



Social Housing and Building Safety Debate – Thursday, 9 June 2022

UNISON Briefing

June 2022

1. INTRODUCTION

UNISON is the largest trade union in the UK, with 1.3 million members. It is also the largest trade union in the UK that represents public sector workers who work in the housing sector. Approximately 100,000 members are employed by councils and private registered providers (housing associations) delivering a range of housing and housing related support services for people living in a variety of tenures.

Many of our members are affected directly by Government housing policy as tenants or residents. We welcome the opportunity to have a say on social housing and how this vital service can be supported by long-term investment to ensure that housing services are adequately resourced and effective, and the housing needs of residents are met.

2. SOCIAL HOUSING: THE NEED FOR LONG TERM INVESTMENT

The under-supply of social rented housing and the high costs of private renting and homeownership have highlighted the need for long-term investment in new social rented homes to meet housing needs. There is already an increased demand for social rented housing with 1.15m people on the social housing waiting list in England. People are requiring permanent accommodation for a variety of reasons, for example, those fleeing domestic abuse, on low incomes or those moving on from temporary accommodation or from unsafe housing.

Demand for social rent housing is likely to grow as more people continue to be affected by the Covid-19 pandemic and rising rent, energy, and fuel costs and other household costs. However, Government policy continues to focus on promoting homeownership, such as the Right to Buy, which has decimated council stock at the expense of social rented housing. Government data shows that only four in every 100 homes funded through the Government's Affordable Housing Programme (AHP) since 2016 were for social rent - which is disappointingly low - with the majority of funding allocated for "affordable homeownership or shared homeownership", such as the Help to Buy.

The UK Government continues to define "affordable housing" broadly to include social rent, intermediate rent, homes for sale and the so-called affordable rent, which can be up to 80% of the market rate. The term affordable housing is discredited as it is not based on household incomes, but rather on rents or purchase costs of up to 80% of the market rate, which is much higher than social rents and is far beyond the means of those on modest incomes. This policy has shifted resources away from the delivery of social rented homes to more sub-market homes through increased rents rather than grant funding, resulting in significant cuts in funding and a drastic decline in new social rented homes built by councils and housing associations. Consequently, the level of funding and support for new social rented homes has been minimal, reflecting the significant policy imbalance.

UNISON research also confirms that the role of councils in directly building new homes has been systematically undermined for decades due to the lack of direct investment in new social rented homes. In England just 6,531 homes were built by councils in 2018-19 out of 57,644 overall affordable housing delivery. This falls far short of the estimated 100,000 new affordable and social rented homes needed each year to meet demand. The gap between the need for social rented homes, which are genuinely affordable, and the speed at which this is being made available is ever increasing.

The chronic lack of investment in social housing, and the poor regulation of both private and social housing has led to a housing crisis, impacting on the supply, affordability, accessibility, safety, security and quality of housing. As a consequence, public sector key workers and ordinary citizens, including young people, on modest incomes, are struggling to afford decent homes to rent or buy near their places of work, as highlighted in UNISON's report: *A decent place to live: Homes fit for Key Workers*. Those paying more than 33% of earnings on housing are facing housing stress, and as such face financial hardship, rent arrears, eviction and homelessness. As such many depend on housing benefit, which is not adequate to cover the rent owed. It is time for the housing crisis to be tackled to ensure the housing needs of key workers and citizens are met.

3. SOCIAL HOUSING - GOVERNMENT ACTION

UNISON's housing manifesto, calls for safe, decent and affordable homes for all, which is a fundamental human right for all citizens. We believe that "building back better, levelling up, and building the green economy", in part means the building of social rented homes to meet growing housing need. This will make a big difference in reducing costs of housing and raising living standards for everyone.

UNISON is calling on the Government to:

- Commit to a national house-building programme to deliver 150,000 new quality and energy efficient social rented homes per year, built by councils and housing associations, that are accessible to public service workers and citizens on modest incomes, and will help boost economic recovery from Covid-19, create jobs and lower housing costs, as well as help address the climate change crisis
- Restore direct investment in public housing through upfront capital grants from government
- Require new social rented homes to meet the highest environmental, building and safety, space, energy efficiency and accessibility standards
- Provide long-term funding certainty for councils and housing associations, which will help re-build in-house capacity and develop skills and expertise in housing management and development workforces
- Re-empower local planning authorities to have meaningful control of planning to enable them to build back better, and to ensure that Section 106 planning arrangements are ringfenced for the development of social rented housing
- End the Right to Buy immediately so that councils can permanently house homeless households and the vulnerable, addressing acute housing need
- End programmes which have resulted in social rent homes being converted to near market rents, which are beyond the reach of people on low to middle incomes
- Reform the Welfare System by restoring the link between Local Housing Allowance, housing benefit and rents, to provide immediate relief to those facing an acute crisis of housing affordability

4. BUILDING SAFETY

The Grenfell Tower fire tragedy exposed poor quality and safety issues in some higher rise residential buildings in both the private and social housing sectors. It highlighted the safety

issues faced by residents living in defective buildings. The tragedy has also highlighted the high costs of remediating fire safety defects in historical buildings, and how this is impacting on leaseholders and building owners, including social housing providers. UNISON has supported calls for effective regulation and adequate resources to improve the safety of residents and buildings; and called for protections to ensure that innocent leaseholders and social housing providers do not bear the huge costs of remediating defective buildings.

UNISON notes that the Government has brought in a number of reforms including funding to repair buildings and the new Building Safety Act, which we have welcomed. The Act sets out a more stringent regulatory framework to make higher rise buildings in both the private and public sectors safe and includes measures to protect leaseholders from the bulk of costs to remediate buildings with fire safety defects. However, they do not go far enough to make buildings and all residents safe. UNISON has a number of concerns on Building Safety which the Government needs to address:

Implications for leaseholders

The Government advocated that leaseholders should not have to pay the costs of making their homes safe. However, the Building Safety Act's "waterfall of protections" which shifts "responsibility for paying remediation costs from leaseholders to building owners" only protects leaseholders living in buildings over 11 metres high from the costs of cladding works. The protections do not cover the costs of non-cladding remediation works. This means [the majority of leaseholders](#) can still face charges for non-cladding works – and for both cladding and non-cladding works in buildings under 11 metres - which can be passed on to them from developers. Five years on after Grenfell, it is unfair that leaseholders through no fault of their own should continue to live in unsafe housing and pay for costs that they are not responsible for. In some cases leaseholders will be faced with the burden of having to pursue the costs from developers through legal action. Many of them have been crippled by huge bills, face bankruptcy, and are trapped in homes that they cannot sell because their properties have no value and people cannot get mortgages on them.

Leaseholders need more protections and financial certainty. They deserve justice. UNISON is a supporter of the "End Our Cladding Scandal campaign", led by Inside Housing, which is calling on the Government to provide upfront funding for remediation works for buildings with fire safety defects to be made safe immediately.

Implications for social housing providers

The Building Safety Act will have resource implications for social housing providers, including councils and housing associations:

- The new Act does not make a distinction between developers and social housing providers who have historical defects in their buildings. This means social housing providers, which are freeholders/landlords or building owners will be obligated to pay the costs of cladding and non-cladding remediation works in defective buildings, if they are the developer and/or have links to the developer.
- While the Government has provided the £400m Social Sector Cladding Remediation Fund for the removal and replacement of unsafe cladding systems, this is limited to Aluminium Composite Material (ACM) cladding in buildings over 18 meters tall. This funding remains inadequate. **It is important that the Government commits to further funding to help pay for cladding and non-cladding works, to reduce further pressures on Local Government Budgets which are already overstretched due to austerity and cuts to housing budgets. Failure to do so will impact on housing services and the building**

of much needed new social rented housing, for which there is high demand due to the high costs of private housing, but which remains in limited supply due to lack of Government investment in these homes.

- The new regulatory framework, including the Building Safety Regulator, the Accountable Person role and Planning Gateways, will have resource implications for parties involved, including fire and rescue services and local authority planning and building control services, in carrying out new and additional duties to ensure residents and buildings are safe. **Local authorities will therefore need to be adequately funded by the Government to ensure that staff have the skills and resources to do their work effectively.**
- Social housing providers are required to contribute to the new Building Safety Levy imposed on developers. In effect this means that local authorities and their tenants could end up helping to pay for remediation works of both social housing and private housing. This will put further pressures on housing budgets and could lead to a scaling back of essential housing services and projects to deliver new social rented homes. Accountable, not-for-profit local authorities should not be held responsible for the failures of the construction industry. UNISON notes that the Government is considering “an exemption from the levy for affordable housing as a whole, which includes social housing, housing for rent or sale at least 20% below market rent or sale rates, shared ownership, and rent to buy”, and will consult on the levy. **UNISON is calling on the Government to exempt social housing providers and their tenants from this levy immediately to protect essential services, such as Social Care, Education and Local Government and Housing Support Services that we rely upon.**

For more information contact:

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UNISON Housing resources:

UNISON Housing Website: <https://www.unison.org.uk/at-work/community/key-issues/housing/>

UNISON Report A decent place to live: Homes fit for key workers:

<https://www.unison.org.uk/content/uploads/2021/07/A-decent-place-to-live-updated.pdf>

UNISON Housing manifesto: <https://www.unison.org.uk/content/uploads/2020/01/UNISON-Housing-Manifesto-JANUARY-2020-FINAL.pdf>