



Our Future Homes

Opportunity, Choice, Responsibility

The Government's Housing Policies for England and Wales

This document contains extracts from the Government's White Paper on Housing

Department of the Environment and Welsh Office

Published June 1995

Setting the Agenda

Home ownership, choice in renting, and the effective use of resources to provide help where it is needed - these are the hallmarks of the Government's housing policies. This White Paper sets out how these policies will be taken forward into the 21st century. It brings together the initiatives we have taken in recent years towards our overall objective of a decent home within reach of every family. It identifies how we propose to respond to changing circumstances, and sets out a range of detailed proposals.

Most people find their own home. Government works best when it gives private individuals the opportunity to meet their own aspirations, and provides the conditions where private investment can meet demand. Helping people to find their own solutions enables us to concentrate our efforts on those in real need, people who cannot get a decent home without help.

Housing Tenure

Ensuring that people can afford a decent home helps create a healthy society and a healthy economy. Investment in good housing and in improving inadequate housing can improve the nation's health and quality of life. A decent home provides the basis for a stable home life, providing the right background for people to develop and learn, improving their educational performance and their long term job prospects. The availability of decent housing at a price people can afford also makes it easier for people to take up job opportunities and reduces dependence on state benefits.

Demand for housing is growing and we must meet it in an environmentally sustainable way. We live in a densely

populated country. We need to use our resources effectively, building where possible on existing urban land rather than greenfield sites, and reducing the number of empty homes.

What we have achieved

Over the last sixteen years, the Government has:

- ***Increased home ownership***
3.8 million more households now own their own homes compared with 1979, an increase of 38%.
1.5 million of these are local authority and housing association tenants who bought their homes, mostly under the Right to Buy.
- ***Given people a real choice between ownership and renting***
There are now 300,000 more private rented households than in 1988 and young people and people who need to move for their work have a real choice between buying and renting.
- ***Provided homes for people in need***
300,000 households a year find a home in the social rented sector, taking up the offer of a long term tenancy with a local authority or housing association. We work with local authorities and housing associations to achieve this by providing new homes, by reducing the number of council homes lying empty, and by helping better off tenants into home ownership.

New Long Term Social Lettings

- ***Targeted help on those who need it most***

We give just over 18 billion a year in total support to housing. This is the same amount in real terms as in 1979. More of this help now goes to those in greatest need - for instance through housing benefit which is means-tested.
- ***Created diversity and choice***

We have given social tenants a real choice between having a local authority or a housing association as their landlord - approaching 850,000 households are now housing association tenants and local authority tenants have opportunities to transfer to new landlords.
- ***Established a new partnership between public money and private money***

We have made the best use of public money by encouraging private investors to invest in social housing. Since 1988, private investors have put 4 billion into building new housing association homes and over 2.8 billion into financing sales of council housing to housing associations which have improved tenants' homes.
- ***Got more for our money***

The cost of providing new homes has fallen as a result of price cuts by the building industry and greater competition and efficiency. Over the last five years, the average cost of building a new housing association home has fallen by 40% in real terms.
- ***Changed the culture***

We have introduced the Council Tenant's Charter and the Tenants' Guarantee for housing association tenants giving them important new rights. Greater competition to own and manage social housing has made social landlords more responsive to what tenants want.
- ***Improved the quality of life for local authority tenants***

We have improved tenants' homes through spending on maintenance, repairs and improvements. In 1994/95 local authorities spent on average 1,100 per home. Over the past ten years we have targeted over 2 billion to improve 500 of the very worst council estates. We have also given tenants a greater say in how their estates are run.

How Government Helps People With Their Housing Costs

Enhancing opportunity, choice and responsibility

We have examined how we can build on this achievement as we approach the millennium. We will see:

- ***Social changes***

driven by people living longer, often in their own home, and living in smaller family groups;

- ***Economic changes***

bringing rising expectations as growth continues, alongside the need to adapt to new patterns of work and changes in traditional roles in the workforce;

- ***Continuing environmental concerns***

ranging from the quality of life in local neighbourhoods to global issues.

The challenge is to develop the role of Government and our policies to respond effectively to these future needs. We must ask what the public sector needs to do and what can be done as well or better by the private sector. We must change the way central and local government works and develop innovative ways to blend public and private resources. We must extend opportunity and choice to everyone, while requiring each individual to exercise personal and social responsibility.

The future

The White Paper sets out a comprehensive framework of policies taking us into the next century. It outlines major new proposals to enhance individual choice and opportunity and promote efficiency, building on initiatives and programmes developed over recent years.

Supporting and expanding home ownership

- We will maintain our support for sustainable home ownership. Over the next ten years, we expect an additional 1.5 million households to become home owners.
- We will introduce a new grant scheme to give housing association tenants cash help to buy their existing homes.
- We will extend home ownership in the inner city, through funding to support the creation of mixed communities.
- We will ensure that local authority help for low income home owners whose homes are unfit is focused more effectively, to improve people's quality of life and health, and to assist elderly and disabled people to stay in their own homes. As part of this we will legislate to replace mandatory renovation grants with a more flexible strategic system.

Sustaining the revival in private renting

- We will legislate to allow housing investment trusts to encourage financial institutions to provide fresh investment in the private rented sector;
- We will legislate to make letting simpler for small landlords, and allow them to act more quickly when a tenant does not pay the rent;
- We will legislate to improve the safety and quality of houses in multiple occupation.

Creating a new framework for social renting

- We will ensure that rents in the social sector remain affordable for tenants in low paid work, working with local authorities, housing associations and new landlords to achieve this.
- We will encourage more local authorities, with the agreement of tenants, to transfer housing to new landlords, bringing in private finance to improve homes.

- We will legislate to allow commercial providers to compete alongside housing associations for grants to provide social housing, increasing competition and value for money.
- We will maintain our commitment to tenants' rights and legislate to provide effective safeguards to ensure social landlords deliver value for taxpayers' money.

Supporting effective local strategies for the building and renewal of homes

- We will work with local authorities, housing associations and other social landlords to provide social housing - on current plans we will deliver 180,000 additional social lettings over three years.
- In addition, we will work with local authorities, housing associations and low income home owners to improve and rehabilitate their existing run-down property - on current plans we will invest in almost a million homes over three years.
- We will work to reduce the number of empty homes.
- We will build on the success we have already achieved in partnerships between public and private sectors to tackle the problems of the most deprived council estates and to improve opportunities for the people who live there.

Providing help for those who need it

- We will reform homelessness legislation to ensure social housing is allocated to those households with the best claim to it.
- We will legislate to require proper housing advice services.
- We will help low income households to find a home, through pre-tenancy determinations of housing benefit, and rent guarantees.
- We will tackle rough sleeping nationwide, building on the success of the current Rough Sleepers Initiative in London to make it unnecessary for people to sleep rough.

Encouraging responsive social landlords and responsible social tenants

- We will protect the quality of life for the majority by supporting effective action against the minority of anti-social tenants.
- We will legislate to put the Housing Association Tenants' Ombudsman on an independent, statutory footing.
- We will tackle problems of overcrowding and underoccupation in social housing.
- We will reduce the number of Government-owned empty homes, selling off surplus property.

Ensuring housing meets environmental concerns

- We will use the planning system and public investment to encourage more development in existing urban areas and less on greenfield sites.
- We will encourage high quality new developments through the Government's Quality Initiative.
- We will improve energy efficiency in both private and social housing to meet our targets for reducing CO2 emissions.

Changing the ways we work

We are changing the way we deliver our housing policies and striking a new balance between what the public sector does and what the private sector does. To meet our housing objectives effectively, we need to change the ways we work.

For **central Government** this means focusing on:

- getting the economy right through effective economic management and control of public expenditure;
- reducing unnecessary regulation and control to help create the right conditions for investment;
- creating the conditions for urban regeneration that mean more homes are built in our towns and cities;
- working to break down old barriers and concepts of who should do what, and opening up new areas of activity to choice and competition;
- effective rights for individuals including the Right to Buy and ensuring tenants have a say in how their housing is run;
- targeting spending and assistance where this is most cost-effective and most needed.

For **local authorities** it means:

- taking a strategic approach to housing needs and acting as enablers to secure the effective development and use of all housing tenures;
- reducing their role as landlords and attracting increased investment by transferring council housing to new landlords;
- ensuring that the stock that remains in their ownership is managed efficiently and used effectively;
- supporting private housing in their area: through land use planning policies, advice and help to low income and vulnerable home owners, better links with local landlords, responsive services administering housing benefit and targeted action to encourage empty properties back into use;
- ensuring that advice services are available to prevent homelessness and identifying effectively households who need social housing in the long term.

For **housing associations** it means:

- a continuing role as the main new providers of social housing, in an increasingly competitive environment;
- an expanding role as some take on local authority housing through Large Scale Voluntary Transfers, and as others compete to manage local authority housing estates;
- ensuring that their stock is managed efficiently and used effectively;
- working closely with local authorities to deliver local housing strategies;
- continuing to bring in private finance to complement public resources;
- working with local authorities to help regenerate estates, refurbishing and replacing existing homes;
- tackling the problems of empty homes and working with private investors to manage new homes.

For **commercial developers and landlords, investors and lenders** it means:

- building on the opportunities provided by an improving climate for investment in a stable low inflation economy;
- opportunities for investment in the private rented sector, with tax help, through housing investment trusts;
- opportunities for joint working and investment with the public sector and housing associations;
- entering new markets as public sector activities and Housing Association Grant are opened up to competition.

Our aims

The future offers increasing choice and opportunity to individual people, giving them greater responsibility and control

over their own homes. Central and local government, housing associations and private developers and landlords all need to play their part. As we go into the next century, our aim will continue to be to put a decent home within reach of every family. We have set some ambitious targets for the next decade to focus the efforts of Government, public and private landlords, and individuals.

Targets For The Next Decade

If you want to find out more...

The White Paper provides an overview of the Government's housing policies. A number of our proposals are set out in more detail in papers issued in parallel to the White Paper. Papers available, and where to obtain them, are listed below. Where we are consulting on proposals, we also give details of the closing dates for comments. Detailed papers are available free of charge. In England these can be obtained from:

Department of the Environment
2 Marsham Street
London
SW1P 3EB

Requests for papers should be addressed clearly to the relevant contact points, as set out below.

In Wales, all requests for papers should be addressed to:

Welsh Office
Housing Division
Crown Building
Cathays Park
Cardiff
CF1 3NQ

marked clearly 'Consultation Paper request' or made by telephone on 01222 823380 or 01222 825259.

The consultation paper on '*Proposals for a Purchase Grant Scheme for Housing Association Tenants*' is now available. Requests for copies of this paper should be marked clearly 'PG Consultation Paper' and addressed to Room N8/07. Copies can be requested by telephone on 0171 276 4267. The closing date for comments is **31 August 1995**.

An explanatory paper on our proposals for renovation grants '*The Future of Private Housing Renewal Programmes*' is now available. Requests for copies of this paper should be marked clearly 'Renewal Explanatory Paper' and addressed to Room N12/02. Copies can be requested by telephone on 0171 276 4677.

A consultation paper on our proposals for further deregulation of the private rented sector '*The Legislative Framework for Private Renting*' is now available. Requests for copies of this paper should be marked clearly 'PRS Consultation Paper' and addressed to Room N11/11. Copies can be requested by telephone on 0171 276 3534. The closing date for comments is **25 August 1995**.

A consultation paper on our proposals for '*Improving Standards in Houses in Multiple Occupation*' will be available shortly. Requests for copies of this paper should be marked clearly 'HMOs Consultation Paper' and addressed to Room N11/06. Copies can be requested by telephone on 0171 276 3283.

The consultation paper '*More Choice in the Social Rented Sector*' will be available shortly. Requests for copies of this paper should be marked clearly 'Social Rented Consultation Paper' and addressed to Room N11/05. Copies can be requested by telephone on 0171 276 3481. The closing date for comments will be around **mid-September**.

Proposals on our future plans for the Rough Sleepers Initiative will be available shortly. Further enquiries and requests for copies should be addressed to N13/05 clearly marked 'RSI future plans' or made by telephone on 0171 276 3242.

Enquiries or comments concerning other aspects of the White Paper may be addressed to Room N11/07 marked 'Housing White Paper', or made by telephone on 0171 276 3408.

The Department may wish to publish responses to the proposals in the White Paper in due course, or deposit them in the Department's library. If this is done, all responses received will be so published or deposited, unless a respondent specifically asks the Department to treat his or her response as confidential. Confidential responses will, nevertheless, be included in any statistical summary of comments received and views expressed.



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comments

Housing tenure

68% of homes are owner occupied compared to 56% in 1979.

10% of homes are rented from a private landlord (other than a housing association).

22% are in the social rented sector, rented from a public landlord or housing association. In this sector rents are generally set below market levels to make them more affordable to households on low incomes.

Note: except where stated otherwise, statistics used throughout this document are for England.

Key statistics for Wales are contained in Chapter 9 of the full White Paper.

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comments

New Long term social lettings

Each year around 300,000 households move into social housing.

Greater efficiency and better use of the stock have helped sustain the number of new lettings. Lettings have increased in recent years.

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comments

How Government helps people with their housing costs

Each year Government gives 18 billion of help with housing costs - through public spending and tax reliefs. In real terms (taking account of inflation in the national economy), this is about the same level as in 1979/80.

We help owners with mortgage costs. In 1994/95 we gave 3 billion in Mortgage Interest Tax Relief, helping 8.5 million home owners with mortgages. We gave 0.9 billion Income Support for Mortgage Interest, helping almost 500,000 households who are out of work, elderly, sick or disabled. We also helped low income home owners repair and improve their homes, with 0.5 billion renovation grants.

We help tenants with low incomes with the cost of renting. In 1994/95 4.3 billion in housing benefit went to council tenants to help with their rents. A further 4.3 billion in housing benefit was paid to tenants renting from private landlords and housing associations. Housing benefit is an income related benefit designed to help people who rent their accommodation and have difficulty meeting their reasonable housing costs. Benefit can be paid for tenants both in and out of employment. It is paid as a rent rebate to local authority tenants and as a rent allowance to private and housing association tenants. Entitlement is assessed by comparing a household's needs and resources and taking the reasonable rent liability into account. In total, almost 4 million households claim housing benefit.

We spend money providing social housing at below market rents; and providing low cost home ownership opportunities to households who might otherwise rent in the social sector. Expenditure includes Housing Association Grant to provide new housing association homes, local authority capital expenditure on council housing, and Housing Revenue Account Subsidy which helps with the cost of running and maintaining council housing. In 1994/95 4.9 billion went on this "bricks and mortar" spending.

Since 1979 we have switched spending from "bricks and mortar" expenditure which helps all social tenants, to housing benefit which is targeted better on households on low incomes. We have done this by increasing rents in the social sector; by increasing use of private finance in providing new social housing; and by making greater use of the private rented sector. Better targeting has helped keep down public expenditure.

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comments

Targets For The Next Decade

Enable everyone to have a choice of decent housing

Key targets by 2005:

- Increase the number of owner occupied homes by 1.5 million.
- Reduce significantly the proportion of homes lying empty to 3%.
- Build half of all new homes on re-used sites.
- Transform, through a public and private sector partnership, the remaining large scale poor quality public estates.
- Ensure that there is no necessity for people to sleep rough.

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