



Labour Campaign for Council Housing.

Submission to the Housing Local Governments and Transport Policy Commission

1. Housing.

Recent research by leading housing and homelessness organisations has identified that the loss of a private tenancy remains the single biggest cause of homelessness. The current coronavirus crisis has brought in to even sharper relief the precarious nature of housing in the private sector. With so many people finding their financial circumstances drastically worsened as a result of permanent or temporary loss of employment, many are struggling to meet their housing costs and live with the fear of eviction from private sector rented accommodation.

The need to control the virus has raised many challenges for us all, but for the homeless and those living in overcrowded and poor quality housing, the challenges presented by the requirements of social distancing, self isolation or working and learning from home are even greater.

It is increasingly clear that the Coronavirus epidemic is exacerbating the impact of the already severe housing crisis affecting our communities.

It is therefore vital that the Labour Party maintains as policy the commitments it made in the 2019 Manifesto. These commitments were made with the objective of ensuring that genuinely affordable, decent, safe and secure housing is available for every citizen and that council housing would be placed at the centre of Labour's strategy to achieve that. It is now even more important to ensure that we not only maintain our commitment, but that we challenge the present government to match it.

The Manifesto says :

'The only way to deliver on everyone's right to a good home is to build publicly funded social housing.

Labour will deliver a new social housebuilding programme of more than one million homes over a decade with council housing at its heart, By the end of the parliament we will be building at the rate of at least 150,000 council and social homes with 100,000 of these built by councils for social rent in the biggest house building programme in more than a generation. We will establish a new duty on councils to plan and build these homes in their area, and fund them to do so, with the backing from national government.

We will stop the haemorrhage of low cost homes by ending the right to buy. '

When Labour's manifesto was launched in November 2019, these commitments were massively welcomed by the social housing sector and by key housing campaign organisations such as Shelter.

Inside Housing the leading sector publication reported on its front page :

'Labour's investment plan has been welcomed by a number of bodies across the social housing sector. Kate Henderson, chief executive of the National Housing Federation (NHF), said the proposals would be "a real game-changer for social housing" and called it the "type of investment needed to fix the housing crisis".

Terrie Alafat, chief executive of the Chartered Institute of Housing, said: "We think the scale of Labour's proposals are a welcome step in ending our housing crisis."

Polly Neate, chief executive of Shelter, described the plan as "transformational for housing in this country" and said that building homes at this scale would do more than any other single measure to end the housing emergency.'

This reaction highlights just how significant these policies are and we / believe therefore that we must retain these policies and build on them.

2. Discussion document Coronavirus and the future of local government.

Question 5 *How can we make sure that local authorities have the resources to deliver the level of services needed for communities?*

To ensure that Councils maintain a financial position that enables them to meet their service obligations, our campaign is calling for Labour to press the Government to cancel local authority debt held by the Public Works Loans Board. We are calling for this as a measure to deal with an unprecedented national emergency.

The cancellation of the debt would eliminate the debt servicing costs and provide councils with an increased annual spending power of £4.5 billion a year. This would not resolve the funding issues which are the product of ten years of austerity, but would help to stabilise council finances in the immediate term.

We accept that funding the extra costs of dealing with the pandemic and the revenue lost as a result of lock-down would ease the immediate situation. However, even if all the emergency funding required was provided, councils would still suffer an ongoing impact from the pandemic, be it from loss of commercial rent resulting from shop closures, increased council tax and rent arrears, or loss of income from parking and leisure facilities. The cancellation of the debt held by the PWLB would therefore provide some stability and on-going funding on an annual basis.

We agree with the statement made by Matthew Brown, Leader of Preston Council, that there is a need for "a new financial settlement for local government." In order to achieve that, funding should be based on annual assessments of social needs in each locality. .

We believe therefore that the Labour Party should be demanding three things of the government.

1) Funding of the costs associated with doing "whatever it takes" to deal with the pandemic and the loss of income resulting from the lock-down.

2) Cancellation of the more than £80 billion local authority debt held by the PWLB, providing £4.5 billion extra spending power each year. We believe a precedent has been set for such action by the government's cancellation of £13.4 billion NHS debt. We are particularly keen to promote this demand as a council house campaign group as it would provide an extra £1.25 billion a year for council house building as a result of cancellation of the housing debt element.

3) Urgent discussion on the introduction of a funding system which is based on an annual assessment of actual social needs, updated annually.

One of the features of the current situation has been the dynamic whereby the government has been driven to do things which it would never have considered possible, nor thought about, prior to the current crisis. We believe this presents us with an opportunity to promote radical proposals which could provide solutions to what has been described as an “existential crisis” for councils and the services they provide.

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