

UNISON BRIEFING: HOUSING AFFORDABILITY IS A GROWING CONCERN FOR PUBLIC SERVICE WORKERS



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THE ISSUE

- UNISON research shows that **high housing costs and affordability are among the biggest issues facing the workforce in England**, affecting where our members can live and work, the services and opportunities they can access and what they can afford
- **Unaffordability of home ownership** - owning a home has become virtually impossible for many of our public sector workers who provide vital services such as health and social care. Our 2018 research, [Priced Out: home ownership and public sector workers](#), shows that getting a deposit together and obtaining a mortgage are often insurmountable hurdles for those living in the majority of local authority areas across England, Scotland and Wales. **Saving the money for deposit on a property would take decades – or more than a century for public service workers in some parts of London**
- Unaffordability of the Private Rented Sector and Right to Buy – The Government’s Social Housing Green Paper tells us **20% of households in England and Wales rent privately, compared to 17% in the social rented sector**. Combined with **the loss of over a million social rented homes** through Right to Buy and conversions to so called “affordable rent homes”, more people are renting from the Private Rented Sector (PRS) than from councils and housing associations: 1.8million households live with insecure tenancies, poor housing conditions, high rents and unpredictable increases
- The shortage of genuinely affordable homes also means **1.1million households are on social housing waiting lists**, despite the majority being in work (55%). Thousands more are forced to live in overcrowded or unsuitable homes where they are exposed to health and safety hazards.

CALL TO ACTION

There is a need for bolder reforms to ensure that social housing providers are supported with funding and greater financial flexibilities to return to their traditional social purpose of building genuinely affordable high, quality homes for people on low to middle incomes.

- Provide significant grant funding to enable councils and housing associations to build at least 100,000 new homes (below market rates) per year
- Empower councils with greater financial freedoms, including **giving councils full financial autonomy** to determine how to combine housing subsidy, prudential borrowing and capital receipts to build more homes and invest in their existing stock
- **Establish a new definition of “affordable housing”** linked to the incomes of people in the lowest earnings quartile, not market prices, and an end to the use of “affordable rent” homes, set at 80% of market rates
- Reform the land market, land value capture and land compensation rules so that more land is available at lower cost to councils and housing associations to build new social rent homes
- Set up a national **“Homebuilding Capacity Fund”**, to help councils to build more genuinely affordable homes which meet the highest environmental, building and safety standards

- Stop the loss of social homes by **ending the Right to Buy** – in line with Scotland and Wales – and by ending the conversion of social homes to un-affordable rents to protect the social housing stock for current and future generations.

In the Private Rented Sector

- Improve regulation in the Private Rented Sector, including the **introduction of a new private tenancy framework through legislation**, which is permanent, open-ended, ends no-fault evictions (by abolishing fixed terms), and provides private tenants with greater security, stability, longer notice periods and protection from frequent rent increases

1. THE CHALLENGE: INCREASING SUPPLY OF AFFORDABLE HOMES

UNISON is deeply concerned with the growing housing crisis over several years. Housing is a human right and the Government has a duty to take a pro-active approach to ensure that people living in the UK have decent homes to live in. This requires the Government to have a coherent and consistent policy on housing, recognising the crucial need for more and better social housing and put in place a framework in which this can develop, replacing the current [Affordable Homes Programme](#) (AHP) which defines affordability too broadly.

UNISON believes that the priority is to **increase the nation's housing stock and ensure there are affordable decent homes for all**. The Office of Budget Responsibility ([OBR](#)) [forecast](#) spending on Housing Benefit at £21.2bn in 2018/19, money that could and should be spent on increasing the supply of new homes. An increase in stock will also reduce the cost of housing overall for Local Authorities and citizens alike; improve the availability, accessibility and affordability of housing; and lower the housing benefit bill. Sufficient volumes of high-quality social housing would help address health, education and other inequalities, and strengthen local communities.

Both Local Authorities and Housing Associations have a vital role to play in delivering social housing. Many Housing Associations also provide additional community services and social care for vulnerable people which are integrated into housing provision.

2. WAGE GROWTH VS HOUSING COST GROWTH

In many parts of the UK, the price of renting a home in the PRS, has risen steadily, while public sector salaries have not. According to [Shelter](#), rents rose by 16% between 2011 and 2017 in England, compared to average wages, which rose by only 10% over that period. **With median wages still below 2008 levels, and a four-year benefit freeze in place, housing is now the largest single demand on household incomes.**

UNISON analysis on [housing costs for public sector workers](#) looked at how much public sector workers spend on rent across five public sector jobs: a porter in NHS England, a special needs teaching assistant, a refuse driver, a nurse and a police community support officer (PCSO), and how much of their monthly salary they have to spend on rent, depending on where they live. The regions in the research are: North East, North West, Yorkshire and the Humberside, East Midlands, West Midlands, East of England, South East, South West and London.

- In six out of nine English regions, rental costs are more than a third of workers' monthly wage

- Hospital porters are struggling the most, with all rents unaffordable to them in all nine English regions. The most expensive areas for porters are London, the South East and the East of England, where housing costs swallow up over half their take home pay
- Teaching assistants do not fare much better, with rental costs more than a third of their monthly wage in half a dozen of English regions
- The same is true for refuse drivers in five regions and for nurses and policy community support officers (PCSOs) in four
- In London, a teaching assistant would have to spend **78%** of their monthly take home salary on a one-bedroom property. A refuse driver **74%**; a nurse **71%** and a PCSO, **70%**.

With wages stagnating and costs of living rising, a growing number of UNISON members spend increasing amounts of time and money on long commutes to work because they cannot afford to live near their place of work. Many of our members also have grown up children living with them, not out of choice but out of necessity, because of the high costs of housing.

UNISON is concerned that the housing affordability crisis, coupled with real term cuts to public service pay, Tax Credit and Universal Credit changes are creating in-work poverty for many, particularly for people under 40 and the low paid. This puts further financial strain on UNISON members' household budgets, eroding their living standards. As a result, thousands of hard-working citizens face financial hardship, poverty and even homelessness – and pressure on their “work-life balance”.

3. RESOLVING THE AFFORDABILITY CRISIS

Increased powers to build more affordable homes independent of private developers – planning gain

The Government has failed to comprehend the ways in which social housing could be central to tackling the housing crisis in a coherent housing strategy. Private housing developers have a poor track record of delivering affordable housing, in part through the relaxation of planning gain, or S106 agreements. Private developers often use viability assessments to dramatically reduce the numbers required by the local authority. MHCLG's own data shows that the value of developer contributions to affordable housing has not increased in real terms since 2007/8 and remains at £6bn. Therefore, the priority must be to substantially increase the housing stock delivered by councils and housing associations.

Right to Buy and HRA reforms

UNISON believes that the Right to Buy and barriers to new council housing building have resulted in reduced democratic accountability within the housing sector. This stealth privatisation should be urgently reversed, and UNISON believes a mass social housing building programme is essential to achieve this.

UNISON welcomes recent measures to provide housing associations with longer-term strategic partnership funding from 2022, to build more “affordable homes”, including social housing and the scrapping of the Housing Revenue Account (HRA) borrowing cap, which prevented councils from borrowing to invest in new homes. However, these are not sufficient as the measures, whilst welcome, **do not increase funding for new affordable homes, but rather backfills the funding gap to replace homes already lost to Right to Buy.** This is because ‘lifting the cap’ means that only some councils will be able to borrow more under the ‘prudential framework’ that allows councils to borrow provided that they can demonstrate they have the revenue streams to repay the debt.

Only 160 of the 326 local authorities still have an HRA, the rest have already sold off their housing stock to housing associations. Therefore, 'lifting the cap' does not lead to a single extra home in more than half of local authorities. Early estimates suggest that lifting the cap may add an extra 10,000 homes a year – falling far short of the government's overall housing target to deliver 300,000 new homes per year by the mid-2020s.

Replace the Affordable Homes Programme

The current Affordable Homes Programme (AHP) has led to the development of homes beyond the reach of ordinary citizens and public service workers on low to middle incomes. UNISON believes that funding for social rented homes at below market rates should be restored and councils and housing associations given the powers, flexibilities and funding to build those homes. This would empower social housing providers to contribute at high capacity to housing supply, to enable them to build up to 100,000 social rented homes per year to meet housing demand.

UNISON believes that council housing departments should be supported with adequate resources to re-build capacity, which has been eroded due to austerity and government cuts, to enable them to re-create council architectural, design and engineering teams and modern direct labour organisations - to ensure that they are well resourced to deliver a "new generation of quality social rented homes". To achieve this, the Government should establish a national Homebuilding capacity Fund, similar to the one set by the London Mayor for the capital, to help social landlords to build more social rent/genuinely affordable homes which meet the highest environmental, building and safety standards.

Land reform

UNISON would also like the government to take action to reform the land market and the land compensation rules to make more land available at lower cost to social housing providers. For example, we would like to see measures which allow councils to purchase land at its existing use value and then to capture any uplift in the value of land and invest this in new homes.

4. ABOUT UNISON'S HOUSING CAMPAIGNING

UNISON is the largest trade union in the UK, with 1.3 million members. It has approximately 100,000 members working in local government and the community and voluntary sector, including private registered providers (housing associations) that provide a wide range of housing services.

The union has had a long tradition of campaigning for more housing that is affordable to our members, their families and the wider public; as well as campaigning to safeguard social housing and the workforce who deliver this essential public service. UNISON works with campaign alliances such as [Homes for All](#), and [Generation Rent](#) to call for secure, decent, safe and affordable homes for all. The union has published reports which highlight the implications of housing affordability on public service workers which can be accessed from [our website](#).

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