

What you need to know about the Levelling Up White Paper



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On 2 February 2022 the Government published its flagship <u>Levelling Up White Paper</u>, which sets out 12 "missions" they aim to achieve by 2030. This briefing for CIH members provides a summary of the most significant announcements relating to housing and our initial response.

What's in it?

The main housing and planning proposals are at p.221-228 of the White Paper. The Government announced several measures (not all new) including:

- **Housing supply** building more housing in England, including more "genuinely affordable social housing" (no new targets set) and scrapping the 80/20 funding rule that focussed investment in London and the South East. Much of the previously announced £1.8bn brownfield funding will be diverted to the North and Midlands.
- Home ownership launching a (previously announced) £1.5 billion Levelling Up Home Building Fund which will provide loans to SMEs (and support the wider regeneration agenda in areas that are a priority for levelling up). There's also a commitment to look at limiting the competition that first-time buyers face and to review the buying and selling process.
- Social Housing regulation recommitting to legislation to deliver on commitments in the 2020 <u>Social Housing White Paper</u> to improve the quality and regulation of social housing, give residents performance information so they can hold their landlord to account and ensure that landlords take quick and effective action to put things right when residents make a complaint.
- **Private rented sector reform** committing to a White Paper in the spring to consult on introducing a legally binding Decent Homes Standard in the private rented sector, a National Landlord Register and other measures to reset the relationship between landlords and tenants, including through ending section 21 "no fault evictions" as previously promised.

- **Regeneration** repurposing Homes England with its remit extended to include the regeneration of towns and cities, supported by funding for priority areas.
- **Empty Homes** encouraging empty homes back into use by introducing new powers for councils to apply a premium of up to 100% council tax to homes left empty for a year - aligning the position across the UK and allowing councils to retain all additional revenues.
- Leasehold/commonhold recommitting to banning new leasehold houses and new financial ground rents and consulting on measures to empower leaseholders to take control of their property management and make it cheaper and easier to buy the freehold. Leasehold and commonhold legislation to underpin these changes.
- **Planning** recommitting to introducing a new infrastructure levy and increasing community engagement.
- **Devolution** committing to enabling every part of England that wishes to have a 'London-style' devolution deal to have one by 2030.

"Housing has a critical role in delivering the outcomes that levelling up aims to achieve across the UK."

Targets

The White Paper includes "mission" targets by which success will be measured. For housing this commits that, "By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government's ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas."

"Getting people onto the housing ladder means making housing more affordable now and in the future."

Initial CIH Response

CIH has <u>welcomed</u> the Government's ambition to level up the UK and the clear recognition that housing plays a key role in delivering on this. Overall, it's encouraging to see Government produce a joined up and outcomes focused plan.

Many of the commitments made in the White Paper are high level or a restatement of previous policy, planned legislation and funding which we have already welcomed. However, **highlights** to note are:

• Quality of housing plays a central role. The White Paper marks a shift of approach away from numbers/units to a more qualitative people-focussed approach. The emphasis on decent homes and redress for all renters in England is something we've been calling for and our work on professionalism can help to realise it. • Regeneration is back on the table, with an expanded role for Homes England and an indication of further funding to follow. This should be good news for housing providers and place makers.

There are several areas where **further detail is needed to unpack the ambitions**. For example:

- It's not clear how the housing element of the White Paper applies to the devolved nations (who have introduced many of the proposed changes already).
- There is much focus on homeownership and housing quality (p.224) but no detail on the commitment to build more affordable social housing which needs funding. We can't meaningfully level up without getting this bit right. A long-term replacement for the 80/20 funding rule is needed which must not result in fewer affordable homes being built in London and the South East, where the need for affordable housing is greatest.
- The role that the shortage of affordable housing plays in pushing people into the private rented sector is acknowledged (p.223), but we must wait for a further White Paper to see progress in addressing this.
- The section on housing quality (p.226) acknowledges the scale of the problem but there is no new initiative on retrofit and nothing to help raise the quality of older homes (aside from the revised Decent Homes Standard (DHS) applying to the private rented sector as well as social housing; and no clarity on how this will be enforced). Timelines for the DHS and Net Zero will need to be aligned.
- We need to see the next steps on the Planning White Paper. It is essential that the Infrastructure Levy works well in all parts of England, including areas with lower land values, and that the planning sector has the resources it needs to deliver on the changes outlined.

"Having a decent home is fundamental to our wellbeing."

- Devolution deals could have huge implications for housing if they replicate the London model but there is no detail yet on how this will work.
- The absence of any real reference to older people seems like a missed opportunity given national and regional demographics (a brief mention on p.226 of a Taskforce on housing for older people, which will be launched 'shortly').

We note that the Government has committed to engaging with stakeholders on the next steps and we look forward to working with them on the detail. "Nowhere is the need for making opportunity more equal more urgent than in housing."

