

Briefing Note

Committee name: Cabinet Housing Committee

Date: 19 February 2025

**Responsible officer: Claire Hughes, Director of Governance and Customer Services,
Claire.Hughes@cheltenham.gov.uk**

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 government has confirmed that Awaab's Law will come into force in October 2025, with the legislation expanding through a number of phases over the years that follow, to allow social landlords to fully prepare and test the enforcement methods for compliance.
 - October 2025 – landlords will be required to fix damp and mould hazards within fixed timescales and repair all emergency hazards within 24 hours
 - 2026 – the law will cover a wider range of hazards including excess cold and heat, structural collapse, fire risks and hygiene hazards.
 - 2027 – the law will apply to all remaining hazards within the Housing Health and Safety Rating System (HHSRS), excluding overcrowding.

Earlier in the month a government official speaking at the National Housing Maintenance Forum conference acknowledged that it had "*vastly underestimated*" the cost of implementing Awaab's Law. They revealed that the Ministry of Housing, Communities and Local Government (MHCLG) had received over 1,000 responses to its consultation on the legislation.

The announcement has been met with some concerns, with Shelter warning that delaying the full legislation until 2027 could lead to tenant deaths and the Local Government Association (LGA) calling on the government to provide adequate funding to help councils reach compliance with the new requirements. The Housing Ombudsman has also warned that landlords should not wait until the legal deadlines to act.

- b. The Renters' Rights Bill has successfully passed its' first stage in the House of Commons, and began review by the House of Lords on 15 January. The bill aims to improve the current private rental system to provide greater security and stability so renters can stay in their homes for longer, build lives in their communities and avoid the risk of homelessness. The reading in the House of Commons led to a number of amendments, including:
- Landlords will no longer be able to demand multiple months' rent in advance as a condition for securing a home. There is currently no limit on how much rent a landlord can request upfront, and some renters are being asked to pay up to a years' worth of rent, amounting to thousands of pounds before even agreeing a tenancy.
 - A new rule to protect students which will stop tenants from feeling pressured to sign a lease for a new house so early into an academic year, discouraging landlords from pressuring students into early commitments. Students will no longer be locked into an agreement more than six months in advance of moving in
 - Closing potential loopholes in rent repayment orders (RROs), ensuring superior landlords can be liable for RROs if an offence has been committed even if the rent was not paid directly to them, but through an agent or intermediate landlord.
 - Fees paid by landlords will directly fund the creation and work of the private rented sector Ombudsman, providing renters and landlords with access to an effective and fair dispute resolution service.
- c. The government has announced an additional change to the Right to Buy (RtB) cost floor rule. This rule reduces the discount buyers receive if the home has recently been purchased or built by the landlord, or if they have spent money on repairing or maintaining it. Where the cost floor is higher than the sale price or higher than the market value, the discount amount is adjusted. For all RtB applications before the 21 November 2024 this was reviewed over a 10-year period (or 15-years for homes build or acquired by the landlord after 2 April 2012). Going forwards the cost floor will be considered over a 30-year period instead (except for assured tenants of registered providers buying under the Preserved Right to Buy legislation which is always considered over 15-years, regardless of when it was built).

Housing Minister, Matthew Pennycook MP also confirmed in response to a written question that 65% of Right to Buy (RtB) receipts must be used for replacement social housing, while the remaining 35% can be spent on any capital purpose by local authorities. The Chancellor had announced in 2024's Autumn Budget that councils no longer need to return any portion of RtB receipts to central government, allowing them to retain full control over sales proceeds. Pennycook's response clarifies that approximately two-thirds of these receipts are ringfenced for replacement social housing to ensure councils reinvest a significant proportion into maintaining and expanding affordable housing stock. Further reforms to the RtB framework are being considered following consultation.

- d. At the end of January the Government published a new white paper outlining proposals to streamline the infrastructure planning system for Nationally Significant Infrastructure Projects (NSIPs) in England. The white paper seeks to facilitate the construction of 1.5 million homes during the current Parliament, improve economic

growth and improve progress on clean energy targets. The white paper sets out legislative changes to the Planning Act 2008 and stakeholders have been encouraged to provide feedback on the proposals, which will inform the forthcoming Planning and Infrastructure Bill.

- e. The government has announced plans to empower local councils across the country to buy cheaper land through the use of Compulsory Purchase Orders. The proposed changes mean that local authorities and other public bodies, including Homes England, will be able to directly take control of vacant and derelict land from landowners paying a fair price rather than inflated 'hope value' costs if the purchase is in the public interest. 'Hope value' estimates the cost land could be worth if developed on in the future which can lead to lengthy disputes. The proposed changes are now being consulted on and include proposals that aim to speed-up decision making, reduce the cost of the process and ensure the compensation paid to landowners is fair. The consultation will close on 13 February with responses used to inform the forthcoming Planning and Infrastructure Bill.
- f. The government have also launched a 12-week national consultation on land use to ensure that the delivery of 1.5 million homes and essential infrastructure aligns with food security and environmental priorities. The Land Use Framework will be published as part of the Plan for Change later this year and will aid decision-makers through the use of advanced mapping and spatial planning to guide local and national policies. The consultation will seek input from farmers, landowners, businesses and environmental groups.
- g. The government consultation on the rent settlement ended on the 23 December and, whilst feedback is still being analysed, some key initial messages have emerged from the responses:
 - A 10-Year Rent Settlement: the current proposal for a five-year CPI+1% rent settlement is welcomed but considered insufficient to provide the long-term stability required by the sector. It has also suggested that this settlement should be enshrined in law which would mean any changes to the policy would require approval in parliament and provide an opportunity for scrutiny and debate.
 - Reintroduction of Rent Convergence: the policy, which ended in 2015/2016 was intended to gradually align social housing rents to ensure people pay similar rents for similar properties (whilst remaining below market rates). It has been estimated that this could increase rent income by £11.6 billion for local authorities and £10.7 billion for housing associations over 10 years.
 - Holistic reviews of housing costs, funding mechanism and policy reform
 - Energy Efficiency Integration: it has been suggested that rents could be linked to energy efficiency of homes to incentivise retrofitting while ensuring tenants in less efficient homes do not bear disproportionately high utility costs.
- h. The government has removed UK Armed Forces veterans from local connection or residency requirements for social housing to increase their access to housing support regardless of where they have lived. The changes to the regulations will eliminate the five-year local connection requirement to address the unique challenges veterans face in establishing ties to specific areas.

- i. Following an evidence session on the 7 January the Chair of the Housing, Communities and Local Government (HCLG) Committee, Florence Eshalomi MP, wrote to Angela Rayner MP (Secretary of State for MHCLG). The letter raises concerns about:
- The continuing Local Housing Allowance (LHA) freeze and whether it will mean more families are unable to afford rent and contribute to increased homelessness. They asked whether an equality impact assessment had been carried out before the decision was made. They also asked if a broader impact assessment had been conducted on the LHA freezes and increased National Insurance (NI) contributions and the impact these will have on funding adult social care.
 - Further detail on the planned legislation the government is considering to increase the pace of building remediation and implement the Grenfell Inquiry recommendations, including the timetable for the legislations introduction. The letter also asked what action the government is taking to ensure the £600m pledged by developers towards remediation is actually delivered.
 - How many of the government's 1.5 million homes target will be wheelchair accessible and whether the provisions in the Equality Act 2010 to address the shortage of accessible housing will be implemented.
 - The committee also noted that no response had been received to its earlier report on the financial pressures on housing providers and risks undermining the sustainability of the sector.

The committee requested a response to the issues raised in the letter by 26 February.

- j. The HCLG Committee also recently launched a new inquiry into land value capture (LVC) and its potential role in funding essential public infrastructure and delivering the government's target of 1.5 million new homes. The inquiry will explore how policies that capture increases in land value can be reformed to better support affordable housing, local services, and infrastructure development. The inquiry will consider whether existing mechanisms such as planning permission, the Community Infrastructure Levy (CIL) and section 106 agreements are effective in capturing land value for public benefit. Written evidence can be submitted until the 5 March with public evidence sessions expected to begin later that month.
- k. In response to a written question Housing Minister, Matthew Pennycook MP, stated that the government will outline details of the next phase of investment to succeed the 2021-26 Affordable Homes Programme during the upcoming multi-year Spending Review due to be carried out in 2025. The Minister confirmed that the roles of local authorities, including unitary councils, in engaging with new funding for social and affordable housing are under consideration and will also be included in the Review.

Regulator of Social Housing (RSH)

- l. The Regulator of Social Housing (RSH) published its 2024 Global Accounts report in January revealing that social housing providers in England have been significantly impacted financially by substantial investments in repairs, maintenance and remediation work on existing homes. The accounts, which cover the period until 31

March 2024, showed that total expenditure on repairs and maintenance reached a record £8.8 billion, marking a 13% (£1 billion) increase from the previous year and a 55% (£3.1 billion) rise compared to the pre-pandemic level in 2020. This increased spending is attributed to a focused effort on improving tenants' homes, including fire remediation, building safety enhancements and energy efficiency measures. Despite this the sector also delivered 54k new social homes - a 3% increase on the previous year and surpassing pre-pandemic numbers. The financial pressure of remediation work is also shown in the underlying surplus, which has fallen from £2.2 billion to £1.6 billion – the lowest level since the RSH began collecting this data in 2018.

Will Perry, Director of Strategy at RSH, said: *“The sector as a whole has so far proven resilient as it grapples with competing financial pressures, managing to stabilise operating margins this year while investing record amounts on existing homes and building much-needed new homes. However, forecasts indicate this could become more challenging in the future as rising levels of debt and cost of capital, as well as sustained high levels of investment in existing stock, impact providers’ surpluses. As these challenges intensify, providers must monitor and mitigate risks, including alerting us of any material issues. We will take action if we have concerns about a landlord’s viability. We know that this continued close scrutiny is key to maintaining investor confidence, as well as protecting tenants and providing new homes across the country.”*

Housing Ombudsman

m. The Housing Ombudsman (HO) has published an evaluation of its Spotlight report on Knowledge and Information Management (KIM), assessing how 50 landlords have implemented recommendations and sharing practical examples of how others can also adopt these improvements. The original report, released in May 2023, made 21 recommendations. The evaluation sets out some of the key changes landlords have made in response to the recommendations, as well as the main areas where they have faced barriers or challenges. Key findings from the analysis includes:

- 26% of respondents said they were having issues accessing the information required to inform decision making, compared with 56% in the original survey in 2022
- Of these respondents, 81% said issues related to accessing information impacted on their ability to meet complaint handling timescales
- Most respondents cited poor quality or vague information, and databases not synchronising or talking to each other as the main barriers – both 19%
- 89% of those that had undergone system changes following the report had experienced positive improvements
- 80% of respondents reported that KIM was either very or quite important to their organisation.

The report comes as the Information Commissioner’s Office (ICO) have also launched a new campaign called the Ripple Effect campaign, aiming to help social landlords protect residents’ data. Recognising that residents are often at higher risk when data breaches happen the ICO have produced new resources and messaging to help frontline staff ‘stop the ripple effect’ and protect data. This includes best

practice around data handling, updating systems and minimising the risk of human error.

- n. The HO has published its latest report – ‘Learning from Severe Maladministration’. Based on 35 investigations, the report highlights systemic failings in how social landlords handle requests for essential home adaptations, with significant delays, poor communication with vulnerable residents, and failures to comply with Equality Act 2010 obligations. The report concludes that social landlords must do more to ensure vulnerable residents can live safely and independently in their homes and that poor communication and maladministration doesn’t continue to cause significant distress for many tenants.
- o. The HO has announced that it will release its first Good Practice guidance later this year, with an emphasis on improving relationship management between landlords and residents. This initiative stems from new powers the HO has gained through the Social Housing (Regulation) Act, which aims to improve effective communication and rebuild trust where relationships have broken down. The decision to focus on relationship management was strongly supported in a consultation conducted last year, with feedback from 163 stakeholders, including landlords, residents, and other key participants.

Research and Campaigns

- p. Three months after the Public Accounts Committee launched an inquiry into homelessness, it has published a critical report raising concerns about the lack of a clear strategy for homelessness prevention in England, insufficient consideration of impact when setting Local Housing Allowance (LHA) rates, the overreliance on temporary accommodation and the dwindling and increasingly expensive-to-maintain housing stock. The report set out a number of recommendations to the MHCLG. The chair of the Committee, Sir Geoffrey Clifton-Brown, wrote in the report’s conclusion: *“Worryingly, there seems to be no desire to move away from an unsatisfactory short-term system, leaving local authorities attempting to save a sinking ship with a little more than a leaky bucket.”*
- q. The impact of the housing crisis was underlined when research by the All-Party Parliamentary Group for Households in Temporary Accommodation released evidence that temporary accommodation has contributed to the deaths of at least 74 children in England over the last 5 years. Figures from the NHS-funded National Child Mortality Database revealed that 58 of those children were babies under the age of one. The report found that child deaths were more likely to occur when homelessness was combined with overcrowding, mould and a lack of access to safer sleep options, such as cots and Moses baskets (government guidance changed in 2024 recommending that local authorities should help homeless families to access cots for children under the age of two).

The report was published in the same week that official figures showed almost 6k households with children were being housed in B&Bs, of which almost 4k had been there for longer than the statutory 6-week limit.

- r. Surveys conducted by Southwark Council found that 91% of councils are experiencing severe financial strain, with two thirds of English councils that manage housing stock raising concerns that they will not be able to present a balanced Housing Revenue Account (HRA) budget within the next 5 years. 10 councils described this risk as substantial, with 41 councils considering it as reasonably likely. Research shows that many councils may be forced to sell homes, cut back on maintenance, halt housebuilding projects or deplete their reserves before the end of the current parliament.

A spokesperson for the Ministry of Housing, Communities and Local Government (MHCLG) said: *“We know that local government has suffered from years of short-term decisions, which is why we have already set out important steps to help them deliver the homes we need. That includes overdue reforms to the right-to-buy scheme and an extra £500m for the affordable homes programme, and we will soon set out further measures.”*

- s. Homes England confirmed that more than 200 landlords, including 70 local authorities, have signed up for the new Section 106 (s106) clearing service since it was launched in December 2024. The service was established following concerns from housebuilders that a decreasing number of social landlords were purchasing s106 properties, causing delays in private housing developments. The clearing service enables registered landlords to view information about potential acquisition opportunities regularly.
- t. Sheffield Hallam University has published a study that found that 70% of social housing tenants are only just managing to meet rent payments, despite the majority prioritising rent payments over other essential living costs. The report calls for the government to make significant changes to Universal Credit, extend the Housing Support Fund (HSF) and introduce a minimum income standard. Researchers also noted that increasing rent arrears have wider implications for housing associations, reducing their ability to invest in building new homes.

The findings come alongside a report from YouGov on behalf of Shelter that has found that 21% of people in England struggled to keep up with mortgage or rent payments last year. The survey found that 67% of people with housing costs reported at least one housing pressure over the past year – equivalent to 19.9 million people across England. This includes struggling to keep up with housing costs, having to cut back on essentials, worrying about eviction, poor insulation, damp and mould or health and safety hazards.

- u. The District Councils’ Network (DCN) has published a report arguing that district councils, which play a crucial role in housing delivery across England, need greater powers and resources to meet rising housing demand. The report highlights that waiting lists for district areas now stands at 303k households and the current housing system is failing local communities, particularly key workers, young people and older residents. It makes a number of recommendations to the government focused on increasing council-owned homes, boosting the supply of affordable housing, optimising the planning system, and making better use of existing homes.

- v. The Institute for Public Policy Research (IPPR) has published a study that warns the government's failure to raise the Local Housing Allowance (LHA) rate will push an additional 90,000 families into poverty over the next year. The report estimates that almost 1m children in the UK are at risk of falling into poverty as a result of reduced government housing support, a lack of investment in social housing, and rising rents, with those in the private rented sector (PRS) experiencing a poverty rate twice as high after housing costs than those in social housing.

Contact Officer: Claire Hughes, Director of Governance and Customer Services
Email: Claire.Hughes@cheltenham.gov.uk