources, and surplus revenues. There has been a long-term shift—accelerated under the Coalition Government—away from central government grant funding and towards a combination of loans and revenue funding for new development. A key constraint on borrowing capacity is the ability to cover interest payments through (expected) income on future rents. As such, rent levels are important not just for day-to-day spending but also for the borrowing necessary to build new stock.¹⁷

Until recently, local authorities were not eligible for grant funding, and were also subject to centrally set limits on how much they could borrow. The IFS suggest that this explains the lack of new social housing construction by local authorities since the 1980s.¹⁸

The decrease in funding for housing for traditional social housing under the Coalition Government was accompanied by the introduction of the affordable housing programme (AHP). The IFS described the operation of the AHP as follows:

The AHP aims to increase the number of new homes that can be delivered for a given amount of government grant funding. The key feature of the scheme is that providers can let new properties, or vacant existing properties, under a new 'affordable rent' tenure, charging rents up to 80 percent of market rents. The idea is that providers can then secure additional borrowing to finance new

¹⁵ Stuart Adam et al, [Social Housing in England: A Survey](#), Institute for Fiscal Studies, November 2015, p 5.

¹⁶ *ibid.*

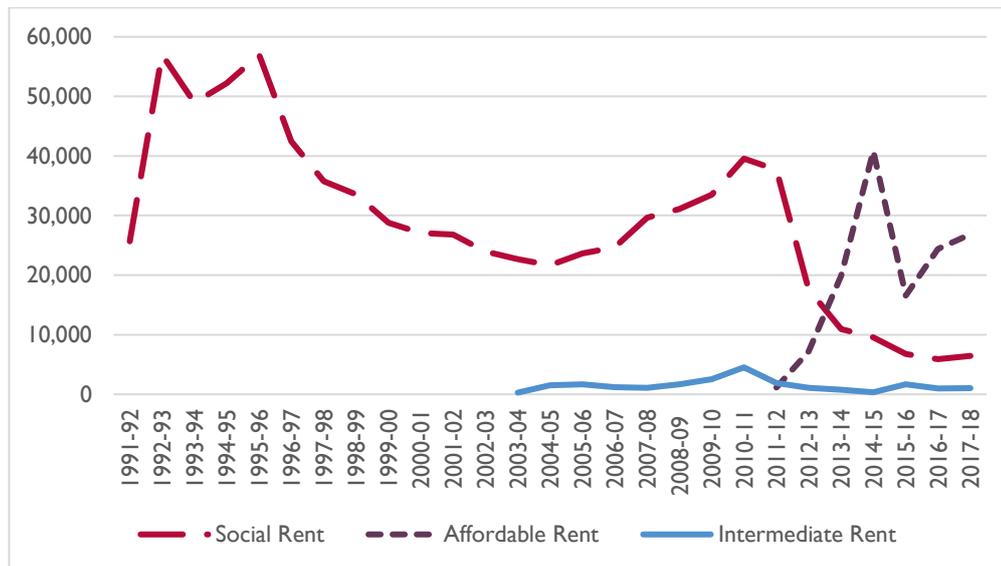
¹⁷ *ibid.*

¹⁸ *ibid.*

construction from private sources in light of higher (expected future) rental income.¹⁹

As demonstrated in Figure 3, there was a rapid rise in the number of newly built homes for affordable rent alongside the decline in newly built homes for social rent. This maintained a consistent number of new affordable homes until 2015, after this point, construction of new affordable homes declined.

Figure 3: Newly Built and Acquired Affordable Homes for Social, Affordable and Intermediate Rent in England 1991–2018



(Source: Ministry of Housing, Communities and Local Government, '[Live Tables on Affordable Housing Supply, Table 1009](#)', 29 November 2018)

2. Housing Issues

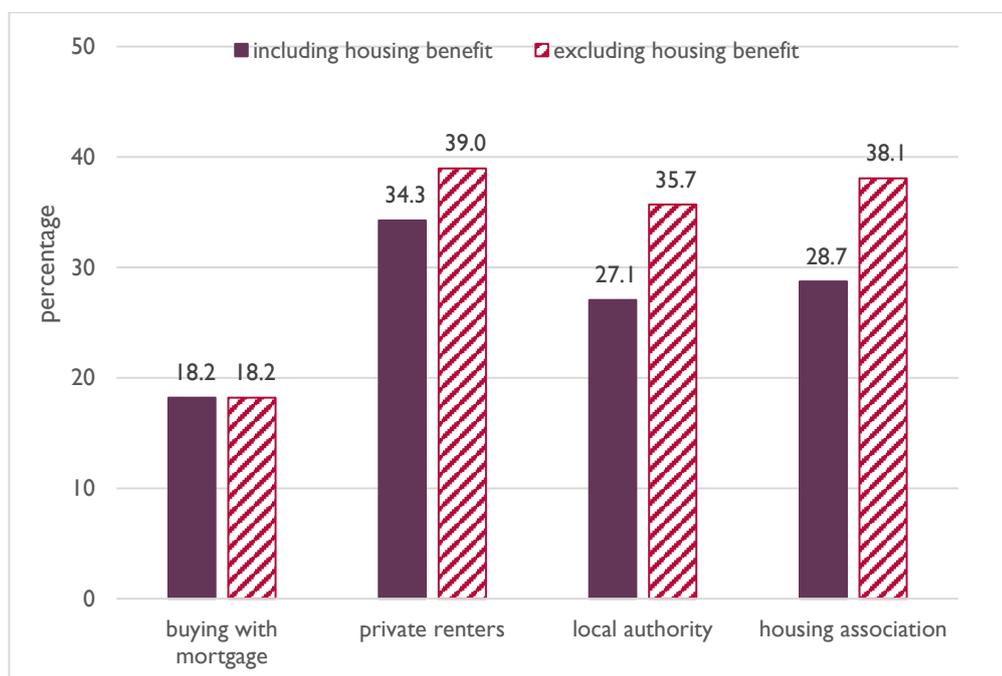
This section sets out arguments from a number of bodies about the potential impact of the decrease in the social housing sector on housing affordability, housing benefit expenditure and homelessness.

2.1 Housing Affordability

As Figure 4 shows, tenants in privately rented accommodation spend a higher proportion of their income on rent than those in local authority or housing association accommodation. This remains true when housing benefit is included in the calculation of income.

¹⁹ Stuart Adam et al, [Social Housing in England: A Survey](#), Institute for Fiscal Studies, November 2015, p 11–12.

Figure 4: Mortgage/Rent as a Proportion of Household Income (Including and Excluding Housing Benefit) by Tenure, 2016–17



Notes: Includes income from all household members irrespective of whether or not they contribute to the rent or mortgage.

(Source: Ministry of Housing, [‘Communities and Local Government, English Housing Survey Headline Report 2016 to 2017’](#), 25 January 2018)

The affordability of housing costs varies both regionally and demographically. Studies by the IFS and the National Audit Office (NAO) both found that private rent had risen roughly in proportion to rises in income across the majority of England, with the exception of London, where rents have risen faster than incomes.²⁰ According to the NAO, between 2006 and 2016 in London “rents on average increased by 32% while median earnings increased by 16%”.²¹

Across England, the IFS also found that “those on lower incomes tend to spend a higher proportion of their total budget on housing than those on higher incomes” and that “[t]his is true even after accounting for the help they get via housing benefit”.²² However, it stated this was primarily due to squeezed real-time incomes following the 2008 recession, rather than an increase in rents.

²⁰ National Audit Office, [Housing in England: Overview](#), 19 January 2017, HC 917 of session 2017–19, p 6 and Robert Joyce et al, [The Cost of Housing for Low-Income Renters](#), Institute for Fiscal Studies, October 2017, p 14.

²¹ National Audit Office, [Housing in England: Overview](#), 19 January 2017, HC 917 of session 2017–19, p 6

²² Robert Joyce et al, [The Cost of Housing for Low-Income Renters](#), Institute for Fiscal Studies, October 2017, p 39.

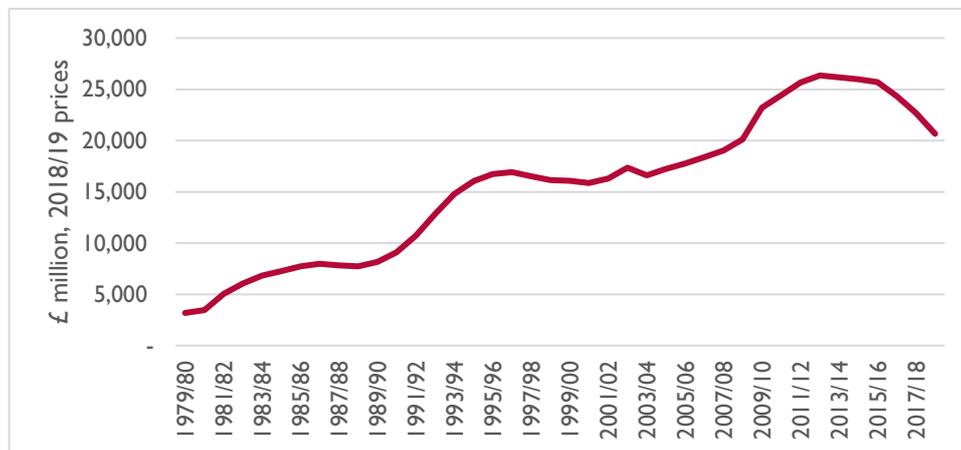
Recent analysis from the social policy think tank, the Resolution Foundation, found that “25 to 34 year olds are spending a high proportion of income on housing, and have seen the biggest increase in their housing burden over time”.²³ It argues that due to declining stock, the social housing sector has been unable to respond to this change. It also states that not only are those aged 25 to 34 less likely to own a home than 20 years ago, but they are also less likely to live in social housing, where rent is likely to be at a lower rate.²⁴

In addition, the NAO stated that as a result of the AHP, public sector rents have also increased, as affordable rents (which can be up to 80 percent of market rates) make up an increasing proportion of new tenancies. The NAO calculated that “new tenants with affordable rents in London in 2014–15 typically paid 60 percent more than new tenants in London paying traditional social rents”.²⁵

2.2 Housing Benefit Costs

Housing benefit is “a means-tested benefit available to tenants with low incomes and low financial assets to cover some or all of their rent”.²⁶ As demonstrated by Figure 5, real-term spending on housing benefit in Great Britain has risen substantially in the past few decades, although it has fallen slightly since 2016.

Figure 5: Real-term Spending on Housing Benefit in Great Britain 1980–2018



(Source: Department of Work and Pensions, [Benefit Expenditure and Caseload Tables 2018](#), 21 November 2018)

²³ Lindsay Judge and Torsten Bell, ‘[Housing Stress Is Up—And Has Shifted. Our Debate on Social Housing Needs to Keep Up](#)’, *Resolution Foundation Blog*, 23 June 2018.

²⁴ *ibid.*

²⁵ National Audit Office, [Housing in England: Overview](#), 19 January 2017, HC 917 of session 2017–19, p 6.

²⁶ Stuart Adam et al, [Social Housing in England: A Survey](#), Institute for Fiscal Studies, November 2015, p 25.

According to analysis by Capital Economics, a macroeconomic research consultancy commissioned by Shelter to research social housing, changing trends in housing tenure may be partially responsible for this rise:

The underlying driver of rising housing benefits payments is that real terms rents for local authority tenants, registered social landlord tenants and private rented sector tenants have all increased more rapidly than tenants' ability to pay. These increases reflect both the under-supply of housing and government policy of above inflation rent increases for local authority and registered social landlord housing. An increased reliance on private rented sector tenures has also increased the housing benefit bill and the cost in rents to tenants. Over the past decade this rising proportion of housing benefit caseloads in the private rented sector has cost nearly £14 billion in additional benefits and rental payments in real terms.²⁷

A report by Shelter argues that “the average housing benefit claimant living in the private rented sector costs the Government £982 a year more in housing benefit than a housing association tenant, and £1,242 more than a local authority tenant”.²⁸ Capital Economics argue that “there is a strong investment rationale for the Government funding new social rent housing”, as this could reduce the welfare expenditure, which in the long term it estimated would outweigh initial government investment expenditure.²⁹

2.3 Homelessness

Part 7 of the Housing Act 1996 places a duty on local authorities to find accommodation for those in “priority need” who have become unintentionally homeless.³⁰ Those entitled to such a duty are often known as statutory homeless, although several organisations, such as Crisis and Shelter, state that the full extent of homelessness is unlikely to be captured by this measurement.³¹

As highlighted in section 1 of this briefing, there has been an increase in households renting privately, with such tenancies likely to be less secure. Indeed, homeless charity Crisis's 2018 *Homeless Monitor* found that the number of cases of statutory homeless have risen by 48 percent since 2009/10, in part as a result of the increase in private renting:

The vast bulk of the increase in statutory homelessness over the past

²⁷ Justin Chaloner et al, [Increasing Investment in Social Housing](#), Capital Economics, January 2019, p 3.

²⁸ Shelter, [Building for Our Future: A Vision for Social Housing](#), January 2019, p 173.

²⁹ Justin Chaloner et al, [Increasing Investment in Social Housing](#), Capital Economics, January 2019, p 3.

³⁰ Housing Act 1996, Part VII.

³¹ House of Commons Library, [Statutory Homelessness in England](#), 6 July 2018, p 3.

few years has resulted from the sharply rising numbers made homeless from the private rented sector, with annual losses of assured shorthold tenancies having quadrupled over the period—from less than 5,000 to over 18,000 (18,270). As a proportion of all statutory homelessness acceptances, such cases have consequentially risen from 11% to 31% since 2009/10, albeit this proportion has stayed stable since last year.³²

As set out in Table 1 below, termination of assured shorthold tenancy was the most common single reason for loss of last settled home in the most recent homelessness statistics, making up nearly a quarter of cases.

Table 1: Reason for Loss of Last Settled Home for Those Owed a Prevention or Relief Duty by Local Authority in England April to June 2018

	Number	Percentage
Total	58,660	100%
Family and friends no longer willing or able to accommodate	13,090	22%
Non-violent relationship breakdown with partner	4,130	7%
Violent relationship breakdown with partner or associated persons	4,540	8%
Loss of rented or tied accommodation due to: Termination of assured shorthold tenancy	14,150	24%
Loss of rented or tied accommodation due to: Reasons other than termination of assured shorthold tenancy	3,390	6%
Other reasons	19,360	33%

(Source: Ministry of Housing, Communities and Local Government, [Statutory Homelessness in England: April to June 2018](#), 13 December 2018)

In addition, due to the lack of supply of social housing, it has been argued that local authorities may find it more difficult to find accommodation for those to which it has a statutory duty. In its report, *Homeless Households*, the House of Commons Public Accounts Committee attributed this problem directly to right to buy and the low levels of construction of affordable homes.³³ Crisis's *Homeless Monitor*, found this to be an increasing problem for local authorities in England, although the extent of it varied depending on region:

In all, 70% of local authorities across England reported difficulties in accessing social tenancies to help prevent or resolve homelessness in

³² Suzanne Fitzpatrick et al, [The Homelessness Monitor: England 2018](#), Crisis, April 2018, p viii.

³³ House of Commons Public Accounts Committee, [Homeless Households](#), 13 December 2017, HC 462 of session 2017–19, p 10.

their area (64% did so last year). This also continues to be a highly regionalised picture, with 80% of London boroughs reporting that access to social housing for their homeless clients was ‘very’ difficult, as compared with 2% of Northern LA [local authority] respondents.³⁴

Increasing rates of statutory homeless, and the lack of availability of social housing in which to place families, has meant that many have been placed in temporary accommodation. According to analysis by the NAO:

At the end of March 2016, 71,500 households were in temporary accommodation, down from a peak of 101,000 (in 2004–05). In 2015–16, local authorities spent £840 million on the cost of temporary accommodation for these households. Approximately 11,500 households, including 7,000 with children, were living in shared accommodation in bed and breakfasts or in hostels. London boroughs are responsible for 73% of the households in temporary accommodation in the country (52,000). At the end of 2015–16, London boroughs had placed 17,500 of these households in temporary accommodation in another local authority. Local authorities’ real-terms gross expenditure on temporary accommodation has increased by 46% since 2010–11.³⁵

3. Increasing Provision of Social Housing

3.1 Government Proposals

In its 2017 general election manifesto, the Conservative Party committed to building more social housing, it stated:

We will enter into new council housing deals with ambitious, pro-development, local authorities to help them build more social housing. We will work with them to improve their capability and capacity to develop more good homes, as well as providing them with significant low-cost capital funding. In doing so, we will build new fixed-term social houses, which will be sold privately after ten to fifteen years with an automatic right to buy for tenants, the proceeds of which will be recycled into further homes.³⁶

A New Deal for Social Housing Green Paper

In August 2018 the Government published a green paper on social housing. The paper reaffirmed the Government’s commitment to building 300,000 homes a year by mid 2020s, but did not set specific targets for social or

³⁴ Suzanne Fitzpatrick et al, [The Homelessness Monitor: England 2018](#), Crisis, April 2018, p 12.

³⁵ National Audit Office, [Housing in England: Overview](#), 19 January 2017, HC 917 of session 2017–19, p 22.

³⁶ Conservative Party, [Conservative Party Manifesto 2017](#), May 2017, p 70.

affordable housing.³⁷ It set out the Government's proposed strategy for expanding supply of social homes and supporting home ownership, which included measures to:

- help local authorities build by allowing them to borrow, exploring new flexibilities over how they spend right to buy receipts, and not requiring them to make a payment in respect of their vacant higher value council homes;
- unlock additional supply through community land trusts and local housing companies;
- actively investigate how to provide longer term certainty to help housing associations build more; and,
- help people living in affordable home ownership schemes progress more easily to owning outright.³⁸

The green paper also highlighted measures the Government was already taking to support local authorities to fund the construction of new social housing:

- announcing that we will raise the housing borrowing cap by up to £1 billion in areas of high affordability pressure;
- giving landlords much greater confidence and certainty in their future rental income through the new rent settlement of Consumer Price Index +1 percent to 2025; and,
- publishing a consultation on how local authorities can use the money raised from right to buy sales to help them build more homes.³⁹

Removing the Cap on Local Authority Borrowing

At the 2018 Conservative Party conference, the Prime Minister, Theresa May, pledged to remove the housing borrowing cap completely. She said:

The last time Britain was building enough homes—half a century ago—local councils made a big contribution. We've opened-up the £9 billion affordable housing programme to councils, to get them building again. And at last year's conference I announced an additional £2 billion for affordable housing. But something is still holding many of them back. There is a government cap on how much they can borrow against their housing revenue account assets to fund new developments. Solving the housing crisis is the biggest domestic policy challenge of

³⁷ Ministry of Housing, Communities and Local Government, [A New Deal for Social Housing](#), August 2018, Cm 9671, p 57.

³⁸ *ibid*, p 58.

³⁹ *ibid*, p 59.

our generation. It doesn't make sense to stop councils from playing their part in solving it. So today I can announce that we are scrapping that cap. We will help you get on the housing ladder. And we will build the homes this country needs.⁴⁰

The Office for Budget Responsibility gave the following assessment of the likely impact of the policy:

The Government's announcement that it will lift the housing revenue account borrowing cap with immediate effect is expected to lead to higher housebuilding by local authorities, although we have assumed that this partly crowds out some private sector housebuilding. We expect the removal of the cap to increase aggregate housebuilding by an additional 9,000 over the forecast period, as an increase in public sector housebuilding of just over 20,000 is partly offset by lower private sector housebuilding (including by housing associations).⁴¹

3.2 Response to Government Proposals

In response to the green paper, Labour's Shadow Housing Secretary, John Healy said:

Nothing in this green paper measures up to the scale of the housing crisis. The number of new social rented homes is at a record low but there is no new money to increase supply, and ministers are still preventing local authorities run by all parties from building the council homes their communities need.⁴²

Several housing and homelessness organisations expressed doubt that the Government's approach would be enough to meet demand for new social homes.⁴³ The Chartered Institute for Housing stated:

While the green paper rightly recognises the importance of new supply, we are concerned that the plans for new affordable homes are still not ambitious enough. Research shows we need a minimum of 78,000 new social rented homes each year, but in 2017/18 just over 5,000 were delivered—and we estimate that between 2012 and 2020 we will have lost 230,000 of these homes in total.⁴⁴

⁴⁰ Theresa May, '[2018 Conservative Party Conference Speech](#)', 3 October 2018.

⁴¹ Office for Budget Responsibility, '[Economic and Fiscal Outlook](#)', October 2018, Cm 9713, p 50.

⁴² John Healy, '[Brokenshire's Green Paper Shows Government Has Run Out of Ideas—Healey](#)', Labour, 14 August 2018.

⁴³ For example, the Chartered Institute for Housing, Crisis and Homeless Link.

⁴⁴ Chartered Institute for Housing, '[What You Need to Know About the Social Housing Green Paper 2018](#)', accessed 22 January 2019.

Both Crisis and Homeless Link voiced similar concerns, highlighting research by Heriot-Watt University that found that 90,000 new homes for social rent were required per year to meet demand.⁴⁵ According to Crisis' analysis:

Together, existing government spending commitments, new council borrowing flexibilities and continuing scope for cross subsidy might, over time, create capacity to deliver in the region of 20–30,000 social rented homes a year if council housebuilding focuses primarily on delivering homes for social rent. This represents at best no more than a third of the 90,000 requirement identified by the Heriot-Watt study, at worst not much more than a fifth, and would still be less than the output of new social rent homes achieved in 2010/11.⁴⁶

Organisations—including Centerpoint, Crisis, UNISON and the Chartered Institute for Housing—also criticised the Government's failure to replace additional homes sold under right to buy and the depletion of social housing stock this has caused. As a result, all recommended that either right to buy should not be extended to housing association properties, or that it be suspended entirely.⁴⁷ Crisis also criticised the plans to enable local authorities to replace homes for social rent sold under right to buy with other types of tenures, such as shared ownership or intermediate rent properties. It argued that “social rent homes sold should normally be replaced by a new home for social rent unless needs analysis demonstrates there is no requirement for social renting”.⁴⁸

The Local Government Association welcomed the Government's announcement that it would scrap the housing borrowing cap.⁴⁹ However, it argued that the Government should go further in giving local authorities more control over right to buy:

We have long called for reforms to right to buy in order to allow councils to build more homes, and there are some positive signs in the consultation. But we must go much further so that councils can deliver the affordable homes that our residents need and deserve, including

⁴⁵ Michaela Des Forges, “[A New Deal for Social Housing' Does Not Go Far Enough](#)”, Homeless Link, December 2018 and Crisis, ‘[Crisis' Response to MHCLG Consultation On “A New Deal for Social Housing”](#)’, November 2018, p 2.

⁴⁶ Crisis, ‘[Crisis' Response to MHCLG Consultation On “A New Deal for Social Housing”](#)’, November 2018, p 7.

⁴⁷ Centrepoint, ‘[Centrepoint Response to Ministry of Housing, Communities and Local Government Consultation on ‘A New Deal for Social Housing’](#)’, November 2018, p 5; Crisis, ‘[Crisis' Response to MHCLG Consultation On “A New Deal for Social Housing”](#)’, November 2018, p 9; UNISON, [Social Housing Green Paper: A New Deal for Social Housing](#), October 2018 p 9 and Chartered Institute of Housing, [CIH Response to a New Deal for Social Housing](#), November 2018, p 26.

⁴⁸ Crisis, ‘[Crisis' Response MHCLG Consultation on “A New Deal for Social Housing”](#)’, November 2018, p 3.

⁴⁹ Local Government Association, ‘[LGA Responds to Scrapping of the Housing Borrowing Cap](#)’, 3 October 2018.

allowing councils to set discounts locally and to keep 100 percent of receipts from homes sold.⁵⁰

3.3 Further Reading

Further information and proposals can be found in the following sources:

- Labour Party, [Housing for the Many: A Labour Party Green Paper](#), April 2018

In April 2018 the Labour Party published a consultation paper on affordable housing. Key proposals included a new definition of affordable housing, suspending right to buy and new funding arrangements and powers for local authorities to build affordable housing. In the paper, the party pledges that a future Labour Government would build one million “genuinely affordable” homes over 10 years, the majority of which will be for social rent.

- Shelter, [Building for Our Future: A Vision for Social Housing](#), January 2019

Final report of Shelter’s Commission on Social Housing, whose members included Baroness Warsi, Lord O’Neill of Gateley and Ed Miliband. The Commission recommended a “20-year programme to deliver 3.1 million more social homes” and made specific recommendations as to how this could be achieved.

- Centre for Social Justice, [A Social Justice Housing Strategy](#), October 2018

The second interim report of the Centre for Social Justice’s (think-tank founded by Ian Duncan Smith) housing commission recommended, “an independent review to definitively model the financial implications of shifting demand-side subsidy through housing benefits to supply-side investment in truly affordable housing over the longer term”, along with 14 other recommendations. The commission’s final report is due to be published in spring 2019.

⁵⁰ Local Government Association, [‘LGA Responds to Social Housing Green Paper’](#), 14 August 2018.