

Briefing Note

Committee name: Cabinet Housing Committee

Date: 11 June 2025

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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 Chancellor, Rachel Reeves MP, delivered the Spring Statement to the House of Commons on the 26 March, setting out the economic and fiscal picture ahead of a full Spending Review due in June 2025. Key announcements on housing include:
 - Confirmation of the Government's investment of £2 billion in social and affordable housing for 2026–27. This funding has been framed as a “down payment” to bridge the gap between the end of the Affordable Homes Programme 2026, and the next funding round to be detailed in the Spending Review. The funding is intended to deliver 18,000 homes to buy and rent by March 2027 as part of the Government's overarching ambition to build 1.5 million homes during this Parliament.
 - A £625 million construction skills package intended to expand workforce capacity across the sector.
 - A new Long-Term Housing Strategy will be published later this year, alongside announcements on the location of new towns, as part of the Government's wider plan to reform housing and planning systems.
- b. The Government has published a new Green Paper, Pathways to Work: Reforming Benefits and Support to Get Britain Working. The Green Paper includes some proposals that are not open to consultation, which include:
 - Abolishing the work capability assessment,
 - Rebalancing the Universal Credit (UC) standard allowance and the ‘health element’,
 - Making the criteria for eligibility for Personal Independence Payment (PIP) (daily living component) tougher.

A number of other proposals are open to consultation (which will end on the 30 June 2025), including:

- Guarantee of personalised employment, health and skills support for anyone on out of work benefits who wants it with a work-limiting health condition or disability,
- A new unemployment insurance benefit through the reform of contributory working-age benefits,
- Improving peoples' experience and trust in the benefits systems,
- Changes to the access to work scheme,
- Delaying access to the health element of UC until someone is aged 22,
- Raising the age at which people transition from disability living allowance for children to adult PIP from 16 to 18.

Housemark have warned that if just 5% of the planned welfare savings result in unpaid rent social landlords could face a £240 million rise in rent arrears and have encouraged landlords to strengthen support for tenants and help residents access unclaimed benefits and entitlements in preparation. They have also warned that these cuts are likely to hit the 59% of social housing tenants who live with a disability or long-term illness particularly hard.

- c. The Housing, Communities and Local Government (HCLG) Committee has called for the Government to establish an independent national oversight mechanism to ensure the implementation of the recommendations from the Grenfell Tower Inquiry.

Amongst a list of other recommendations, the Committee suggested the immediate appointment of an independent panel on the future of building control with statutory status to develop a strategy to boost the recruitment and retention of building control professionals and fire engineers. They have requested a formal Government response to their recommendations before the 22 July.

- d. At the start of April, the HCLG Select Committee also published a report following its inquiry into children in temporary accommodation. The report highlighted the appalling conditions in some temporary accommodation which have a serious detrimental impact on children's development, wellbeing, and health and have been identified as a contributing factor in the deaths of at least 74 children in the last 5 years. It also raised concerns that families are staying in temporary accommodation for far too long. The Committee have called for the MHCLG to *"require all local authorities in England to carry out mandatory inspections of housing before it is first used as temporary accommodation, and whenever new residents are placed in the property."* It has also called on the Government's forthcoming homelessness strategy to eliminate the use of temporary accommodation for families, starting by reducing and eliminating placements of over six weeks.
- e. The Government announced £1.8 billion in funding in March to improve the energy efficiency of up to 170,000 homes across England, with a focus on low-income households and social housing tenants. The investment, allocated through the Warm Homes: Local Grant and the Warm Homes: Social Housing Fund, will support local authorities and social housing providers in delivering key energy saving measures,

including insulation, double glazing, solar panels, and heat pumps.

- f. The Government has confirmed that the Building Safety Levy – intended to raise £3.4 billion over ten years to fund the remediation of unsafe mid-rise residential buildings – will be delayed until autumn 2026. The delay was presented as part of the Government's ongoing Remediation Acceleration Plan and will give the housing sector, local authorities, and the Building Safety Regulator additional time to prepare. The levy will apply to all new residential buildings in England requiring building control approval with the exemption of affordable housing, supported housing, small developments under 10 units, and community facilities. Developments on brownfield land will benefit from a 50% discounted rate, recognising higher construction costs on previously developed sites. The levy will be collected by local authorities and passed to central Government on a quarterly basis, with non-payment resulting in withheld or rejected building control completion certificates.
- g. The Government has responded to a report by the HCLG committee, published in May 2024, into the sustainability and finances of the social housing sector. They have confirmed that preferential borrowing rates from the Public Works Loan Board (PWLb) will remain in place until at least 2026, allowing local authorities to borrow at lower rates to build and maintain social housing. They have also repeated their commitment to a long-term rent settlement from 2026, with the current proposal allowing social rents to increase by up to CPI +1% annually over a five-year period.
- h. The Minister for Housing and Planning, Matthew Pennycook MP, confirmed in response to a written question that future Mayoral Strategic Authorities will have the power to set the strategic direction for affordable housing in their areas, including tenure mix and priority development sites supported by grant funding. He also stressed that local authorities must ensure that their management and maintenance of housing continues to meet regulatory standards throughout the local reorganisation process.
- i. The Ministry of Housing, Communities and Local Government (MHCLG) has said it will strengthen the powers of local councils to issue Empty Dwelling Management Orders (EDMOs) to properties to bring them back under council control. Currently councils can only issue an EDMO once a property has been empty for at least 2 years and with approval from an independent property tribunal. Representatives of the Local Government Association (LGA) have called for the period to be lowered to 6 months. Further details of the proposed reforms are awaited.

Regulator of Social Housing (RSH)

- j. The Regulator of Social Housing (RSH) has warned that the use of long-term, inflexible lease structures for specialised support housing exposes social landlords to significant financial and governance risks. They have found that few providers using lease-based arrangements consistently meet regulatory standards. The RSH noted that landlords often commit to inflation-linked lease payments over long periods while shouldering responsibility for upkeep and occupancy risks leading to an unbalanced risk between the landlord and freeholder. It also highlighted issues with poor governance, limited capacity to manage maintenance and voids, and instances of

landlords taking on properties without fully understanding tenant needs. They have suggested that reforms to the lease structures may be needed to ensure sustainability and protect tenants.

Housing Ombudsman

- k. The Housing Ombudsman's latest severe administration report highlights significant shortcomings in the handling of emergency repairs by social landlords. The report identifies issues where poor triaging led to emergencies being mislabelled leading to delays and where vulnerabilities within a household should have necessitated a more urgent response. The report concludes that common causes of these failures include inadequate record-keeping and communication, poor coordination with other parties, and the deployment of inappropriate tradespeople for specific repair tasks.

Developments that may impact tenants

- l. From the 30 April the Department for Work and Pensions (DWP) has reduced the maximum deduction rate for repaying debt from 25% to 15% within the Universal Credit rules. The 'Fair Repayment Rate' is forecasted to deliver an average annual boost of £420 per household and is expected to benefit around 1.2 million of the UK's lowest-income households, including 700,000 households with children. It will apply to deductions previously taken from UC for debts such as advance payments or overpayments and will be automatically implemented for any assessment period beginning on or after 30 April.

Research and Campaigns

- m. The Local Government Association (LGA) has warned that severe financial pressures on Housing Revenue Accounts (HRAs) are forcing councils to choose between maintaining existing housing stock and building new homes. The LGA found that many councils are caught between running their HRAs into deficit or failing to meet statutory repair obligations, including those introduced under Awaab's Law. Rising demand, inflationary pressures and new regulatory requirements are found to have all contributed to rising costs. According to the LGA survey :
 - 72% of councils with an HRA expect to draw on reserves to balance their budgets in 2025/26,
 - 100% anticipate raising social rents within the CPI+1% cap,
 - Only 38% are confident they will be able to invest in new-build housing programmes,
 - 57% expect to reduce spending on repairs and maintenance,
 - 67% expect cuts to supervision and management.
- n. Led by Southwark Council, 112 councils have called on the Government to fund a 'Green and Decent Homes Programme' to make council homes safer, healthier and more sustainable for residents. The coalition has asked for at least £12bn over the next five years to upgrade council homes, along with long-term funding certainty over 20 years, noting that councils currently lack the long-term funding needed to improve

homes and meet growing regulatory demands. The policy proposal lists the following core principles of the standard:

- One single, integrated housing standard,
 - Long-term, multi-year capital funding commitment,
 - Funding allocation based on need,
 - Strategic investment by landlords focused on clear outcomes,
 - A progressive and ambitious benchmark,
 - Regularly updated to reflect innovation and best practice,
 - Transparent, outcomes-based reporting,
 - Flexibility for landlords – no arbitrary restrictions,
 - Realistic delivery timelines,
 - Investment in replacement homes as part of the standard.
- o. Following the launch of the Government's consultation on its plans to implement measures set out in the Supported Housing (regulatory Oversight) Act 2023, more than 150 organisations signed a letter that was hand-delivered to Downing Street calling on the Government to 'Save Our Supported Housing'. The letter highlighted the need to tackle the financial crisis in the supported housing sector and the risk this posed to the Government's missions:

The letter states: "Supported housing is a vital national resource that delivers homes and services to half a million people. It boosts wellbeing, health and employment prospects, and enables people to live independently with the right support. Supported housing plays an indispensable role in cutting NHS waiting list backlogs, and reducing pressure on social care, temporary accommodation, and other vital public services. By providing homes for prison leavers, it reduces the risk of reoffending. And by reducing the disadvantage faced by Armed Forces veterans it helps public authorities meet their statutory duties under the Armed Forces Covenant."

However, the future of supported housing is at risk because of the dire financial situation facing the sector. Following years of funding cuts under the previous government, local authorities have been forced to decommission vital services. Rising costs alongside reduced funding have rendered many services unviable, forcing many to close, while demand for supported housing continues to rise."

The campaign calls for:

- Long-term and increased funding for housing-related support of at least £1.6bn per year for local authorities.
 - A commitment to deliver more supported homes by 2040, with clear funding in the Affordable Homes Programme, and ensuring supported homes form part of the government's 1.5m housebuilding target.
 - Ensuring that the long-term housing strategy and homelessness strategy encompass the vital role of supported housing.
- p. The i Paper have warned that England is on course for its largest Right-to-Buy (RtB) council housing sell-off in two decades. Analysis of a sample of 20 local authorities found that RtB application rates surged following the announcement of significant reductions in RtB discounts in the Autumn Budget. This is expected to lead to 18,510

RtB sales in 2025/26, a 162% increase compared to 2023/24. Councils have raised concerns that whilst they can retain all capital receipts from the sales, these will not be sufficient to replace the sold homes. The Local Government Association (LGA) in response to the report said that the RtB discount reduction could have positive effects in the longer term by reducing the number of homes sold but cautioned that the immediate spike in sales would worsen homelessness challenges and deplete social housing stock when demand is already high.

- q. The National Housing Federation (NHF), Crisis and Shelter have issued a joint warning after new analysis showed that families in some parts of England face waiting times exceeding 100 years for a family-sized social home. The amount of time stated is how long it would take to clear the current waiting list for these homes within each area at the average letting rate over the last three years (rather than reflecting the average wait time). According to the analysis, in 32 local authority areas the wait for a 3-bedroom social home exceeds 18 years.

Shelter has also used historical trends and government data to estimate how many households could be living in temporary accommodation by 2029. They have warned that the use of temporary accommodation could rise by 44% to 182,000, including 206,000 children at a potential cost of £3.9 billion annually by 2029 based on rising costs. The analysis also factored in the impact of the ban on Section 21 no-fault evictions, using the pandemic eviction ban as a guide, as well as recent funding increases. Shelter urged the government to announce in June's Spending Review its commitment to build a new generation of social rented homes to ensure that every family has a safe and secure place to live.

The report comes alongside two recent reports from the Child Poverty Action Group (CPAG) and the Resolution Foundation which concluded that abolishing the two child cap on Universal Credit would be the most cost efficient and effective method to reduce child poverty. The report projects that, without changes, 4.8 million children (34% of all children) will be living in poverty by 2029-30, with half of all children in large families affected.

- r. Housemark's analysis of landlords' year-end performance, covering 2024-25, has revealed a "*modest improvement*" in tenant satisfaction of 1.7% compared to 2023-24. They have forecast a median result of 72% to 73% based on the tenant satisfaction measures (TSMs). Other key findings from the research include:
- New anti-social behaviour (ASB) case volumes rose by 14% in March reflecting regulatory changes.
 - Rent arrears returned to pre-pandemic levels closing the year at a median of 2.5%.
 - Landlords completed an improved average of 3.3 repairs per property in 2024-25 and transactional satisfaction remained consistently high, averaging around 87% for much of the year.
 - Resolution rates for complaints remained strong in March, with 95% of formal stage one and two complaints resolved within published timescales. This was despite a 55% rise in complaints reporting.
- s. The former chief executive of the Audit Commission, Steve Bundred, published an article in the Guardian in April calling on the Government to make social housing

providers accountable for the treatment of their tenants. Whilst he welcomes the proposed 'Renters' Rights Bill' for the private sector he urged that accountability in the social housing sector be similarly strengthened. He proposed a range of reforms including granting local authorities' powers to summon providers to public scrutiny meetings, enabling councils to bring super-complaints to the Housing Ombudsman, and extending the Freedom of Information Act to cover housing associations. He also called for tougher financial penalties for persistent non-compliance and legislative changes to make it easier for councils to recover the cost of emergency repairs.

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