

# Briefing Note

**Committee name: Cabinet Housing Committee**

**Date: 13 November 2024**

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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.

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## Government Strategy and Announcements

- a. In advance of the Autumn Statement, the Deputy Prime Minister and Housing Secretary, Angela Rayner MP, provided a written statement to Parliament confirming several housing policies. The announcement included:
  - An immediate one-year cash injection of £500 million to top up the existing Affordable Homes Programme (AHP). Rayner stated that the additional funding comes ahead of the Government's full Housing Strategy, which is due in Spring 2025.
  - A consultation "*on a new 5-year social housing rent settlement... [which] will also seek views on other potential options to give greater certainty, such as providing a 10-year settlement*". The 'Future Social Housing Rent Policy' will run until the 23 December 2024. The consultation explains that the government intends to introduce a framework for social rent policy over a minimum five-year period, allowing for annual rent increases of up to CPI (Consumer Price Index) plus 1%. The proposal includes the potential for a five- or ten-year rent settlement to ensure stability and predictability for social housing providers. The consultation also seeks views on the draft Direction that would require the Regulator of Social Housing (RSH) to set rent standards for all registered providers, encompassing both private providers and local authority landlords.
  - Confirmation "*that councils will be able to retain 100% of the receipts generated by Right to Buy (RtB) sales*" and that the budget will "*set out how Right to Buy discounts will be reduced to protect existing social housing stock to meet housing need*". ([See e for further developments on RtB](#))

- b. The Chancellor, Rachel Reeves MP, presented her Autumn Statement on the 30 October. Key headlines from the budget included:
- A target of £40 billion in tax rises have been announced with increases in Capital Gains Tax, changes to the non-dom tax regime, increases in windfall tax on oil and gas profits, and the introduction of VAT on private school fees announced.
  - The biggest tax raising measure will be from employers' National Insurance contributions, which will rise from 13.8% to 15% from April 2025. This is expected to raise £20bn a year annually. In addition, the threshold at which businesses start paying National Insurance on a workers' earnings will be lowered from £9,100 to £5,000. There is some mitigation through an increase in the Employment Allowance from £5,000 to £10,500, which the Chancellor says will mean 865,000 employers won't pay any National Insurance at all next year.
  - Income tax and National Insurance thresholds will rise in line with inflation from 2028-2029. The threshold freeze has been in place since 2022. The Chancellor said: *"I have come to the conclusion that extending the threshold freeze would hurt working people. It would take more money out of their payslips."* When personal tax allowances and thresholds don't rise with inflation or wages, the amount people can earn tax-free, or at a lower rate, falls behind. As wages tend to rise over time the number of taxpayers in higher rate bands increases.
  - A 6.7% raise in minimum wage from April 2025, with hourly rates for over-21s set to go up to £12.21 an hour. In addition, the National Minimum Wage will rise for people aged between 18 and 20-years old from £8.60 to £10. Apprentices will get the biggest pay bump, with hourly pay increasing from £6.40 to £7.55.
  - The current 75% discount to business rates - due to expire in April 2025 - will be replaced by a discount of 40% - up to a maximum discount of £110k. This means that many businesses will see their business rates nearly double (rather than quadruple).
  - The Chancellor has committed to making billions of pounds of cuts to disability and incapacity benefits. She says she will proceed with the work of the previous government to reform the work capability assessment, which is used to determine what work-related conditions a disabled person must meet to keep getting their benefit. It's part of Labour's promise to support more disabled people to work. Reeves didn't give any details on what the changes will look like, but a consultation by the Conservatives last year suggested plans to change the way the assessment scores new claimants.

In addition to the measures already announced by Rayner ([see item a](#)), of particular note for the housing sector:

- The Ministry of Housing, Communities and Local Government (MHCLG) agreed a funding settlement of £12.6 billion in 2025-26, equivalent to an annual average real-terms growth rate of 9.7% from 2023-24 to 2025-26.
- The Government will set out details of future grant investment beyond the current AHP at the Spending Review in the Spring, aiming to *"support greater investment in new affordable housing from social housing providers"*. It pledged that investment would run for at least the duration of this Parliament,

and “*will support a mix of tenures, with a focus on delivering homes for social rent.*”

- An investment of £1 billion in 2025-26 to extend the Household Support Fund in England and Discretionary Housing Payments in England and Wales and a new Fair Repayment Rate to cap Universal Credit (UC) repayments at 15% of the standard allowance, benefiting 1.2 million households by allowing them to retain more of their UC each month. The Government had previously announced a £421m extension to the Household Support Fund (HSF) (which was due to end on 30 September) until April 2025. The fund enables Local Authorities across England to help those struggling with the cost of energy, food, and water. The Government confirmed that it is exploring options around how best to provide sustainable support to vulnerable households in the longer term while the ministerial Child Poverty Taskforce develops “*an ambitious strategy to tackle the root causes of poverty.*”
  - £46 million of additional funding “*to support recruitment and training of 300 graduates and apprentices into local planning authorities*” to accelerate large developments stuck in the system and “*boost and upskill local planning authority capacity to deliver the Government’s wider [housing] agenda.*”
  - An investment of over £1 billion in building safety and accelerating remediation of unsafe housing by 2025-26. This includes new investment to speed up remediation of social housing.
  - An initial £3.4 billion towards heat decarbonisation and household energy efficiency over the next three years as part of the Warm Homes Plan. This includes £1.8 billion to support fuel poverty schemes and increased funding for the Boiler Upgrade Scheme in England and Wales this year and next. It also committed to “*providing funding to grow the heat pump manufacturing supply chains in the UK to support the plan.*”
  - An increase in the Higher Rates for Additional Dwellings (HRAD) surcharge on Stamp Duty Land Tax (SDLT) from 3% to 5%. This applies to second homes, buy-to-let residential properties and companies purchasing residential property, with the aim of giving first-time buyers and those purchasing a primary residence a comparative advantage.
  - Additional funding of £233 million allocated to homelessness services, taking total spending to £1 billion in 2025-26.
  - £47 million of funding to support the delivery of up to 28,000 homes that would otherwise be stalled due to nutrient neutrality in affected catchments. Nutrient neutrality is a requirement for new housing developments in areas with protected habitats sites that are affected by nutrient pollution.
- c. The first Labour Party conference since their election took place between September 28 and October 1. Housing was a core issue at the Conference, key messages for the housing sector included:
- Sir Keir Starmer MP revealed his intention to exempt veterans, young care leavers and victims of domestic abuse from the local connection or residency test. In his keynote address, he said: “*Homes will be there for heroes. They will have the security they deserve. They will have a roof over their head because Britain belongs to them.*”
  - Starmer also promised planning reform, including the introduction of new brownfield planning passports that would be more specific about the

development that should be regarded as acceptable on brownfield sites, with the default answer to suitable proposals being a straightforward “yes.”

- Angela Rayner MP emphasised the Government’s commitment to addressing the shortfall of social housing, saying: *“Unless we address the social and council housing problem in this country, then we’re really not going to get to the root problem of the housing crisis for everybody. I actually think it’s a moral mission with the Labour government to recognise the problem and to build the social housing we need. I’ve been honest about not putting a figure on that today, because there’s a lot of moving parts within that. But hopefully at the spending review, you’ll see that this government is really serious that we’re going to build those houses we desperately need.”*
  - It was confirmed that there will be a third and rebranded wave of the Social Housing Decarbonisation Fund (now known as the Warm Homes: Social Housing Fund), as well as a new local authority retrofit scheme (known as the Warm Homes: Local Grant). In a change to the bidding process from earlier waves of the SHDF, all applications that meet the minimum requirements of the new scheme will be awarded funding. Ed Miliband MP also reiterated Labour’s commitment to raising energy efficiency standards across the social housing sector. He said that legislation was being introduced to ensure all social homes in England meet an Energy Performance Certificate (EPC) rating of at least C by 2030.
  - The Government has confirmed that it will introduce Awaab’s Law in the social rented sector this autumn. This legislation will set legally binding timescales for landlords to investigate and remedy hazards such as damp and mould in tenants’ homes. The Government has also committed to extending these protections to the private rented sector, helping tenants across both sectors secure quicker repairs and improved safety standards.
  - The Government will consult on a new Decent Homes Standard for social and private renters. The consultation, which will launch as soon as possible, will look to ensure safe, secure housing is the standard people can expect in both social housing and private rented properties.
  - Andy Burnham called for a ‘Grenfell law’ to *“enshrine in UK law the right of all UK citizens to live in a good, safe, secure home”*, and for the return of mandatory council representation on housing association boards.
- d. Social landlords in England will be permitted to raise rents by a maximum of 2.7% for the 2025-26 financial year, following the Consumer Price Index (CPI) rise of 1.7% in the year to September 2024, with the current rent settlement of CPI +1% in place until April 2026. The Office for National Statistics said the CPI figure for September is 1.7%, lower than expected by analysts. This figure is down from 2.2% on August and is the lowest CPI figure since April 2021.
- e. Following the budget the Ministry of Housing, Communities and Local Government (MHCLG) published the findings of its review on Right to Buy (RtB) discounts. The policy paper concludes that: *“Returning RtB discounts to pre-2012 levels provides a fairer and more sustainable scheme, balancing tenant opportunities for homeownership with councils’ ability to retain housing stock for future need.”* The review makes the following conclusions and policy decisions:
- In a bid to balance tenant access to homeownership with protecting council housing stock, the Government will reinstate the pre-2012 regional RtB

discount caps. This move is projected to decrease annual sales by approximately 25,000 over five years, ultimately resulting in a net increase in social housing stock. The maximum discount will revert to regional levels, such as £38,000 in London and lower amounts in other regions, aiming to better reflect local housing markets.

- Councils will no longer be required to remit a portion of RtB sales receipts to the Treasury, allowing local authorities to retain all sales proceeds for reinvestment into social housing. This move, according to MHCLG, will help councils keep up with housing demands and ensure that sold properties can be effectively replaced.
- The Government will extend the cost floor period from 15 to 30 years. It says that this adjustment will help safeguard councils' investments by ensuring that any RtB purchase price does not dip below the council's outlay for building or maintaining the property, further discouraging rapid turnover and speculative resale.
- Following the publication, the Government will launch a public consultation on broader RtB reforms, seeking feedback on policies to support the sustainability of the RtB programme, while protecting new build stock and encouraging councils' capacity to replace sold properties effectively.

The new discount levels will come into effect on 21st November, following the laying of secondary legislation.

- f. The Minister of State for Housing and Planning, Matthew Pennycook MP, has written to Homes England's Chair, Peter Freeman, to set out his priorities for the Agency in their role delivering housing and regeneration across England. A Chair's letter is issued annually to ensure there is a clear set of expectations communicated to Homes England's leadership. This letter includes 7 priority areas of focus to support delivery of the new homes which sit alongside Homes England's overarching objectives, which the government will articulate in its' forthcoming long-term housing strategy:
- To urgently address the reduced rates of housebuilding to deliver the 1.5 million new homes target by doing everything in its power to accelerate development and increase delivery in 2024/25. This will require an increase in the Agency's offer and role as master developer, better leveraging of funding programmes, a greater willingness to utilise the existing powers available to it (including the rarely used compulsory purchase power), and to work quickly with the Department to implement the Public Bodies Review's conclusions on streamlining processes including the securing of required financial flexibilities and increased delegations from HM Treasury.
  - To continue to provide appropriate support to the New Homes Accelerator to speed up delivery on large sites that are stalled or building out too slowly. This activity will also extend to new sites where Homes England are not currently involved, but where Homes England support has been identified as the best lever to accelerate delivery.
  - To continue to support the Department's work on new towns and other major schemes by providing expertise and advice to the New Towns Taskforce where required and more actively leading place-based delivery. As well as the above, the Agency should continue to support new settlements and urban extensions already in train through funding programmes.

- To reflect the high priority the government attaches to social and affordable housing by taking steps to ensure that the Agency is maximising the number of social rent homes delivered through the allocation of remaining Affordable Homes Programme (AHP) funding and support plans for a future programme (details of the future AHP are not expected until Spring 2025).
  - To support the reform and diversification of the housing market by continuing to support efforts to grow the SME (small and medium-sized enterprise) and Build to Rent sectors (including developing new finance opportunities and increasing SME access to Homes England sites and services); increase the adoption of mixed tenure delivery; support the self and custom build and community-led housing sectors; boost productivity through the uptake of MMC; and attract institutional investment into UK residential real estate.
  - To continue to focus on achieving best value for money for the taxpayer and ensure that the Agency drives efficiencies and prioritises resources. This should include the rapid implementation of a new Target Operating Model to ensure Homes England has a sustainable, regional, and place-based operating model to reflect the shifting focus to delivering successful placemaking and align with our wider devolution agenda.
  - To work with the Department to make the case for an ambitious package of housing interventions at the Budget and Spending Review.
- g. The Government has announced plans to build thousands of new homes on disused brownfield sites, with a £68 million funding boost aimed at unlocking land for development. The funding, which will be distributed to 54 councils across the country, is expected to pave the way for 5,200 new homes. The funding will support councils in converting neglected land, such as former car parks and industrial areas, into residential developments. By covering the costs of decontaminating and clearing these sites and improving infrastructure like internet, water and power, the Government hopes to make these areas ready for construction.
- h. The UK impact investment sector has announced £550 million in new investments. These funds will be used to help build tens of thousands of homes across Britain, including at least 5,000 homes aimed at addressing social inequality. The investment from three investment funds, Schrodgers, Man Group and Resonance, underpins its drive to foster public-private partnerships to drive meaningful impact across the country. Further details of the investments are as follows:
- Schrodgers has confirmed a new £50m allocation from Homes England, into its recently launched real estate impact fund. The fund, which has an initial target of raising £200m with the aim of ultimately delivering 5,000 homes to address social inequality and deliver an appropriate financial return to investors, expects to make its first investments before the end of 2024. It is focused on helping to deliver more social and affordable housing, regenerate town centres and invest in social infrastructure.
  - Man Group has announced a further £100m investment to deliver affordable and environmentally sustainable housing for key workers across England, with 90% of homes to be designated as affordable housing.
  - Resonance has announced an expected 300% increase in investment – from £79m to £250m - into its initiative to tackle homelessness. It directly channels investment into residential property to help create pathways out of Temporary

Accommodation for individuals and families.

- i. Rushanara Ali MP, the building safety minister, confirmed in a statement to parliament on 2 September that plans for residential PEEPs (personal emergency evacuation plans) would be brought forward by the Home Office in the autumn. Under the plans, residents with disabilities and impairments will be entitled to a “person-centred risk assessment” to identify appropriate equipment and adjustments to aid their fire safety or evacuation.

### Regulator of Social Housing (RSH)

- j. The RSH has issued its first C4 rating to Newham Council. The report states that the council’s stock had “very serious health and safety issues,” with thousands of high-risk fire safety actions and repairs outstanding, and at least 20 per cent of its 16,000 homes not meeting decent living standards. Kate Dodsworth, Chief of Regulatory Engagement at RSH, said: *“The breadth and scale of these failings, including very serious health and safety issues, pose an unacceptable risk to tenants’ well-being. Taking accountability is a critical part of the co-regulatory approach and it is extremely concerning that, despite the gravity of these failings, the landlord failed to refer themselves to us over key issues. We are now engaging intensively with Newham as they work to resolve these issues. While we are not proposing to use our enforcement powers at this stage, this will be kept under review.”* At the other end of the scale Barnsley Metropolitan Borough Council became the first Local Authority to receive the highest C1 rating in partnership with its ALMO, Berneslai Homes.

### Housing Ombudsman

- k. The Housing Ombudsman (HO) has released its’ latest insight report which analyses complaints received from shared owners between July 2023 and June 2024. The HO report shows that the proportion of complaints it received each year from shared owners is the same proportion as the percentage of social housing that is shared ownership – 6%. However, the latest data from HouseMark reveals that average satisfaction amongst shared owners with their landlord overall was 57%, compared with 83% for social rented tenants. This echoes a report on shared ownership published in March 2024 by the Levelling Up, Housing and Communities Committee which found little evidence that shared owners were aware of their right to escalate unresolved complaints to the HO. The top three shared owner complaint categories identified in the HO report were:
  - Complaint handling (266 complaints)
  - Property condition (193 complaints)
  - Charges (99 complaints)

The report identified six key learning areas for landlords around the sales process, defects, cladding, repairs, charges and acting as the managing agent for freeholder properties. It also sets out nine key tests that should be considered when investigating complaints from shared owners to improve fairness.

- I. In its latest severe maladministration report, the HO challenged the approach of eight landlords to moving residents temporarily. The Ombudsman said that landlords must learn how to better communicate to reduce stress and anxiety for residents during temporary moves, as well as ensuring that temporary moves are not delayed when conditions are hazardous. Housing ombudsman Richard Blakeway also took aim at the use of the term “decant,” which he described as “*crude, dehumanising and stigmatising language for what can be a difficult and emotional process for any person.*” Mr. Blakeway emphasised that providing temporary housing is a routine part of property management and stressed the importance of handling these situations correctly, given the costs involved, to avoid further distress and safeguard residents.

### Tenant Engagement

- m. Tpas, the tenant engagement body, has published an updated set of standards for social landlords, with the aim of “*setting a higher bar for tenant involvement and empowerment in the social housing sector.*” The revised standards challenge social landlords to go beyond mere regulatory compliance, advocating for a framework that fosters deeper tenant engagement and delivers better value for money. The updated standards are grouped into seven key areas: governance and transparency, scrutiny, business and strategy, complaints, information and communication, resources for engagement, and community and wider engagement.

### Research and Campaigns

- n. The Local Government Association (LGA) has published its response to the Government’s consultation on the National Planning Policy Framework. In its submission, the LGA highlights that planning permission is not a barrier to housebuilding, with local authorities approving almost nine in ten planning applications despite significant resourcing and capacity issues. It goes on to argue that councils and communities know their areas best and are well placed to make judgement decisions on how to manage competing demands for uses in their local areas through the local plan-led system, so national planning policy should remain suitably flexible to allow this. It called on the Government to:
  - Revoke permitted development rights without contributions to affordable housing and local infrastructure.
  - Allow councils to set their own planning application fees.
  - Reconsider the new Standard Method (which determines mandatory housebuilding targets).
  - Roll out five-year local housing deals by 2025.
  - Give councils the powers and flexibilities to use the Right to Buy scheme and receipts in their local area.
  - Review and increase the Affordable Homes Programme (AHP) grant levels per unit.
  - Strengthen Housing Revenue Accounts via a long-term rent settlement of at least 10 years.
  - Further invest in the Brownfield Land Release Fund and One Public Estate programmes.



- Bring forward further opportunities to utilise compulsory purchase powers.
  - Increase flexibility for local authorities in the use of Community Infrastructure Levy (CIL).
- o. In its submission to the Treasury ahead of the Autumn Budget, the LGA said that the Government needs to take immediate steps to stabilise council finances and protect vital local services. LGA analysis shows that due to inflation and wage pressures alongside cost and demand pressures, English councils face a £2.3 billion funding gap in 2025/26, rising to £3.9 billion in 2026/27, amounting to a £6.2 billion shortfall across the two years. It warned against any “disastrous” further cuts in the Autumn Budget and added that there is a growing risk of systemic financial failure with 18 councils reliant on being given Exceptional Financial Support by the Government in February to balance their books in 2024/25. It calls on the Government to give councils:
- A significant and sustained increase in overall funding that reflects current and future demands for services.
  - Multi-year and timely finance settlements.
  - General rather than ring-fenced grant funding, reduce the fragmentation of government funding and end the use of competitive bidding to allocate grant funding.
- p. The National Housing Federation and the Royal Institution of Chartered Surveyors aim to launch a new stock condition survey standard for social housing in 2025. Although housing associations currently carry out their own surveys, the NHF says that its members have been seeking a “*universal approach*” to streamline the collection and analysis of stock condition data. The new standard is intended to serve as a reliable tool for assessing the quality of homes and will support social landlords in making informed decisions about repairs and maintenance. The development of the new survey standard will involve collaboration with housing associations, as well as other sector organisations such as the National Federation of ALMOs and the Association of Retained Council Housing. Residents’ views will also be sought throughout the process to ensure their concerns and expectations are fully integrated into the new approach.
- q. The Ministry for Housing, Communities and Local Government (MHCLG) has published its latest statutory homelessness statistics for the financial year 2023-24, which show that compared to last year there has been a 92% increase in the number of households owed a prevention duty (if a person is threatened with homelessness, the local authority has a legal obligation to help prevent it) and a 79.2% increase in those owed a relief duty (where a person is already homeless the local authority has a legal obligation to help them secure accommodation for at least six months). It also shows that there is a higher concentration of households with children in temporary accommodation (TA) in areas such as London, where they are most likely to be housed in nightly paid self-contained accommodation. The statistics show that over a fifth of households with children in TA had been there 2-5 years, and a further fifth had been there for over 5 years. Following the release of the statistics, homelessness charity Crisis has once again called on the Government to commit to building 90,000 social homes every year “*so it can start to deliver on its aspirations to tackle homelessness and end the damage it does to people’s lives*”.

These statistics followed an Inside Housing survey that revealed 80% of homelessness workers feel at risk of burnout with the vast majority struggling to help people find housing, as demand for services soars. More than 1,000 frontline employees contributed to the survey and 93% of respondents said they found it difficult or very difficult to find suitable accommodation for people accessing services.

- r. A new survey conducted by the District Councils Network (DCN) found that planning departments have the worst staff shortages across councils, with 84% experiencing recruitment and retention issues. The survey also found that almost a third of councils had experienced staff shortages in teams working to prevent homelessness.
  
- s. The latest Government data shows that 123,000 households across England, Scotland and Wales had their benefits capped as of May. This was up by 61%, or 46,000 more households since the previous quarter. 87% of households which had their benefits capped (110,000 households) included children. Of these, 92% (98,000 households) had between one and four children, while 8,900 or 8% had five or more children. The Department of Work and Pensions (DWP) said this coincided with the annual benefit uprating and the local housing allowance uprating which happened in April. A Government spokesperson responded: *“This is another example of the dire inheritance this Government faces – too many people are trapped on benefits. We are taking bold action to support people into work, through reforming job centres and giving local areas the power they need to tackle economic inactivity, which will boost their finances and reduce the likelihood of being impacted by the cap. We are committed to supporting low-income families and our ambitious strategy along with a £421 million extension to the Household Support Fund will ensure we can drive down poverty in every part of the country.”*

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