

## **LABOUR PARTY HOUSING POLICY REVIEW**

### **SUBMISSION FROM THE PLACESHAPERS GROUP**

#### **1. Summary**

- The PlaceShapers Group is driven by its values. We believe that locally tailored solutions are essential to the development of solutions to address the UK's housing crisis.
- We expect to play a full part, in conjunction with our local authority partners and local communities, in developing solutions for social housing and across all sectors.
- The country is not building enough homes; the reduction in the Government's target for affordable homes to just 150,000 for this Parliament is a serious mistake. We need to rethink capital funding for social housing, and view it as an investment which produces real returns, and not as a drain on the public purse which can be cut back at difficult times.
- The ring-fence for Supporting People should be reinstated.
- We should recognise that communities will not always support the development of new social housing. The voices of homeless people and vulnerable groups need to be heard. On occasions local authorities may need to stand up for the interests of vulnerable people in the face of articulate local opposition.

#### **2. Introduction**

PlaceShapers is a group of community based housing associations located in England and Wales who share a common ethos. Our Manifesto sets out what we stand for:

*The PlaceShapers Group is a national group of around 60 community-based housing associations formed in 2008. We own around 300,000 homes between us, provide services to nearly one million people and employ over 70% of our staff locally. We have completed over 21,000 affordable new homes in the past three years and as at May 2010 had plans to invest £2.7bn to deliver a further 20,000 new homes.*

*We have come together as a group because we see the importance of working in depth with partners at a local level to achieve real improvements within an area. Good housing is the bedrock for a decent life and we are conscious of our pivotal role as change agents. Unemployment, crime, poor health, low educational achievement are all linked so what we do as housing organisations to help residents, local government and other agencies work together can make a huge difference to society.*

*Our members understand the strategic priorities of central and local government and contribute to their delivery as close and valued partners. Localism and the Big Society are central to what we are about. We distinguish ourselves as a group because we are committed to local decision making. We believe that it is crucial to remain truly accountable at the local level. We are already doing a fantastic amount of good work in partnership with government, agencies and most importantly our customers who are ultimately the reason for our being. We are an important part of the future and are delighted by the impact our group has already had in these changing and challenging times.*

*This short manifesto has been developed to support our members in discussions with MPs, local councillors and government agencies. It sets out the key principles that underpin our ethos together with a series of commitments that illustrate what these mean in practice and our hopes for what this should mean in return. Naturally some of our members are further advanced than others in delivering this agenda but, wherever they are on the journey, they have all signed up to the ethos.*

### **Our Values**

***We put our residents and customers at the centre of what we do and ensure they have real influence on how our organisations evolve.***

*We will:*

- Recognise the crucial role that residents and service users have in shaping services and business development. We support genuine engagement at all levels of our organisations and empower our residents to achieve the influence they rightly expect.*
- Have in place effective and appropriate mechanisms to understand and respond to our diverse customer profile. We will use this profile to develop appropriate services and to support resident involvement structures that reflect local and personal needs.*

*We ask for:*

- Recognition that we put residents at the heart of our work and flexibility to determine arrangements locally which give our customers choice.*

***We provide more than just landlord services because we care about the people and places where we work.***

*We will:*

- Invest our resources locally, will employ locally where possible and will be recognised for our contribution to creating opportunities neighbourhood pride and social mobility.*

- *Be transparent about how we are using our resources.*
- *Reflect local needs through a balance of regeneration and development thus addressing the needs of current and future families.*
- *Be integrated effectively in the local voluntary sector, working jointly with partners (and leading where appropriate) to nurture stronger communities.*
- *Employ high standards in our neighbourhoods, nurturing personal responsibility and being tough on anti-social behaviour.*
- *Use our resources where possible to nurture responsibility amongst our customers and reduce their dependency on the welfare state and local authority support.*

*We ask for:*

- *Recognition of the importance of community based services in adding value to landlord activities. And for this to be an influencing factor when selecting investment and preferred management partners, and evaluating value for money.*
- *Effective tools and support of local and statutory agencies to tackle anti-social behaviour across all tenures.*
- *Recognition that PlaceShapers should be regarded as key influencers and primary partners, integrated into local service provision and investment planning as organisations that can add value beyond the delivery and supplier role.*
- *Protection of the most vulnerable in welfare reform.*

***We recognise the importance of the Local Authority role and support our Local Authority partners in improving and shaping places at both a strategic and operational level.***

*We will:*

- *Expect senior managers of PlaceShapers housing associations to contribute to and challenge local partnerships to jointly drive local improvement in neighbourhoods and services.*
- *Commit to determining our agreed role in any given local authority area whether this be to lead, to influence, to follow or, if appropriate, to exit.*
- *Use our assets flexibly to increase housing supply and drive up housing standards.*

*We ask for:*

- *Recognition that stock rationalisation and asset sales can support the delivery of more housing and improved local services; and simpler mechanisms for achieving this.*
- *A commitment in funding and regulatory regimes to the local management of housing association homes. 'Local' to be defined by residents and key stakeholders in discussion with the housing association.*

***We believe there is strength and benefit to residents and stakeholders in maintaining a strong, independent, diverse, non-profit making sector.***

*We will:*

- *Offer strong local accountability and dynamic participation in our key areas to ensure that the value of an independent and innovative housing association sector is recognised.*

*We ask for:*

- *A rent regime that gives stability and landlord control of income so that we can plan the best use of our resources.*
- *A housing benefit system that balances the interests of tenants and landlords.*
- *Clear support for an independent, diverse, not-for-profit sector that provides a range of housing solutions to meet local need and is responsive to local influence.*

### **3. Our submission**

This submission does not seek to address every question in the brief. Where we have commented below this reflects the collective views of the PlaceShapers Group as a whole.

### **4. The changing landscape**

We believe that the gap between the supply and the need for social housing is widening. The Government's target of building just 150,000 sub-market homes over the life of this Parliament is inadequate. According to a recent survey, 2/3 of young people who do not currently own their own home expect never to be able to own their own property. Although the private rented sector is expanding, rents are increasing rapidly (double digit in some areas) and this sector will not be able to take up the slack. Government funding for new social housing should be seen as an investment – in infrastructure, in communities, in jobs and in people, and not as a drain on the public purse which needs to be cut back when times get hard.

Reductions in the real incomes of our tenants are creating real hardship with people resorting to doorstep lenders and, in a minority of cases, giving up all hope of meeting their financial commitments including rent payments. PlaceShapers are working hard on a number of fronts to develop employment initiatives to support our tenants and local communities to find work, training and volunteering opportunities.

#### **5. Places where people want to live**

Our experience is that the vast majority of our tenants like where they live, are happy with their homes and, for many of them, being a housing association tenant is a choice not a punishment. We reject the frequently repeated analysis that social housing “traps” tenants. One of our members whose homes are located in Caroline Flint’s constituency, for example, has satisfaction ratings of 88%. The only other local organisation we could find with such high ratings is John Lewis (with 89%.) One of SYHA’s tenants spoke for many tenants when she said “I wouldn’t go anywhere else for housing.”

Feedback from tenants suggests that good quality homes and repairs services, combined with effective management and quick action to resolve problems such as anti-social behaviour, are their top priorities. PlaceShapers invest in infrastructure and social capital in their communities; our main concern is that value for money assessments do not always consider the added value that this work delivers. PlaceShaper members work closely with schools and colleges and provide many learning opportunities directly themselves. There are many examples of involving school children in, for example, the care, support and social activities for elderly people living in supported housing.

#### **6. Housing finance**

Our immediate concern is that our current lenders have been alarmed by the Government’s proposals to eliminate the direct payment of Housing Benefit to housing associations and proposals in the Welfare Reform Bill to cut Housing Benefit. These are two of the pillars on which trust in housing associations’ ability to make loan repayments have been based. Some lenders are now looking for opportunities to withdraw from the sector and others, such as the Newcastle Building Society, are considering re-pricing existing facilities, quoting “market disruption” as the basis for a hike in repayment rates. Existing funders require certainty about the political and social policy environment if they are to continue to support the sector.

The proposal to end the direct payment of Housing Benefit for landlords is particularly damaging. A pilot study carried out by London & Quadrant Housing Trust suggested that rent arrears would more than double should this be introduced. Not only will this undermine the financial viability of associations (none of whom have ever defaulted on a loan repayment), but it will also cause hardship to many thousands of poorer households.

**7. Housing supply**

The main causes of the dysfunction in the housing market are the supply of land, mortgage availability, planning restrictions, and, more recently, the 60% reduction in the National Affordable Housing Programme. House builders and housing associations can up their game and develop more environmentally sustainable homes; good progress has been made and we must ensure that we hold our nerve with regards to the 2016 zero carbon targets. Supply chains, funding structures and technologies will adapt if we are clear what is required.

**8. Home ownership**

The continuing preference for home ownership is based on the choice/flexibility that the tenure offers and the continuing perception that home ownership is the route to assets and wealth generation. PlaceShapers have developed a number of local solutions which offer greater flexibility of tenure which makes it easier for people to take a stake in their properties without owning them outright. PlaceShapers are ideally positioned to understand their local markets and the aspirations of local people. What works in London may not work in Leeds. Solution tailored to individual housing markets must be developed. For example, a partnership between South Yorkshire Housing Association and the Mansfield Building Society offers 100% shared ownership loans to purchasers. The scheme has been in operation for 3 years and, to date, the joint approach developed by this partnership has ensured that no homes funded through this route have been repossessed.

**9. Social housing**

The defining characteristic of PlaceShapers associations is the quality of our management and our commitment to customer care. We know from our customer feedback that this is highly valued, and many tenants and residents take up opportunities to be involved in the governance of their associations. PlaceShaper associations are increasingly offering solutions traditionally provided by the private sector. For example, many associations are building housing for outright sale, flexible tenure and as build-to-let market rented housing.

The Manifesto we have set out above defines our vision for the role of social housing providers. We see ourselves as far more than just landlords, and we know that we make a far greater impact in our communities than providing roofs over peoples' heads. For example, many PlaceShaper members provide care and supported housing services, and many of us are committed to continuing to do so in spite of the threats to revenue funding. We believe that the ringfence should be put back for the Supporting People programme. We have experienced cuts of between 20% and 50% in our local areas. Many homes have been closed, and services have been lost through poor commissioning in a race to the bottom.

**10. Private rented sector**

The private rented sector offers an easier route in/out than social housing. Demand is far lower as the length of local authority waiting lists demonstrates. The quality of management in the private rented sector is extremely mixed. At its worst, sharp practices and, sometimes, illegal activity continues unchecked due to the low level of enforcement powers local authorities currently have. The conclusions of the RUG Report should be followed through.

**11. Planning**

PlaceShapers work closely with local communities whenever new social housing developments are proposed. More often than not, through developing a dialogue with local people and groups, resistance can be overcome. On occasions, however, local authorities are called on to make brave decisions, but this is not always followed through. In the past, many of our members have lost hundreds of thousands of pounds in abortive planning work only to find that the local council will not back us if local groups set out to block, for example, housing for young people. The voice of homeless people and others in acute housing need is rarely heard at such times. Ways for local authorities to take account of the views of people in this situation should be developed.

**12. Housing design and quality**

CABE did a good job of highlighting examples of poor design. The abolition of CABE has been a mistake. Many local authorities are now so desperate for housing development of any sort that schemes are being approved which are clearly not fit for purpose. The quality of the existing stock of PlaceShaper members is exceptionally high. Many associations have gone way beyond the Decent Homes standard. Many are well ahead with retrofitting programmes, the installation of photovoltaics etc. It is unfortunate that we currently have no mechanism for adjusting rents where energy saving measures have been installed. Building this into the rent setting formula would be a huge boost. PlaceShapers are working closely with our tenants to ensure that they fully understand the ways in which they can reduce their fuel costs. The installation of retrofitting measures is only half the story. PlaceShapers are working together actively to share best practice in this regard.