

Briefing Note

Committee name: Housing Cabinet Committee

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This note provides information to keep Members informed of matters relating to the work of the Cabinet or a committee but where no decisions from Members are needed.

If Members have questions relating to matters shown, they are asked to contact the officer indicated.

Government Strategy and Announcements

- a. The new government's commitment to reforming housing was evident during the King's Speech on the 17 July which outlined 39 bills that ministers want to pass in the next parliamentary session. Some of these, or a version of them, were originally tabled by the previous government but were not passed ahead of the election. These bills include:
 - A Planning and Infrastructure Bill will streamline the process for approving critical infrastructure, modernise planning committees, increase local authorities planning capacity, overhaul rules on the compulsory purchase of land and use development to fund nature recovery.
 - A Renters' Rights Bill will ban section 21 no fault evictions, strengthen tenants' rights and protections, apply a Decent Homes Standard, and extend a series of building safety rules for social tenants, known as Awaab's Law, to private renters. A new ombudsman for the private rented sector (PRS) will also be established and local authorities will be provided with new investigatory powers to aid enforcement.
 - A draft Leasehold and Commonhold Reform Bill will curb ground rent for existing leaseholders and ban forfeiture - where leaseholders are threatened with losing their home - over small unpaid debts. It will also ban new leasehold flats with commonhold becoming the default tenure. Commonhold removes the fixed period of time associated with owning a leasehold property and is generally managed through a Commonhold Association.
 - A new state-owned energy investment and generation company, GB Energy, will be created by the Great British Energy Bill.

- A National Wealth Fund Bill will set up a new fund to invest £7.3bn over five years in infrastructure and green industry.
 - An English Devolution Bill will streamline the process to transfer more powers to elected mayors in combined council areas.
- b. The Chancellor, Rachel Reeves MP, has published an audit of public spending for 2024/25, which has revealed a forecasted £21.9 billion overspend on departmental spending above the resource departmental expenditure limit (RDEL) totals set by the Treasury at Spring Budget 2024. The report warns that the previous Government had around £22 billion of unfunded spending commitments. Among the unfunded policy commitments identified by the Treasury included extending the Household Support Fund to September 2024, which was announced at Spring Budget 2024 at an estimated cost in 2024-25 of £500 million. Consequently, the Government has announced £5.5 billion worth of savings in 2024-25, bringing the in-year pressures down to £16.4 billion. These include:
- Taking immediate action to stop all non-essential government consultancy spend in 2024-25 and halve government spending on consultancy in future years. This will, the Treasury says, save £550 million in 2024-25 and £680 million in 2025-26.
 - Delivering administrative efficiencies across government – the Treasury will implement a 2% saving against government administration budgets, cutting down on waste while prioritising the frontline. This will save £225 million in 2024-25.
 - Reducing communications and marketing budgets – the Government will review the hundreds of millions spent each year across government on communications and marketing campaigns, with a view to making reductions.
 - Continuing to dispose of surplus public sector estates, raising money for public services and enabling assets to be put to productive use where the Government can increase their social value and drive greater value for money.
 - Bringing together the administration of Pension Credit and Housing Benefit as soon as operationally possible, so that pensioner households receiving Housing Benefit also receive any Pension Credit that they are entitled to.

The Chancellor announced that the Budget will take place on 30 October, pledging to make difficult decisions on tax and spending. She has also launched a multi-year Spending Review to conclude in Spring 2025. The Review will set spending plans for a minimum of three years of the five-year forecast period. Departmental expenditure limits for 2025-26 will be set alongside the Budget in October, which will confirm control totals for 2024-25. The Government will also establish a new Office for Value for Money (OVfM), led by an independent chair reporting directly to the Chancellor and Chief Secretary to the Treasury who will be appointed in due course.

- c. Angela Rayner MP (Minister for Housing, Communities and Local Government) has published updated targets for the Affordable Homes Programme (AHP) 2021-26. The Programme is now expected to deliver 110,000 – 130,000 affordable homes, down from the original target of 180,000. Rayner also announced that details of future government investment in the AHP and rent settlements will be confirmed as part of the next spending review. Of the affordable homes to be delivered:
- At least 40,000 are expected to be social rent homes

- 44,000 – 56,000 are expected to be affordable homes for ownership
 - 5% are expected to be delivery for supported housing
 - 5% – 10% are expected to be Homes England delivery for rural housing
- d. The Government has officially announced that it will not proceed with the former Conservative government’s ‘British workers’ social housing allocation plan that would have prioritised UK nationals in the allocation process through a series of proposed qualification tests. The Housing Minister, Matthew Pennycook, said the Government “*does not intend to enact the policy proposals set out in the consultation.*” He confirmed that a formal response to the consultation will be issued in due course.

The scrapped plan included six new tests to determine eligibility for social housing: a UK connection, a local connection, an income test, an anti-social behaviour (ASB) test, a terrorism test, and a false statement test. MPs, including Clive Betts MP (Labour, Sheffield South East), former chair of the Levelling Up, Housing and Communities Committee, had expressed concerns that the qualification tests could push more people into homelessness. There were also questions about exemptions for the ASB test for individuals with disabilities or survivors of domestic abuse

- e. The Government has also announced plans to develop a number of new towns to create largescale communities of at least 10,000 new homes each, with many significantly larger. These new communities will be governed by a ‘New Towns Code’ – a set of rules that developers will have to meet to make sure new towns are well-connected, well-designed, sustainable and attractive places where people want to live.

Angela Rayner has asked regeneration expert Sir Michael Lyons to lead a new independent New Towns Taskforce as its Chair. The group will work to make this vision a reality and present a final shortlist of recommendations on appropriate locations to ministers within 12 months, supported by the housing economist Dame Kate Barker as Deputy Chair.

- f. The Prime Minister has appointed Liz Kendall MP (Work & Pensions Secretary) and Bridget Phillipson MP (Education Secretary) as the joint leads of a new ministerial taskforce to begin work on the Child Poverty Strategy. A new Child Poverty Unit in the Cabinet Office - bringing together expert officials from across government as well as external experts - will report into the taskforce. The new unit will explore how we can use levers related to household income as well as employment, housing, children’s health, childcare and education to improve children’s experiences and chances at life. To get this urgent work underway, Kendall has met with leading organisations this morning including Save the Children, Action for Children, Barnardos, TUC, End Child Poverty Coalition, Resolution Foundation and UNICEF to invite their views on how they can shape the strategy.

Regulator of Social Housing (RSH)

- g. The Regulator of Social Housing (RSH) has published its annual review of consumer regulation work for the period April 2023 to March 2024. The report emphasises the following key requirements for landlords:

- Ensuring all health and safety requirements are met to keep tenants safe.
- Maintaining up-to-date and accurate data on the condition of tenants' homes.
- Implementing an efficient complaints handling process.
- Engaging effectively with tenants and treating them with fairness and respect.
- Referring themselves to the RSH when they identify a material issue or a potential material issue to facilitate prompt resolution.

During the 2023-24 period, the RSH received 986 referrals related to consumer standards, marking a 5% increase from the previous year. The annual review includes nine case studies of social landlords that failed to meet standards, all involving councils. As part of the transition to the new, more stringent regulatory regime post-Grenfell, housing associations and councils will now be inspected every four years under revised consumer standards. These inspections will replace the current in-depth assessment programme, introducing a 'C' grading system akin to the Governance and Financial Viability Standard.

The RSH has already published its first judgments under the new consumer standards. Bristol City Council, Guildford Borough Council, Octavia Housing, Sheffield City Council, Brighton and Hove City Council, the London Borough of Hackney, South Derbyshire District Council, and Ashford Borough Council have all received non-compliant C3 consumer ratings, indicating serious failings and the necessity for significant improvements. Reports have highlighted failures including inadequate electrical and fire safety measures, with many homes lacking current safety certificates and necessary smoke and carbon monoxide detectors. The councils also struggled with managing water safety, damp and mould issues, and had significant backlogs in necessary repairs and safety checks. Additionally, there were concerns about the councils' understanding of the condition of their housing stock, inconsistent complaint handling and insufficient tenant engagement in decision-making processes. A number of other judgements have been published so far, with 5 housing associations receiving a C1 grading and all others being rated at C2.

Housing Ombudsman

- h. The Housing Ombudsman has released a letter to chief executives encouraging them to review how they are responding to window-related complaints. The letter states that: *“Our casework highlights how this is an area where a lack of funding and historic under investment in social housing has contributed to windows which may no longer be fit for purpose. Ultimately there needs to be a national conversation about these issues leading to a new, revised Decent Homes Standard and building the next generation of social housing. However, our investigations also show that landlords have not always responded in a timely way, and sometimes important repairs have been deferred... Given the significant stretch being placed on the social housing sector, it remains vital for there to be a focus on fulfilling fundamental obligations that speak to the core of a decent home: safe, secure and well-maintained windows.”*

The Ombudsman advised landlords to review complaints to identify any actions that should be taken in line with the four core lessons identified from their casework:

- Ensuring it undertakes a risk assessment where appropriate based on the individual circumstances of the household, and the landlord being able to demonstrate it has recognised, responded, and recorded its actions.
- Ensuring appropriate expertise, including independent surveyors, are engaged and that the landlord's actions in response to recommendations are reasonable, clear, and consistent.
- Ensuring decisions to defer repairs or respond with more limited repairs where major works are planned are reasonable and are justified on the basis of the landlord's obligations under the Landlord and Tenant Act, and not primarily on the basis of cost.
- Ensuring information provided to residents on the operation of windows, especially where new windows have been installed, is clear, comprehensive, and accessible.

They have also recommended that landlords consider whether residents who have not complained may be experiencing similar issues and risks.

- i. The Housing Ombudsman has launched a Call for Evidence to inform its forthcoming spotlight report, 'Repairing Trust,' which will delve into common issues in housing maintenance and explore ways to rebuild trust between landlords, contractors, and residents. The initiative comes in response to a significant increase in complaints regarding disrepair, coupled with escalating costs and a shortage of skilled workers, which the Ombudsman says have critically impacted residents' safety in their homes. The Call for Evidence aims to gather insights from a broad spectrum of stakeholders, including residents, repair operatives, landlords, contractors, MPs, and councillors. This marks the first time MPs and councillors are explicitly invited to contribute, acknowledging their role in representing constituents' concerns about housing repairs. Over the next 12 weeks, the Ombudsman will conduct fieldwork, meeting with landlords and residents across the country, including Liverpool, Cornwall, and London, to gather first-hand accounts and experiences. Submissions can also be made via the Housing Ombudsman's website until Friday 25 October.

Developments that may impact tenants

- j. The Chancellor announced in her formal statement that the government would retain the triple lock but would remove Winter Fuel Payments from all pensioners apart from those receiving means tested benefits such as Pension Credit. This move is estimated to save around £1.5bn by removing payments to around 10 million pensioners and shows how vital it is that pensioners claim all that they are eligible to receive. Local Authorities and other organisations will play a crucial role in getting these people the help they deserve. The Chancellor further announced they would bring forward plans to merge Housing Benefit and Pension Credit to streamline administration and boost take up. This is expected to lead to Pension Credit having a 'housing element' included to support the phasing out of Housing Benefit.

They also confirmed that they will be changing the way the Minimum Wage is set so it keeps in line with the cost of living. The Low Pay Commission (LPC) will factor the cost of living when deciding the rate of the Minimum Wage and Living Wage, in a move to put more money in working people's pockets. Steps will also be taken

towards making rates the same for everyone, regardless of age, by narrowing the gap between the National Minimum Wage, for 18–20-year-olds, and the National Living Wage. In addition to the cost of living, the remit of the LPC will continue to consider the impact on business, competitiveness, the labour market, and the wider economy.

- k. More than four out of five councils have warned that they expect demand for welfare support to increase over winter, just as the Household Support Fund (HSF) is due to end in September. The fund helps people struggling to buy food, pay bills and cover other essentials and the Local Government Association (LGA) is calling for it to be extended for at least six months to avoid an impending ‘cliff-edge’ in support. In an exclusive LGA survey, the vast majority of councils who responded (94%) said the fund should continue, while nearly 60% said they would not be able to provide any additional funding for local welfare assistance if the fund came to an end in September and only 1% said they would be able to match the lost funding. Over four fifths of respondents (84%) expect demand for welfare assistance to increase over the winter months, while just over two-thirds (67%) reported that local welfare funding, which is administered by councils, would decrease if the Household Support Fund (HSF) was withdrawn. Beyond the next six months, more than three-quarters of councils said that a successor scheme should replace HSF from March 2025. Going forward, the LGA is calling for longer-term funding settlements, a focus on crisis prevention and reducing dependency, and greater flexibility to decide how the funding is spent.

Climate Change

- l. Ed Miliband MP has been appointed as Secretary of State at the Department for Energy Security and Net Zero (DESNZ). In a note to his staff, he stated how they would be at the heart of the government’s mission to make Britain a clean energy superpower with zero carbon electricity by 2030. He outlined that he felt their priorities as a department are to:
- boost energy independence and cut bills through clean power by 2030
 - create Great British Energy
 - upgrade Britain’s homes and cut fuel poverty through their Warm Homes Plan
 - reframe the energy system for consumers
 - create good jobs in Britain’s industrial heartlands including a just transition for industries based in the North Sea
 - and lead on international climate action

Ex-Climate Change Committee chief executive Chris Stark has also been appointed to head up a new “Clean Energy Taskforce” looking at delivering on Labour’s election promise of clean green energy and a decarbonised grid by 2030. Stark is highly respected in the energy sector, but many have expressed concerns at the ambitious target. Simon Evans from Carbon Brief recently posted on LinkedIn: *“One of the new Labour government’s key manifesto pledges is to reach “zero-carbon electricity” by 2030. While this target is seen as extremely ambitious, the UK has already made significant progress in slashing fossil fuels while rolling out renewable power. Under the Conservatives, coal power has already been all but phased out, falling from 40% of electricity generation in 2012 to near-zero in 2024, just 12 years*

later. To meet its target, Labour will need to phase out unabated gas twice as fast, from 29% in 2024 to near-zero in 2030.”

- m. The Government has confirmed that landlords will have to meet an Energy Performance Certificate (EPC) rating of Band C by 2030, pledging to work with social housing providers to meet the goal. Last week Miatta Fahnbulleh MP (Minister for Energy Consumers) at DESNZ confirmed the news in response to a question in Parliament. Following this, a spokesperson from the DESNZ has told Inside Housing that the Government would work with social housing providers and local councils to bring in “green upgrades.” They said this will be done via the Warm Homes Plan, with further details to be set out “in due course.”

Research and Campaigns

- n. Dame Kate Barker has written a public memorandum to the incoming Housing Minister setting out the initial recommendations of the Radix Big Tent Housing Commission of which she is chair. Among the recommendations made is to recognise the “critical role” of institutional investment into housing, and to reform the current system of developer contributions through S106 and CIL (Community Infrastructure Levy) rather than implementing the Infrastructure Levy. The Commission’s initial recommendations to the housing minister include:
- Reinststate the National Housing and Planning Advice Unit (NHPAU).
 - Establish a cross-departmental Implementation Unit at the Cabinet Office that has the strategic leadership responsibility and ability to ensure policies are fully adopted across government departments and enable them to work with key stakeholders, for example the Bank of England and financial and utility regulators.
 - Streamline existing funding pots and processes. In particular, the Government could replace the “wasteful and divisive” short-term competitive funding model for small pots with longer term, needs-based funding formulae.
 - Enable public land to be used more effectively for housing. This should include modernising the legislation and General Consent orders for local and combined authorities, Homes England, and other public bodies to ensure ‘best consideration’ achieves the optimal use of public land, reflecting policy requirements such as housing with below-market rents for key workers.
 - Restore a more effective mandatory approach to Strategic Planning at the sub regional/city region scale to support the plan-led system.
 - Establish a new strategic planning team within the Ministry for Housing, Communities and Local Government (MHCLG) that can work across other teams within the Department.
 - Establish a comprehensive network of spatial planning teams in each combined authority, county, and amalgamation of unitary authorities. These teams should boost skills, capacity and resources across all planning teams and aim to integrate across the wider functions of local government.
 - Significantly boost the supply of small and medium sites and delivery by SME and community-led developers.
 - Commission an independent review of the Metropolitan Green Belt.

- Rethink the role of Homes England as a master developer potentially working with Development Corporations.
- o. The Local Government Association (LGA) is urging the Government to implement five-year local housing deals by 2025, after publishing a new report that projects this strategy would deliver 200,000 additional social homes over the next 30 years. The LGA argues that consolidating funding from multiple national housing programmes into a single, ring-fenced pot through five-year local housing deals would reduce administrative burdens, provide long-term funding certainty, and enable local authorities to plan and deliver housing projects more effectively. The report concludes that this model would lead to more consistent housing completions and significant cost savings. It also says that implementing the five-year deals would yield further substantial socioeconomic benefits. The construction of additional social homes would decrease government spending on emergency housing and homelessness services, reduce the housing benefit bill, and increase tax revenues through heightened economic activity in the construction sector. The findings suggest a programme of consecutive minimum five-year housing regimes is estimated to deliver net socioeconomic benefits worth £31 billion in today's prices over 30 years.
- p. The LGA and the British Property Federation have launched a call for evidence into how the current level of institutional investment in affordable housing might be expanded to increase the supply of new affordable housing. The LGA states: *“Institutional investors already play an important role in funding new affordable housing, working with developers, registered providers and councils to deliver these vital homes”*. The consultation seeks to hear from all stakeholders across the sector including institutional investors, registered providers, councils, and charities about how the current system works to “deliver on their fiduciary duties and any wider social goals through affordable housing.” The call for evidence closes on Friday 13 September.
- q. Updated statistics and data from the English Housing Survey for 2022-2023 have been published regarding housing quality and condition, energy efficiency, tenant satisfaction, security of tenure, and affordability. The key takeaways were as follows:
- In 2022-23, 15% of dwellings (3.7 million homes) did not meet the Decent Homes Standard. This includes 10% of social rented homes, the lowest among the tenures, compared to 14% of owner-occupied homes and 21% of private rented homes. Both social rented and owner-occupied dwellings saw a decrease in non-decent homes compared to 2019.
 - The incidence of damp in dwellings increased to 4% in 2022 from 3% in 2019. Damp problems were more common in private rented homes (9%) compared to social rented homes (5%) and owner-occupied homes (2%).
 - The average Standard Assessment Procedure (SAP) rating for English dwellings increased to 67 points in 2022-23, up from 45 points in 1996. The social sector had the highest mean SAP rating at 70, with owner-occupied homes at 66 and private rented homes at 65.
 - The proportion of dwellings in the highest energy efficiency rating bands (A to C) rose from 19% in 2012 to 48% in 2022-23. The social rented sector saw the largest increase over that period, from 36% to 70%. In comparison, 46% of owner-occupied homes and 43% of private rented homes were in band D,

with the private sector having higher proportions in the lowest bands (3% in F and 1% in G).

- 77% of social renters were satisfied with their current accommodation, lower than private renters (81%) and owner occupiers (94%).
 - 74% of social renters felt secure in their tenancies, significantly higher compared to 58% of private renters. Social renters typically have longer tenancies, with 38% having lived in their current home for over 10 years, compared to 18% of private renters.
 - In 2022-23, 29% of private renters and 27% of social renters reported difficulty in affording their rent, highlighting ongoing affordability issues. A higher proportion of social renters (60%) receive housing support compared to private renters (25%). On average, private renters spend a higher proportion of their income on housing costs (34%) compared to social renters (27%). The rising cost-of-living was shown to have exacerbated affordability issues, with significant proportions of both private and social renters indicating that they have had to cut back on other essentials to meet their housing costs.
- r. Crisis has called for the Government to establish a centralised Unit for Ending Homelessness that is backed by the Prime Minister and sits at the heart of the government. It states that the Unit could unite different departments to develop a cross-government strategy to tackle all forms of homelessness and support the government on its pledge to deliver a generation of new affordable and social homes. The calls come following the release of a National Audit Office report criticising the effectiveness of the last government in tackling homelessness, and the 2022/23 English Housing Survey, which showed that 193,000 households (4%) in the private rented sector and 319,000 households (8%) of renters in social housing said they experienced homelessness in the last few years. Francesca Albanese (Executive Director of Policy and Social Change) at Crisis, said: *“With homelessness at record levels, and the numbers expected to rise even more, we can’t delay progress to tackle this scandal any longer. A perfect storm of sky-high rents, a dire shortage of affordable housing and increased living costs are pushing more and more people to the brink. While councils are doing all they can to support struggling households, operating under this level of pressure is not sustainable. It’s critical that the Westminster government urgently establish a homelessness unit to work across all departments. Alongside this, we need clear plans on how it will deliver the social housing we need and properly fund local authorities, so that everyone can have a safe and stable home.”*
- s. The Institute for Fiscal Studies (IFS) has published its annual report on poverty and living standards in the UK. The report finds that between 2021–22 and 2022–23, median household income before housing costs (BHC) fell by 0.5%. As a result, median income in 2022–23 was 1.6% lower than in 2019–20. This is equivalent to a fall of 0.6% per year, the same rate of change as seen between 2007–08 and 2011–12, following the global financial crisis. In particular during the pandemic and cost-of-living crisis (2019–20 to 2022–23), poorer households’ incomes stagnated while middle- and high-income households saw smaller falls.
- t. New research from the IFS also shows that housing growth in England has generally kept pace with population increases over the last 25 years but highlights that there are significant mismatches between where homes are built and where they are

needed. The IFS argues this misalignment, particularly acute in regions like London, underscores the urgent need for policy interventions to address regional disparities and ensure that housing supply meets local demand. The IFS found that housing supply responses have been notably weaker around major cities such as Liverpool and Bristol, limiting the ability of these urban centres to accommodate growing populations and economic activities. Areas that experienced a 10% increase in house prices saw only a 1.4% boost in housing supply. Constraints on land use and planning regulations are highlighted as the key determinants of this weak responsiveness, with policies restricting development in Green Belt areas and other designated zones contributing to higher housing prices and limited supply.

The IFS says the Government faces the challenge of not just increasing the number of homes built but also improving strategic planning to ensure they are constructed in areas where they are most needed. It argues that significant reforms in land-use policies are required, with the IFS urging policymakers to:

- Re-evaluate Green Belt restrictions, particularly around major cities, to allow for more development while still preserving essential green spaces.
 - Simplify and accelerate planning procedures to help reduce delays and uncertainty, encouraging developers to build more homes in high-demand areas.
 - Incentivise the redevelopment of brownfield sites, especially in urban centres, to increase housing supply without expanding into undeveloped land.
 - Implement more flexible land-use policies that can adapt to changing economic conditions and regional population growth patterns.
 - By addressing these constraints, the IFS says the Government can help moderate house price increases, particularly in high-demand areas like London, where real house prices could have risen by £21,000 less between 1996 and 2021 if the housing supply had been more responsive.
- u. The Resolution Foundation has published its latest Housing Outlook report which spotlights the critical issue of overcrowding within the social rented sector and calls for the construction of an additional 140,000 homes with four or more bedrooms to address the growing problem. The report shows that despite a significant increase in the total number of bedrooms across England (up by 13 million since the 1990s) overcrowding has not decreased and has worsened for certain groups, notably single parents, low-income renters, and ethnic minorities. The Resolution Foundation's findings indicate that around 850,000 families in England are currently living in overcrowded conditions, with the issue being most acute in the social rented sector where 9% of all households are overcrowded. The Foundation's analysis also highlights that over 70% of homes are currently under-occupied, with a large proportion of single pensioners living in homes with spare bedrooms. However, the report asserts that efforts to encourage a substantial portion of the population to downsize are impractical and unlikely to yield significant results.

Legal, Finance and Audit Updates

- v. A consortium including NatWest, British Gas and Places for People is piloting a new financial model aimed at retrofitting up to 1,000 social homes with energy efficiency upgrades and low-carbon heating. The initiative, led by Pineapple Sustainable

Partnerships, will offer social landlords streamlined access to affordable funding and expert guidance on improving energy performance. The project seeks to quantify environmental, health and financial benefits for residents, with the goal of creating a scalable, commercially viable model that can be adopted across the social housing sector. The Minister for Energy Consumers endorsed the scheme, saying that improving energy efficiency in social homes will contribute to emission reductions and lower energy bills for residents.

- w. Four Local Government Pension Schemes (LGPS) have invested in an Affordable Housing Fund run by Octopus Investments. Avon Pension Fund, Gloucestershire Pension Fund, Devon's Pension Fund and Clwyd's Pension Fund are to invest £150m to deliver affordable homes. These investments also include co-investment strategies aimed at delivering affordable homes in specific geographic areas. Addressing the issue of high energy costs for affordable housing tenants remains a key goal of the fund. Through its affiliation with Octopus Energy, the fund aims to build energy-efficient homes to reduce residents' energy bills. This initiative aligns with LGPS funds' environmental targets while delivering substantial societal benefits by providing safe and secure housing for those in need. Jack Burnham, head of Affordable Housing at Octopus, highlighted the importance of local investment in housing: *"We know there are a number of locally interested investors looking for opportunities to deploy capital into funds that can provide specific social impact to their local areas. We are thrilled to be working with Avon, Gloucestershire, Devon, and Clwyd Pension Funds to help support them in delivering affordable homes in their areas, or in other regions across the UK."*
- x. Lloyds Banking Group has unveiled a new investment model that proposes to repurpose government funding towards building new social housing, while reducing the cost of providing housing benefits. The Social Housing Contract (SHC), detailed in a white paper released as part of the one-year anniversary of Lloyds' social housing initiative, would provide a payment to landlords additional to their rental payment linked to homes being made available for social rent. Lloyds says that this mechanism would increase the guaranteed revenue being paid to providers of social housing and increase the upfront private capital that can be raised to finance the development of new housing for social rent. It adds that the payments under the SHC would be spread through time which would allow for a transition in government subsidy from housing benefits to support the delivery of new housing supply without relying on upfront borrowing. Lloyds predicts that SHCs could save the government between £2,500 to almost £8,000 per household annually in reduced benefits, depending on the geography and household type. The bank has claimed that *"there is the potential for payments under the SHC to be cost neutral, on average, to government"* and deliver tens of thousands of new homes for social rent over 10 years. Lloyds also revealed plans to redevelop parts of its estate and announced an additional £200m of investment into the housing sector.
- y. A tribunal judge has ruled that London councils cannot recover costs for remedying structural defects caused by construction issues from leaseholders through service charges. This ruling emerged from a case brought by nine leaseholders of the Barley Mow Estate against Tower Hamlets Council which sought to recover part of the estimated £8 million needed to fix structural issues in two buildings. The judge, Elizabeth Cooke, determined that covenants to repair and maintain do not cover the

rectification of structural defects inherent from construction. This decision will have significant implications for leaseholders and landlords, potentially affecting future cases involving safety and structural repairs.

- z. The Chartered Institute of Public Finance and Accountancy (CIPFA) is to introduce a Code of Practice for the Governance of Internal Audit in UK Local Government. April 1 2025 is the proposed date of release and the code will apply to the governance of internal audit, being the responsibility of those charged with governance within a local government body. The code will mirror the same objectives as essential conditions set out in the new 'Global Internal Audit Standards' but will be more targeted for UK local government.

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