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Why we need a long-term plan for housing

Decent homes that people can afford are the foundations for a good life and strong economy

housing.org.uk/long-term-plan

**NATIONAL
HOUSING
FEDERATION**

Introduction

A decent, affordable home is as essential as having clean air to breathe, and should be a right for us all, wherever we live across the country. It is the foundation of our health, happiness and prosperity.

Housing also plays a critical role in a strong national and local economy. Having good housing that people can afford close to work, education and local services acts as a springboard for thriving communities.

But for many decades now in England we have had no clear, long-term strategy for housing and we are now living through an acute housing emergency.

There are 8.5 million people in England who can't access the housing they need.

As we look to the next general election, the National Housing Federation is calling on the party that forms the next government to be ambitious and transformative in its approach to housing.

We want to see a clear long-term plan to meet housing need, built around a set of tangible outcomes that can drive real change, year on year.

What would it look like if we fixed the housing crisis?

- **Every child lives in a good quality, secure home with enough space to play and learn.**
- **Everyone lives in a secure home they can afford and that makes work pay.**
- **Everyone lives in a healthy and safe home, which meets their needs.**
- **Everyone lives in a warm and zero carbon home.**
- **Housing underpins local growth, regional equality and economic stability.**

Meeting the housing needs of everyone in this country does not have to be the impossible challenge that many people believe it has become. With long-term political commitment and collaboration across national and local government, housing providers, residents, communities and the private sector, we can begin to imagine a future where everyone in this country has a good quality home that they can afford. Housing associations stand ready to play their part.

Delivering these outcomes, with measurable targets along the way, would improve the health, income and life chances of millions of people, and drive economic growth, jobs and renewal in every part of the country.

This paper sets out the case for a long-term plan to end the housing crisis, and ensure that everyone in the country has access to a good home. In this paper we explore the impacts of the housing crisis, how we got here, and how a long-term plan could be designed and delivered.

This paper will form the basis for a summer of engagement with partners across society and the country, to strengthen the case and secure widespread support for the changes we need to see.



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Section 1

Housing need in England



There are 8.5 million people in England who can't access the housing they need.

127,220

In December 2022 there were 127,220 children living in temporary accommodation – the highest number since 2006 ³

310,000

More than 310,000 children in England are forced to share beds with other family members ⁴

90%

In 1997, the average house price was only five times the average worker's earnings (or less) in 90% of local authority areas

7%

By 2022, only 7% of local authority areas had this level of affordability ²

This includes two million children in England (1 in every 5) who are living in overcrowded, unaffordable or unsuitable homes. They have been let down for too long by policy inaction and confusion. ¹

For 3.3 million who could afford it with some help, the solution will be to buy a suitable home.

They have been shut out of home ownership by an unaffordable private market and need new routes in. A further one million people could afford an intermediate rent, at slightly lower than market prices.

For 4.2 million people, a social rent home is the right answer. The crisis is affecting their health and wellbeing right now.

This includes families with children on low incomes, people nearing retirement who can't afford to buy, those who are in acute need and people living in overcrowded or ageing homes.

The costs of this crisis are felt most keenly by those in direct need.

But the benefits of putting this right will ripple out across the country, public services and the economy.

¹ NHF (2021) People in Housing Need. <https://www.housing.org.uk/housingneed>

² <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingaffordabilityinenglandandwales/latest>

³ <https://www.gov.uk/government/statistics/statutory-homelessness-in-england-october-to-december-2022>

⁴ <https://www.housing.org.uk/resources/overcrowding-in-england-2023/>

People in housing need, needing social housing

Affordability problem
1.88 million people

Overcrowded
1.87 million people

Homeless
640,000 people

Concealed households
590,000 people

Unsuitable accommodation
510,000 people

External condition
410,000 people

This total exceeds 4.2 million as the people affected can be affected by intersecting issues and fall into multiple categories.



Section 2

The human impact of the housing emergency

We've known for a long time that high quality and affordable homes are vital for our wider health and wellbeing, and the knock-on impact that good quality housing has on our education, work, communities and prosperity.

In recent decades, housing has not been seen as a priority, and people have suffered as a result:

Poor housing has a severe impact on our health and wellbeing.

This is felt in obvious ways – for example in respiratory problems caused by cold and damp homes, or falls in homes that are badly adapted to people's needs.

And in less obvious ways, it results in mental ill health, stress and anxiety caused by living in insecure, unaffordable or overcrowded homes. At the extreme, the lack of good quality supported housing means people can't access the support they need and are living in extremely vulnerable situations.

Older people today are particularly vulnerable to poor housing that can cause or worsen health conditions, reduce a person's quality of life, and can even result in premature death. Close to half of England's 4.3 million non-decent homes are lived in by someone over 55 years old. ⁵

The total cost to society of poor housing is estimated at £18.5bn per year. That cost is borne by vital public services including health and care, and the economy through lower productivity and worse educational outcomes. ⁶

Poor quality housing costs the NHS £1.4bn each year.

The NHS spends 1% of its total budget treating health problems. ⁷

76% of respondents to an NHF survey said their family's physical health is affected by how crowded their home is.

Adverse effects included not getting enough sleep, getting ill often, taking a long time to recover from illness, or general ill health.

⁵ Home and dry: The need for decent homes in later life | Centre for Ageing Better (ageing-better.org.uk)

⁶ BRE (2021) [The cost of poor housing in England](#)

⁷ BRE (2021) [The cost of poor housing in England](#)

Poor housing affects children particularly severely

Not just in childhood but throughout their life.

Overcrowded homes don't have space to study or play. Insecure tenancies mean frequent school moves, with no chance to learn or make friends. Growing up in a damp and mouldy home can mean health problems for life.

Poor quality homes raise the costs of living and contribute to climate change

The UK has amongst the leakiest homes in Europe, which means people can't afford to keep them warm and our carbon emissions - particularly from gas boilers - are unnecessarily high.

⁸ NHF overcrowding in England research

⁹ Shelter (2006) Chances of a lifetime: the impact of bad housing on children's lives

¹⁰ Ibid

¹¹ ONS (2023) Annual Fuel Poverty Statistics in England, 2023

¹² NHF analysis of government emissions figures

x3

Children who have been in temporary accommodation for more than a year are over three times more likely to have mental health problems such as anxiety, compared with children living in secure homes.

48%

In nearly half (48%) of overcrowded homes, children struggle to do their homework because of the lack of space.⁸

x2

Homeless children are two to three times more likely to be absent from school than other children.⁹

x10

Overcrowded housing increases the risk of children contracting infections, and is linked to respiratory problems. In one study, the risk of children contracting serious bacterial meningitis was 10 times higher in overcrowded housing.¹⁰

3.26m

3.26 million households were in fuel poverty in England last year.¹¹

56.8m

56.8m tonnes - the amount of carbon dioxide produced by England's homes in a year - more than all our cars.¹²

Structural inequalities and the housing crisis

Inequalities exist throughout our society, embedded within structures and systems and reinforced by ongoing discriminatory practices. Housing is no different.

The poorest households spend far more on housing costs than the richest households, and this gap has been widening in recent decades. Among the poorest households, almost half pay more than 40% of their income on housing costs. For the richest households, only 4% are spending more than this.¹³

Black, Asian and Minority Ethnic households are disproportionately affected by the housing crisis. They experience greater levels of housing need and homelessness, and are more likely to live in poor quality or overcrowded homes.¹⁴

There is a desperate shortage of properly adapted homes for disabled people to live in and visit, one million homes are lived in by someone who requires an adaptation but is going without.¹⁵

As our society ages, the issues we face today will only compound. We risk a generation of retirees who are stuck in limbo, struggling to pay private rents and increasing the housing benefit bill, but with little hope of accessing a housing association or council home. The number of private renters 65 years and above is projected to double by 2046, reaching 12% of all households of this age.¹⁶ By 2060, the benefit bill for older people could reach £16bn on today's trends, compared to only £6bn today.¹⁷

¹³ [Working-age adults spending more than a third of income on housing costs](#)

¹⁴ Bristow (2021) Meeting the housing needs of BAME households in England: the role of the planning system.

¹⁵ [Ageing Better \(2022\) State of Ageing.](#)

¹⁶ [ILC UK](#)

¹⁷ <https://ilcuk.org.uk/what-about-the-older-generation-rent/>

3.4m

Over 3 million people are pushed into poverty by their housing costs.¹⁸

10,000

In 2022 over 10,000 people fleeing domestic abuse were unable to access safe housing because of a lack of capacity or appropriate support¹⁹

Ethnic minority households are one and a half times as likely to live in damp homes than white British households²⁰

¹⁸ DWP Households below average income (HBAI) summary figures table 1.3b

¹⁹ <https://www.theguardian.com/society/2023/apr/15/safe-housing-denied-to-10000-women-in-england-fleeing-domestic-abuse>

²⁰ NHF analysis of English Housing Survey

9/10

Average private rents are unaffordable for most key workers in 9 out of 10 rural areas²²

4/5

Almost four in five young people said that the uncertainty surrounding their housing future is affecting life decisions, such as what jobs they will apply for²³

²² <https://www.cpre.org.uk/news/homes-for-heroes/>

²³ <https://www.mtvh.co.uk/news/new-mtvh-report-reveals-housing-crisis-is-damaging-young-peoples-mental-health/>

Our housing system has a significant impact on the local and national economy, jobs and skills

The housing system is closely linked to wider economic stability. Higher house prices bolster consumer confidence and spending in the short-term²⁴ but lead to higher household spending on housing and widening inequality of wealth over time. The mortgage market is a source of systemic risk for the financial system, as the 2008 crisis showed. Housing investment in new and existing homes comprises about 5-6% of GDP in the UK²⁵ and is extremely vulnerable to economic cycles. It can play a vital role in local communities, often supporting jobs, skills and local businesses.

Housing costs also affect people's jobs directly. High rents, combined with a benefits system that tapers off quickly as earnings rise, means that for some people there is very little financial benefit to taking a job or increasing hours. Poor transport links or a lack of nearby jobs can mean homes are cut off from good jobs, leaving everyone worse off and stifling local growth.²⁶

For businesses, the availability of local housing that is affordable for their workers to buy or rent is essential to attracting and retaining staff, and unlocking the productivity and innovation benefits of having staff living nearby.²⁷ In decades gone by, home ownership was in reach of professionals like nurses, teachers and social workers, but more recently we have heard of such keyworkers turning to food banks to meet basic needs.

²⁴ <https://www.bankofengland.co.uk/explainers/how-does-the-housing-market-affect-the-economy>

²⁵ <https://www.oecd.org/housing/policy-toolkit/country-snapshots/housing-policy-united-kingdom.pdf>

²⁶ JRF (2106) How does housing affect work incentives for people in poverty?

²⁷ <https://worksinprogress.co/issue/the-housing-theory-of-everything>

For all these reasons, the housing emergency costs the public sector

It costs the public purse in the knock on costs of picking up the pieces. Housing benefit subsidises high rents. The NHS, police and courts treat the symptoms of this crisis every day. The government subsidises fuel bills which are so high because homes are so leaky. And we all suffer as lower growth and productivity mean lower tax receipts and lower incomes.

Despite the poor outcomes it delivers, our current housing system is uniquely expensive – the UK spends more than any other OECD country on ‘housing allowances’ (mostly in the form of housing benefit and Universal Credit) as a percentage of GDP.²⁸

And whereas in the past the UK invested in building social housing, public subsidy has shifted away from capital funding for social housebuilding and towards revenue support for rents in the form of housing benefit.²⁹

²⁸ <https://www.oecd.org/els/family/PH3-1-Public-spending-on-housing-allowances.pdf>

²⁹ JRF (2023) Housing affordability since 1979: determinants and solutions

£58.2bn

Over the five years from 2021 the government is expected to spend £58.2bn on housing benefit to private landlords compared with just £11.2bn in capital spending on social housing via the Affordable Homes Programme³⁰

£40,000

Long-term homelessness costs the public sector £40,000 per person per year³¹

³⁰ https://neweconomics.org/uploads/files/NEF_Beyond-new-build.pdf

³¹ NHF (2023)

Section 3

Why do we need a long-term plan for housing?



Ahead of the next general election, we would like to see all parties make a long-term commitment to ensuring that everyone has a decent home that they can afford.

To make this commitment tangible and real, we'd like to build support around a set of outcomes which will drive policy and investment, and ultimately transform the way we approach housing in this country.

These outcomes need to deliver the greatest benefit to the most people, drive the right policy action in both the short and long term, and support a stronger economy.

The benefits of a long-term plan

The lack of a long-term plan for housing has led to the housing crisis we are living through today. The issues we face around housing are systemic.

We need a long-term plan to meet housing need, marshalling and shaping the contributions of national and local government, housing associations, communities and the private sector.

This plan would drive long-term investment in our existing homes and the new ones we need.

It would feed into cross-government policy change, on housing, planning, health, skills, net zero and much else.

And it would deliver widespread benefits across the country.

The higher quality, more affordable homes that result would improve our health, wellbeing, incomes, and local economies.

The direct investment in building new homes and renovating and managing existing ones would generate jobs and stimulate growth in every region.

Long-term certainty and strategic direction would reshape how the public and private sector think about housing – unlocking new finance and innovation, incentivising investment in local delivery, supply chains and skills, and supporting financial stability.

And ultimately the public purse would benefit too – as higher quality, more affordable homes underpin jobs, growth and tax income, while reducing public spending on picking up the pieces of our current failures.



³² NAO (2022) The Affordable Homes Programme since 2015

Public support for action on housing

A plan to solve the housing crisis would have widespread public support.

More than three quarters of the public think living in a decent quality, affordable home should be a right for everyone in the UK, and more than 70% think that the government should do more to house people on very low incomes, and people with disabilities.³³

When asked what they think the government's top priority should be around housing, the most popular answer is "create a national plan to ensure poorer families are securely housed."³⁴

And the issues that regularly top the list of voters' concerns - like health and the economy - are intrinsically linked to housing outcomes.

“

Create a national plan to ensure poorer families are securely housed.”

— What the public think should be the government's top priority for housing

76%

More than three quarters of the public think living in a decent quality, affordable home should be a right for everyone in the UK

³³ YouGov polling for NHF, 2023

³⁴ Ibid



Section 4

What would it look like to meet the housing needs of everyone in the country?

Our homes are fundamental to our health and wellbeing. Decent and affordable homes must be available for everyone.

As a starting point for building a long-term plan to fix the housing crisis, we propose that the country should be measuring improvements in the following outcomes. We'll be exploring the scale of ambition for these improvements over the summer with partners from across the world of housing.

If the new government commits to a long-term plan to end the housing crisis, it could ensure:

Every child lives in a good quality, secure home with enough space to play and learn.

Poor housing affects children particularly severely, not just in childhood but throughout their life. Guaranteeing all children a decent quality home that their family can afford would transform lives for decades to come.

How progress could be measured:

- The number of children living in overcrowded homes.
- The number of children living in temporary accommodation.
- The number of children living in insecure Private Rented Sector homes.

Everyone lives in a home they can afford, and that makes work pay.

We should all be able to afford to rent or buy a home that meets our needs, whatever our income. Housing costs shouldn't stop us buying life's essentials, or stand in the way of us getting a job or higher pay.

How progress could be measured:

- The number of households paying more than 1/3 of their net income in housing cost.
- Reductions in the lower quartile house price to income ratio.
- The number of people who are homeless.



Everyone lives in healthy and safe home, which meets their needs.

All our homes should be places of security and comfort, where we can relax free from risks and with the right support in place. Our homes should support our health and wellbeing, not make it worse.

How progress could be measured:

- The number of homes that meet the Decent Homes Standard.
- The number of people living in homes that aren't adapted or accessible for their needs.
- The number of people inappropriately stuck in hospital, care or residential homes because of a lack of supported housing provision.

Everyone lives in a warm and zero carbon home.

Our homes must be comfortable to live in, cheap to heat, and no longer reliant on burning fossil fuels for energy. Investing in the energy efficiency and decarbonisation of all the country's homes is vital for our environment and our wellbeing.

How progress could be measured:

- The number of homes below EPC C.
- The number of homes with fossil fuel heating systems.

Housing underpins local growth and economic stability.

Investment in housing, and the dynamics of the housing market itself, have wide-ranging impacts on growth, jobs, skills, productivity and financial stability at a local and national level. A long-term housing strategy must actively support the nation's wider objectives for local and national growth and stability. It should set out how it will maximise housing's contribution to local growth and skills, and minimise the vulnerability of housing investment to economic cycles. It should make explicit the links and trade-offs between housing supply, prices, GDP growth, jobs and financial stability. And it should track these relationships over the lifetime of the strategy.

How progress could be measured:

- In every area the shortfall between assessed housing need and actual delivery is closing. Housing need is assessed via a method that reflects planned economic investment, local economic growth and jobs.
- The OBR publishes an annual assessment of the economic and fiscal impact of the government's housing strategy, scoring it against a set of criteria around growth, stability and projected long-term fiscal impact.

A long-term housing strategy must actively support the nation's wider objectives for local and national growth and stability.

Progress against all these outcomes should be measured over one, five, 10 and 25 years – delivering immediate action but with a long-term goal driving them forward.

All of these measures must see improvements in every local area, with the fastest improvements for those areas that are furthest behind.

All these outcomes must see improvements for all groups, with the fastest improvements for those groups that are most disadvantaged.

Over the summer, we will work with partners across society to develop and strengthen these outcomes – exploring the data and evidence to arrive at stretching but ambitious indicators across all these areas.





Section 5

What would a long-term plan look like in the first year of a new government?

Our housing system is in crisis, but it doesn't have to be this way. The government has the power and the moral responsibility to rebuild the broken system, starting with a clear set of outcomes.

With these changes, we can rebuild a system that provides decent, affordable homes for all and helps everyone live happy, healthy lives.

Delivering fully on these outcomes would take many years, but the government must make meeting housing need a day one priority, with clear and concrete actions from the moment the Prime Minister makes their first post-election speech on the steps of Number 10.

We suggest their first actions could include:

Day 1

The Prime Minister pledges to tackle the country's housing emergency by committing to publish a long-term strategy for housing and proposing the key outcomes that will drive action.

Week 1

The new Housing Secretary arranges to meet with housing, local government and regional leaders to begin to define a strategy for meeting housing need.

First budget

The first budget has housing at its heart, with a set of initial spending decisions – for example around benefits, social housing grant and retrofit funding – which immediately begin delivering on the outcomes.

Day 100

A Housing Green Paper is published for widespread consultation, setting out the outcomes the government is looking to pursue, the policy and spending approach which will deliver this, and how progress will be measured.

Spending Review

The government's post-election Spending Review includes significant investment in new and existing social housing, with some of this funding available for up to 10 years.

One year in

The government publishes its baseline set of indicators against which future progress will be measured, alongside a Housing White Paper - the Long Term Plan for Housing, with widespread support from civil society and business.



Section 6

Let's fix the housing crisis

Meeting housing need in England does not have to be the intractable challenge that many people believe it has become.

With long-term political commitment and collaboration across national and local government, housing providers, residents, communities and the private sector, we can begin to imagine a future where everyone in this country has a good quality home that they can afford.

We need to do the right thing and make sure that everyone in England has a decent home at a reasonable cost.

Housing associations stand ready to play a central role in this future.

We are a sector with a long and proud history – but we believe our proudest achievements are yet to come.

Housing associations have deep roots in communities across the country and homes in every area, a long-standing culture of innovation and delivery underpinned by our not-for-profit status and social purpose, and the scale to achieve significant change, boost inclusive growth and reduce regional inequality.

Whether it's delivering the best possible services for residents, investing in our homes and communities, supporting those who need it, or building new social homes – housing associations can sit at the heart of a new long-term plan for meeting housing need.

The National Housing Federation is the voice of England's housing associations. Our housing association members provide homes for around six million people, and are driven by a social purpose: providing good quality housing that people can afford. We support our members to deliver that social purpose, with ambitious work that leads to positive change.

Get in touch at [housing.org.uk](https://www.housing.org.uk)

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