

Housing and Welfare Policy Briefing – Implications of government reforms

May 2015

INTRODUCTION – HOUSING & WELFARE REFORMS

Consecutive governments have failed to adequately tackle the housing crisis that the nation faces, which is essentially about the lack of housing supply to meet demand. This has led to spiralling rents, high house prices, overcrowding, difficulties accessing social housing (due to its limited supply) evictions and homelessness, and a dependency on welfare benefits to meet housing costs.

The previous Labour government recognised the need to increase the supply of housing and built on average 146,000 homes per year, but this still fell short of the numbers of homes needed to meet housing demand. Since 2010 the Coalition government has introduced significant changes such as budget cuts to welfare benefits and capital spending on housing, which have resulted in fewer homes being built – particularly social homes at social rents - than under the previous administration. Housing and welfare reforms have also contributed to rising house prices, rising rents and a rising housing benefit bill. The cuts to housing benefit have created a discrepancy between rents and the benefit received, causing financial hardship and problems to those affected.

The solution to the housing crisis is to build more homes, of all types, which will in turn bring house prices and rents down making more homes affordable. Tackling the housing crisis needs political will and significant investment in housing with all the major stakeholders – particularly local authorities and housing associations - involved in contributing to increasing the nation's housing stock.

HOUSING CRISIS

The nation faces a desperate housing crisis in a generation, which is compounded by the fact that household formations are occurring at twice the rate that new dwellings are being built. This is leading to spiralling housing costs across all tenures in most parts of the country, creating an affordability problem – with thousands of families struggling to meet housing costs.

The charity Shelter estimates that less than half of the homes we need to keep up with demand are being built – just 109,660 new homes were built in England in 2013 (128,000 across the UK), the lowest annual level of home building since 1946. UK Governments have put the burden of building new homes to be carried out mainly by the private / independent sector, with local authorities confined to more of an enabling rather than a provider role. But the fact that fewer homes are being built shows that private housebuilders have failed to increase housing supply to meet demand.

Concern about the housing crisis, in particular the lack of social housing supply, has been well documented by various organisations (including Shelter, The Fabian Society and UNISON). UNISON and Shelter have estimated that we need approximately 250,000 new homes per year for housing supply to meet demand.

Housing crisis - Key Facts

- The failure of successive governments over the past 30 years to build homes to meet housing demand has led to a rise in house prices and rents in the Private Rented Sector (PRS)
- The Tory government has presided over the lowest level of housebuilding in peacetime Britain since the 1920s and the lowest level of social housing building for two decades

- Government housing policies such as the Affordable Housing Programme and cuts to capital spending on housing have led to the dramatic reduction in the supply of affordable and social housing, which has put pressure on the Private Rented Sector and pushed up house prices and rents
- In 2010 only 115,000 new homes were built in England. The last time 200,000 homes a year were built in England was in 1988
- Homeownership is in actual decline and fallen to a 30-year low due to high house prices: there are over 200,000 fewer homeowners since 2010
- The house price to earnings ratio has increased significantly in all regions
- House prices remain beyond the reach of many, particularly first-time buyers face having to pay larger deposits because of high house prices
- It takes an average family 22 years to save for a deposit on a home
- Since 2010 house prices have rocketed: the average house price in [England and Wales is £275,123](#), in [Scotland the figure is £173,000](#) and in [Northern Ireland it is £152,000](#)
- Rents in the private rented sector continue to rise faster than wages in all parts of the country
- The number of working households who have found themselves needing recourse to housing benefit to enable them to meet their housing costs has doubled in the last 5 years
- Due to spiralling housing costs, a record number of young people – [one in four \(3.35 million\) are living with their parents into their twenties and thirties.](#)
- The lack of affordable housing and high rents in the PRS has led to overcrowding and long waiting lists for social housing. In 2012 the number of families on the waiting list stood around 1.8m (an 80% increase since 1997)
- According to a recent UNISON report young people under 35 – whether they are in work or not – are now the largest group, over 50%, living in the private rented sector, due to the lack of social housing and finance for homeownership
- The Right to Buy has led to the sale of 1.9m council homes in England and has also led to a significant reduction in the number of social housing in the devolved nations
- In 2014 [just £100m was raised by councils from the sale of council homes through the Right to Buy policy, but the policy costs £4.5bn a year to fund](#)

HOUSING SUPPLY IN DECLINE

The construction of new homes has been in decline for decades, leading to an acute shortage of housing which in turn has pushed house prices and rents up.

The housing crisis calls for adequate measures, such as significantly increasing the supply of all types of housing, especially social housing, to meet housing demand. Yet, the Coalition government has presided over the lowest level of housebuilding since 1946. The decline in housebuilding is mainly attributed to welfare and housing policy reforms which have led to budget cuts to the Housing Benefit Bill and the budget for housing capital projects, such as the Affordable Housing Programme which was cut by 60% in 2010.

Due to cuts in capital spending for housing fewer and fewer homes are being built. In 2012 the total supply of additional affordable homes fell by 26% on the previous year, and by over half in the social rented sector. Recent figures by the Office for National Statistics reveal that [the number of homes being built](#) in the UK fell during the final three months of 2014 by 2.1%. Under the Coalition government [average build rates have been only 113,000 a year](#), this compares to the average of 146,000 homes a year built under Labour.

Government policies such as the Right to Buy and the recently extended Help to Buy scheme which promote homeownership have failed to boost the supply of housing, as they mainly address housing demand and not housing supply which is the real issue. Further, the Help to Buy scheme (which helps to fund the purchase of new and existing homes by first-time buyers) also worked to push house prices up, creating a house price bubble especially in London. Recent research by PricedOut found that [“for every one person who has bought a home with backing from Help to Buy over the past 2 years, another nine have seen house prices escalate beyond their reach”](#).

SOCIAL HOUSING IN DECLINE

Social housing provides homes for low income to middle income families, which are more affordable or cheaper than homes available in the private rented sector. Social rented homes are also more secure and decent than private rented homes and provide more stability for social renters. However, government policies such as the Right to Buy which was revitalised by the Conservatives in 2013 and the Affordable Housing Programme (spending for which has been cut) have led to the decline of the social housing sector, as fewer social homes at social rents have been built and hundreds of thousands of homes have been lost to the sector through Right to Buy sales across the country. In England there are over one million fewer social homes available to rent than in 1979 and waiting lists, at 1.8 million households, are up 80% since 1997. Further, government policy has meant that social rents are rising rapidly and this is putting pressure on the budgets of families who struggle to meet their housing costs, which in turn is leading to a rise in the housing benefit bill.

Funding for social and affordable housing

Affordable Housing Programme (AHP) - The programme aims to increase the supply of affordable new homes for renting and shared ownership schemes provided by social housing landlords such as housing associations and local authorities as well as some independent/private landlords. But since 2010 funding for the scheme has been drastically cut. Further, the remaining public subsidy for capital spending on housing has been switched from social rent to fund the building of 'affordable homes' charged at up to 80% of market rents which is more expensive. This has resulted in a significant reduction in the number of new social homes at social rents (which are typically less expensive and charged at 50% of market rents) being built, leading to a decline in the social housing sector. In 2014 the charity Shelter warned that [the number of social rented house building has fallen by over two thirds](#) – down from over 35,000 to just 10,000 since 2010 – and the numbers could fall by a further 2,500 or more, as funding cuts for new social homes have not yet been fully felt. Latest [government figures](#) also show that spending for affordable housing is at its lowest for 14 years, the figure stood at £965m last year, the same level as it was in 2000. Investment in affordable housing is in steady decline from its high point of £3.7 billion in 2009-10, the last year of the previous Labour administration.¹

With fewer social homes being built and more homes being lost through the RTB people are being pushed into living in the Private Rented Sector (PRS) where rents are high, homes are not decent and tenancies are insecure.

The current phase of the Affordable Housing Programme (extended from 2015- 2018) comes with a strict funding criteria and focuses on the promotion of 'affordable housing' as the tenure of choice. Housing providers/developers are discouraged from including social homes at social rents in their bids or risk these being rejected. Housing providers are 1) being encouraged to let new homes at affordable rents charged at 80% of market rents and 2) encouraged to convert existing social rented homes to affordable rents when they are relet (to raise funds to invest in housing).

There is concern that the stricter emphasis for housing providers to charge new and existing properties at 'affordable rents' – which are not actually affordable - will overtime reduce further the number of available social homes at social rents, as more homes leave the social housing sector.

UNISON is concerned that the focus on affordable rents creates a shift from social rents to intermediate/market rents, which are higher than social rents and unaffordable to people on low incomes to middle incomes, forcing many to become dependent on housing benefit to meet housing costs, leading to a rise in the housing benefit bill. Further, the affordable rent regime is increasingly privatising housing associations as they are being coerced to provide homes at market rents. The affordable rent regime risks accelerating the residualisation of the social housing sector, where social homes, particularly local authority homes, are only available to the most needy.

The evidence indicates that cuts in capital spending for new 'affordable' housing and the withdrawal of funding for social housing at social rents (mainly council housing) have contributed to the

¹ Mirror (March 2015) <http://www.mirror.co.uk/news/uk-news/affordable-homes-spending-lowest-2000-5418836>

dramatic decline of the social housing sector. This decline has been confirmed by [the government's English Housing Survey](#)² which shows that in 2012-13 the private rented sector overtook the social rented sector to become the second largest tenure (after homeownership) in England.

The Right to Buy (RTB) - The policy which allows eligible council tenants (and some housing association tenants) to buy their home at a discount has led to the sale of 1.9m council homes in England, thereby significantly reducing the supply of social housing for people on low incomes. In Wales the policy has led to a 45% reduction in social housing, and in Scotland about 455,000 homes have been sold under the scheme. The policy has led to a shift in homeownership and a reduction in the number of available social housing at social rents.

The policy was revitalised by the Tory-led government to give council tenants 'massive discounts' to buy their council homes and then use the money raised from the sales to reinvest in new affordable homes, but the government has failed to deliver on its promise of replacing homes on a like to like basis (one-to-one) or boost the supply of affordable social housing for renting. An analysis by Shelter warned that the government's commitment to replace homes lost through the RTB is not being fulfilled in London or across the country – ['in England the ratio of replacement has been ten homes sold for every one replaced, nowhere near one-to-one'](#).

In spite of the policy leading to a reduction in the availability of social homes for renting, the government has recently announced plans to extend the policy (with massive discounts) to 1.3m families living in housing associations homes in England. The plans (announced in the Conservative's Election Manifesto) take forward the 'populist spirit of homeownership democracy' legacy left by Margaret Thatcher, but this threatens to reduce further the number of affordable social homes available to rent at a time when we need more social housing.

Labour's Emma Reynolds has criticised the government's plans to extend the policy and its high costs saying: "In 2014 [just £100m was raised by councils from the sale of council homes through the Right to Buy policy, but the policy costs £4.5bn a year to fund](#)".

Ruth Davison, the National Housing Federation's director of policy and external affairs, said: "*We fully support the aspiration of homeownership but extending the Right to Buy to housing associations is the wrong solution to the housing crisis.*"

The Conservative's RTB plans risk the viability of housing associations as a third of the sale proceeds have to go back to the Treasury making one-for-one replacements impossible, meaning that fewer homes would be built to house the next generation coming through.

The current RTB policy which gives massive discounts to eligible tenants has worsened the housing crisis by making those properties sold under the scheme more expensive as they often end up being privately let, while at the same time it has put pressure on council waiting lists, which continue to rise, and on the public purse in terms of the high housing benefit bills. The policy risks creating a shift from social rents to private rents which are unaffordable to those on low and middle incomes. While the Conservatives are proposing to extend the RTB to housing associations, Labour proposes to keep the policy but will ensure that social housing stock numbers are protected through the replacement of homes to every social home lost under the scheme.

Earlier this year, the [Welsh Assembly](#) suspended the RTB in Carmarthenshire, South West Wales, where there is an acute shortage of housing, and it plans to extend the suspension across the devolved nation to protect social housing for those in need of it. The Assembly also plans to introduce legislation to abolish the scheme. [In Scotland](#), legislation has been passed to end the RTB and this will take effect in 2017.

In line with the Scottish government UNISON is calling for the scheme to be abolished across the UK to safeguard social housing for current and future generations.

² [DCLG English Housing Survey](#) - There were an estimated 22.0 million households in England. Overall, 65% or 14.3 million were owner occupiers, 18% (4.0 million) were private renters and 17% (3.7 million) were social renters.

IMPROVING THE SUPPLY AND REGULATION OF HOUSING

UNISON's strategy has been to promote the need for more housing that is affordable to our members. [The Housing Voice campaign led by UNISON produced a report](#) (in 2012) that was designed to create a climate that would encourage Labour in opposition to be bold in developing a housing strategy to build the homes that our country needs – and this strategy has had some success in that Labour has now pledged to build 200,000 new homes per year by 2020, if it wins the General Election.

UNISON believes that increasing the supply of all types of housing, is key to tackling the housing crisis. UNISON also believes that local authorities should have a strong strategic and operational role in planning, delivering and managing housing services and housing investment for the local communities they serve.

Key policies UNISON would like to see include:

- Provide an impact assessment on people's ability to afford 'affordable rent' under the affordable rent scheme and the need for more social rent units
- Provide investment in housing. Building more homes is crucial to increasing the supply of housing, tackling rising private rent and rising house prices and lowering the Housing Benefit Bill and ensuring that buying properties are affordable and not beyond the reach of many people. UNISON is calling for a significant increase of all types of housing, in particular social housing, over the next 30 years, to meet and sustain the 'benefits to bricks' transition and to widen the housing options of people, lower the costs of housing overall for everyone, in particular private renters
- Regulate the increasing poor quality and standards of private rented property
- Introduce rent controls or caps or sustainable rents tied to longer term tenancies to ensure control of runaway rents, provide more freedom from letting agent fees and regulate the right to longer tenancies in the PRS so that people can enjoy a stable home life and feel invested in their community

OWNER-OCCUPIED SECTOR

Homeownership continues to remain beyond the reach of many due to high house prices. [Property Indices such as that compiled by LSL Property Services](#) show that the rate of house price increases have slowed (since 2013 for England and Wales), but house prices remain high across the country, particularly in the South. [In London, for example, house prices have gone up by almost 50% or £195,420 since the last General Election in May 2010.](#)

The average house price in [England and Wales](#) is now £275,123, a figure which represents a record. In [Scotland the average house price](#) rose by 13.3% to £173,830, a record high. And in [Northern Ireland the average house price](#) rose by 14% to £152,000.

Latest research from PricedOut reveals some facts about the housing market since the Coalition government came to power in 2010:

- Rising house prices have prevented more than 1.2m people from owning their own home
- House prices across the UK have gone up 17% since the last General Election while wage growth has stagnated
- The number of private tenants who cannot afford to buy their own home has gone up from 54% to 69% since 2010
- Nearly 3.8m people living in the PRS cannot afford to buy their own home; up 2.5m in 2010

PricedOut has stated that homes can only be affordable if they cost less than four times a household's income. Earlier this year, [Nationwide](#) warned that first-time buyers have to pay nine

times their annual salary to buy a house in London – across the UK first-time buyers have to pay five times their annual income to buy a home.

While the rate of house price increases have slowed over the past 5 years, they still remain too high and beyond the reach of thousands of people who aspire to become homeowners. The average home purchaser age is now 38 when they first buy their home and only 5% of potential first-time buyers have saved a deposit. Overall, levels of homeownership have declined from their peak, and have fallen to [a 30-year low \(there are 200,000 fewer homeowners since 2010\)](#) with first-time buyers having to pay larger deposits. Many people are delaying decisions about purchasing a property due to a number of factors which include lack of confidence in the market, difficulties obtaining mortgage finance due to tough bank lending criteria, public spending cuts, house price inflation, low wages, and a lack of finances to save for a deposit.

UNISON's Housing Voice report showed that in the dominant owner occupied sector, house prices have risen faster than wages over the past decade. Even where house prices are lower, the deposits demanded for mortgages make home ownership an unrealistic option for first-time buyers who do not have access to personal capital or savings. UNISON is calling for significant investment in building more homes (which will help to bring house prices down), more help with homeownership; for example, help with mortgage deposits, not just with new build properties but also for existing properties – and for stamp duty to be abolished for first-time buyers, as argued for in its [Housing Voice report](#) .

The main political parties have all pledged to help first-time buyers onto the property ladder. For example, Labour has pledged to abolish stamp duty for first-time buyers on properties up to £300,000 and build 200,000 homes by 2020 (if they win the General Election), which is in line with what UNISON is calling for.

THE PRIVATE RENTED SECTOR

The Private Rented Sector (PRS) has (since 2012-13) overtaken the social housing sector to become the second largest tenure in England, due to the shortage of social housing and the high costs of homeownership. This is putting pressure on the PRS, which continues to expand. As a consequence choice is more limited and costs are higher. More and more of our members and their families are finding themselves in the PRS. Yet, it is the sector which has the least regulation, with the highest number of homes that do not meet decent standards, where renters face the most insecure tenancies, instability, unpredictable rent rises, extortionate letting agency fees and rogue landlords.

Since 2012 UNISON has been calling for a new statutory system of private rented sector regulation, guaranteed minimum standards for tenants, landlord accreditation in the PRS, increased security of tenure – alongside rent controls and safeguards against extortionate rents being charged as well as better protection for tenants – as argued for in its Housing Voice report.

Some progress has been made with regards to regulation of the PRS. Following a [Communities and Local Government Select Committee Review into the PRS](#), which [UNISON responded to](#), the government adopted many of the Review's recommendations and is showing some commitment in ensuring that private renters "*get proper protection from their landlords*".

Measures to improve conditions in private renting

Since 2014 [the government has introduced a number of measures to improve housing](#) standards, giving renters some stability and security as well as root out rogue landlords:

[New Model tenancy agreement](#) – also called the Assured Shorthold Tenancy (AST) – (September 2014) brings in a voluntary arrangement for a longer tenancy of two years or more to be agreed between landlord and tenant.³ It gives flexibility to tenants and landlords to exit the agreement after a year or less or to negotiate for the security of longer tenancies. The model tenancy agreement may create stability for some tenants, particularly those at the high end of the market who are more

³ The New Model Tenancy Agreement is 38 pages long. It comes with a checklist covering notice periods, rent reviews and break clauses on how to increase tenancy length from a standard arrangement

able to negotiate for longer-term tenancies, but the same may not be true for those at the bottom end of the market.

[Improving professional standards – Industry Code of Practice](#)⁴ (September 2014) – the Code contains guidance for agents and landlords that outlines their mandatory responsibilities and outlines industry best practice. Seventeen housing organisations including the Chartered Institute of Housing, the Tenancy Deposit Scheme and the Royal Institute of Chartered Surveyors were involved in developing the scheme which is aimed at driving up standards in the PRS. The Code is a step in the right direction but UNISON would like to see a fully regulated private rented sector as it currently does not provide enough decent and stable homes.

[Letting agent redress schemes](#) – the government has taken further steps in improving regulation in the PRS. Since 1 October 2014, all letting agents are now required to be a member of an independent government approved letting agency redress scheme.⁵ Renters who receive a poor quality of service from their letting agent, and cannot resolve issues with them can get their dispute resolved by an independent dispute resolution.⁶

[New law banning ‘revenge evictions’](#) – In March 2015 a new law which aims to protect renters in England against retaliatory evictions by preventing landlords from evicting tenants who have complained about the poor condition of their homes was passed as part of the Deregulation Bill. The law will come into effect later this year; it will make any eviction invalid where the tenant has made a complaint about housing conditions that the landlord did not respond to adequately. The law comes after a campaign coalition led by the Charity Shelter called for greater protection for tenants against ‘revenge’ evictions. Figures from the charity had shown that 200,000 tenants were evicted or faced possession proceedings every year – and 1 in 12 renters have avoided asking their landlord to repair or improve housing conditions because they were scared of eviction.

The government’s family friendly tenancy policies are a step in the right direction, however most of the measures do not offer mandatory or compulsory longer, stable tenancies, which can enhance landlords returns, give renters improved stability and security in their rented homes. This is because the government is against ‘excessive’ regulation in the PRS and believes that legislation ‘*would create more red tape for landlords and discourage investment, which would force up rents, reducing choice for tenants*’.

WELFARE

The government’s Spending Review of 2010 announced a range of Housing Benefit reforms, both to housing benefit for private renters known as the Local Housing Allowance (LHA) and housing benefit in the social sector, as part of its aim to reduce benefit expenditure. These reforms began to be implemented from 2011. They include:

- Changes in the LHA calculations
- The extension of the Shared Accommodation Rate (SAR) from 25 to 35 year olds
- The introduction of the under-occupancy charge, also known as Bedroom tax

LHA and SAR

Reforms to the Local Housing Allowance (housing benefit in the private rented sector) have had the effect of limiting the amount of housing benefit that claimants can receive in the PRS. They include raising the age threshold of the Shared Accommodation Rate (SAR) for single people from 25 to 35 year olds; caps on the amount for Local Housing Allowance that can be received for different properties; a shift to up-rating housing benefit in line with the consumer price index, instead of the retail price index; and reducing the value of Local Housing Allowance (LHA) by setting benefit rates at the bottom 30th percentile instead of the median of rents in each local rent area.

⁴ The Code of Practice was commissioned by the government; it was developed by [Royal Institution of Chartered Surveyors](#) who worked with other sector organisations to develop it.

⁵ More about the redress scheme from [here](#)

⁶ Before 1 October 2014, you could only refer an unresolved dispute to a redress scheme if your letting agent chose to be a member of a professional association. It is expected that the schemes will use the new Code will help resolve disputes.

LHA/SAR changes have made only the cheapest third of properties within the PRS eligible for housing benefit, thereby reducing the amount of suitable affordable accommodation for claimants in most parts of the UK. The SAR has had the most impact on single young people under 35 – than any group of claimants – as they now receive less housing benefit which is restricted to a rate set only for a single room in a shared house. The amount itself has been set too low and there is an inadequate supply of suitable shared accommodation for this age group.

The bedroom tax

The bedroom tax applies to council or housing association tenants, if they are deemed to have a spare room. The tax, a housing benefit reduction, is called the under-occupancy charge, but more commonly known as the bedroom tax as the council limits a housing benefit payment if it decides the tenant has 'spare' bedrooms that are not occupied. Under the bedroom tax the number of bedrooms people can claim for is based on the number of people living in their home. Tenants deemed to have spare rooms in social housing are expected to move or now pay for any outstanding rent as their housing benefit is reduced by 1) 14% for one 'spare' bedroom or 2) 25% for two or more 'spare' bedrooms.

Impact of welfare reforms

Housing benefit cuts have created a discrepancy between rents, which continue to rise in the private rented sector, and the benefit received. The reforms are causing financial hardship and problems to those affected.

In 2013 the House of Commons Works and Pensions Select Committee carried out an inquiry into the provision of support to meet housing costs in the reformed welfare system to which [UNISON responded](#). The committee's [report](#) shows that welfare reforms have reduced the potential housing benefit entitlement for the properties of those affected, and this is causing financial hardship and problems – including increased levels of rent arrears, evictions and homelessness. This is echoed by a [DWP study](#) on the changes to LHA which found that 47% of the landlords surveyed reported that they had experienced an increase in rent arrears since reforms were introduced; 37% of landlords had taken action to evict, not renew or end tenancies of LHA tenants since April 2011, compared to 27% who had taken action against non-LHA tenants. The study also revealed that the number of households in England giving the end of an assured shorthold tenancy as the main cause for homelessness almost doubled between 2011 and 2013.

Earlier this year a five year [study by Crisis and JRF](#)⁷ revealed a 9% rise in homelessness last year, a figure which official statistics have reportedly failed to show. The report found that Annual statutory 'homelessness acceptances' increased by 12,000 in 2013/14, compared to 2009/10 figures. It also revealed that welfare reforms such as cuts to housing benefit and changes to the SAR had contributed to this rise and also reduced access to the private rented sector for low income households in high value areas.

A [Department for Works and Pension \(DWP\)](#) hardship report also found that 60% of the 523,000 tenants affected by the bedroom tax have been unable to meet housing benefit shortfalls of between £14 and £22 a week in full.

Further, [DWP](#)⁸ evidence suggests that housing and welfare reforms are destabilising communities and forcing some tenants - particularly in London - to move out of the community. This is echoed by recent research by the [Independent Newspaper](#) which shows the scale of the impact of welfare reforms and rising rents on those in London in particular – the area of the UK that has been hardest hit by reforms. The research shows that welfare reforms and rising rents have made it harder for those on low incomes to afford housing in London. This has led to 'a social cleansing' of more than 50,000 families who have been forced out of London in the past 3 years. The effects of the reforms

⁷ Crisis & JRF (2015): The Homeless Monitor: England 2015
<http://www.crisis.org.uk/pages/homelessnessmonitor.html>

⁸ DWP (2014) The impact of recent reforms to Local Housing Allowances: Differences by Place
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/329794/rr873-lha-impact-of-recent-reforms-differences-by-place.pdf

will likely concentrate areas of poverty, deprivation and disadvantage and could bring about unintended consequences, such as creating transient communities where people only have temporary homes.

In its report on welfare reforms, [the House of Commons Work and Pensions Select Committee](#) made some recommendations on how the impacts of benefit changes might be mitigated on those affected. However, the government has said it will keep welfare reforms, and has recently announced £12bn of welfare cuts if they win the General Election. Reforms planned include removing housing benefit from childless 18-21 year olds, if they are not in education, employment or training, a reduction in the benefit cap from £26,000 to £23,000 per household and a 2-year freeze in working benefits.

HOUSING POLICY – AHEAD OF THE GENERAL ELECTION

Housing is now high up the political agenda and all political parties agree that we need to build more homes in the UK. Housing has featured in leaders' debates in the run up to the General Election, with all the [main political parties launching their manifestos on housing policy](#) outlining how they will address the crisis. Labour has already pledged to build 200,000 homes a year by 2020, setting out a comprehensive plan to do so as outlined in the [Lyons Review](#). The Liberal Democrats have gone further, calling for 300,000 homes to be built a year over the next parliament. The Conservatives have pledged to build 200,000 Starter Homes for first-time buyers under the age of 40 to be sold at 20% below the market rate. But the Starter Homes policy is likely to lead to a further decline in the building of social homes as house builders would be let off s106 planning obligations to build social homes for renting.

The public is also increasingly viewing the housing crisis as an important issue that a future government should address:

- A [Yougov poll](#) shows that a quarter of British adults view housing as one of the most important issues facing the nation (April 2015)⁹
- [An Economist/Ipsos Mori Issues Index](#) shows that housing is now considered to be a top ten issue in terms of public importance (March 2015)
- [An Ipsos Mori poll](#) for the Chartered Institute of Housing (CIH) revealed that 75% of the public and 67% of MPs agree that there is a housing crisis (January 2015)
- [A Yougov Poll commissioned by the NHF](#) revealed that seven out of ten people believe that the government should play a role in increasing access to housing (2014)
- [A recent ComRes](#) survey revealed that young people are more concerned with affordability and housing costs than others
- [A Fabian Society report](#) reveals that a majority of the general public are in support of building more social homes and that the government could do something to address problems in the housing market (September 2014)

Labour Promises

The Labour Party has not only pledged to build 200,000 homes per year by 2020, but it has also pledged to abolish the bedroom tax, and regulate the PRS to improve stability and conditions in the PRS if it wins the General Election. Plans include:

- Introducing a national register of private landlords
- Extending security of tenure in the private rented sector
- Legislating to make long-term tenancies the **legal default** by bringing in mandatory three-year tenancies for tenants in the PRS, with flexibility
- Limiting rent increases, ensuring predictable rents to provide better security
- Ending letting agents fees – letting agents would no longer be able to charge a letting fee for renting out properties in addition to requiring a deposit and the first month's rent upfront

The proposed reforms will give renters longer tenancies that limit rental increases and retain flexibility for renters, which is what UNISON and Shelter are calling for.

⁹ Inside Housing (29 April 2015) <http://www.insidehousing.co.uk/policy/politics/lobbying/more-than-a-quarter-of-public-think-housing-most-important/7009514.article?adfesuccess=1>

UNISON CAMPAIGNING AROUND HOUSING & WELFARE

UNISON housing policy focuses on campaigning for a significant increase in the availability and supply of decent and affordable housing, particularly social housing provided by local authorities and housing associations, and on campaigning for effective regulation in the private rented sector to improve standards and availability and to make private renting more affordable, stable, secure, decent and accessible. UNISON is also campaigning against the detrimental impacts of welfare reforms which are intricately linked to housing policy reforms.

- [UNISON's Housing Voice Inquiry report](#) outlined a 10-point plan in addressing the housing crisis particularly around how more help could be provided to people on low to middle incomes. The report was designed to create a climate that would encourage Labour in opposition to be bold in developing a housing strategy to build the homes that our country needs – and this strategy has had some success in that Labour has pledged to build 200,000 new homes per year for the next twenty years, if it wins the 2015 General Election.
- UNISON is calling for a public sector led massive housing building programme by social landlords to deliver housing to address the housing crisis. UNISON's Housing Voice report recommended a target of 250,000 homes per year, to include 80,000 new local authority and housing association homes every year.
- UNISON is also calling for effective regulation of the private rented sector to improve standards and availability and to make private renting more affordable, stable, secure, decent and accessible. There has been some progress in this area as the current government has introduced some measures to improve security, stability in the PRS. However, in terms of the election pledges, Labour seems to have a more comprehensive plan to build more homes, improve security and stability in the PRS, ban letting agency fees and abolish the bedroom tax, which is what UNISON is calling for.
- UNISON welfare policy focuses on campaigning against the detrimental impacts of welfare and housing reforms which are intricately linked – such as campaigning for the abolition of the bedroom tax and housing benefit for young below under 35 which is set too low. A recent UNISON [report](#) which called for 'a new housing benefit deal for young people' looked at the structural interdependencies of housing, welfare reform of housing benefit and employment and made a series of [recommendations](#) to reform welfare and improve the standards and supply of housing, especially social housing . The report was launched in parliament in November 2014.

Campaigning 2015 and beyond

- UNISON is currently working with the TUC, trade unions, Generation Rent and other campaign groups/organisations – to take forward our policy goals/priorities for housing and welfare - to campaign for a significant increase in all types of housing, particularly social housing. The TUC has outlined a 10-point plan of action for the next parliament which mirrors the recommendations of the UNISON Housing Voice report, which they contributed to. The TUC/UNISON campaign will deliver a programme of campaign activities to lobby politicians to shape future housing policy; this will include a March for Homes in Westminster post General Election.