

Council Housing remains the key to resolving the housing crisis

Labour Campaign for Council Housing AGM

News of the government's Housing Strategy and funding for its Affordable Homes Programme is expected at the Spring Spending Review. How can pressure be built for social rent council housing to be the first housing priority?

Annual General Meeting, by Zoom, December 1st, 2 p.m. Guest speaker Bell Ribeiro-Addy MP.

In their document "[Securing the Future of Council Housing](#)" 100 councils sounded the alarm.

"Unless something is done soon, most council landlords will struggle to maintain their existing homes adequately or meet huge new demands to improve them, let alone build new homes for social rent."

What was in the budget to address this situation?

- An extra £500 million to the Affordable Homes Programme to support 5,000 "affordable homes".
- Reduction of the discounts for Right to Buy sales, which are estimated to cut them to 1,700 a year. The councils can keep the receipts. Abolishing Right to Buy has effectively been excluded from the consultation.
- £233 million extra for homelessness, though Local Housing Allowance (LHA) was frozen. Councils still only get 90% of the 2011 LHA rate for the cost of putting a household in temporary accommodation!
- Only £1.3 billion a year for three years is available for insulation and decarbonisation of all housing, as compared to a subsidy of £22 billion for polluters like BP to spend on a doubtful technology of carbon capture.

It's clear that the government's housing programme as it stands will not resolve the housing crisis. It is widely accepted that 90,000+ social rent homes are needed, but the government has failed to provide the funding necessary, thus far.

Unfortunately, their [National Planning Policy Framework](#) (see Glossary page 67) has the same definition of "affordable housing" as the Tories. This includes that product of austerity, "affordable rent", various forms of "affordable ownership" and even "affordable private rent". Although in his letter to the Chair of Homes England, Secretary of State for Housing, Matthew Pennycook, talked of "maximising social rent", he also asked him to promote "Build to Rent" which produces "affordable private rent. **The best way to maximise social rent homes is to devote all the funding to it.**

Instead of increasing funding for hard pressed Housing Revenue Accounts the government is proposing above inflation rent increases for 5 to 10 years. This will further impoverish already poor tenants who don't have their rent covered by Housing Benefit or Universal Credit Housing Element. It will in any case provide only around £74 million a year for English councils, when they are billions of pounds under-funded. "Securing the Future of Council Housing" estimated that HRAs faced a "widening financial chasm". In order to address this crisis these Councils called on the government to provide

- £644 million as a one-off to compensate for the last two years, the difference between costs and actual income;
- Reopen the 2012 'debt settlement' and cut the debt;
- Launch a Green and Decent Homes Programme;
- Provide £23.5 billion funding for decarbonising existing homes, and
- Commit to £12 billion over the next 5 years to cover the cost of bringing all homes up

Energy Performance Certificate.

The Budget decision to freeze the Local Housing Allowance was disastrous, not only for private renters but councils. The spiralling cost of temporary accommodation in the private sector is driving some councils to the edge. Newham has just applied for “exceptional financial support” (EFS), in large part because of the gap between what the overnment gives them for temporary accommodation and the actual cost. So far 18 councils have applied for EFS Councils only receive 90% of the 2011 LHA! Unless the government covers the actual cost then more councils will be dragged into a financial death spiral.

A recent report for the Chartered Institute of Housing suggested that the 2012 “debt settlement” when 136 councils were loaded up with an extra £13.2 billion extra debt, needs to be reviewed. They suggest councils need to be relieved of £17 billion debt if their finances are to be sustainable. We have argued, together with others, that [the whole bogus debt should be cancelled](#). At any rate a review of it is urgent. The Labour conference called for it in 2019 and 2021.

If prevention of illness is to be a key task for the NHS then improving the quality of housing and decarbonising it is a means of stopping people from becoming ill as a result of the growing problem of damp and mould. But councils cannot decarbonise their housing stock without government grant at least on the scale suggested by councils in “Securing the Future of Council Housing”: £23.5 billion.

Spring Spending Review

It is expected that the “future grant investment” of the government's Affordable Homes Programme to replace the existing one which ends in 2026, will be included in the Spring Spending Review. This will be a focus of demands for real change.

There are a wide range of campaigns and tenant organisation that are pressing for the government to focus on social rent homes, including Shelter and Inside Housing. So the question is what can we do, working with these organisations, to press the government to provide sufficient funding for existing council housing and new build?

Pressure needs to be brought to bear on the government, on MPs, for funding. For our part we believe that funding for 100,000 social rent council homes a year is necessary, and the best means of stopping the loss of stock through Right to Buy, is abolishing it, as has already happened in Scotland and Wales.

The market will not resolve the housing crisis

After the second world war Aneurin Bevan said that “The speculative builder is an unplannable instrument.” In other words to resolve the housing crisis you cannot rely on the market. That's why the Atlee government chose what **was** a plannable instrument, local authorities, to build council housing. Moreover, it determined that 80% of homes built would be council homes. Bevan tripled the grant for them to build, despite the far worse economic conditions they faced as compared to today. Council housing was their political priority.

The same thing is true today. We cannot rely on the market and the speculative builder. You cannot have Angela Rayner's “council housing revolution” without a step change in central government grant for existing and new council housing.

Join our AGM to discuss what programme the government should be implementing and how we can, together with a host of other organisations, pressure it to make social rent housing its first housing priority and fund Housing Revenue Accounts sufficiently to stop the deterioration of homes and improve them.

People on our email list will receive the Zoom link. If you are not on our list and would like to attend, email us at labourcouncilhousingcampaign@gmail.com