

2020 Spending Review: the role social housing can play in recovery

Briefing for MPs

The coronavirus crisis has shown us all once again how important our homes are to us. That's why, as a founding member of the [Homes at the Heart](#) coalition, we're calling for social housing to be at the heart of the coronavirus response and the national recovery.

Investment in social housing can deliver on the government's priorities for the 2020 Spending Review:

- Delivering the Plan for Jobs to support employment.
- Giving public and frontline services enhanced support to continue to fight against the virus.
- Investing in infrastructure to drive economic recovery, Build Back Better and level up the country.

Our submission to the Review sets out the vital role housing associations already play in delivering these priorities – and what action and investment we need from the government, now and in the long term, to deliver even more.

To support the coronavirus response and strengthen the economic and social recovery, the government should:

Build a new generation of affordable homes

- Provide certainty and stability to give housing association boards the confidence to sign off on ambitious spending plans, maintain delivery and create jobs. This should include:

- Providing greater flexibility in current grant funding so homes for market sale and shared ownership can be converted to rent on completion if needed, unlocking wider developments.
 - Providing additional funding to strategic partnerships where needed to shift towards a higher proportion of rented homes (this could be recoverable if homes can be sold on completion).
 - Allowing grant to be used to convert shared ownership Section 106 homes to rent if needed in order to de-risk sites and free up capacity.
 - Supporting housing associations to bulk-buy homes from developers at a discount to convert to rent, as long as these homes are built to a high quality, the right size and in the right places.
 - Breaking down the barriers to building specialist housing to support older and vulnerable people, including ring-fencing national revenue funding for housing-related support.
 - Providing additional flexibility on the use of Recycled Capital Grant Funds (RCGF) to allow housing associations to respond quickly to changing circumstances. The social housing sector has over £600m of RCGF funding which could be used quickly to respond to the crisis and carry out other crucial work, such as remediating buildings with unsafe cladding.
- Review the 2021-26 Affordable Homes Programme to maximise the sector's counter-cyclical model and ensure homes remain viable for housing associations to develop.
 - Deliver a fast-acting, broad-based economic and social stimulus by investing an additional £20bn in grant funding for 2021-31, to create a £32bn ten-year affordable housing fund.
 - Make funding available upfront to remediate all unsafe cladding, to ensure residents' safety and enable leaseholders affected by External Wall Fire Review issues to move home.
 - Support efforts to develop the evidence base for offsite manufactured products to overcome challenges that limit take-up.
 - Support efforts to bring housing associations and local authorities together to aggregate demand for offsite products.

Provide skills and job opportunities to get people into work

- Bring together national departments and local housing partners to design and mobilise a response to the Chancellor's Plan for Jobs.
- Ensure that employment support meets needs across communities and enables social housing to deliver in partnership for recovery.
- Use the UK Shared Prosperity Fund to leverage and sustain long-term employment support for vulnerable and disadvantaged households, in partnership with the social housing sector.

Kick-start a retrofit revolution

- Support housing associations and local authorities to lead a retrofit revolution to create jobs in all regions and nations of the UK, including in sectors hardest hit by the recession, and to help build supply chains and make a longer-term nationwide rollout across all types of homes more achievable.
- Deliver on the manifesto commitment to set up a £3.8bn Social Housing Decarbonisation Fund, allowing housing associations to bid for funds directly and over multiple years.
- Provide a policy road-map to 2050, setting out the standards and requirements that housing associations will need to work towards to achieve the net zero ambition.
- Commit to work more closely with housing associations, residents, suppliers, lenders and investors to find solutions to the challenges that lie ahead on the road to net zero.

Level up economic opportunity across the country

- Demonstrate long-term commitment to regeneration by investing at least £1bn of new funding each year over this decade, in addition to current UK and EU funding levels.
- Develop a compelling national strategy for regeneration that targets the people and places in most need.
- Empower local areas to deliver joined-up regeneration suited to their own circumstances while contributing to national objectives.
- Review the continued effectiveness of the Social Value Act, and the extent of social value commissioning across public expenditure.

Improve outcomes in public services

- Ring-fence housing-related support and allocate £1.6bn per year to local authorities in England.
- Invest in employment and skills programmes to give people the financial resilience they need to avoid homelessness.
- Invest in homes for social rent to ensure that rough sleepers and people at risk of homelessness are supported into sustainable and affordable housing beyond the Next Steps Accommodation Programme.

What MPs can do now

This one-year Spending Review presents an opportunity for housing associations to work with the government to mitigate the long-term impact of coronavirus on the economy. Building more social homes and investing in social housing can help housing associations to continue to create jobs, develop skills, and support public services.

Housing associations stand ready to work with the government to build the homes that this country needs in order to recover both economically and socially from this crisis.

You can help us to promote these asks by backing the Homes at the Heart campaign – we've put together a [range of resources](#) to help politicians support it. You can also:

- Show support for the sector by meeting with housing associations in your constituency.
- Write to the Chancellor ahead of the Spending Review.
- Raise profile of the role of housing through parliamentary questions and debate.
- Help us create a campaign moment at 10am on 10 November by sharing our graphic on social media.