



Unite response to Department for Communities and Local Government's consultation 'Local Decisions: a fairer future for social housing'

This response is submitted by Unite the Union. Unite is the UK's largest trade union with 1.5 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, financial services, print, media, construction, not for profit sectors, local government, education, the NHS and other health services, prisons and Royal Mail.

Executive summary

- Unite is concerned that this consultation fails to meet the requirement in the Code of Practice on Consultation that *"consultation should normally last for 12 weeks"*.
- Unite believes that increased investment in housing can be a lever for economic recovery and meet housing need in this country. Increased investment and a reformed finance system that provides councils with the necessary tools and resources to build a large programme of council homes is critical.
- The Government's proposals are a serious threat to the viability of council housing and the important role it plays in developing and sustaining mixed communities.
- The opportunity to introduce fixed term tenancies and the expectation that tenants will be asked to move on when their circumstances change threatens the most vulnerable and will have serious implications for those who are seeking work.
- A standards framework for social housing regulation needs to include a standard on workforce matters.
- Unite supports demands that the workforce must be involved and consulted on local authority housing 'business plans' in any move to 'self-financing'.
- Unite is concerned at the serious consequences arising from cuts to money allocated to 'Supporting People' and the ending of ring-fencing of this funding.

- The Government's proposals have to be considered along with the severe cuts being made to housing benefit.

Introduction

1. Although this consultation is aimed primarily at local authorities, housing associations, social housing tenants, and voluntary and community organisations representing new and existing social housing tenants, the issue of social housing is one of importance to Unite members.
2. Decent housing is central to people's welfare and the country's economic efficiency. The economic recession made this even more apparent. Unite is uniquely placed in the housing arena as a trade union with members working in the range of sectors involved in providing housing including:
 - local government, where members maintain and repair council housing and estates;
 - the not-for-profit sector, where members work for Registered Social Landlords, and in particular supported housing where Unite members work with some of the most vulnerable people in society, and in housing advice and support services;
 - the construction industry – in both building and the manufacturing supply chain; and
 - the finance sector, where members are increasingly working with homeowners at risk of, or concerned about, repossession.
3. In addition, Unite members are also affected by housing policy as actual and potential home owners, mortgage holders and tenants.
4. Unite is seriously concerned that this consultation fails to meet the requirement in the Code of Practice on Consultation that "*consultation should normally last for 12 weeks*"¹. The short timescale allowed for responses (eight weeks over a period that included Christmas) not only limits the ability of all legitimate stakeholders to respond effectively to the important issues concerning the Government's proposals, but questions the credibility of the consultation.
5. The Government's proposals are clearly linked to its wider reform agenda and Unite shares concerns expressed by experts in the social housing field that "there is no suggestion that the overall direction of Government policy is subject to consultation"².

¹ <http://www.bis.gov.uk/files/file47158.pdf>

² National Housing Federation *Briefing on Local Decisions: a fairer future for social housing*, November 2010 - <http://www.housing.org.uk/Uploads/File/Policy%20briefings/Neighbourhoods/Local%20Decisions%20briefing%20-%20nsre2010br20.pdf>

6. Unite also agrees with the National Housing Federation's view that "the problems to which the consultation paper draws attention are the result of chronic under-supply of social housing"³. The Government's proposals do nothing to increase the supply of decent, secure, affordable housing.
7. The Chartered Institute of Housing have also expressed fears that the social housing sector faces a collapse in investment as part of the Government's deficit reduction measures⁴. It reports that the last two years saw dramatic improvements in the condition of social rented housing across Britain and that this is now at risk from spending cuts to take effect from April 2011.
8. The Hills report highlighted that social housing is an important part of the lives of four million households, providing stability, security, and better quality housing than they could afford in the private sector. The report also acknowledged that social landlords often play an important role in renewing and regenerating deprived areas⁵.
9. Unite believes that too often the focus has been on pushing everyone towards home ownership, leading to implied criticism of those who wish to remain – or seek to become – social and council housing tenants.
10. Unite believes that increased investment in housing can be a lever for economic growth and meet housing need in this country. Increased investment and a reformed finance system that provides councils with the necessary tools and resources to build a large programme of council homes is a critical outcome that must be achieved from the reform of the council house finance system.
11. The Government's proposals are a serious threat to the viability of council housing and the important role it plays in developing and sustaining mixed communities. Applicants risk being pushed into inappropriate private sector housing which is insecure, unaffordable, and often of poor quality. For existing tenants, estates and communities will become less sustainable.

Tenure

12. The Government's proposals break a pre-election promise made by David Cameron and the Conservatives that they would protect social housing and respect social tenants' rights and that the party had 'no

³ Ibid.

⁴ Chartered Institute of Housing, *Investment in social housing plummets following three decade high*, 6th January 2011 - <http://www.cih.org/news/view.php?id=1339>

⁵ John Hills – *Ends and Means : the future roles of social housing in England* (Centre for Analysis of Social Exclusion, 2007)

policy to change the current or future security of tenure in social housing'⁶.

13. The opportunity to introduce fixed term tenancies and the expectation that tenants will be asked to move on when their circumstances change threatens the most vulnerable and will have serious implications for those who are seeking work if it is felt that the insecurity of unemployment is being replaced with losing the stability of one's home.
14. The Chartered Institute of Housing have also stressed the importance of security and stability and questioned how realistic it is for most people to be asked to move on from their tenancies after the proposed minimum fixed term tenancy of two years. The CIH believe that people should be able to stay in their own homes as circumstances change, even if the terms of their tenancy change⁷.
15. The consultation asks who local authorities should consult in drawing up strategic tenancy policies. If the proposal to establish these policies were to go ahead then social housing providers should be given a clear duty to consult the trade unions. Strategic tenancy policies will impact on employment issues, and the workforce are legitimate stakeholders in the process.

Reform of Social Housing Regulation

16. Unite has previously expressed the view that a standards framework for social housing regulation needs to include a standard on workforce matters⁸. The workforce is crucial to achieving effective social housing and good employment practices are an essential part of delivering high quality public services.
17. Unite has particular concerns in respect of 'outsourced' services and how this can lead to the erosion of employees' terms and conditions and the establishment of a 'two-tier workforce'. There needs to be a standard on workforce matters in service contracts transferred from organisations registered by the social housing regulator.

Reform of Council Housing Finance

18. Despite the problems with the Housing Revenue Account and the subsidy system, Unite would not wish to see these difficulties used as

⁶ Inside Housing, *Cameron: Social tenants have nothing to fear*, 30th November 2010 -

<http://www.insidehousing.co.uk/cameron-social-tenants-have-nothing-to-fear/6509618.article>

⁷ Chartered Institute of Housing, *CIH comments on social housing reform*, 22nd November 2010 -

<http://www.cih.org/news/view.php?id=1325>

⁸ See *Unite response to TSA's 'Building a new regulatory framework' discussion paper*, September 2009 -

http://www.epolitix.com/fileadmin/epolitix/stakeholders/Unite_Response_to_TSA_RegulatoryFramework_Paper_2009.pdf

an excuse to do away with a national housing system in favour of moving towards a more fragmented arrangement. Unite supports demands that the workforce must be involved and consulted on local authority housing 'business plans' in any move to 'self-financing'.

19. Unite believes a more transparent funding arrangement based on longer term settlements within a reformed national finance system would be a sustainable, long term finance arrangement for council housing.
20. Unite believes the crucial issue is for increased investment of extra funds that will deliver for current tenants and support the building of homes for the next generation. Unite believes that council housing has for many years been under-funded and some of the frustrations at the redistributive element of the national HRA have been borne from the lack of funding in the system overall.

Decent Homes Standard

21. A central part of reforming council house financing into a sustainable system for the long term is ensuring that as well as councils achieving the 'Decent Homes' standard there is sufficient funding available to local government to maintain homes in the future, ensuring that homes do not fall back into disrepair.

Supporting People

22. Unite has on many occasions raised the importance of the work carried out under 'Supporting People' in helping to support some of the most vulnerable people in their communities and the serious consequences arising from cuts to money allocated to 'Supporting People' and the ending of ring-fencing of this funding⁹.
23. These concerns have been recognised by other social housing experts. For example, the National Housing Federation has reported that cash strapped councils are slashing funding for 'lifeline services', leaving many of the most vulnerable to effectively fend for themselves¹⁰. In addition, NHF warns that the long-term financial costs of these actions outweigh the short-term savings from cutting back on services.

⁹ See for example *Unite's response to the Communities and Local Government Committee's call for submissions on the Government's 'Supporting People' programme, May 2009* - <http://www.epolitix.com/fileadmin/epolitix/stakeholders/Supporting-People.pdf>

¹⁰ National Housing Federation, *Councils slash funding for lifeline services for the vulnerable*, 5th January 2011 - <http://www.housing.org.uk/default.aspx?tabid=212&mid=828&ctl=Details&ArticleID=3581>

Homelessness

24. The Government's proposals have to be considered along with the severe cuts being made to housing benefit which the housing and homeless charity Shelter have described as "devastating" and the Social Security Advisory Committee, an independent watchdog, have described as a high risk policy that would increase financial hardship and child poverty¹¹. A report by the SSAC recommended that the cuts should not go ahead.
25. The Chartered Institute of Housing has warned that the proposal to enable local authorities to discharge their homelessness duty by housing people in the private rented sector needs to be carefully thought through. It argues that the reforms to housing benefit will mean that in some areas households will struggle to secure accommodation in the private rented sector, reducing councils' ability to deliver in this way¹².

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¹¹ Shelter, *Benefit cuts 'devastating'*, 30th November 2010 -

http://england.shelter.org.uk/news/november_2010/benefit_cuts_devastating

¹² Chartered Institute of Housing, *CIH comments on social housing reform*, 22nd November 2010 -

<http://www.cih.org/news/view.php?id=1325>