



**BUILDEAST**  
THE FUTURE OF HOUSING

# Sector Update – May 2022

## Queen's Speech

Prince Charles delivered the Queen's Speech to parliament. He said the government's priority "is to grow and strengthen the economy and help ease the cost of living for families". The speech also confirmed the removal of s106 to be replaced by an infrastructure levy which will be piloted.

The speech highlighted some of the 38 laws which ministers intend to pass in the coming year.

This number includes some bills carried over from the previous session of Parliament, which ended last month, and a number of bills which were included in past Queen's Speeches.

- The **Levelling up and Regeneration Bill** will give councils new planning powers, including to force landlords in England to let out empty shops to rejuvenate high streets
- A **Social Housing Regulation Bill** will increase regulation of the social housing sector and give tenants new rights to information
- The **Renters Reform Bill** would deliver a Tory manifesto commitment to end so-called "no fault" evictions after tenancies end

You can find a useful At a Glance summary [here](#) by the BBC.

## Octopus Energy have announced former CEO of Moat as Chair of their new Housing Association

Octopus Real Estate, which is part of the same group of companies as Octopus Energy, is a well-established investor within the development, healthcare and social care sectors, and has more than £3.5bn of assets under management.

Its healthcare fund has invested in retirement communities, care homes, private hospitals and services for young people with special educational needs.

The investor previously outlined a partnership with Homes England, in October 2021, to commit a combined £175m to support SME house builders to build more energy-efficient homes in England. The government's delivery agency put £46m into the initiative, known as the Greener Homes Alliance.

Octopus Real Estate has now announced its intention to "accelerate the delivery of high-quality, genuinely affordable homes" working in partnership with housing associations and local authorities. (Inside Housing).

## Government announcements – Social Housing

The Department of Levelling Up, Housing and Communities (DLUHC) has made several announcements regarding social housing recently. DLUHC announced measures that will build on plans set out in the Social Housing White Paper. These measures are a direct result of a huge listening exercise by the Government to understand the very real concerns of tenants across the sector.

The new measures include:

- **Publicising details** on DLUHC's social media channels of those landlords who have breached the Regulator's consumer standards or where the Housing Ombudsman has made its most serious finding - severe maladministration - against them
- **Launching a Resident Panel** which will bring together social housing residents from across the country so they can directly share their views on DLUHC's planned reforms and the measures – including the Decent Homes Standard, complaints awareness campaign and Access to Information Scheme - they are delivering to improve the quality of social housing.
- **Publishing draft legislation** to implement the Social Housing White Paper commitments to reform the regulation of social housing
- **Publishing a factsheet** explaining the role of the Regulator of Social Housing and Housing Ombudsman Service. DLUHC will continue to publish updates on the progress in implementing the measures in the Social Housing White Paper and the further measures they are introducing to improve the quality of social housing and deliver on their Housing Mission target to reduce the number of non-decent rented homes by 50% by 2030.

## In the News – Social Housing

iNews: [The Government's plan to name and shame underperforming landlords is to cover its own historic mistakes](#)

Inside Housing: [Social housing reforms branded 'wishy washy' as tenants call for firmer timeline](#)

Inside Housing: [Scottish landlords sound warning over 'worrying' trends in social housing delivery](#)

Inside Housing: [Government cuts risk homelessness prevention work, councils warn](#)

Inside Housing: [Homeless deaths surge by 80% in two years](#)

Inside Housing: [Will the cost of living crisis scupper the government's goal of ending rough sleeping?](#)

Inside Housing: [Committee investigating social housing regulation asks to hear from residents](#)

ITV News: [Social housing tenants face biggest hike in rent for more than a decade](#)

## Local Enterprise Partnerships

Guidance on integrating LEPs into local democratic institutions has been issued by Government. The LEP network welcome the confirmation from Ministers that LEPs will continue to play a key role in supporting local economies. The Guidance issued by Ministers reflects a substantial programme of work up to 2030 and gives LEPs the clarity they have long sought, enshrining a clear role for local business leaders in the future devolution landscape.

## **Housing Ombudsman launches call for evidence on noise complaints (closes 13th May 2022).**

The HO are looking at their next systemic investigation - noise complaints. The investigation will explore how social landlords manage reports of noise nuisance and what drives complaints about how those are handled. It will enable the Ombudsman to make recommendations and share best practice across the sector – helping landlords to develop their services and improve the experience of residents.

The service has determined a significant number of complaints relating to noise over the last three years – 848 in total – and identified maladministration in 41 per cent of cases. The lines of enquiry for the investigation will include:

- How do policies around noise work in practice?
- How do landlords work with other agencies?
- What is successful in mitigating for/dealing with inherent modern noise?
- What is successful intervention?

The call for evidence to answer these questions takes the form of surveys for member landlords and their residents.

## **Developers commit a minimum of £2bn to remediate their own buildings**

The Government has revealed an agreement with the housing industry which will see developers commit a minimum of £2bn to remediate their own buildings.

Under the new agreement, over 35 of the UK's biggest homebuilders have pledged to fix all buildings of 11 metres and over that they have played a role in developing in the last 30 years. For the companies yet to make the pledge, the Secretary of State for Levelling Up, Housing and Communities Michael Gove has confirmed there is little time left for them to sign up, and that those who continue to refuse will face consequences if they fail to do so.

A new government scheme, funded through an extension to the Building Safety Levy, will also see industry pay to remediate buildings where those responsible cannot be identified or forced to in law. This is expected to raise up to an additional estimated £3bn over 10 years.

## **Decent Homes Standard Review Part 2 – closed 13<sup>th</sup> April 2022**

The Decent Homes Review team have confirmed they are re-starting Part 2 of the Review with a number of events from the end of March 2022 with a core group of social rented and private rented stakeholders.

To recap, Part 1 of the Review concluded that, broadly, the DHS was suitable but that a number of updates may be beneficial, the most significant of which for the social rented sector was 'thermal

comfort' / energy efficiency which will be dealt with separately and in due course. In addition, during Part 1, seven areas were identified for further review in Part 2 which are outlined below:

- Ventilation;
- Home Security;
- Thermostatic Mixer Valves;
- Window Restrictors;
- Electrical Safety;
- Refuse Management; and
- Water Efficiency.

## Housing Market News (Savills)

- Despite the well-publicised increase in the cost of living, annual house price growth hit +14.3% in March according to Nationwide. This growth follows three successive interest rate rises and a firm squeeze on household finances.
- That reflects a continued imbalance between supply and demand. Zoopla reports that the total amount of stock advertised for sale was a thumping 42% below the five-year average in February, despite a gradual improvement in levels of new stock coming to the market.
- At the same time, data from the Bank of England shows that on a seasonally-adjusted basis the number of mortgage approvals in February were 8% above normal pre-pandemic levels (though 18% less than a year ago and 4% below January).

## The UK Shared Prosperity Fund

Department for Levelling Up, Housing and Communities has announced that communities across the United Kingdom will benefit from £2.6 billion of funding being allocated to help spread opportunity and level up the country.

The UK Shared Prosperity Fund will see places that need it most draw up plans this year to deliver on their local priorities, based on a conditional allocation of funding over the next three years. This could include regenerating rundown high streets, fighting anti-social behaviour and crime, or helping more secure employment – it aims to revive communities, tackle economic decline and reverse geographical disparities in the UK.

Spreading opportunity and prosperity to all parts of the UK through community-led investment, local areas across England will see £1.58 billion, Scotland £212 million, Wales £585 million and Northern Ireland £127 million made available under the fund.

The allocation formula for UK Shared Prosperity Fund takes into account both the local population data, and a broadly based measure of need, including factors like unemployment and income levels. This is to ensure the most amount of money is going to areas which will truly benefit from the fund.

Funding for the UK Shared Prosperity Fund will be £2.6 billion between 2022 and 2025, with this figure reaching £1.5 billion per year by March 2025, delivering on the UK Government's commitment to match the average spending of EU structural funds over the previous programme.

## Right to Buy

Boris Johnson is considering reviving Margaret Thatcher's right-to-buy scheme by giving people the chance to purchase the properties they rent from housing associations at a discounted price.

The idea, designed to help "generation rent" and prove the government is still committed to its Conservative principles amid unrest from some backbenchers, is being worked up by officials in the No 10 policy unit, with reports that up to 2.5 million households could become eligible to buy their homes at a discount of up to 70%.