

# Coronavirus: social and economic recovery

## Member briefing

**The coronavirus crisis must be the catalyst for a better future for our nation: for the people who are helping England through this crisis and for everyone who will live with the long-term effects of it.**

Housing associations have played a central part in the nation's coronavirus response and now social housing must be at the heart of the national recovery.

We have been talking to members over the past few weeks to explore how social housing and housing associations can play their vital role – where should we focus our efforts, what can we deliver, and what can the government do to make this delivery possible?

This briefing sets out the five key housing ambitions members have identified as the priorities for national recovery and for the residents and communities they serve:

1. No return to rough sleeping
2. A new generation of social homes
3. Help for people to thrive at home
4. A new drive to decarbonise social housing
5. Change for communities across the country

For each, we have set out the challenges we can tackle, our sector's offer, and our policy calls on the government. Some build upon work we have developed over the past year, and are more complete. Others we are still developing and testing with our members. We'd like to hear from any members who have views on these priorities or would like to be involved in developing them further.

We've been talking to ministers, officials and partners about these ambitions and will continue to build the case for them over the coming weeks. We are also working on a public campaign that highlights the importance of home during and after this crisis – and puts social housing at the heart of the national recovery. We'll be sharing more information on this very soon.

# 1. No return to rough sleeping

During the crisis, rough sleeping has virtually ended overnight – showing just what is possible with determination, collaboration and funding. Housing associations have worked with national and local government and other partners to find accommodation for rough sleepers around the country. We cannot fail to build on the progress we have made in finding accommodation for people during the crisis by sending them back on to the streets when it is over.

We can end rough sleeping for good, making a vital first step towards ending homelessness in all its forms. Housing associations, working with the government and other partners, can play a key part in making that happen.

In the short term, this means finding permanent homes and support for those who are temporarily housed. To do this we need:

- Delivery of the government’s plan to ensure that every former rough sleeper will be supported into sustainable and affordable housing, in line with the government pledge to end rough sleeping by 2024.
- Coordination between local authorities and partners, such as housing associations, to identify suitable accommodation based on applicants’ needs.
- Guaranteed, long-term support funding to ensure people receive appropriate and sufficient support in their new home and can sustain their tenancy.
- Capital funding to secure additional accommodation where necessary, including conversions.

Rough sleeping is only part of the picture. We risk a rise in homelessness more widely once the eviction ban is lifted, compounded by issues like relationship breakdown, unless safeguards are put in place and renters’ income is secured after the freeze. Homelessness prevention measures such as benefits that cover the cost of renting, tenancy sustainment, legal advice, secure employment and family mediation will be more important than ever.

In the longer term, our ambition to end homelessness in all its forms can only be achieved by building the social homes we need and ensuring support services are properly funded – as the following sections set out.

Please contact [Suzannah Young](#) with any views and suggestions on this work.

# 2. A new generation of social homes

The crisis has highlighted again the need for high quality social and affordable homes to rent and buy. Not least for many of the people most affected by this crisis – more than one million low-paid key workers living in the private rented sector, rough sleepers helped off the streets, homeless families in temporary accommodation, older people in unsuitable homes, and families stuck in overcrowded conditions.

Public investment in social housing also boosts the economy, driving employment and helping small businesses across the country.

To build the social and affordable homes the country needs, we need short-term certainty and a long-term commitment to build a new generation of social homes.

### **Short-term certainty and stability**

Housing associations are ambitious to play their part in recovery, but current uncertainty around the housing market and the policy environment is acting as a brake on delivery. To maintain housing delivery programmes and even push forward more ambitious plans, they need a rapid injection of certainty and policy stability.

The government can deliver this quickly through re-profiling existing commitments and providing additional tenure and timing flexibility in current grant programmes. We've suggested earmarking up to £3bn of the recently announced £12.2bn affordable homes budget to support the short-term recovery. This would be used to fund additional flexibilities in the current grant programmes and extend the existing Shared Ownership and Affordable Homes Programme for an additional year to 2022, with the same conditions as the current programme. The funding should prioritise new social and affordable homes built by housing associations but could also be available for bulk-buying homes from developers at a discount to convert to rent, as long the homes are high quality, the right size and in the right places.

To give additional confidence and stability to housing associations' business plans, we are also highlighting to the government the importance of certainty over future rental income.

### **A new generation of social homes**

The government should then use this year's spending review to transition to a longer-term plan and investment programme to build a new generation of social and affordable homes to rent and buy. These would be high quality, low carbon, accessible and suitable for those who need them – including supported housing and housing for older people.

This would deliver better value for money, unlock investment in technology and skills to improve productivity across the homebuilding industry, and meet the government's ambitions to end homelessness and promote home ownership.

To kick-start this programme, we think the government should commit an additional £20bn in grant funding for 2022 to 2032, creating a ten-year affordable housing fund. This would be used both to quickly extend existing strategic partnerships and to establish a new affordable homes programme with funding for homes of all tenures.

This long-term commitment would also give more time to understand which models best support home ownership. The government could robustly pilot a range of models to help

private and social renting tenants into homeownership and achieve the best value for money on government investment.

Please contact [Lawrence Morris](#) with any views and suggestions on this work.

### 3. Help for people to thrive at home

The coronavirus crisis has impacted disproportionately on vulnerable people and exacerbated existing health problems. But this crisis has also given the nation a new appreciation of our care and support services and the staff who have helped keep vulnerable people safe in the face of huge challenges. Extra care schemes have enabled older people to isolate with staff delivering meals and providing support. Staff have helped people with learning difficulties manage social distancing, and tried to fill in gaps as health services withdrew.

The combination of a home and high quality care and support can transform lives – they can help people carry on living at home, improve life chances and help people manage through a crisis. Housing associations deliver over 70% of the country’s supported housing, including sheltered and extra care housing, homeless hostels, mental health step-down units and domestic abuse refuges. By working with housing associations to build more homes, the government can take the strain from the NHS and give people a real alternative to residential care.

In 2018, the government showed a strong commitment to supported housing by securing the money that pays for housing costs. But this is only one side of the issue. Other vital components of funding – the care and support costs – have faced drastic cuts.

Housing-related support helps save public money by avoiding lengthy and costly hospital stays and preventing people spiralling into crisis. It prevents homelessness, promotes employment and allows vulnerable people to live healthier, more independent lives. We’re calling for the government to support independence and save the taxpayer money by ring-fencing housing-related support and allocating £1.4bn per year to local authorities in England.

Supply of supported housing is also reducing at a time when demand is increasing. Research in 2015 calculated that by 2024/25, we will be facing a national shortfall of 46,771 supported, sheltered and extra care housing places. We’re therefore calling for supported housing to be part of the plan for a new generation of social homes, as set out in section 2.

Please contact [Sue Ramsden](#) with any views and suggestions on this work, including whether there is more we can do to ensure that the urgent need to support vulnerable people during and beyond this current crisis is addressed.

## 4. A new drive to decarbonise social housing

Decarbonisation will be key to tackling climate change and hitting the net zero carbon emission targets by 2050. Retrofitting homes also offers major benefits for residents and communities. It can help tackle fuel poverty. It can address rising energy bills. It can prevent vulnerable people from having to live in dangerously cold homes, reducing pressure on our health and social services, and it can create high-quality skilled local jobs.

On top of this, investment in green infrastructure can also stimulate the economy, with organisations such as the Committee on Climate Change already calling on the government to accelerate investment in green projects and programmes – such as housing retrofits – as part of a clean economic recovery plan.

Housing associations want to be at the forefront of decarbonisation and have shown leadership in retrofitting homes, for example by setting their own targets that go beyond those set by the government. Yet they still face significant challenges including a lack of finance, skills shortages and problems with supply chains. The NHF is working with its members to set out the sector's ambition and explore how we can work with the government and other partners to drive forward the decarbonisation of social housing at scale.

We are seeking views from our members on some core issues to inform this work:

- Our sector-wide vision and ambition for decarbonisation.
- How we work with the government and the sector to deliver a social housing decarbonisation fund.
- New financing options and cost sharing models.
- Resident engagement.
- Improving cooperation and collaboration across the sector and beyond.
- How we work with the government to shape policy and regulation.

We will be sharing more information with members over the coming weeks. Please contact [Rob Wall](#) with any views and suggestions on this work.

## 5. Change for communities across the country

The coronavirus crisis has brought in to stark relief the inequality that communities across England have been grappling with for many years. The economic impacts of the coronavirus will hit marginal groups hardest – economic contraction will be more severe in some communities than others, with young people, women, ethnic minorities and those with disabilities being shown to be most economically vulnerable.

During this unprecedented time, people's local communities have been more important than ever. There are examples from across the country of where housing associations have been at the heart of supporting residents to come through the coronavirus outbreak together. As we move beyond the immediate crisis, housing associations will continue to work at the heart of communities to help them bounce back.

Our role in helping people find work and gain skills will be particularly important. The NHF is a member of a newly established COVID-19 housing and employment taskforce which brings together the housing and employment sectors with government and policy makers. The partnership is currently developing proposals around an employment services commissioning strategy and making the case to bring partnerships, funding and strategy together to solve persistent employability issues now (such as workplace literacy, numeracy and digital skills).

We will also make the case for the government to hold firm to its commitment to level up the UK's unbalanced economy through long-term investment in regeneration and targeting funding where need is greatest. Housing associations will work in partnership with local authorities and other community anchors to get recovery going locally.

We have developed some initial policy proposals for this work and are seeking input from members to develop them further:

- The Shared Prosperity Fund is needed now more than ever, and at a larger scale than before – the government should demonstrate a long-term commitment to regeneration by investing at least £1bn of new funding each year over the decade, in addition to existing EU structural funds.
- Funding must be targeted where needs are greatest, as well as where short-term returns are highest – the government should maintain its commitment to review the Green Book and reorient housing away from high demand areas by abolishing the 80/20 rule.
- Mayors, local authorities, town boards and Local Enterprise Partnerships should be empowered and resourced to get recovery going locally.
- A package of measures to support housing and employment services working together and to increase the amount of employment support available.

Please contact [Lawrence Morris](#) with any views and suggestions on this work.