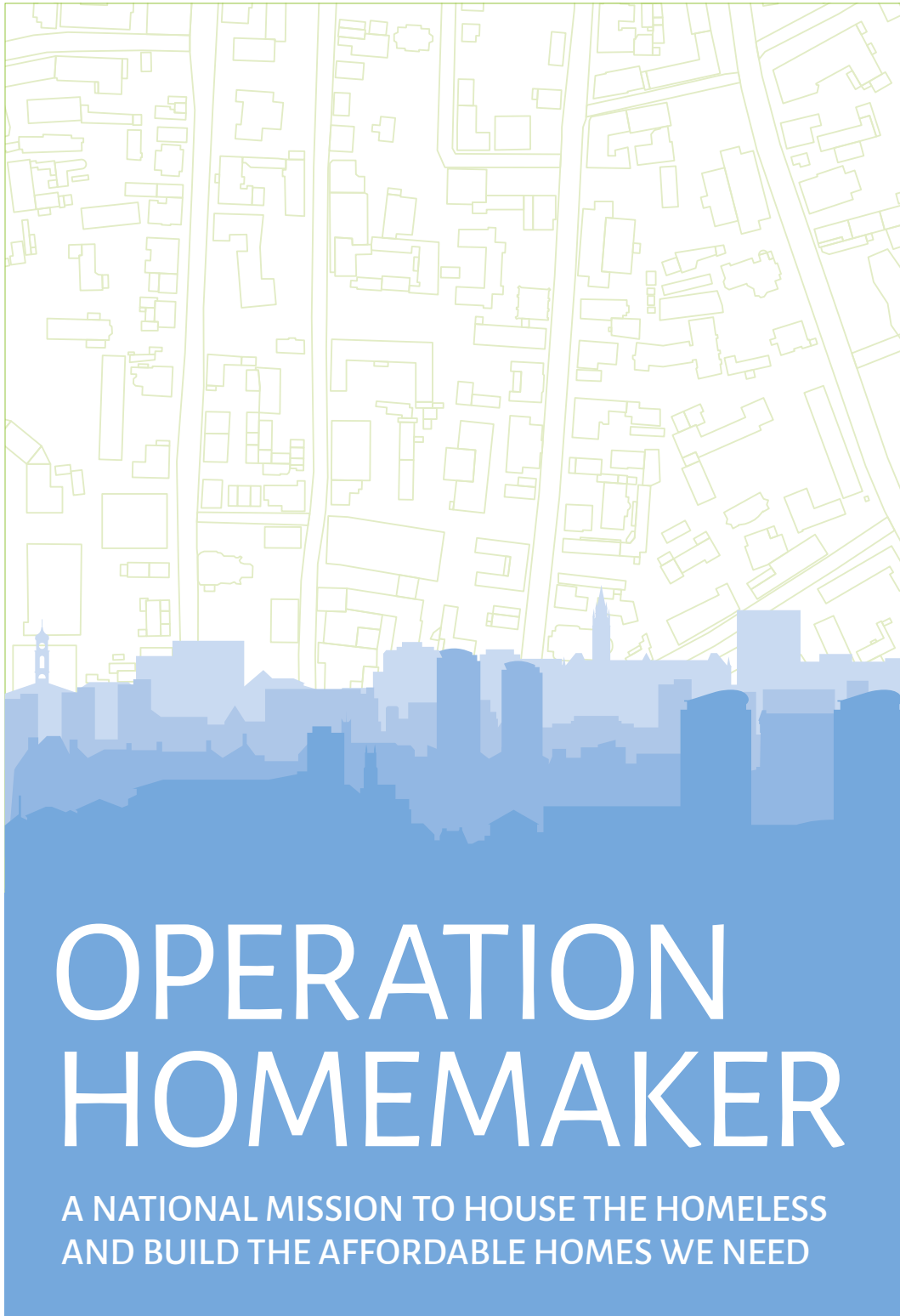




*working together to build the homes we need*





# **OPERATION HOMEMAKER**

IS A PROPOSAL TO  
BRING FORWARD  
100,000 EXTRA  
HOMES OVER THE  
NEXT 18 MONTHS -  
HOMES TO HOUSE  
THE HOMELESS  
AND BUILD THE  
AFFORDABLE  
HOMES OUR  
COUNTRY NEEDS

# INTRODUCTION

by Natalie Elphicke OBE MP, Chair of Operation Homemaker

## INTRODUCTION

– Operation Homemaker

## HOUSING HEADWINDS

## THE OPERATION HOMEMAKER PLAN

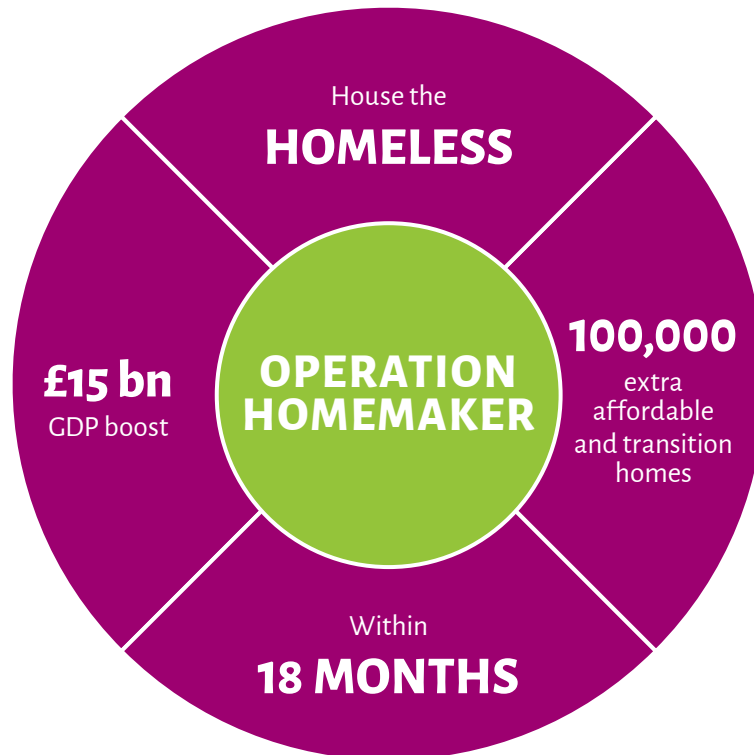
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**Operation Homemaker is a ground-breaking plan to house the homeless and provide permanent homes for the most vulnerable households in Britain.**

This report calls for a new national mission to realise the dream of a decent home for everyone who is without a home of their own – be that on the streets or in temporary accommodation like bed and breakfast.

The Homemaker plan is to build 100,000 extra homes in 18 months. The delivery of the Operation Homemaker plan will be spearheaded by a cross-party Housing & Finance Institute team including Natalie Elphicke, Sir Steve Bullock and Cllr Keith House.



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This is a plan to help the most vulnerable households. It will also provide a £15 billion stimulus to the economy – helping keep the construction industry going and boosting the economy as a whole.

The Homemaker Team are calling on the Chancellor to use his budget to back their plan. They say their plan does not seek new Government money. They are calling on the Chancellor to signal Government support to institutional investors and to enable current existing budgets to be used to back the plan.

## OPERATION HOMEMAKER

- Delivers much needed affordable housing for the most vulnerable
- Supports construction industry skills and supply chains
- Provides a substantial GDP boost and benefit to the Exchequer
- Saves local authorities money
- Is a smart use of scarce existing resources and costs
- Promotes more effective use of land and partnership working

### How will Operation Homemaker work?

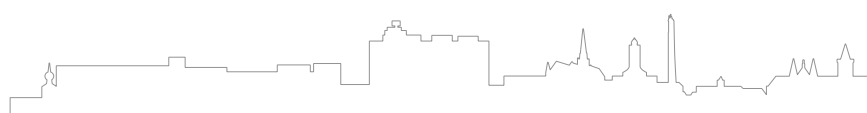
There is currently very inefficient use of revenue funding being provided for sub-optimal emergency and temporary accommodation. Operation Homemaker will realign existing revenue and capital funding streams, as well as harness institutional appetite to invest in rented housing.

Operation Homemaker is about focusing on flexibilities and existing capacity. It aims to better utilise revenue cashflow from the Home Office, local authority and other emergency spending at local and national level.

Key to the plan is enabling local authorities and housebuilders to lead, working smarter with scarce resources and targeting interventions where they will work. Current market conditions mean that it is attractive to deliver homes that will make a substantial improvement in life chances for vulnerable people who are stranded in temporary accommodation. The plan will help secure better homes for people, as well as better value for taxpayers.

The case for Operation Homemaker is compelling. This ambitious programme will be delivered through an Operation Homemaker Taskforce with a dedicated core team who will work with delivery partners and technical specialists, as well as central and local government.

**By working together we can build the homes we need.**



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# HOUSING HEADWINDS

**We are currently in what is set to be one of the most difficult periods for housebuilding since the financial crash. There are significant pressures across all aspects of housing and housebuilding.**

These include a shortage of domestic temporary accommodation and accommodation for asylum seekers. There is strong demand for private rented sector accommodation and rents are rising. The economic climate is already resulting in a marked reduction in housebuilding. Social landlords and others are focusing on building safety and disrepair remediation and have scaled back on the planned construction of new affordable homes. Rising interest rates are creating pressures on affordability within the mortgage market, affecting first-time buyers wanting to get on the housing ladder.

## DOMESTIC TEMPORARY ACCOMMODATION PRESSURES

### Scale of domestic need

Last year there were approaching 100,000 households in England in temporary accommodation. More than half of these households included children, encompassing more than 125,000 dependent children. There has been a long-term increase in temporary accommodation since 2011, with year-on-year rises in most years. In 2022, some 11,000 people were in Bed & Breakfast style accommodation, the use of which has sharply increased.<sup>1</sup> The adverse impact for people living in temporary accommodation is severe. This is particularly so where people are moved between temporary accommodation places over a number of years or are stuck in poor quality accommodation. The long-term impact on children who are homeless and in temporary accommodation of this type is concerning. Housing in settled affordable housing rather than temporary accommodation has significant social, education and health benefits as well as financial benefits.<sup>2</sup>



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### Cost of emergency housing

The National Audit Office has estimated three-quarters of the cost of temporary housing is met from housing benefit with significant extra costs falling on individual councils. Councils spent some £1.4 billion on temporary accommodation in 2020/21. This rose to £1.6 billion in 2021/22.<sup>3</sup> There has been a 61% increase over the last five years. Councils are currently poorly placed to meet these increased temporary housing costs. Some councils are facing extreme financial pressures, even potential bankruptcy.

### Lack of sufficient temporary housing

Where councils are unable to meet their own temporary accommodation need, people are placed in other areas using the private rented market. In 2022, 27,480, or 27%, of households in temporary accommodation were placed in a different local authority district from that where they had a claim. Over 80% of these placements were from London authorities to other authorities.<sup>4</sup>

### Scaling up

Initiatives like PLACE in London<sup>5</sup> are seeking to provide modular temporary accommodation through a dedicated not-for-profit company set up by a collaboration of London councils. Given the numbers of vulnerable people displaced from London, there is clearly a need to scale up and speed up the delivery of temporary and settled affordable homes.

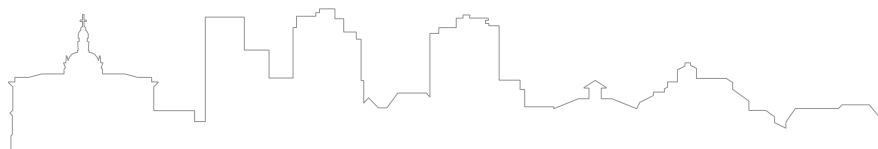
## MIGRANT/ASYLUM SEEKERS ACCOMMODATION PRESSURES

### Scale of additional Home Office accommodation need

In 2022, hotel accommodation was used extensively for housing people who are awaiting Home Office decisions and those who have been granted asylum, including some refugees under the Afghan resettlement programme. More than 40,000 people are currently housed in emergency or temporary accommodation.

### Cost of emergency accommodation

Around £7 million a day, which equates to around £2.5 billion a year,<sup>6</sup> is being spent on hotels and other Home Office related accommodation. Consideration is being given to accommodating people waiting for assessment of asylum and other claims in large scale refugee camps on Ministry of Defence or other public land, like the camps on continental Europe and elsewhere. Considerable concern over this approach has been



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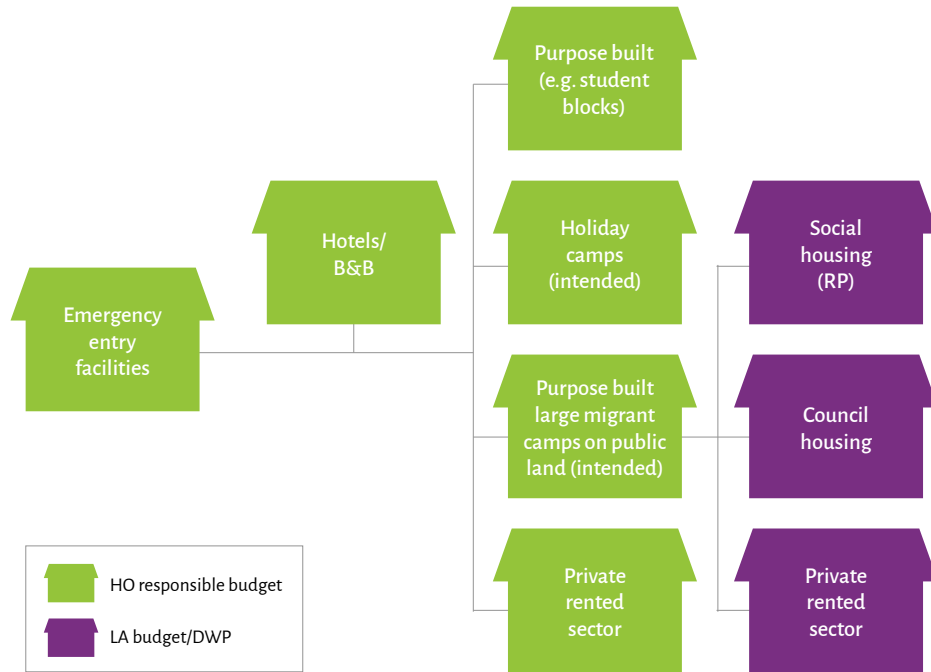
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expressed by the charity Asylum Matters.<sup>7</sup> They have reported on harmful health and other outcomes from institutional style segregated facilities, including the potential for such large-scale facilities to become a magnet for extremist activity.



**Figure 1** Example of accommodation triage for asylum seeking migrants and those with leave to remain

**National dispersal model**

The managed dispersal of migrants and asylum seekers into cities and towns in smaller numbers has proved to be an effective model. However, the surge in numbers has pushed the established dispersal programme approach to breaking point, necessitating new approaches. The current approach for emergency accommodation is 'top down' – using forced dispersal and accommodation secured on behalf of the Home Office. The guiding principle for moving from hotels to migrant camps and other accommodation is to obtain better value for money for taxpayers while also providing basic and decent accommodation. However, councils and MPs from different parties have expressed concern about the impact on communities, including availability of school places or health services, as well as the availability of specialist support services for refugees.



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### Closer working

Operation Homemaker aims to secure higher quality and more affordable accommodation that provides better value than current arrangements and is more likely to secure local support. It is based on a closer working relationship between councils and Government in the making of appropriate accommodation, location and support decisions.

## PRESSURES ON THE PRIVATE RENTED SECTOR

The scale of the private rented sector has increased substantially over the years. The role of the private rented sector has also changed fundamentally. The private rented sector fulfils a range of needs including:

- Emergency homeless and asylum seeker provision
- Temporary accommodation
- Lower income renters – who would be living in affordable housing/ council housing in previous generations
- 'Generation Rent' – those who would be home owners in previous generations but who struggle to get on the housing ladder due to high house prices and mortgage affordability/ deposit challenges
- Older Downsizers – those moving into rented accommodation from owner occupation in older life

This complex range of needs is met within a market dominated by many individual landlords. Some individual landlords may face housing headwinds of their own, with higher interest rates and regulatory pressures. Indeed, a recent assessment by Capital Economics<sup>8</sup> suggests around 365,000 landlords may choose to sell up in the coming period.

The pressures reported on landlords are felt even more sharply by tenants. The high level of rents is already causing hardship for many tenants and passing on increased costs from landlord to tenant will be difficult. Recent research from Generation Rent<sup>9</sup> found:

- Since the summer of 2022, paying rent has overtaken paying utility bills as the biggest concern of private renters. 41% of respondents stated that paying the rent was their biggest concern in relation to the cost of living crisis, up from 26% in July
- One in five private renters (21%) reported that they have had to cut back on spending in order to pay rent, up from 17% in July





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- Half of private renters have faced a rent increase in the last year. More private renters have been asked to pay a higher rent than in July, and were more likely to have been asked to pay more than £50 extra per month
- Generation Rent asked respondents what reason they were given for their rent increase. The most common answer was “higher market rents” (40%), followed by “cost of living” (19%) and “letting agent advice” (17%). “Higher mortgage payments” was cited by just 11% of landlords

In addition to the underlying pressures, the need to secure emergency rented accommodation risks further rent inflation. This has been a longstanding concern around temporary accommodation provision, particularly where there is displacement between local authority areas. A similar pattern has emerged where Home Office contractors are seeking to secure private rented sector accommodation on generous contract terms, including higher rents. For example, the Home Office contractor, Serco, has been reported to be offering five year fully funded guaranteed all-inclusive contracts for landlords for rent, maintenance costs, council tax and gas and electricity bills.<sup>10</sup>

The bottom line is that there is an urgent need for planned delivery of emergency transitional housing and affordable housing to dampen the pressures on an already stretched private rented sector.



Figure 2 Negative cycle of Need Hierarchy in the Private Rented Sector



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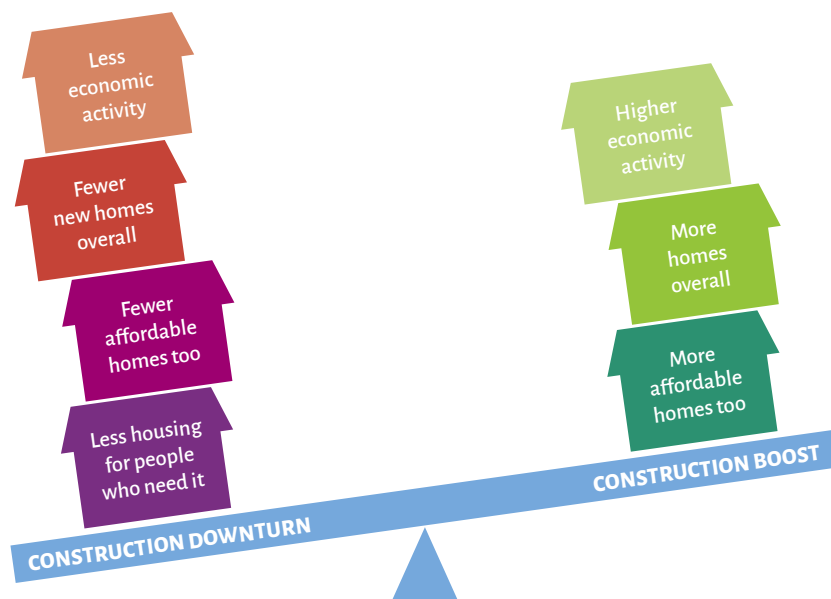
## PRESSURES ON REGISTERED SOCIAL LANDLORDS ('HOUSING ASSOCIATIONS')

Registered Social Landlords ('housing associations') play a vital role in the delivery and management of affordable and social rent homes.

Affordable rent housing is housing that is provided at below the market rent. In the UK there are range of sub-market rent options. These include controlled rent properties, London Living Rent homes, rent to buy (deposit scheme) homes, social rent and affordable rented homes. There are also shared ownership and first-time buyer lower cost purchase schemes.

These schemes are most often provided through conditions to planning agreements, with support from the Government's Affordable Homes Programme. They are forms of subsidised housing.

In the UK, affordable housing is usually brought forward as part of an overall planned development which will contain a mix of tenures. That means that more affordable housing will be delivered when there is more housing activity overall. When there is a construction downturn, this means less affordable housing will be brought forward, as less housing overall is being built.



### Building safety and remediation post Grenfell

Any construction downturn will impact on the overall supply of affordable housing. On top of this, registered social landlords, councils and developers are rightly prioritising historic remediation in relation to building safety.

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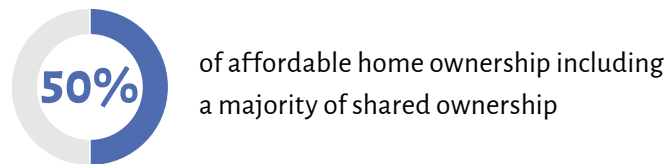
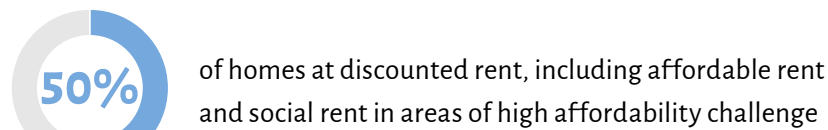
The cost of meeting historic repair is estimated to be £8-£10 billion.<sup>11</sup> In addition to cost, the assessment and implementation of remediation requires substantial management and technical resources.

The tragic death of Awaab Ishak from dangerous mould has further intensified a focus on the repair and maintenance of social housing stock. This means there is a greater focus on ensuring existing housing stock is safe. Housing associations and councils are now directing increased resources to remediation and addressing disrepair. Unsurprisingly, new housebuilding targets by housing associations have been reported to be reduced by at least a tenth, some 13,000 homes.<sup>12</sup>

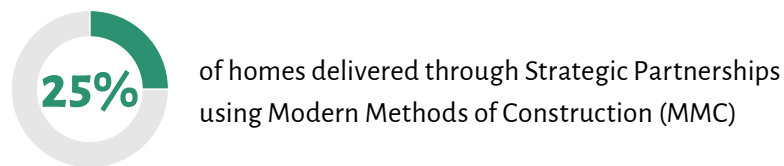
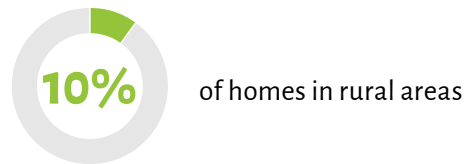
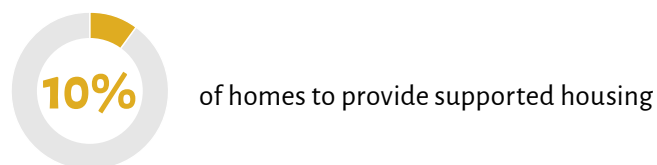
**Assessing the need for affordable homes**

Against the backdrop of falling supply, the National Housing Federation<sup>13</sup> has assessed that there is a need for 340,000 new homes in England, including 145,000 affordable homes, by 2031, to meet current demand. This includes 90,000 for social rent and 25,000 for shared ownership.

The Government has an ambitious affordable homes programme covering the period 2021 to 2026. The £11.5 billion Affordable Homes Programme for 2021-26 (AHP) plans to deliver up to 180,000 new homes including:



Of the homes being delivered there are further targets:



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However, the delivery of the previous Affordable Homes Programme has been criticised by the Public Accounts Committee.<sup>14</sup> They have assessed that there was a shortfall of 32,000 homes in the Government's Affordable Homes Programme between 2016 and 2021.

The Government's delivery agency, Homes England, has a vital role to play in the delivery of homes, including affordable homes. However, it has struggled in the last year to meet its targets. In 2021/22 it failed to meet its targets on housing starts and housing completions. Ensuring Homes England is fully supported by the tools needed to be able to support any construction downturn will be crucial. Homes England can and should have a key role in the successful delivery of Operation Homemaker.

### **Prioritising affordable housing delivery**

When there has been a construction downturn in the recent past, for example, following the financial crash, Government and some councils have intervened to prioritise the delivery of affordable housing in developments.

This can include measures to bring forward planned spending which was due to take place in later budget years to the years when construction has slowed down. As well as through purchase agreements, direct commissioning by councils, nominations agreements and guarantees along with similar mechanisms to reduce market risk and encourage development to continue.

During a construction downturn it is sometimes argued that developments should become purely social housing, echoing the large council estates of the past. Indeed, there are some small-scale housing developments that are single tenure, for example all rented homes. However, the benefits in the longer term of mixed tenure communities for larger settlements is well established. Accelerating the affordable element of a planned development during a construction downturn maintains the overall planned tenure outcome, while ensuring that essential affordable housing delivery is secured in adverse market conditions.



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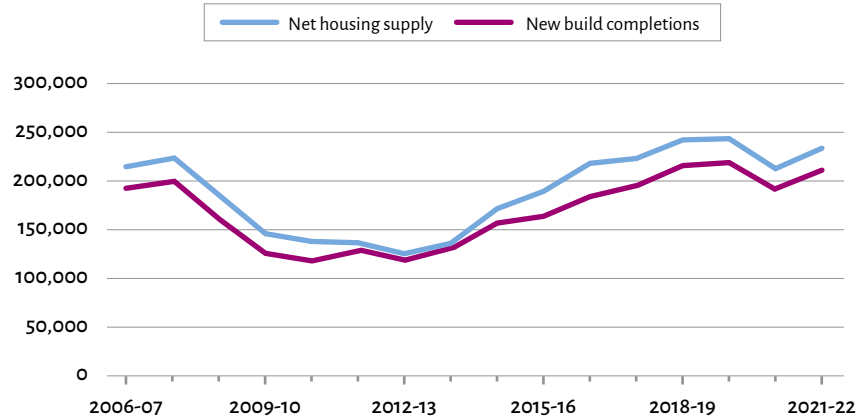
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## PRESSURES ON BUILDING NEW HOMES

In recent years there has been a significant increase in the number of new homes delivered. For the first time in a long time, it was looking as if the UK was fair set for a period of sustained housebuilding delivery.



**Figure 3** DLUHC Live Table 118

However, there are now significant housebuilding headwinds which could see at least 40,000 fewer homes in the coming year and 100,000 fewer homes brought forward over the next 18 months.

These **Housing Headwinds** include:

- Rises in interest rates
- Constrained mortgage availability particularly for high loan to value and first-time buyers
- Falling house prices which could see a market correction of 10% or more in headline prices
- Reduced transaction levels
- The end of the Government's Help to Buy scheme
- Muted sales in new homes
- Continued price inflation in building materials
- Reduced confidence in the UK from international investors following political volatility leading to subdued investment appetite
- Concerns about planning reforms and their impact
- The continuing impact of 'Nutrient Neutrality' and other new environmental measures on housing delivery

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Housebuilding contributed around £40 billion to GDP last year.<sup>15</sup> A fall of 100,000 homes could be a potential cost to GDP of £15 billion. A fall in housebuilding numbers will also impact on the delivery of affordable housing. In addition to £40 billion in overall contribution, housebuilding contributed around £6.6 million in affordable housing, including through section 106 planning agreements.<sup>16</sup>

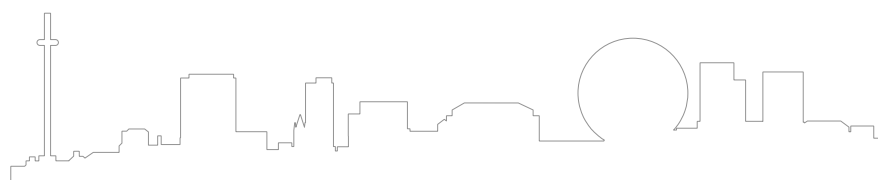
There is a significant GDP boost provided by the housebuilding industry. A report by Capital Economics (2019) estimated that every £1 spent on construction output creates £2.84 of additional GDP and adds an additional 54p benefit to the Exchequer.<sup>17</sup>



**Figure 4** Capital Economics (2019)/ LEK Consulting (2009)

The financial impact is greater still in relation to the provision of affordable housing. Taking both the construction multiplier and the savings on housing benefit into account, Capital Economics estimate an average benefit of £18,060 to the public purse for each new affordable rented home constructed.

Operation Homemaker, in seeking to deliver 100,000 homes over the next 18 months, would not only provide a substantial boost to GDP (up to £15 billion), it would also ensure that jobs, skills, economic activity and taxes are retained over the challenging economic period – also enabling faster sector recovery when times improve.



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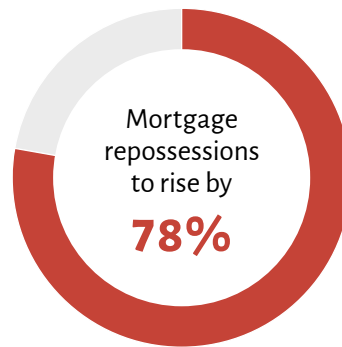
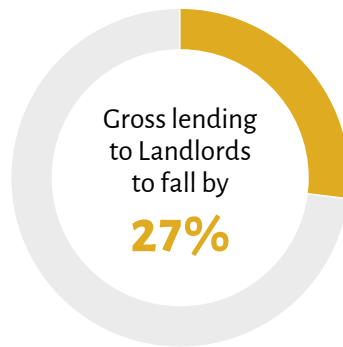
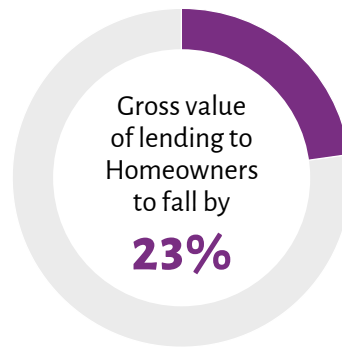
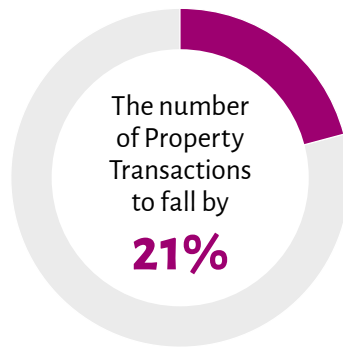
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## MORTGAGE MARKET PRESSURES

There are increasing pressures within the mortgage market. UK Finance have identified that cost-of-living pressures and a rising interest rate environment will increase the pressure on new mortgage affordability. This in turn will, without government intervention, make it hard for first-time buyers and others to buy their own home.

UK Finance's current forecast<sup>18</sup> is for a year-on-year fall from 2022 to 2023 as follows:



Against this backdrop, it is important that Operation Homemaker helps to increase housing supply.



# SUMMARY: IDENTIFYING AFFORDABLE AND TRANSITION HOUSING NEED AND KEY PRESSURES AFFECTING THE DELIVERY OF AFFORDABLE HOUSING

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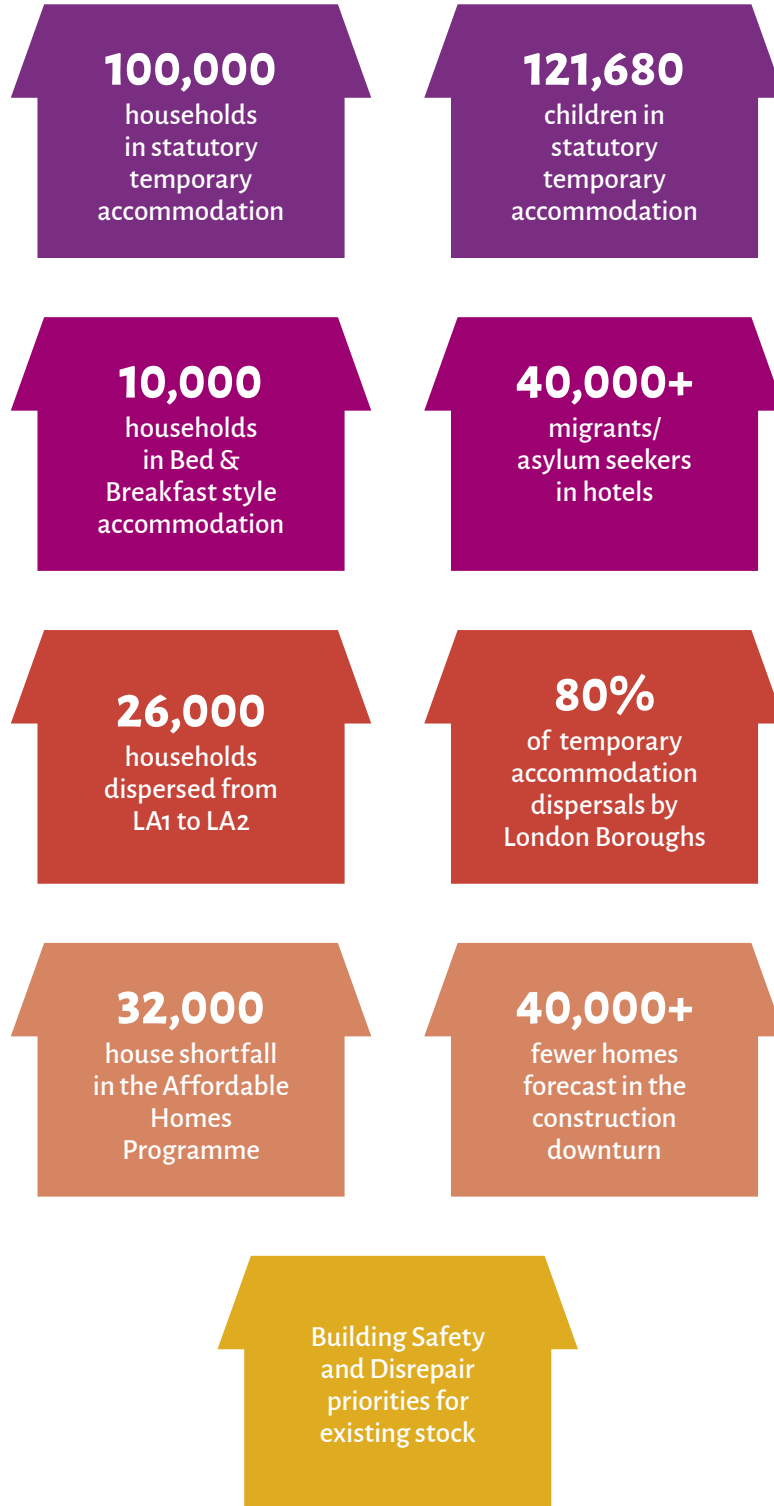
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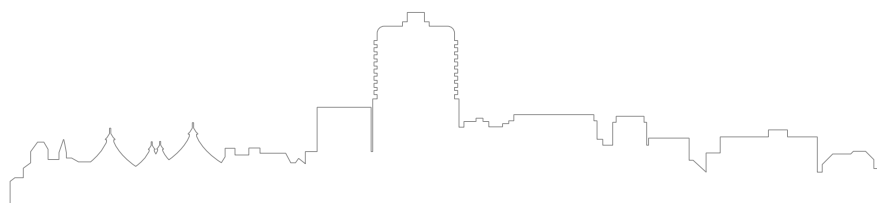
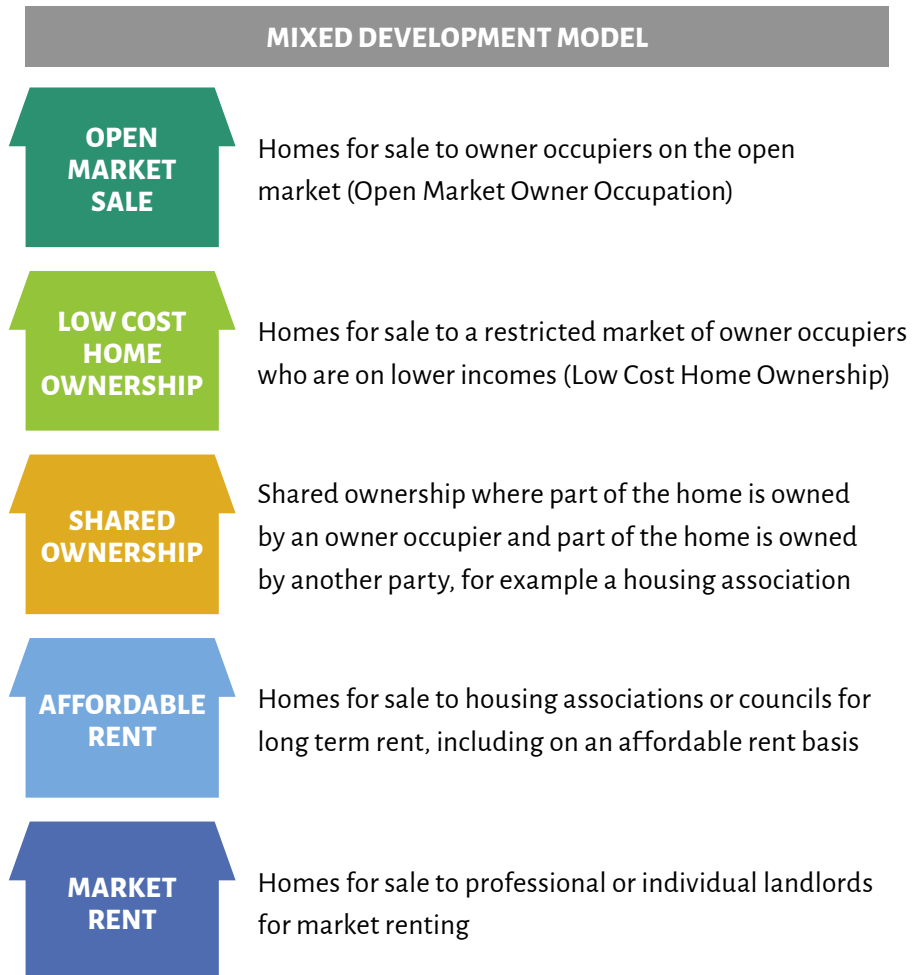
## FUNDING OPERATION HOMEMAKER

The delivery of 100,000 Operation Homemaker homes is costed at between £12 billion and £15 billion over an 18 month period on the basis of approximately one-third transitional and two-thirds settled homes.

The working assumption is based on transitional modular homes unit with a price around £60,000, and settled permanent affordable homes at around, on average, £120,000-£150,000. Settled homes can be either traditional or modular built using long-term modular housing products.

There are several avenues for potential funding on this scale.

As set out earlier, the usual development approach is a mixed tenure one. That means simply that a mixture of different homes for rent and purchase are developed within a single development. There are five primary types of housing to be considered:



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## Converting Government and council revenue spending to capital spend

The Home Office accommodation spending is running at around £3.5 billion a year and rising. In addition, councils are spending more than £1.6 billion in temporary accommodation to house people in often substandard private rental accommodation at full market rents. At a time of scarce resource this is money which could be spent meeting other housing needs and services.

Savills has previously illustrated the impact of delivering around 100,000 affordable homes, with an immediate projected cashflow benefit of getting on for £430 million a year in reducing housing benefit costs.

The combined Home Office accommodation and temporary accommodation spend in one year is equivalent to nearly half of the entire five year Affordable Homes Programme budget. Even discounting the Home Office budget by reason of additional services over and above accommodation provided, to say £4 billion, that in itself could support the additional delivery of around **65,000** permanent affordable homes, on the same basis as the current calculations in the Affordable Homes Programme.

Looking at transitional housing, to put that level of revenue spending in context, **the Government could purchase outright 40,000 Homemaker transitional units for £2.4 billion, allocate them at no cost to a council or housing association to manage for transitional housing. This would still save over a £1 billion of current spending.**

This model is not new. It's precisely what the post war Government did with the pre-fabricated housing scheme. Councils found the land and sorted out the connections, the post-war Government commissioned and paid for the construction of manufactured homes. Councils chose the tenants, collected rents and maintained the homes.<sup>19</sup> This is a tried and tested model that could be used for Operation Homemaker.



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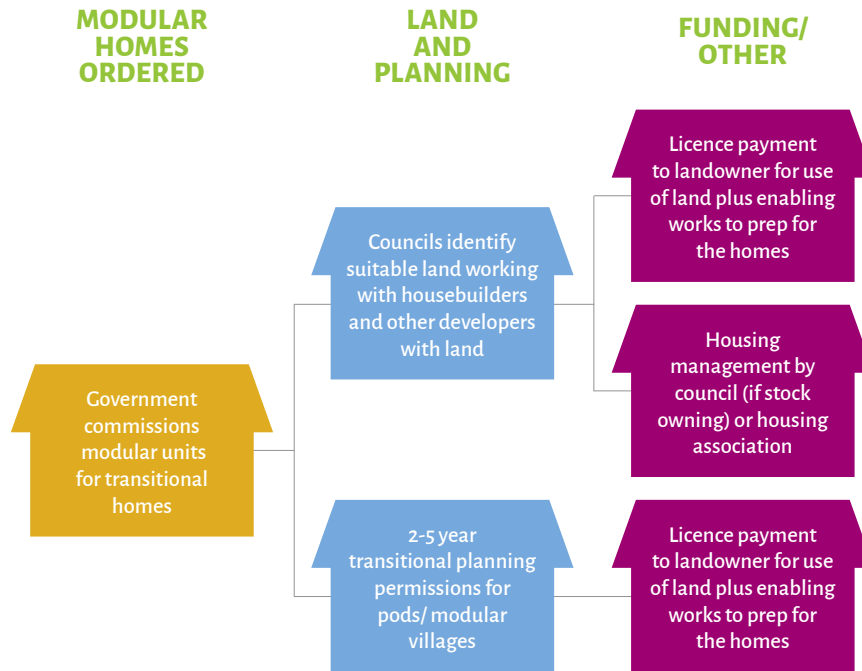
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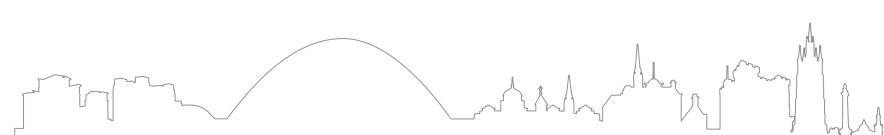
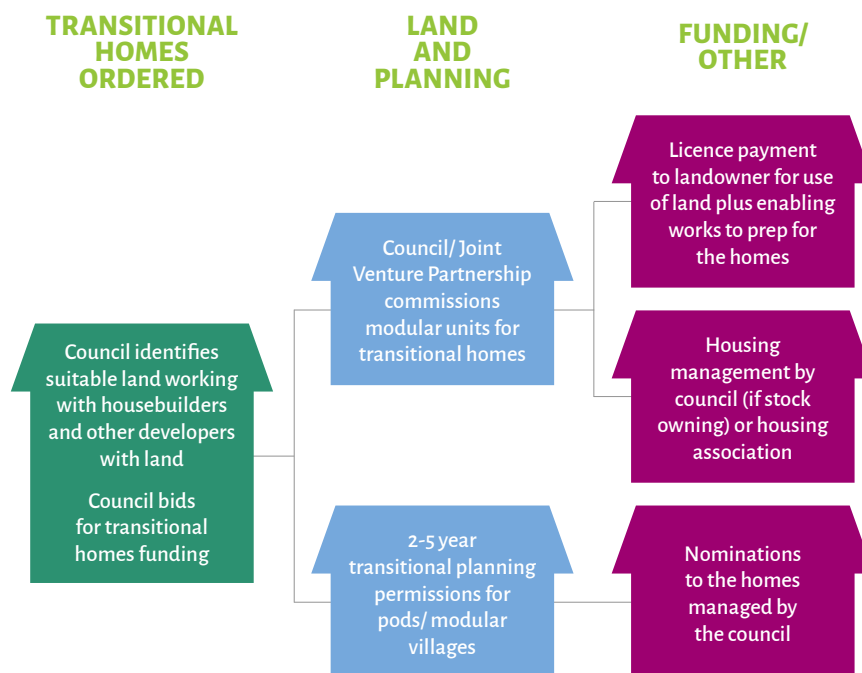
**Direct National Commissioning**

A 2020s approach, along the same lines, would be:



**Local Commissioning**

Alternatively the homes could be directly commissioned by councils on the same basis. It is common for councils to work in a joint venture partnership or consortium arrangement for developments in order to access relevant capacity and specialist skills. Such as arrangement might look as follows:



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**PWLB/ council funds – low cost rate**

Councils can also draw down Public Works Loan Board (PWLB) money to support housebuilding, and many do just that. For Operation Homemaker, the Treasury could consider a specific allocation at a reduced PWLB rate on a low cost long term basis to councils to commission the delivery of Operation Homemaker homes, for example up to 40-60 years for repayment, which is in line with historic Government settlements in periods where there has been a need to build emergency accommodation at scale, be that temporary or permanent housing.

As set out in the example, discounted PWLB could reduce or even eliminate the need for a subsidy for long-term affordable rented housing. This would stretch the benefit of grant towards the full range of affordable and first-time buyer shared ownership or rent-to-buy schemes.

**Provisional allocations**

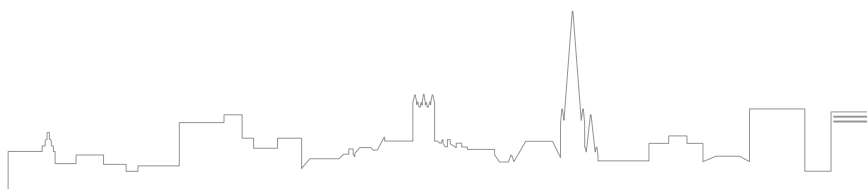
It is proposed that a provisional allocation of funding is made to participating councils so that they can develop proposals for their allocation in order to deliver the aims of Operation Homemaker. The payment of Operation Homemaker funding would be reviewed every three months against progress, in order to ensure that all available funding is being deployed to meeting housing needs within the 18 months window for the programme.

**Private finance/ institutional funding and nominations agreements**

The Housing & Finance Institute publication "*Financing approaches and mechanisms which councils have used to increase house building*" (2016\*), part of its Housing Business Ready programme, sets out 26 different methods which can be applied to support housing delivery. A number of these methods can themselves attract and support external private finance, including nominations agreements and off-take or guarantee agreements. All available financing avenues would be considered through the proposed Operation Homemaker Taskforce.

**Pace and value**

The current Home Office and Temporary Accommodation budgets are, of course, supporting housing for people right now. That's why, in order to secure the financial benefits of the Operation Homemaker approach speed is of the essence. That's why a 'sprint' approach is recommended – within an 18 month window.



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The modular homes recommended for transitional housing in the paper can be put on the ground within a few weeks. Permanent affordable housing can also be brought forward at great pace. It is planning permission that is the big hold up in housebuilding rather than construction itself. It can take many years for full planning to be approved from site identification. That's why the Operation Homemaker approach is to bring forward already identified (and ideally permissioned) residential and development land. Varying planning permission and granting temporary planning permission is a much quicker process if the other planning aspects, including roads or environmental impact, have been considered already.

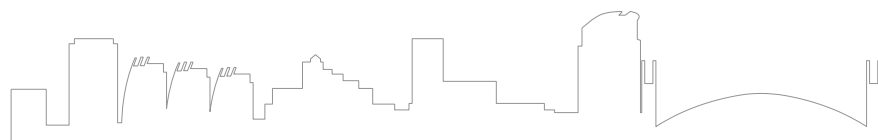
### **The Affordable Homes Programme**

The Affordable Homes Programme (AHP) is the Government's primary programme to support affordable housing delivery. The current Affordable Homes Programme is £11.5 billion for the period 2021-2026. This programme provides grants to housing associations and councils. Savills<sup>20</sup> are forecasting that there will be greater reliance on the grant programme to deliver affordable homes in the programme period, given subdued market forecasts and competing requirements on developers (e.g. the infrastructure levy). Savills also noted a sharp increase in the level of grant – from an average of about £38,000 in the 2016-2021 Affordable Homes Programme to around £64,000 in the current programme round.

In the current proposal, councils and housing associations would, in addition to supporting the commissioning of homes, be able to acquire completed stock. With grant, this could enable low cost rent-to-buy and shared ownership schemes.

A substantial amount of the Affordable Homes Programme, (amounting to some billions of pounds), is currently unspent or is committed but will not be delivered in the next 18 months. This could form the Operation Homemaker capital funding programme providing significant grant funding to support affordable housing delivery. Other similar budgets for infrastructure or other loans and grant pots should be reviewed in order to maximise all available resources in this constrained environment for public spending.

The plan involves accelerating the available Affordable Homes Programme budget from later years (2023-2026) to earlier years (2023-2024). It is recognised that there will be some Budget adjustment in terms of public accounting. However, as this is a multi-year funding settlement, the impact over the funding period should be neutral in relation to the overall AHP allocation. In addition, the financial stimulus boost would be significantly Budget positive.



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## Topping up the Affordable Homes Programme in later years of the programme

While Operation Homemaker will provide a record boost in affordable housing provision, it will not, in itself, meet all the needs for affordable housing. Given that the National Housing Federation has estimated that 145,000 affordable homes a year are needed.<sup>21</sup>

It is proposed that top-up funding is set aside to increase the overall AHP in the later years – perhaps by way of a new settlement for the years 2025-2030.

The savings in implementing Operation Homemaker would fund the top of future Affordable Homes Programme money, and committing to that approach will be an important part of encouraging unspent funds to be returned to the programme. These savings include from the temporary accommodation and housing benefit bills.

### Planning and the cross-subsidy system

The planning system plays a vital role in managing the balance and cost of developments in order to achieve a mix of housing that supports housing needs and aspirations within a local area. The delivery of social and affordable housing, including low cost housing ownership and shared ownership, is supported through the 'cross-subsidy' model.

A theoretical example of the operation of the cross-subsidy model in relation to site viability contained in the HFI/Localis paper "*Public Rental Homes – a Fresh Perspective*" (2023). In simple terms, the developer agrees to sell homes for low cost and affordable housing at a cheaper rate and contribute to infrastructure, such as roads, schools, GP surgeries etc. This affordable housing and infrastructure contribution is cross-subsidised by the profit from the sales of market housing. The value of this cross-subsidy contribution could be approaching £8 billion a year.



### Applying cross-subsidy to Operation Homemaker

Operation Homemaker offers an opportunity to accelerate the delivery of the affordable housing element of a development ahead of market sales, where that cross-subsidy is also planned in. Even with a different profile to the development phasing, the development should be expected to fund the same committed cross-subsidy overall. However, in the short

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term, given that developers will not have cashflow coming in from market homes being sold, there may need to be site by site adjustments to the shape or timing of delivery. For example, a developer may need to bring forward and sell market rented housing alongside affordable rented housing. Or there may need to be short term funding of specific infrastructure items to ensure sites are brought forward. These are well-established tools and interventions in a downturn and have been deployed previously, for example following the financial crash of 2007/08.

In addition to cross-subsidy, there are other forms of funding to support the delivery of affordable housing.

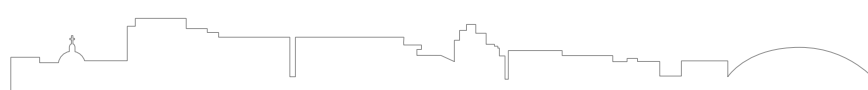
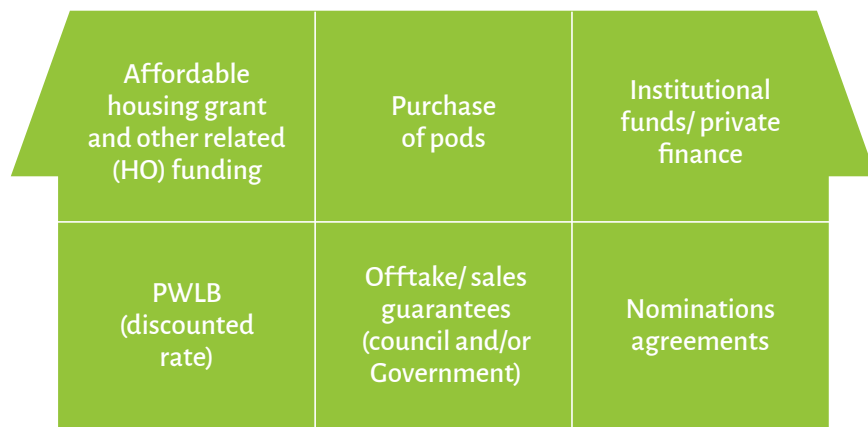
**Summary of funding and delivery**

In summary, the current market pressures mean that there is underutilised, available affordable housing capital funding to support Operation Homemaker.

The Government is currently spending revenue funding which would provide better value for money if deployed at pace to provide additional capital funding for new homes. In particular, Home Office emergency accommodation funding and council temporary accommodation expenditure.

In addition, the scale of the delivery within a short window will unlock private finance and institutional investment for whom investment in long term affordable and rented homes is an attractive investment.

There will be further long term savings for HM Treasury through the Operation Homemaker approach in relation to the housing benefit bill over time. It is proposed that some of these savings to housing benefit, and the other revenue budgets, including temporary accommodation, are transferred back to the Affordable Homes Programme in future years in order to build on and sustain the benefits of the Operation Homemaker approach. This will ensure the maximum financial and housing benefits are achieved.



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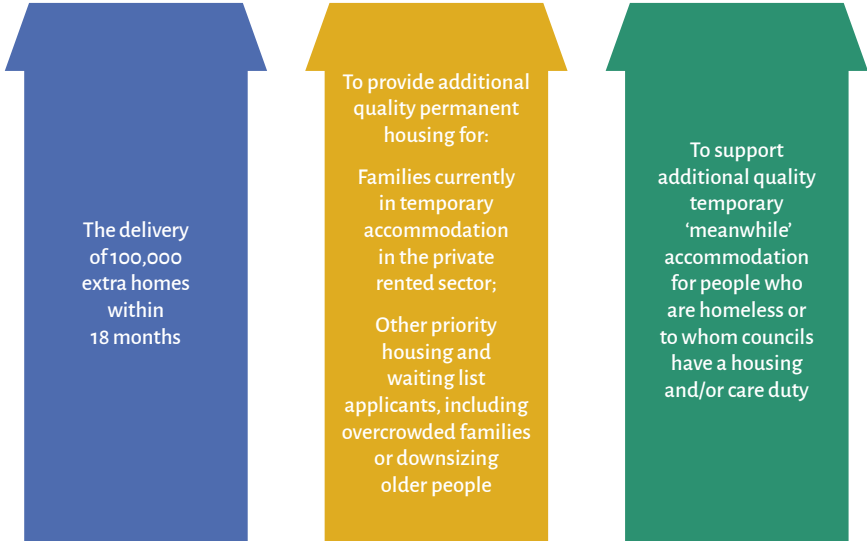
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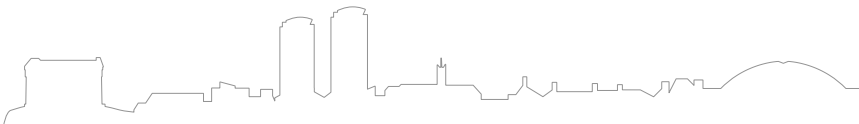
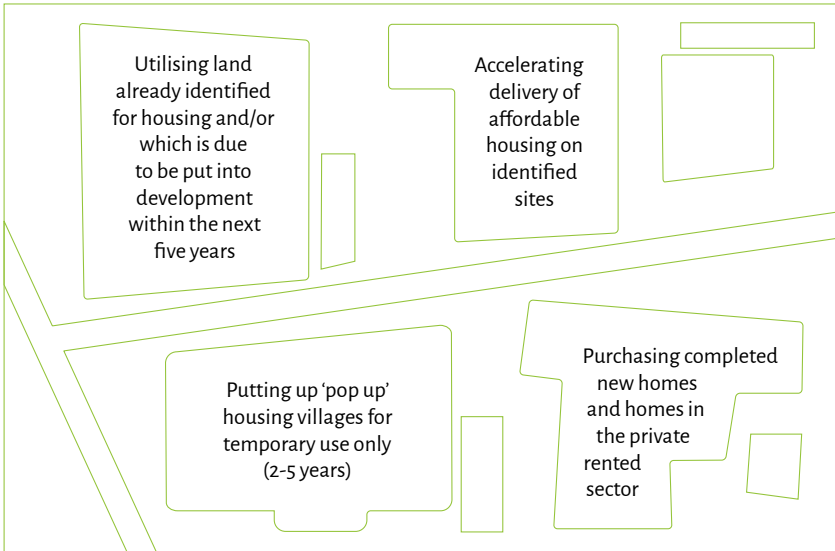
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## THIS WILL BE ACHIEVED BY





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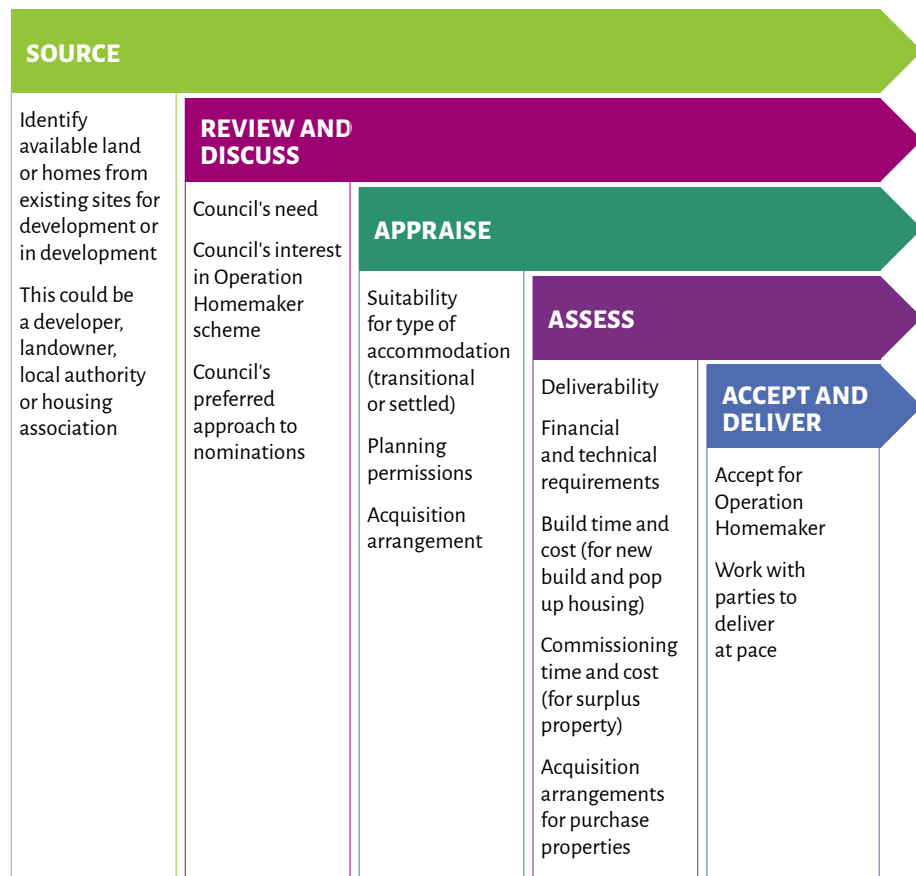
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The effective use of nominations and allocations to new homes is central to making Operation Homemaker a success. The proposal is to allow councils greater control over allocations of both transitional and affordable housing for priority needs groups to improve housing outcomes for communities.<sup>22</sup>

This Report calls for an Operation Homemaker Taskforce to be established to drive forward the working plan for the delivery of 100,000 homes in 18 months. If the programme is successful as anticipated a second 18 month housing sprint could follow.

The Operation Homemaker Taskforce would be supported by a dedicated core team who will work with delivery partners and technical specialists. Its role will be to source, review, appraise, assess and provide support to deliver the schemes within Operation Homemaker.



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## TRAINING AND SUPPORT FOR COUNCILS

As part of the work of the Homemaker Taskforce, The Housing & Finance Institute will be developing a training and support programme for councils and others interested in participating in Operation Homemaker and delivering more affordable homes. Based on the HFI's Housing Business Ready approach, this would be a practical skills-based programme supported by technical specialists in planning, finance and housing development.

## WORKING WITH GOVERNMENT

The Kerslake Commission and the APPG for Ending Homelessness both recommended an inter-ministerial working group or cabinet committee to bring together efforts, skills, resources and funding across Whitehall to tackle homelessness.

The Operation Homemaker Taskforce could engage with the Department for Levelling Up and the Cabinet Office in order to assist and inform, as a non-Governmental expert committee, the cross-Governmental work being undertaken on emergency and transitional housing as well as housing more generally.



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## BENEFITS OF OPERATION HOMEMAKER

### FOR CENTRAL GOVERNMENT

- + Delivers 100,000 homes within 18 months in a period of economic downturn
- + Creates a huge boost to GDP reversing the impact of an expected market downturn and contributing to a shallower recession
- + Maintains the skills and capacity in the housebuilding system to ensure the main market recovers quickly after the downturn
- + Makes best use of scarce capital funding resources, ensuring money for affordable housing is spent now and where it is most needed
- + Better utilises future revenue expenditure
- + Reduces future housing benefit bills
- + Dramatically cuts the emergency and temporary accommodation bills

### FOR HOUSEBUILDERS AND HOUSING ASSOCIATIONS

- + Utilises sites that could otherwise be mothballed
- + Prepares sites for speedier acceleration
- + Helps retain jobs, skills, material suppliers and subcontractors within the sector which will accelerate housebuilding recovery in due course
- + Supports cashflow for builders, particularly smaller builders (which was a successful intervention during financial crash)
- + Maintains economic activity closer to 2021/2022 levels

### FOR LOCAL GOVERNMENT

- + Provides greater control of location, size and delivery of transition and affordable housing to meet needs
- + Allows decanting and restoring hotels/ other emergency accommodation currently used to meet emergency housing needs
- + Saves money for councils, as it reduces temporary accommodation costs
- + Delivers a range of affordable accommodation, appropriate to the needs of a local area



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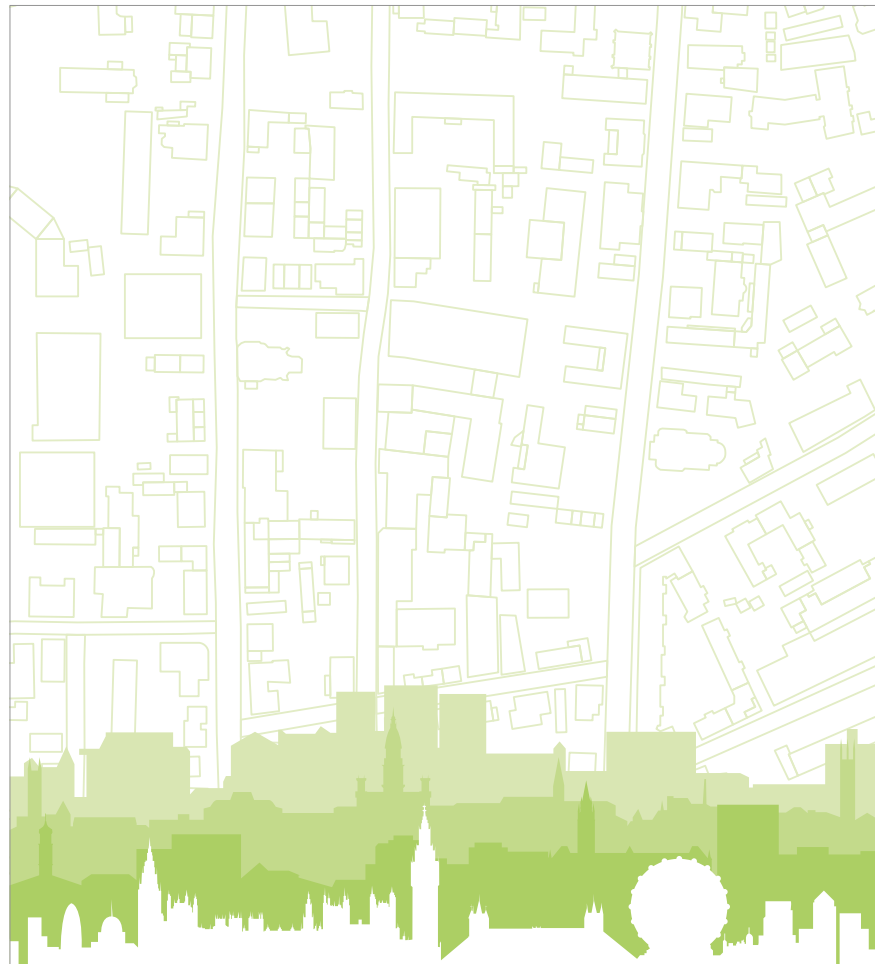
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