

Briefing Note

Committee name: Cabinet Housing Committee

Date: 16 July 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 Government's Spending Review on the 11 June. The Review sets out planned day-to-day spending totals for all government departments for the years from 2026/27 to 2028/29, and investment spending plans for 2026/27 to 2029/30. Of particular note was the confirmation of:
 - A new 10-year rent settlement for social housing, beginning in 2026, which will allow social landlords to increase rents annually at Consumer Price Index (CPI) plus 1%. Accompanied by a consultation on how to implement social rent convergence (see point d).
 - A new £39bn Affordable Homes Programme (AHP) will provide funding of nearly £4bn a year over the next ten years. The new package is intended to provide the long-term certainty required to unlock stalled developments and support local authorities, housing associations, and private developers in scaling up affordable housing supply (see point b).
 - £10 billion funding for financial investments, including those to be delivered through Homes England (see point c).
 - Social housing is to have equal access to the £1 billion new fire safety remediation fund.
 - A £13.2 billion commitment over five years to the Warm Homes Plan for retrofitting properties.
 - Action to address the causes of homelessness and to support local authorities in England to increase the supply of good quality temporary accommodation and drive down the use of costly bed and breakfasts and hotels, totalling nearly £1bn. Linked to this is the announcement that housing asylum seekers in hotels is to end by 2029.

We are currently reviewing the plans to fully understand the impact for Cheltenham Borough Council.

- b. Further details of the new Affordable Homes Programme, now renamed the Social and Affordable Homes Programme were released at the start of July. The Ministry for Housing, Communities and Local Government (MHCLG) have confirmed that the ambition is to deliver approximately 180k new social rent homes over the next decade, alongside an additional 120k of affordable homes (from a previous response to written questions this will include a mixture of sub-market rent and homeownership). This would be the largest expansion of affordable homes in a generation. The programme and £39 billion funding includes a pledge to nearly double annual affordable housing investment by the end of the Parliament and will be delivered primarily through Homes England, with up to 30% of funding allocated to the Greater London Authority.

An accompanying plan, Delivering a Decade of Renewal for Social and Affordable Housing, has been published. In it, the Government has committed to a five-step delivery approach:

- Deliver the biggest boost to grant funding in a generation
 - Rebuild the sector's capacity to borrow and invest in new and existing supply
 - Establish an effective and stable regulatory regime
 - Reinvigorate council housebuilding
 - Forge a renewed partnership with the sector to build at scale.
- c. As part of the Spending Review the Government has announced the formation of a publicly owned National Housing Bank, a subsidiary of Homes England aiming to accelerate housebuilding, create jobs and deliver over 500,000 new homes. It will be backed with £16 billion of financial capacity, on top of £6bn of existing finance to be allocated this Parliament, and aims to attract £53 billion of additional private investment. Homes England will be able to issue government guarantees directly and have greater autonomy and flexibility over long-term investments, acting in partnership with the private sector to bring stability and certainty to housing developers. The Bank is to deploy some of the £2.5 billion in low-interest loans announced at the Spending Review to support the building of social and affordable homes. It will also support SMEs with new lending products and enable developers to unlock large, complex sites through infrastructure finance.
- d. The Housing Minister, Matthew Pennycook MP. has confirmed that the Government will reintroduce a rent convergence mechanism in a letter to registered providers of social housing, as part of the new 10-year social housing rent settlement from April 2026. The policy will allow social landlords to raise lower social rents more quickly, subject to consultation, rather than higher across the board rent increases across all tenancies. The Government are expected to publish a consultation in the coming weeks with a final decision on implementation in the Autumn Budget.
- e. The Government has announced reforms to the Building Safety Regulator (BSR) to accelerate housebuilding. Changes will bring the building inspection and engineer capacity directly under the BSR to create a new fast track process for review of newbuild cases and remediation decisions to respond to sector concerns around delays. The changes will be supported by the recruitment of 100 additional staff

members for the BSR. A new arm's length body will also be created in the future to centralise the functions of the Health and Safety Executive (HSE) relating to the BSR under the Ministry of Housing, Communities and Local Government (MHCLG).

- f. Awaab's Law, covering damp and mould and emergency hazards, and new electrical safety standards will come into effect for the social rented sector from the 27 October. Phase 2 is expected in 2026 and will cover further hazards such as excess cold, fire risks, and falls, with phase 3 extending the law to all remaining HHSRS (Housing health and safety rating system) hazards, except overcrowding. The Government confirmed that they will use a 'test and learn' approach through implementation, closely monitoring and evaluating the impact the Law is having, the effectiveness of the processes put in place, and will clarify or adapt its approach as needed. Social housing tenants will be able to challenge landlords that do not abide by the regulations through their landlord's complaints process, the Housing Ombudsman, and through the courts by bringing a housing disrepair claim. Detailed guidance has also been issued and officers are working through this to ensure that the council is ready for when the new legislative requirements take effect.
- g. The Government has published the latest local authority housing stock condition modelling statistics, as part of its English Housing Survey. It uses modelled data based on full inspections between April 2022 and March 2024, focusing on local authority-level housing stock quality across tenures. Key findings include:
 - Nationally, 10% of social rented homes were classified as non-decent in 2023, compared to 21% in the private rented sector and 14% in owner-occupied homes.
 - In nearly all parts of England, social rented housing was less likely to be non-decent than private rented housing. The only exception was London, where predicted non-decency levels were similar across both tenures.
 - The survey found that just 4% of social rented homes contained at least one Category 1 hazard under the Housing Health and Safety Rating System (HHSRS), lower than in the private rented sector (10%) and owner-occupied homes (8%).
 - Damp remains a significant issue for the social sector. In 2023, 7% of social rented homes were reported to have a problem with damp, which is higher than the 4% observed in owner-occupied housing, but below the 9% seen in private rentals.
- h. The Government has published its formal response to the Housing, Communities and Local Government (HCLG) Committee's April 2025 report, '*England's Homeless Children: The Crisis in Temporary Accommodation*'. Their response confirmed a package of recent and planned reforms, including:
 - A £233 million increase in funding for homelessness services in 2025/26, bringing total spending to nearly £1 billion.
 - £2 billion in additional AHP funding from 2026/27, expected to deliver up to 18,000 homes, following an earlier £800 million top-up for up to 7,800 homes.
 - A commitment to eliminating the use of Bed and Breakfast accommodation for homeless families except in emergencies, supported by £8 million in pilot funding for 20 high-use local authorities.
 - Expansion of the Decent Homes Standard (DHS) and Awaab's Law to include temporary accommodation, subject to consultation

- Ongoing delivery of the Renters' Rights Bill, which will abolish Section 21 evictions and strengthen tenant protection.

However, they declined to implement several of the Committee's recommended safeguard proposals:

- Mandatory inspections and public reporting of temporary accommodation conditions, instead pointing to its DHS reforms and consultations.
 - Prohibiting placements of families in shared facilities, arguing that well managed placements may be appropriate in limited circumstances.
 - Establishing a fixed timeline or tenure target for ending homelessness, instead reiterating existing commitments to increased funding and housing delivery.
- i. New regulations will come into force for all councils in England from 10 July, which will exempt care leavers under the age of 25 and victims of domestic abuse from local connection tests for social housing. The exemption follows similar changes introduced in December 2024 for former members of the regular armed forces and is part of a wider strategy to support vulnerable groups and expand access to affordable housing.

Regulator of Social Housing (RSH)

- j. The Regulator of Social Housing (RSH) has published its Q4 2024-25 survey results, which has highlighted:
- Record spending on repairs and maintenance with private registered providers (PRPs) spending £9 billion on repairs in the 12 months to March 2025 (a 13% increase year-on-year) with forecasts rising further to £9.9 billion for the year ahead.
 - A fall in development spend, down from £14.4 billion in 2023–24 to £13.6 billion.
 - Impairment charges (a cost that shows a reduction in the carrying value of assets which is reported in accounts) have risen with 75 providers (38%) expecting to report charges totalling £407 million, up from £296 million the previous year, with £276 million relating to social housing.
 - Interest cover (the amount that a properties' rent covers interest on any associated loans) excluding sales remains tight at 82% and is forecast to drop to 65% next year. Over half of providers expect to fall below 100% interest cover, prompting concerns over sustainability.
 - However, the report indicates that PRPs arranged £4.3 billion in new finance in the quarter and liquidity improved to its strongest point in two years, sufficient to cover all forecast costs over the next 12 months without further borrowing or sales income.
 - Affordable home ownership completions fell by 8%, while market sale activity remained subdued.
 - Void losses and tenant arrears rose slightly, though rent collection rates remained strong at 99.8%.

- k. Housemark have released their initial analysis of the second full year of Tenant Satisfaction Measures (TSMs) after collating data from 217 landlords. Their analysis shows:
- Overall tenant satisfaction has risen to 72.5%, an increase of 1.2% on the 71.3% reported last year. The figure had fallen in each year prior to this from a high of 85.1% in 2018/19. They did note that some of the increase may have been due to changing survey methods, but they believe overall the survey data suggests landlords are responding well to the new Consumer Standards.
 - Repairs remain the strongest driver of overall perception - satisfaction with repairs increased from 72.3% to 73.9%, time taken to complete repairs jumped from 68.2% to 69.9% and the TSM 'home is well maintained' rose from 71.1% to 72.8%.
 - Complaints have risen, with 49.3 stage one complaints per 1,000 homes in 2024/25 compared to 41.8 in 2023/24. Complaint satisfaction rates and volumes have also improved as landlords improve services to meet the mandatory Ombudsman code. They estimated that around 200,000 Stage 1 complaints were recorded by landlords during 2024/25 – around 30,000 more than the previous year.
 - Data also showed satisfaction among shared owners is more than 20% below social housing renters. Shared ownership satisfaction in 2024/25 was 51.4%, compared to 72.5% for renters.

Housing Ombudsman

- l. The Housing Ombudsman has published its 'Repairing Trust' spotlight report, based on hundreds of case reviews and more than 3,000 responses to a call for evidence. The report issued a warning about the management and condition of social housing, with figures showing a 474% rise in complaints about repairs since 2019-20. It has identified widespread systemic issues despite social landlords spending £9 billion on repairs and maintenance in 2023–24. Key findings include that 72% of complaints were caused by poor practice, £3.4 million was paid out in compensation in 2024-25, and an estimated 1.5 million children lived in non-decent homes in 2023 (nearly 1 in 5 of them in social housing). They have called for a statutory national tenant body to strengthen resident voice and accountability, alongside a comprehensive review of the national funding settlement for social landlords.

For landlords, the Ombudsman recommends a cultural shift towards respectful, empathetic, and human-centred services. This includes replacing reactive with predictive maintenance models, creating a code of conduct for all staff and contractors entering residents' homes, and ending poor practices such as closing cases on the basis of unverified "no access" claims. The report also highlights the need for improved record keeping, better diagnosis and repairs planning, and stronger quality assurance processes.

Developments that may impact tenants

- m. The Department for Work and Pensions (DWP) published further details on the changes to welfare reforms ahead of the second reading of the Universal Credit (UC) and Personal Independence Payment (PIP) Bill in the House of Commons. Key points include:
- The establishing of a comprehensive review of the PIP assessment led by the Minister for Social Security and Disability, Sir Stephen Timms MP, which will seek to ensure the system is fair, supportive and fit for the realities of modern life.
 - Alongside the review, draft regulations for the new Right to Try Guarantee will be introduced to enshrine in law the right for people receiving health and disability benefits to try work without fear of reassessment.
 - All existing PIP recipients will remain on the current system and the proposed changes to eligibility as part of the bill will only apply to new claims from November 2026.
 - The Bill will also reduce the health element for new UC claims from more than double the standard amount to the equivalent of £50 per week from April 2026, to reduce the incentive for people to define themselves as incapable of work.
 - All existing recipients of the UC health element and new customers with 12 months or less to live or who meet the Severe Conditions Criteria will see their standard allowance combined with their Limited Capability for Work Related Activity (LCWRA) rise at least in line with inflation every year from 2026/27 to 2029/30. The 200,000 individuals in the Severe Conditions Criteria group will also not be called for a UC reassessment.
 - £300 million of funding will be provided over the next three years to accelerate tailored employment, health and skills support to help disabled people and those with health conditions get into work as part of the Pathways to Work guarantee.
 - Partnerships with the NHS and WorkWell will offer personalised support to help individuals manage their health while preparing for or returning to employment.

Research and Campaigns

- n. The Resident Voice Index (RVI) has carried out a survey of over 2,000 social housing tenants and found that 90% of social housing residents are unaware of Tenant Satisfaction Measures (TSMs). 66% reported they were unsure how their housing provider measures tenant satisfaction, and only 10% said they had noticed any improvement in services over the past year. In contrast, nearly 45% said their satisfaction had declined. The survey also found a strong tenant preference for digital communication, with 70% of respondents saying that they wanted updates via email and 31% via text message.
- o. The latest Household Costs Indices published by the Office for National Statistics has shown:

- Social housing tenants experienced an annual inflation rate of 3% in the year to March 2025, outpacing the all-households average of 2.6%, reflecting the impact of rising social rent payments.
- These rent payments contributed 1.7% to the total inflation rate for social renters and had a more significant effect on low-income households overall, accounting for 0.57% of their inflation compared to just 0.02% for high-income households.
- While private renters faced the highest inflation at 3.6%, the burden on social housing tenants remains pronounced, especially when combined with other rising costs such as food and non-alcoholic beverages. These costs affected low-income households more sharply than higher earners, with food contributing 0.18% more to inflation for lower deciles.
- The data also showed that households with children and non-retired households saw higher rates of inflation (both 2.8%) than households without children (2.6%) and retired households (2.1%).

Despite a national easing in household costs due to falling energy prices and slower growth in mortgage interest payments, the housing component – particularly rental payments – continues to be a major driver of cost increases for social tenants.

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