

UK General Election 2024

How UK Government can help fix the housing crisis

June 2024

Purpose

In the run up to polling day (4 July 2024), CHC will be raising the profile of the role that the UK Government can make in how people live well in their homes in Wales.

Housing is a devolved matter for the Welsh Government; however, some of the policies affecting incomes and household costs, such as welfare and energy, are controlled by the UK Government. We are currently facing a housing crisis on multiple fronts, exacerbated by high living costs and income constraints felt by low-income households.

This briefing highlights key areas where challenges and opportunities for the UK Government to implement policies that will positively impact the housing market and the lives of social housing tenants across Wales. We also highlight how we will provide you with resources and support to keep you up to speed with the latest election developments and to equip you with developing relationships with newly elected MPs.

Insufficient incomes to make ends meet

Local Housing Allowance (LHA)

Between April 2020 and April 2023, the Local Housing Allowance (LHA) was frozen, making the private rented sector increasingly unaffordable. In February 2024, there was not a single property available for LHA rates in nearly 75% of local authorities across Wales¹. The frozen rates are forcing many families and individuals out of the private rental sector and into homelessness services, at a time when provisions are already stretched following the COVID-19 pandemic, placing huge demand on social housing.

¹ See: Bevan Foundation research <https://www.bevanfoundation.org/resources/housing-winter-2023/>



We welcome the announced increase to LHA rates, which have been updated to the 30th percentile as of April 2024. However, this relief will be short-lived due to current plans to refreeze rates from 2025.

Universal Credit

The cost of living crisis has highlighted the inadequacy of Universal Credit in supporting people to pay for basic essentials. As a result, many social housing tenants are having to make difficult choices between paying for rent, fuel, and food, and are falling into debt.

Housing associations (74%) are seeing an increase in tenants requesting financial support and emergency funding to make ends meet². Universal Credit policies such as the five-week rent for payment, the two-child limit, and spare room subsidy are exacerbating hardship. Additionally, disproportionate deductions and penalties built into the system contribute to creating a cycle of negative budgets. Welsh benefits, including discretionary housing payments, are increasingly being used as gap funding for UK welfare policies, such as the benefit cap and the removal of the spare room subsidy. Local provisions are also having to adapt to become a safety net for individuals who have fallen through the cracks of the central welfare system.

Housing Associations are allocating significant resources to help their tenants navigate the cost of living crisis. They provide holistic financial support and have committed that no one will be evicted from their homes due to financial hardship. However, they are reaching the limits of the support they can provide. Fundamental improvements are needed to our social security system now to help stem the growth of poverty.

Households are struggling to afford to heat their homes

Energy bill support for low-income households

The cost of living crisis and the volatility of energy markets have greatly affected peoples' ability to make ends meet. Energy bills are still close to double pre-crisis levels, and energy debt has increased as people are struggling to pay. Social housing tenants cite high energy costs as one of the main reasons for experiencing financial difficulties. Many tenants are having to make the difficult decision to limit heating their homes, which can exacerbate issues such as damp and mould. Cold homes also have a wide-reaching impact on health, including physical and mental well-being.

Energy efficient homes

Housing Associations are ambitious and determined to play their part in tackling climate

² See: CHC's Ends Won't Meet report:

<https://chcymru.org.uk/cms-assets/documents/Cost-of-Living-Report-2023-%E2%80%94-ENG-1.pdf>



change, but they cannot do this alone. Housing associations' investment in energy improvement will be key to mobilising the national supply chain and enabling the delivery of carbon reduction across all households in the UK. Decarbonising our housing stock will require financial support from the UK Government if we are to reach net-zero targets.

The cost of decarbonising social homes will be offset by the benefits gained by tenants and the community. Improving the energy efficiency of our homes will not only reduce carbon emissions but also make fuel bills more affordable and create new skills and jobs, which will boost the local economy.

What can be done?

We need a more coherent approach between Westminster and Welsh Government policy to ensure that people do not fall between the gaps.

We need:

A holistic approach to welfare support that prevents homelessness and supports access to the rental market.

- A review of LHA is necessary to ensure that rates and policies support access to PRS accommodation for low-income households. We call on the UK Government to permanently end the freeze on LHA rates so that they remain at least the 30th percentile of local rents.

A reform of Universal Credit to ensure that claimants can pay for basic essentials as a minimum.

- Community Housing Cymru is a named supporter of the [Essentials Guarantee](#) campaign launched by the Trussell Trust and Joseph Rowntree Foundation.

Improvements to the Universal Credit system for both claimants and housing associations.

- Reviewing the five-week waiting period, fairer deductions, and removing penalties such as the two-child limit and spare room subsidy would prevent more households from falling into negative budgets, and allow claimants to utilise their full entitlements. Community Housing Cymru alongside our sister federation have also called for better data-sharing arrangements between DWP and key stakeholders so that support can be targeted to vulnerable tenants more effectively to ensure that no one falls through the safety net as the Migration to UC programme continues.



An energy system that protects low-income households, enabling them to afford to heat their homes consistently.

- We have campaigned with partners calling for the UK Government to introduce an energy social tariff. Whilst the UK Government committed to consult on this issue in the 2022 Autumn Statement, we're still waiting to see progress on this. Social housing tenants also need further support with repaying energy debt. Community Housing Cymru supports the Help to Repay proposal led by the Money Advice Trust and a coalition of charities including National Energy Action (NEA) Cymru, calling for the UK Government to introduce a temporary scheme for people struggling with energy debt.

A government commitment to support the sector to achieve its net zero goals.

- This would include enhancing the development of green skills and utilising the Shared Prosperity Fund to accelerate investment in decarbonisation projects.

We are already engaging with our sister housing federations and Homes for All Cymru to establish a collective voice to amplify these calls.

We are also developing an Early Findings Report for our recent Cost of Living survey results to evidence the need for change and to seek media coverage.

How we will support you

In the coming weeks you can expect to see the launch of the following member resources:

- Regular email bulletins including updates on party manifesto housing policy developments and information on MPs/PPCs.
- 'Top tips' briefing for engaging with newly elected MPs.
- Template post-election letter for MPs.
- Live election coverage at our [One Big Housing Conference](#).
- Post-election written briefing.
- Online post-election analysis session explaining what the result could mean for Wales.

This [Housing Hub](#) will act as your key reference point and will include all the resources we will share during this period.

For more information

For more information or to discuss the content in this briefing, please contact Bethan-Proctor@chcymru.org.uk