



The Thomas Consultancy



Social Housing

1. There is a marked **shortage of housing** in UK (and especially social housing). In response to the Barker report, the government is committed to increase the rate of house building from 150,000 to 200,000 by 2016, with a target of 30,000 additional social houses a year by 2007/8.
2. **The Housing Corporation's** biggest ever investment programme of £3.9 bn for 2006-8 will fund 84,000 homes; 49,000 of these will be for affordable rent, and 35,000 will be for affordable sale through the Government's new HomeBuy initiative. It regulates over 1,500 housing associations in England and has appointed 81 development partners, including 6 private developers, to deliver the bulk of its programme.
3. Under the **Decent Homes** initiative, the target is that by 2010 all social housing should be in decent condition, with most of the improvement taking place in deprived areas. Since 2001, the number of non-decent homes in the social sector has been reduced by over 50%. By 2010, 3.6 million homes to be improved, an investment of over £40bn (c£10k per home). However, the government is reviewing its effectiveness (seen as little more than "kitchens and bathrooms" by some), with not all LAs likely to meet the 2010 deadline.
4. Local authorities have four options to achieve this: Stock transfer (to an RSL), Arms Length Management Organisations (ALMOs), PFI and Stock Retention.
5. To date (September 2006): 166 stock transfers are up and running, 27 on the programme and 27 with places held open and 38 LAs with new bids for 49; 40 ALMOs are in receipt of funding, 16 on the programme and 16 new bids; 7 HRA PFI schemes up and running, 13 on the programme and 5 new bids; 98 LAs have opted for management retention.
6. The Spending Review of 2004 announced £1.22 billion new **PFI** credits for Local Authorities to refurbish homes and increase social housing for rent. This has been slow to start but is now gathering pace. There are several schemes of £50m plus.
7. **Housing Market Renewal** is aimed at tackling the most acute areas of fragile housing demand and areas at risk in parts of the north and midlands. In April 2002, 9 Pathfinders were announced to take forward new approaches to tackling low demand on a 15 year programme. The Government will have invested around £1.2 billion in the Housing Market Renewal Fund by 2008 in 2 tranches (2004-6 and 2006-8). Three are currently still without an agreed budget: Gateway (Hull and East Riding), Manchester Salford and Urban Living (Birmingham and Sandwell).
8. Leading **private companies** include: mainly newbuild - Barratt, Bellway, David Wilson, George Wimpey, Lovell, Miller, Persimmon and Taylor Woodrow; mainly refurbishment - Bullock, Connaught, FHM, Keepmoat, Kier, Mansell, Mears, Morrison, ROK and Wates.

