Member Briefing: Laying the foundations - A housing strategy for England

Contact: Stuart Ropke
Dept: Campaign and Neighbourhoods
Tel: 020 7067 1103
Email: stuart.ropke@housing.org.uk
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Briefing - Member Briefing: Laying the foundations - A housing strategy for England

Briefing from the National Housing Federation

This briefing explains the most important Government announcements presented within the Housing Strategy. It also sets out the Federation’s views on these announcements.

1.0 Introduction

The Government’s new housing strategy was jointly announced by the Prime Minister and Deputy Prime Minister on Monday 21st November 2011. It aims to tackle the housing shortage, boost the economy, create jobs and give people the opportunity to get onto the housing ladder. The Federation welcomes the Government’s recognition of the huge economic and social value that housing investment brings. However, we believe the Government needs to be bolder, go further to fix the broken housing market and take the decisive actions needed to radically increase housing supply.

The key measures to note include:
- A new build indemnity scheme for up to 100,000 households
- £400m fund to provide development finance for firms with stalled sites
- More regulation for housing associations on value for money
- Growing the private rented sector and build to rent schemes
- £50m extra funding to bring empty homes back into use
- A ‘new deal for older people’s housing’
- Creation of a network of neighbourhood designers.

2.0 Increasing supply: more homes, stable growth

The strategy sets out the Government’s ambition to increase housing supply. Alongside confirmation of a number of existing commitments, there are new proposals including a new Government-backed mortgage indemnity scheme and a £400m investment fund to kickstart stalled developments.

New announcements

- Supporting a new build indemnity scheme that will provide 95% loan to value mortgages for up to 100,000 households
- Allow developers to require local authorities to reconsider section 106 agreements for stalled sites prior to April 2010
- Get Britain Building Fund - £400m of development finance for firms with stalled sites
- Support for new locally planned large developments
- Stronger support for custom house building (self-build)
- Grant funding confirmed for community-led affordable housing
- Design support services for communities in neighbourhood planning.

Re-announcements

- Providing infrastructure funding to deliver growth sites through the Growing Places Fund
- Releasing public land for 100,000 more homes.
Government announcement – New Build Indemnity Scheme

The Government has announced a new build indemnity scheme which will help provide up to 95% loan-to-value mortgages on new build properties in England. This will be backed by an indemnity fund, into which housebuilders will deposit 3.5% of the sale price of each home sold through the scheme. The Government will underwrite this by providing additional security for the loan in the form of a guarantee. The first loans will be available in spring 2012, with the Government making the provision to support up to 100,000 households.

Federation view

- The Federation welcomes measures designed to help prospective purchasers onto the housing ladder. This should benefit housing associations that are expanding their provision of market sale homes by de-risking their development.

- We hope this is supported by a robust commitment and appetite from mortgage lenders to make mortgage finance available to ensure it is a success. Indeed, in our submission to the housing strategy we indicated the need to establish lending targets for first-time buyer lending.

- The potential increased availability of high loan-to-value mortgages, and associated reduction in the size of deposit required, is welcome as this currently acts as a key barrier to people accessing home ownership. But, there is a moral hazard that, by protecting mortgage lenders from losses, we risk a return to irresponsible lending practices. Equally, we would not like to see first time buyers being enticed into unsustainable borrowing.

- The scheme also fails to address the underlying problem that, over the last 10 years, house prices have risen three times faster than incomes. There is a real risk that this move will keep house prices artificially high. It may also be questioned whether the initiative addresses underlying constraints on mortgage lending – lack of liquidity and capital requirements.

- A similar commitment to investing in shared ownership at scale would have represented a more effective use of public money. Work the Federation carried out in advance of the housing strategy demonstrated that by investing £1bn in the delivery of shared ownership homes would make a significant contribution to the wider economy and helping first-time buyers. It would deliver 66,000 new homes, create over 400,000 jobs and save the taxpayer £700m.

Government announcement - Allow developers to require local authorities to reconsider section 106 agreements for stalled sites prior to April 2010

The Government will shortly consult on proposals to allow developers to require local authorities to reconsider those section 106 agreements agreed in more prosperous market conditions prior to April 2010 and encourage a flexible approach to planning obligations, to safeguard against substantial and unexpected change in market conditions.

Federation view

- In certain circumstances, limited renegotiation of section 106 agreements may be appropriate and necessary on stalled sites. However we are very concerned that since re-negotiation was first encouraged in the ‘Plan for Growth’ in March 2011, there seems to be a trend of some local authorities allowing private developers to more easily drop section 106 affordable housing deals.

- The Government should make it clear that there are some planning standards, including certain affordable housing requirements that should not automatically be waived as a consequence of viability concerns. In many cases, development without any affordable housing should be
unacceptable. It would be better to redesign the scheme or wait for a different point in the economic cycle, rather than to permit an inadequate proposal that would undermine the longer term balance of a community. Also, if section 106 agreements are to be revised on the basis of viability arguments, then the viability analysis should be available, in public, for all parties to examine.

Government announcement - Get Britain Building investment fund

The Government will launch a new £400m Get Britain Building investment fund to support building firms in need of development finance. This aims to unlock progress on stalled sites already with planning permission and are otherwise ‘shovel ready’. A more detailed prospectus, inviting bids, will be published in December 2011.

Federation view

- We welcome the additional £400m made available under the ‘Get Britain Building’ investment fund as a valuable contribution to increasing housing supply. It has been suggested that this will deliver a further 16,000 new homes, including 3,200 affordable homes, which will make a small, but important difference to meeting record levels of housing need.

- This initiative may be of particular interest to those housing associations that were unsuccessful under the Affordable Homes Programme 2011-15 (AHP) bidding process, but have a number of firm, ‘shovel ready’ schemes in the pipeline. The prospectus detailing how this funding is to be allocated will be published in December 2011, and housing associations should consider positioning themselves appropriately to respond.

- The Federation believes that housing associations could have delivered more new homes with this funding. Indeed, under the AHP, they have delivered new affordable homes at a better value for money than it appears will be offered under this initiative. In addition, investment in housing associations also offers the benefit that grant may be recycled and reinvested in further affordable housing supply.

Government announcement - Encourage new locally planned large scale developments

The Government will encourage new locally planned large scale developments. A competition will be run to promote the development of a wave of larger-scale projects, including on brownfield sites, where there is clear local support and private sector appetite. The Government is keen to see innovative approaches and a wide range of models and partnerships come forward, responding to local challenges. In 2012, the Government will publish a prospectus setting out more detail.

Federation view

- We welcome the Government’s recognition that sometimes the supply of new homes may best be achieved through comprehensively planned development. Well-planned, large-scale projects can be highly successful and the best examples of these have been a great British contribution to international thinking on planning. We hope that the Government will recognise the importance of all new large scale developments being truly mixed income and mixed tenure with affordable homes being delivered alongside private homes in market-led schemes.

Government announcement – Stronger support for custom house building

The Government has set out a number of actions to double the number of custom built houses over the next decade. The Government will consult on plans to make £30 million available to support the
provision of short-term project finance for those wishing to custom build their home. Other actions include an industry-led one-stop shop for advice and support on custom-building, a Government-appointed ‘Custom Homes Champion’ to encourage custom building, better opportunities for custom-builders to build on surplus public land and a new requirement on local authorities to measure demand for custom build housing and take positive steps to facilitate it.

Federation view

- We support the Government’s actions to help more individuals and communities build their own homes. The Federation recognises the contribution that custom house building can make to not only increasing housing supply and economic growth, but also empowering individuals and communities. We look forward to working closely with the Government to ensure our members working on custom build projects can take full advantage of the £30m fund.

Government announcement - Providing £500m infrastructure funding to deliver growth sites through the Growing Places Fund

The Growing Places Fund will fund on a loan/investment basis the delivery of strategic infrastructure. It will fund projects too big for individual local authorities and too small to be national projects. The fund is aimed at generating housing and economic growth through addressing immediate infrastructure and site constraints. Funding will be allocated to Local Enterprise Partnerships, who are each able to determine local priorities. The Government expects the fund to be financially sustainable with each local fund reinvesting the money to unlock development and leverage in more private investment.

Federation view

- Whilst we recognise the fund represents a positive step to kickstart some major stalled sites, the Government’s efforts fall short of the level of funding needed to support long-term successful regeneration and lever in substantial private investment. We also hope that the fund will be used to deliver strategic sites that contain a significant proportion of affordable housing for local people.

Government announcement - Grant funding confirmed for community-led affordable housing

The Government has confirmed that community groups, including Community Land Trusts (CLTs), can access a portion of the AHP funding that has been held back to support their development needs. CLTs can apply for this directly or in partnership with a housing association.

Federation view

- We welcome the confirmation that a modest portion of around £25 million of the AHP grant funding up to 2015 will be available for a range of community-led affordable housing schemes and not just Community Right to Build (CRTB) schemes as originally expected.

- In practice we expect many of these community schemes will be developed with local housing associations. Examples of successful partnership between housing associations and CLTs are set out in the National CLT Network's publication: "Trust and association: partnerships between CLTs and housing associations". [http://www.communitylandtrusts.org.uk/resources/publications]
Government announcement - Design support services for communities in neighbourhood planning

The Government has made funding available to the Design Council to enable it to provide a range of design support services to local communities as part of the Government’s neighbourhood planning approach.

Federation view

- We are pleased the Government recognises that communities will need specialist design advice and guidance when drawing up their neighbourhood plans. Tailored support will help communities produce plans which incorporate high quality, well designed, environmentally sustainable homes that will be appropriate for particular local areas.

Government announcement – Releasing public land for 100,000 more homes

The Government will release public land with the capacity to build up to 100,000 homes over the Spending Review period – which in turn could support as many as 200,000 construction and related jobs during development.

Federation view

- This announcement is welcome as far as it goes – but it could go much further. In 2009 there were roughly 31,160 hectares of previously developed public land in England that might be suitable for housing and available for redevelopment. An estimated 388,500 homes could be provided on these sites, so the Government’s target of 100,000 homes represents little more than a quarter of the public land that could potentially be released for house building. The Government should urgently release the public land that has been identified for homes and require a significant proportion of the homes built on these sites to be affordable homes.

3.0 Social and affordable housing reform

The Government has re-stated its commitment to radically reform social and affordable housing. This includes investing £4.5bn in new affordable housing over the Spending Review period, confirmation over the existing formula for social rents and reinvigorating the Right to Buy (RtB). A number of policy initiatives in the strategy also highlight the Government’s aim to refocus the way social housing is allocated such as preventing or discouraging the occupation of social housing by tenants with high incomes or alternative homes and to criminalise unlawful subletting.

New announcements

- New guidance stopping allocation of social housing to those who already own a suitable home
- The Government are to encourage local authorities to provide extra priority in allocations for households in work
- Linking home-swap scheme with job advice for people who want to move for work
- Consultation on ‘Pay to stay’ and tackling tenancy fraud.

Re-announcements

- Launch of a nationwide mutual exchange scheme, HomeSwap Direct
- ‘More positive’ regulation for housing associations on value for money
- Reinvigorating the Right to Buy.
• Confirmation that the existing formula for social rent setting will continue until 2015 and will be index linked to Retail Price Index (RPI) for the remainder of this parliament.

Government announcement – New guidance stopping allocation of social housing to those who already own a suitable home

New guidance to local authorities, to be published in December 2011, will state that social housing should not be granted to people who are capable of meeting their own housing needs, for example because they already own a suitable home.

Federation view

• The Government provides no evidence of the incidence of people being allocated social housing while already owning a home of their own that is suitable for their needs. In reality, allocation schemes already place a high priority on need, and homeowners would not ordinarily be expected to benefit from social housing. Nevertheless, it could be helpful to put this principle into guidance for those circumstances in which uncertainty may exist. We await the details.

Government announcement – Ministers to encourage councils to provide extra priority in allocations for households in work

The strategy notes that some local authorities have already adapted their allocations policies to provide extra priority for households who are in work, or who make ‘active contributions to their community’. It adds: ‘We want to see this become more widespread, and will be encouraging councils to make sure that social housing supports work, rather than locking people into dependence.’

Federation view

• It is not spelled out how this message will be communicated to local authorities but it may be added to the guidance referred to above (stopping allocations to those who already own a suitable home). It is right that different groups of people – both those in work, often on low wages, as well as those out of work – are able to access a decent home for rent, and allocations policies should reflect this approach. Securing a mix of incomes is one way of helping create mixed and sustainable communities. However, it is important that any policy shift should not lose sight of the role of social housing in also providing homes for those people who may not have a job, or for whatever reason are unable to actively help their community.

Government announcement – Linking home-swap scheme with job seeking advice

The Government launched HomeSwap Direct, a nationwide mutual exchange scheme, in October 2011, to make it easier for social tenants to swap their home with another tenant elsewhere in the country. The proposal is that landlords will be required to take part in the scheme through a revised regulatory tenancy standard relating to mutual exchanges. The strategy states that, from January 2012, HomeSwap Direct will be linked with Department of Work and Pensions website Directgov, for people who want to move for work.

Federation view

• Linking the exchange scheme with job advice is a sensible move.
Government announcement - Supporting innovation and new ways of delivering affordable homes

The Government has recognised the innovation shown by housing associations in responding to the flexibility offered under the AHP and are keen to build on the key principles of the affordable rent model – flexibility, innovation and efficient use of existing assets in the future delivery of affordable housing. Similarly, they are looking to encourage the entry of new, for-profit providers into the affordable housing sector.

Federation view

- The Federation welcomes moves to encourage the entry of new for-profit providers into the affordable housing sector. With housing waiting lists at record high levels and affordable home ownership products experiencing exceptional levels of demand, this represents a sensible move.

- However, it is important to remember that housing associations continue to offer the most effective example of public-private partnership, delivering great value for money – matching £38bn of public subsidy with £70bn of private finance. The sector has already demonstrated their innovation and ability to manage risk by submitting bids to the AHP to deliver up to 170,000 affordable homes over the next 4 years, compared to an initial ‘target’ of 150,000.

- While the Federation’s concerns over the long-term sustainability of the affordable rent model have been well-documented, we are keen to explore ways of utilising the additional flexibility in future investment models. This will be reflected in a major piece of work we are doing on the future of investment in affordable housing. This will outline the sector’s vision for a sustainable investment model post-2015, which would deliver a range of tenures at scale and supports innovation, offers excellent value for money to the taxpayer and is financially viable for housing associations to deliver.

Government announcement - Confirmation over social rents

The Government has further confirmed that social rents will continue to be index linked to RPI for the remainder of this parliament.

Federation view

- We welcome further confirmation over the existing formula for establishing social rents, in particular that they will remain linked to RPI, until the end of the current parliament.

- This will give housing associations significant certainty over their rental income streams for business planning to bring forward new supply. Equally this will also give confidence to lenders to the sector, allowing housing associations to continue accessing finance at competitive rates. It should also help allay concerns over any imminent move to Consumer Price Index.

Government announcement – ‘Pay to stay’ and tackling tenancy fraud

The strategy proposes to address what it describes as tenancy ‘abuse’. The Government will consult in December 2011 on proposals to criminalise unlawful subletting by social tenants. It will also consult on new powers to increase the rent paid by households in the social housing sector earning more than £100,000 annually (‘pay to stay’). It estimates there may be up to 6,000 such households.

Federation view

- Regarding unlawful subletting, we agree that this is a grave abuse. While it is unfortunate to create a new criminal offence that can be committed only by social tenants, this is unavoidable if criminal sanctions are to be available. In particular, criminalising subletting means that the profits will become
the proceeds of crime and will be available for expropriation in the event of a conviction; this is a far more serious penalty than the mere loss of the tenancy, which is the usual sanction at present.

- Concerning higher-earning households, while we think it is unreasonable to describe this as an 'abuse', we think it is understandable, in view of the severity of housing need, that the Government should allow landlords to increase rents so that high earners pay a fairer share. We agree that the income triggering ‘pay to stay’ should be pitched at a relatively high level so that it does not compromise work incentives or mixed communities. We also point out that the number of such tenants is very small, and that if they have occupied housing association property for many years, they are likely to enjoy the statutory protection of a fair rent.

Government announcement – ‘More positive’ regulation on value for money

The regulator will take a ‘more positive’ approach to value for money by housing associations, and the new regulatory standards will incorporate an expectation that boards will examine a range of options for improving their organisation’s efficiency and making better use of its asset base. Examples include the contracting out of services, mergers, greater specialisation, and economies of scale.

Federation view

- While we agree the sector must always strive to improve efficiency (and we welcome the acknowledgment in the strategy that this is ultimately a matter for boards), we think the strategy implies an excessive degree of regulatory interest in this area. The likely consequence is, at best, a souring of relationships between the regulator and the sector; and at worst, the undermining of the sector’s independence. Neither of these outcomes is likely to foster greater efficiency. We also note that although the strategy paper repeatedly refers to ‘social landlords’ in this connexion, the regulatory powers concerned do not extend to local authorities.

Government announcement – Reinvigorating the Right to Buy

The Government outlined again their desire to reinvigorate the RtB. It confirmed the intention to increase discounts, making them nearly double the existing level and up to half the property value, to make them attractive to tenants. Having paid down the existing debt, landlords will be expected to invest the sales proceeds into replacing every home sold with a new affordable rent property. The Government would like to see 100,000 sales over the coming years.

More detail on the proposals will be in a consultation which will open in December 2011, including the appropriate level of discount, how to deliver one-for-one replacement and how to eliminate potential abuse of the scheme.

Federation view

- We recognise the Government's intention to help people realise their aspirations for home ownership and welcome the greater clarity over their current thinking on how discount levels may be increased.

- It is difficult to offer a more substantive response in given the current lack of detail, but we welcome the Government's decision to consult further on the details on the reinvigorated RtB. We will engage with housing associations, with tenants with the Preserved Right to Buy, to ensure it is viable to fund the replacement of sold stock on a one-for-one basis, in a way that does not negatively impact on their borrowing arrangements or delivery under the AHP.

- It remains clear that the interface between the level of discount, attractiveness to tenants and the viability of funding replacement stock on a one-for-one basis are crucial factors, and we will continue
to discuss ways to balance these with the Government and housing associations.

- We are concerned by the Government analysis that assumes that early transfer housing associations will retain the full receipt.

- We welcome the acknowledgement that the sale must have a neutral impact on business plans and that there is no intention to mandate how housing associations, as independent organisations, to reinvest the receipts.

### 4.0 A thriving private rented sector

**Government announcement - Growing the private rented sector and Build to Rent schemes**

The Government has restated its commitment to developing the private rented sector, including the potential offered by changes announced in the last Budget and future changes via the Finance Bill; HCA-led Build to Rent pilots on public land; and, an independent review of the barriers to investment into the private rented sector, supported by the Department of Communities and Local Government (DCLG).

**Federation view**

- We have previously acknowledged the benefits of the change to Stamp Duty Land Tax announced in the Budget 2011 and forthcoming changes to Real Estate Investment Trusts under the Finance Bill 2012. In our submission, we recognised these could have significant benefits in terms of securing greater institutional investment in affordable and market housing.

- We welcome the announcement of HCA-led Build to Rent pilots, on HCA land. In our submission to the housing strategy we identified housing associations, as regulated entities with a track-record in attracting long-term finance, are perfect vehicles for this approach. We also suggested that piloting this approach on public sector land, with an offer of an equity stake or deferred payment, could de-risk delivery.

- We are encouraged that there will be a further review of barriers to investing in the private rented sector and hope it will build on last year’s HM Treasury consultation. We will work with the Government to ensure that the barriers impacting on our members are identified to help provide the best opportunity for housing associations to enter the market.

### 5.0 Our Strategy for Empty Homes

The Government believes that bringing empty homes back into use can be an effective way of increasing housing supply. The strategy includes details of further funding for empty homes in low demand areas, changes to Empty Dwelling Management Orders (EDMOs) and a re-statement of existing commitments.

**New announcements**

- £50m more to bring empty homes back into use in low demand areas
- Changes to EDMOs.

**Re-announcement**

- Criminalisation of residential squatting.
Government announcement - £50m more for empty homes in low demand areas

The Government has announced a further £50m fund to tackle some of the worst concentrations of empty homes, on top of the £100m AHP funding to bring problematic empty homes back into use. Government will seek match funding from local partners, giving a total investment of £150m.

Federation view

- This additional funding to tackle empty homes in areas of low demand is welcome. However it will make only a very modest contribution to tackling the entrenched problems of empty homes in low demand areas, problems that were greatly exacerbated by the premature and rushed abolition of the Housing Market Renewal Pathfinder programme.

- We also welcome the measures proposed to tackle to empty homes in London, and look forward to working alongside the Greater London Authority to make them a success, post-April 2012.

Government announcement – Changes to EDMOs

Changes are proposed to EDMOs to protect responsible homeowners and ensure that their use is limited to the very worst long-term empty homes. Among these are that the property will also need to have been empty for over two years (rather than the current six months) and the local authority will need to have given property owners a minimum notice period of three months. The intention is to make the changes by the end of 2011 or early 2012.

Federation view

- These proposed changes may reduce further the very small number of EDMOs that have been issued since their introduction in 2004. Most local authorities rely overwhelmingly on other tools to tackle the problem of empty homes in their areas, so these changes will have a very limited effect.

Government announcement - Criminalisation of residential squatting

Squatting in residential buildings will be criminalised, regardless of whether there is a displaced or intending occupier. This will be achieved through amendments to the Legal Aid, Sentencing and Punishment of Offenders Bill, currently before Parliament. It will henceforth be a criminal offence to enter a residential building without intention to leave. It is expected that the Bill will gain Royal Assent and be implemented in 2012.

Federation view

- There are already effective means for housing associations to evict squatters so these measures will have limited impact for our sector.

6.0 Quality of housing experience and support

The strategy re-emphasises the Government’s commitment to give choice and opportunity to vulnerable and older people through stable homes with appropriate support where needed. Most of the proposals restate existing policy and commitments.
New announcements

- Work with Foundations to extend the reach of Home Improvement Agencies (HIAs)
- Support for sector-led good practice guidance for local authorities and their partners on delivering a range of housing options through the planning framework
- Launch of a ‘new deal for older people’s housing’
- Launch of first Supporting People personal budgets in 2012
- No central regulation on Lifetime Homes.

Re-announcements

- Extra priority for social housing for former armed forces personnel in housing need
- £51 million to fund handyperson schemes to deliver modest repairs and adaptations
- £1.5 million investment in the First Stop service to help older people make informed choices on their housing and care
- £20 million Homelessness Transition Fund to help implement ‘No Second Night Out’
- Ministerial working group to publish a homelessness strategy in Spring 2012.

Government announcement – Work with Foundations to extend the reach of HIAs

The Government has committed to help extend the reach of HIA services, encourage efficiency, innovation and social enterprise in service design, and to ensure that the Green Deal works for older people. It also includes further Government support for Foundations, the national body for HIAs.

Federation view

- We welcome this commitment to strengthen and extend the work of HIAs and their national body.

Government announcement - Sector-led planning good practice on delivering range of housing options for older people

The Government is working with planners and developers to facilitate industry-led guidance to enable local strategic planning and delivery of a wider range of innovative, high quality housing for older people based on robust data and needs analysis.

Federation view

- We welcome the Government’s commitment to the planning system’s role in helping deliver a wide range of housing and support options for older people. We suggested a number of changes to strengthen the delivery of supported and specialist housing, including for older people in our recent submission on the draft National Planning Policy Framework. The Federation is contributing to the development of this good practice guidance.

Government announcement – launch of a ‘new deal for older people’s housing’

This ‘new deal’ will be delivered through joint work and co-ordination with different sectors. It includes extending the reach of HIAs. The Government also commits to working with the sector to stimulate the development of a range of equity release products along with sector-led guidance to give older residents financial advice to make use of these. DCLG will publish some research on Lifetime Homes, though the Government does not intend to provide national regulations on this.
Federation view

- The Federation ‘Breaking the Mould’ project recently considered the ways in which housing associations can provide a broader offer for older people. This could include equity release products for home owners, but also attractive and sustainable housing offers for people as they age, including lower-level support and extra care.

Government announcement - Launch of first Supporting People personal budgets

The Government is working with several councils and other partners to explore personal budgets for Supporting People services. These areas are developing their own local methodologies with a view to the delivery of the first Supporting People personal budgets in 2012.

Federation view

- We recognise the importance the Government is placing on the potential of personal budgets to deliver more responsive and efficient services. We will continue to participate in a national advisory role for these pilots to ensure they test a wide range of ways to personalise services for vulnerable adults.

- More broadly, our campaign on housing related support, Support Matters, will continue to provide our members and other supporters with materials and routes to work with their local authorities to protect local services and to be transparent about the level of funding those services will receive.

- The strategy is short on the specifics of how its care and support aims will be achieved, particularly at a time of significant cuts to local housing related support services and major changes to the welfare system.

Government announcement – no central regulation on Lifetime Homes

Although the Lifetime Homes standard is widely adopted in mainstream housing developments and incorporates a range of features which make homes more accessible and easily adaptable, the Government does not intend to introduce national regulation.

Federation view

- Accessibly built housing is very important. We agree that it is most appropriate for local authorities to continue to make decisions on the number of Lifetime Homes developed locally. Any toolkit resulting from this work should increase providers and local authorities’ capacity to deliver locally appropriate solutions in this area.

Government announcement – ‘Additional preference’ for service personnel

The Government will consult on a change to the law so that any former service personnel with urgent housing needs should receive ‘additional preference’ (high priority) in local authority allocation schemes. Guidance will be produced on ways in which local authorities ‘can and should’ make proper provision for service personnel, including through preference criteria.

Federation view

- Local authorities are already required to give priority to people on the basis of their housing need – including ex-service men and women. In 2009, guidance showed how local authorities could assist
members of the armed forces who spent time overseas in establishing a connection to an area based on the location of their families, or based on previous residence, to help them secure a home through any allocations scheme that prioritised such a connection. This proposal would replicate this protection within the new qualification rules under the Localism Act, but would also go further, in awarding ‘additional preference’ to any ex-services personnel who already have ‘reasonable preference’. It would not, despite some media suggestions, push every former member of the armed forces to the upper reaches of a housing list, but only those with urgent housing needs.

- The lack of affordable housing is a problem for many people – service men and women, nurses, bus drivers and low-income families – from across the public and private sectors. That is why we desperately need to build more homes for rent.

### 7.0 Quality, sustainability and design

This strategy re-announces well trailed initiatives including the imminent launch of the Green Deal and the commitment to make all new homes Zero Carbon by 2016. However it also places a welcome emphasis on the value of good design and high quality public space. This includes an endorsement of a recently published guide on how social landlords can provide excellent green spaces published by the Neighbourhoods Green partnership, hosted by the Federation.

**New announcements**

- Creation of a nation-wide network of neighbourhood designers to help communities influence design locally
- Commitment to improving the quality of the environment in deprived areas.

**Re-announcements**

- Zero Carbon Homes from 2016
- Introduction of the Green Deal.

**Government announcement - Creation of a nation-wide network of neighbourhood designers to help communities influence design locally**

The Government wants built environment professionals to offer design support for communities in order to help them shape their local area. As a next step, Government will be hosting a Ministerial-led summit to scope how best to support built environment professionals in creating a nation-wide network of neighbourhood designers that can help communities to influence design locally.

**Federation view**

- The commitment to good design in the strategy is very welcome and we will seek to contribute to discussions on the potential to create a national network of neighbourhood designers.

**Government announcement - Commitment to improving the quality of the environment in deprived areas**

The Government has committed to working with civil society partners, local government and professional bodies to look at improving the quality of the environment in the most deprived communities. The aim is
to demonstrate the benefits that green infrastructure can provide and support local areas in planning and developing their green infrastructure.

Federation view

- We welcome the Government’s recognition of the value and benefits of improving the quality of the environment in disadvantaged areas, and endorsement of a recently published good practice guide by the Neighbourhoods Green partnership hosted by the Federation. We hope the Government will support the roll-out of this valuable work.

Government announcement – Zero Carbon Homes from 2016

The Government’s approach to zero carbon, which will require high levels of fabric energy efficiency in all new homes and other on-site measures, will apply to all new homes from 2016.

Federation view

- This is a restatement of the Government’s policy for zero carbon homes, based on the Budget 2011 revised definition that supports off-site carbon reduction measures. The Federation will examine carefully and influence emerging policies on Zero Carbon Homes as well as the proposed 2013 Building Regulations changes.

Government announcement – Introduction of the Green Deal

The Green Deal, due to launch in late 2012, will enable providers to offer energy efficiency investments to householders and for repayments to be made through their energy bills.

Federation view

- We support Government’s commitment to improve the energy efficiency of existing homes. At the time of going to press the Federation is scrutinising the Government’s Green Deal and Energy Company Obligation consultation (published on 23 November 2011) to assess its potential for social housing tenants. We are lobbying hard for the social housing sector to have open and fair access to the new ECO supplier obligation which will be crucial to ensure that the many social homes in which the ‘Golden Rule’ (whereby fuel bill savings should always exceed the total repayments) would not otherwise be met can benefit from Green Deal works.

8.0 Conclusion

The immediate next steps for the Federation is to feed our views into forthcoming consultations on allowing developers to require local authorities to reconsider Section 106 Agreements, making £30m short-term project finance available for custom build projects, revised standards on tenure mobility and value for money, re-invigorating the Right to Buy, guidance on allocation schemes, provisions to increase rents for tenants on high salaries, making tenancy fraud a criminal offence, changes to Part L of the Building Regulations and introduction of the Green Deal. We will of course engage extensively with members in the course of completing our respective responses.
9.0 Further Information

The Federation contacts are:

**New build indemnity scheme and Get Britain Building fund**
Adam Morton, adam.morton@housing.org.uk  Tel: 020 7067 1077

**Investment in affordable housing, Growing Places fund and private rented sector**
Lucy Thornycroft, lucy.thornycroft@housing.org.uk  Tel: 020 7067 1091

**Planning, land and empty homes**
Cameron Watt, cameron.watt@housing.org.uk  Tel: 0207 067 1178

**Community land trusts and community-led housing**
Catherine Harrington, catherine.harrington@housing.org.uk  Tel: 0207 067 1191

**Right to Buy**
Stuart Ropke, stuart.ropke@housing.org.uk  Tel: 020 7067 1103

**Design and quality**
Andrew Burke, andrew.burke@housing.org.uk  Tel: 0207 067 1198

**Energy efficiency and Green Deal**
Pippa Read, pippa.read@housing.org.uk  Tel: 0207 067 1092

**Allocations and Mobility**
Andy Tate, andy.tate@housing.org.uk  Tel: 0207 067 1081

**Housing Support**
Jake Eliot, jake.eliot@housing.org.uk  Tel: 0207 067 1084

**Older People**
Caroline Hawkings, caroline.hawkings@housing.org.uk  Tel: 0207 067 1090