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Let's fix the housing crisis: Delivering a long-term plan for housing

housing.org.uk/long-term-plan

**NATIONAL
HOUSING
FEDERATION**



England is in a housing emergency

Across every community in the country, millions of people are being let down by a failing system. This crisis is affecting our health, our life chances and our financial security. It's holding back our economy and costing our country billions. It's breaking down our communities and driving families and keyworkers into financial hardship, away from work, schools and support networks.

Right now, there are 8.5 million people in England who can't access the housing they need.

This includes two million children in England living in overcrowded, unaffordable or unsuitable homes. Some groups of people are feeling the crisis more acutely; Black, Asian and Minority Ethnic households and Disabled people are more likely to experience homelessness or live in poor quality, unsuitable or overcrowded homes.

This didn't happen overnight. It took decades to reach crisis point, and it will take real, systemic change to address.

This is a crisis that can be solved. Countries around the world are tackling similar crises with long-term national strategies and so can we. By building a long-term plan which delivers real change for the people who need it most, the next government can transform the housing system and create lasting solutions that serve people, the planet and our economy.

The National Housing Federation represents housing associations in England. Our members provide 2.7 million affordable homes to over six million people, many of whom would otherwise be left without a secure, decent place to live. Provision of social housing by housing associations and local authorities saves residents £18bn per year compared to what they would need to pay in the private sector.

We want to work with the next government to fix the housing crisis once and for all. That's why we're calling on all political parties to work with us and commit to a long-term plan for housing.

This document sets out what it could look like if we succeed.

What a long-term plan could achieve

The housing crisis affects almost everyone. But to really transform the system we need to focus on those at the sharpest end, and the issues affecting our economy the most.

People stuck in temporary accommodation with no chance to put down roots. Families with nowhere for children to play or do their homework. Young people unable to get their first home. People struggling to make ends meet as the cost of even the cheapest private housing takes up more and more of their income.

People going without the support they need to live independently. People living in poor quality, expensive to heat homes. Businesses struggling to stay afloat as poor housing options make it hard for people to stay in their communities or live near work. Regional economies held back because of the housing crisis.

310,000

More than 310,000 children in England are forced to share a bed with family members.



A long-term plan for housing can fix this. With a long-term plan in place, by 2035 the next government could:

01

End child homelessness

A record number of children are homeless, forced to live in inadequate temporary accommodation, including bed and breakfasts. This disrupts their education, affects their life chances and puts huge pressure on families. This situation is also putting a huge and growing pressure on public finances and services, and risks bankrupting some local authorities. The next government needs to end this scandal.

02

Halve overcrowding

Children cannot thrive if they do not have the space to learn, play and grow. More than 310,000 children in England are forced to share a bed with family members. This affects the mental and physical health of families. A long-term housing plan to halve overcrowding would improve the life chances of 1.8m people including almost a million children.

03

Provide the security of a social home for one million more people

A good quality, genuinely affordable, social rent home provides security and stability. But too often low and middle income families have no choice but to live in expensive and insecure accommodation in the private rented sector. High housing costs reduce their standard of living and force many to rely on benefits to make ends meet. The government can fix this with a plan to build the 90,000 new social homes we need every year to keep up with demand. It's not just about numbers. We'll only reap the benefits of more social homes if they're the right homes, in the right location, with the right support for those who need it.

04

Ensure a warm and decent home for seven million more families

For many people, improving the safety, quality and energy efficiency of their current home will make a real difference to their health and wellbeing as well as playing a huge role in the transition to a net zero economy. Over the next 10 years that will mean completing necessary building safety remediation works and improving millions of homes, of all tenures, so they meet the new Decent Homes Standard, including energy efficiency standards.

05

Improve affordability

High housing costs force too many people into homes that are too small, far from their communities and too far from work. For decades, house prices have gone up by much more than wages, and rents are now at record levels leaving millions spending more and more of their income on housing. The welfare system has not kept pace, pushing more people into poverty as a result of their housing costs. Millions more now face big increases in mortgage costs as interest rates have risen. With a long-term plan, the government should ensure that housing costs rise more slowly than incomes, so that housing becomes more affordable over time.

06

Boost productivity by ensuring every region has the homes it needs to grow

Unaffordable and inadequate housing is holding back our economy. Across the UK, businesses and workers are struggling as the high cost and poor quality of housing is making it harder to attract and keep workers, run a successful company or build a fulfilling career. With a long-term plan we can match ambitions for the UK economy, integrate transportation networks with housing requirements, ensuring that every region can grow, and that there are places people can afford and want to live and work.

What a long-term plan should include

For too long, governments have attempted to fix a systemic problem with piecemeal approaches.

Any long-term national plan for housing will need to start with a broad view of the whole housing system.

It must consider both supply of and demand for homes, drivers of house prices and rents, and the incentives faced by housebuilders and investors. It must consider the housing and welfare systems - including how they interact - for those on the lowest incomes. It must take a long-term view of how the housing system is helping or holding back other priorities, such as improving health and wellbeing, addressing the climate emergency and growing the economy.

A long-term plan needs to map out specific policies, funding and resources and ensure they all point in the same direction.

At the NHF, our focus is on ensuring housing associations can deliver their social purpose: to provide good quality homes for people who need them most.

We've set out potential policies and funding schemes that would enable housing associations to deliver on this social purpose and work with the next government to fix the housing crisis.

01

Increased grant funding and other incentives which enable housing associations and others to build a new generation of social rent and other affordable homes to meet housing need. This long-term approach must continue to unlock private investment - currently for every £1 of government investment in building new homes, our members lever in up to £6 of private capital. Developing a skilled workforce and supply chain capacity, and unlocking innovation in the construction industry is also essential.

02

A long-term, outcomes-based approach to social housing rents, focused on long-term investment in places and social purpose.

03

Housing associations as key partners in a new generation of towns and villages – focused on long-term investment in places and social purpose.

04

Clear national standards for making England's old and leaky homes warm, decent and more energy efficient, with a large-scale funding programme which drives delivery and investment – including in skills and supply chains – and safeguards these homes for the future. This must be combined holistically with dedicated funding for estate regeneration, and refurbishment of homes that are at, or near the end of their life.

05

An effective and revitalised planning system which is accountable and delivers more affordable, low carbon housing. This must include increasing the subsidy for social homes from land value capture and clear roles and responsibilities at different levels of government, including combined authorities. It must be combined with a proper assessment of the need for housing in every area, urban and rural - looking at the location, type, size, accessibility and tenure of homes people need as well as the number. This assessment must also take account of planned future economic and transport growth.

06

Long-term, ring-fenced and increased funding for supported housing and support services, recognising the role they play in transforming people's lives, reducing homelessness and protecting the NHS. A plan for supported housing must encompass the role of the NHS and local authority commissioners in delivering integrated local strategies to provide supported housing to meet need – and making every decision about care a decision about housing.

07

A national strategy to ensure everyone has a secure and affordable home that meets their needs and wants as they get older. This must include specific targets and ringfenced, flexible long-term revenue and capital funding and ensure there are attractive housing choices for older people as part of the wider housing system.

08

Fair funding for social rent homes in need of building safety remediation works. With stronger government intervention to ensure those responsible are held to account.



Considering the wider housing system, a long-term plan for housing should also include:

- Using the **tax system** to shape demand, supply, quality and distribution of homes across the housing system, creating incentives and raising revenue to support the goals set out in the long-term plan for housing. For example, reducing overseas investment in UK homes, and creating incentives for investors to improve the quality and energy efficiency of existing homes.
- Promoting **affordability** using relevant policy levers to stabilize house prices and reduce the ratio of house prices to incomes.
- Increasing regulation of the **private rented sector** to strengthen renters' rights, raise standards and make it more affordable.
- Ensuring the **welfare system** reflects the cost of housing in the UK and enables those who need to live in the private rented sector to do so.



Making a long-term plan a success

A long-term plan needs more than policies and funding. To succeed, it will need the right structures, incentives and institutions.

The government should align resources, policies and institutions – working across sectors and different partners – all in pursuit of the same goals.

What this could look like:

1. A new, cross-Whitehall Housing Unit to end the housing crisis, which reports directly to the Prime Minister

A new, cross-government unit is needed to end the piecemeal, siloed approach which has failed us to date. This new unit would begin with a cross-cutting review of the housing system, spending and liabilities. It would develop and deliver a long-term plan to fix the housing crisis, drawing on the experience and lessons of previous similar units like the Child Poverty Unit and the Social Exclusion Unit. It could align the machinery of the government and the actions of all relevant stakeholders around clear goals and responsibilities, and ensure sufficient funding.

In order for it to succeed, the cross-Whitehall working would need to cover building, construction, housing, planning, finance, local and regional government, business, welfare support, skills, energy and net zero policy, health and social care, all working in the same direction.

2. Reform of government funding and fiscal rules to incentivise long-term public investment in social housing

Currently, government funding and fiscal rules act against social housing investment, distorting fiscal incentives. The wider fiscal, societal and economic benefits of social housing are poorly captured in current cost benefit analysis and the Green Book.

Furthermore, insufficient analysis is done of the long-term impact of underinvestment in social housing to the public purse. For example, the long-term cost to housing benefit of many more people living in the private rented sector into retirement is underexplored.

A long-term plan for housing should ensure that decisions today take into account the burden of future costs; investing now to save in the future and ensure better value for taxpayers. Reform of these rules and practices could unlock long-term public investment in social housing.

3. Independent monitoring and accountability

Successful delivery of a long-term plan for housing will require the government to hold itself accountable. It will also need a commitment to monitoring progress towards the goals set out in the plan. An independent monitoring body – like the Committee on Climate Change, the OBR, or a housing commissioner – could achieve this. It should also examine the impact of the housing crisis on public finances, and wider priorities such as health, climate change, economic growth – now and into the future. It should draw on the lived experience of people and communities at the sharp end of the housing emergency.

Our commitment to working together

Housing associations are not-for-profit social landlords that provide homes and support for around six million people all around England.

They are community anchors committed to a strong social purpose: everyone deserves a safe place to call home. Housing associations stand ready to play a central role in making this happen. We are a sector with a long and proud history – but we believe our proudest achievements are yet to come.

Whether it's delivering the best possible services for residents, investing in our homes and communities, supporting those who need it, or building new social homes – housing associations must sit at the heart of a new long-term plan.

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