

A BLUEPRINT to tackle the affordable housing crisis



DCN
DISTRICT COUNCILS' NETWORK

AFFORDABLE HOUSING

BLUEPRINT

The lack of affordable and social housing is one of the country's most pressing challenges. Finding a suitable, affordable home is increasingly difficult for families everywhere.

But solutions exist. What's needed now is a clear plan and commitment to deliver them.

This blueprint contains dozens of practical reforms that together could bring about a step change in the delivery of affordable housing. Just three examples demonstrate its potential:



Raising the threshold at which councils must set up a separate financial management account for their council-owned housing (known as the Housing Revenue Account) from 199 to 999 homes could **unlock up to 88,000 additional council homes**.¹



Reforming planning rules to make it harder for developers to side-step commitments to include affordable housing in new developments could **deliver an extra 8,300 affordable homes** annually in rural district areas.²



Giving councils stronger powers to tackle empty properties could **bring nearly 9,000 homes back into use** at just 10% of the cost of building new ones.³

The 164 district councils across England have real potential to drive this transformative change. We have a proven track record of delivering affordable homes but with greater support, resources and powers, we could do even more.



The scale of the challenge

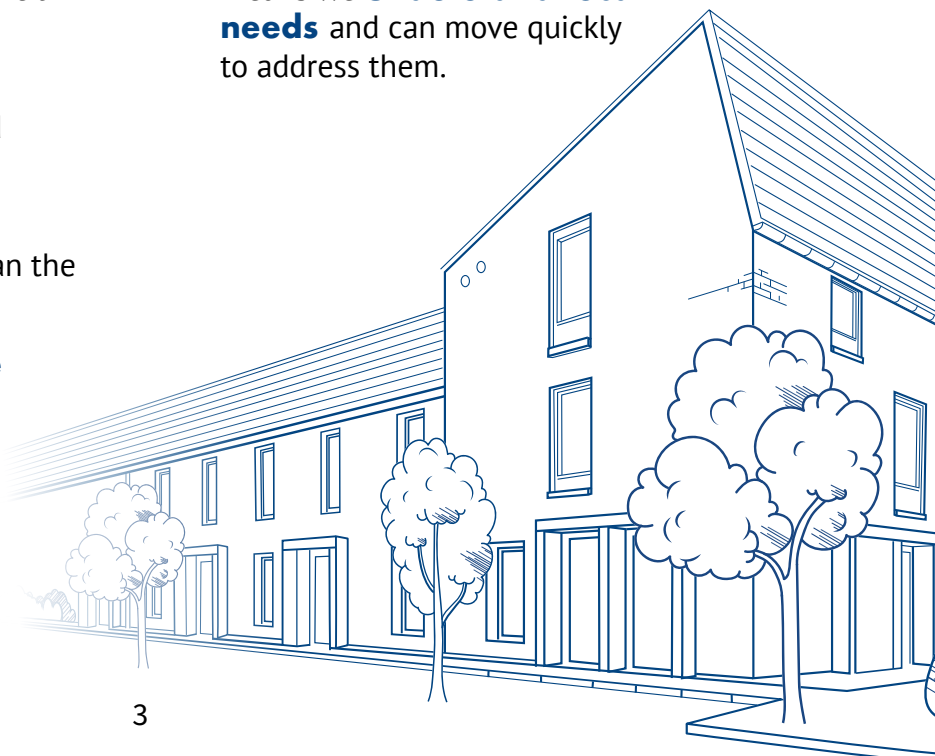
The evidence shows urgent action is needed:

- 🏠 Social housing completions in England have plummeted from 126,000 homes annually between 1946 to 1980 to just **9,866** in 2023/24⁴.
- 🏠 The Right to Buy scheme (which lets council tenants buy their homes at a significant discount) has led to the **loss of 10,560 council homes** in district areas since 2018⁵.
- 🏠 In district areas, **waiting lists have swelled to 303,000 households** – equivalent to the population of Manchester⁶.
- 🏠 Nationally, **private rents rose 9%** last year, forcing one in five tenants to spend at least half their pay on rent⁷.
- 🏠 In district areas, the number of **families needing temporary accommodation has more than doubled** since 2021⁸.
- 🏠 In district areas, council **spending on temporary housing has tripled** since 2017⁹.
- 🏠 In rural areas, developers use financial reviews to **reduce affordable housing from an average of 34% to 18%** by arguing developments would be otherwise unprofitable¹⁰.
- 🏠 Poor housing **costs the NHS £1.4 billion** annually¹¹, while homelessness drains **£6.5 billion** from the UK economy¹².

Our proven track record

District councils are uniquely positioned to deliver solutions:

- 🏠 We **own and manage 390,000 social homes** – 25% of all council-owned social housing.
- 🏠 **45% of affordable housing** completed between 2019/20 and 2023/24 was in district areas.
- 🏠 We achieve **better outcomes** replacing Right to Buy homes than the national average¹³.
- 🏠 We combine **local knowledge** with strategic housing powers.
- 🏠 We **work effectively** with communities, developers and housing associations.
- 🏠 Our closeness to our communities means we **understand local needs** and can move quickly to address them.



Our proposals

Our proposals focus on four key areas where we can make the biggest difference: council house building, affordable housing supply, planning reforms, and better use of existing homes.

Working closely with housing providers, developers, and experts across the sector, we've developed a comprehensive set of solutions. While the full blueprint goes into detail, here are some of the most impactful reforms that could transform affordable housing delivery:



1. Increase the supply of council-owned homes

- 🏠 Raise the threshold at which councils must create a Housing Revenue Account – a separate management system for their council-owned housing - from 199 to 999 homes. This would free smaller councils from bureaucratic, complex accounting requirements and unlock potential for **88,000** new council properties.
- 🏠 Give councils a legally protected 10-year guarantee of their rental income so they can confidently plan and fund new council housing without financial risk.
- 🏠 Reform Right to Buy to better protect social housing stock: introduce a 'Right to Pause' mechanism allowing councils to temporarily suspend sales in areas where social housing waiting lists are critically high and strengthen protections for new council homes to prevent their rapid loss to the private sector.
- 🏠 Allow councils to freely combine different housing funding streams that are currently restricted to specific uses. This flexibility would enable councils to pool resources more effectively and unlock additional investment for social housing projects that currently stall due to rigid funding rules.

2. Increase the wider supply of affordable homes

- 🏠 Create a national scheme to support housing associations in taking on affordable homes in smaller developments, which are currently overlooked due to high management costs, to ensure no potential housing sites are left unused.
- 🏠 Make it simpler and quicker for councils to set up housing companies with private partners by providing ready-made legal documents and simpler paperwork. Currently, these partnerships often stall because the process is too complex and time-consuming.
- 🏠 Give councils more time to use government funding for building affordable homes. Current fixed deadlines do not reflect how long it takes to find land, get planning permission and build, causing many projects to be abandoned.
- 🏠 Introduce higher grant rates for energy-efficient developments, as current funding levels do not sufficiently support the construction of more environmentally sustainable social homes.

3. Optimise the planning system for affordable housing

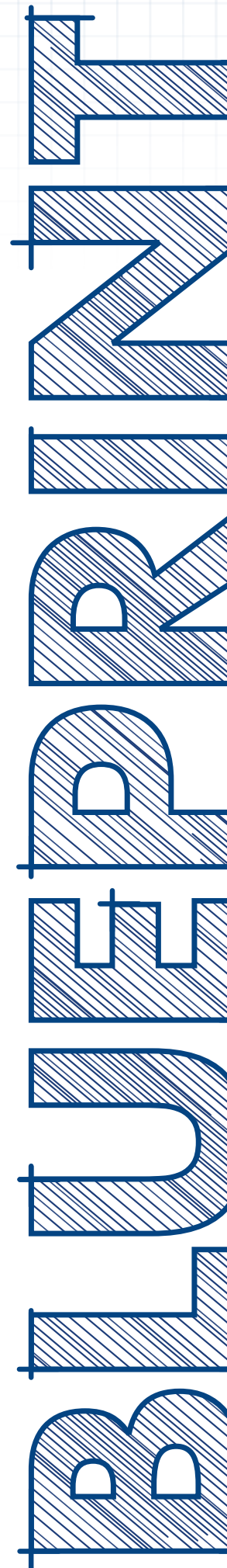
- 🏠 Review financial assessments of developments throughout construction, not just at the planning stage, to ensure more affordable homes are delivered if projected profits rise.
- 🏠 Close permitted development rights loopholes (legal exceptions that allow buildings to be converted into homes without typical planning restrictions) that allow developers to avoid providing affordable housing.
- 🏠 Get developers to contribute more from land value gains, with higher rates for higher-value sites, ensuring community benefit from increased land values.
- 🏠 Develop nationally standardised Section 106 templates to eliminate variability and reduce legal costs while maintaining local flexibility. This will help cut through complex planning barriers and speed up affordable housing delivery.

4. Make better use of existing homes

- 🏠 Reinststate the Empty Homes Programme with enhanced powers and funding so councils can bring more empty homes back into use.
- 🏠 Implement stronger controls on holiday lets through registration and planning to prevent removal of potential long-term housing from local markets.
- 🏠 Create a digital platform to help social housing tenants to downsize, matching tenants to appropriately sized accommodation and freeing up larger homes for families.
- 🏠 Support council-managed letting agencies offering deposit guarantees and rent assurance, bridging the gap between private landlords and families on housing waiting lists.

These reforms would help deliver on the Government's key missions by driving local economic growth through construction, making housing costs less of a barrier to opportunity, and reducing the burden of poor housing on the NHS.




Together, we can create the affordable homes our communities need while supporting broader national priorities.






The power of partnership

This blueprint was developed through extensive collaboration with housing associations, academics, charities and housing experts. Here's how we can work together:




Government

-  Work with us to implement these vital reforms;
-  Provide the necessary funding and resources;
-  Make long-term policy commitments prioritising affordable housing.

Housing providers and developers

-  Partner with districts to benefit from our local knowledge;
-  Innovate to meet diverse housing needs;
-  Put affordability at the heart of development plans.

Housing organisations and experts

-  Support these proposals with research and evidence;
-  Help make the case for systemic change;
-  Work with councils to implement solutions.

Time for action

As the councils closest to our communities, we understand local housing needs better than anyone. We have the expertise, the relationships and the commitment to drive transformative change. This isn't just a report - it's a practical blueprint for solving one of our country's biggest challenges.

We invite housing providers, developers, government and experts to join us in implementing these solutions. Get in touch to discuss how we can work together to create the affordable homes our communities desperately need.

We've shown what the problems are and how to fix them. District councils are ready to deliver - **we just need the powers and resources to do it.**



This summary sets out our key proposals. For the full analysis, detailed recommendations and case studies demonstrating how these solutions work, please read our complete blueprint.

¹ DCN analysis of district councils currently operating without a Housing Revenue Account

² DCN analysis of Shelter’s analysis on viability assessments and MHCLG data on additional affordable homes starts on site by tenure and local authority

³ DCN analysis of Action on Empty Homes analysis of MHCLG Council Taxbase data <https://www.actiononemptyhomes.org/facts-and-figures>

⁴ MHCLG, Tables 1006 to 1008: additional affordable homes starts on site by tenure and local authority, England <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply#affordable-housing-supply>

⁵ DLUHC, Right to Buy Sales of Local Authority Stock (2022-23)

⁶ MHCLG, Live Table 600 – number of households on local authority housing registers (waiting lists), by district, England, from 1987, https://assets.publishing.service.gov.uk/media/674d6d365ba46550018cecfc/Live_Table_600.ods

⁷ Canopy Rental Affordability Index, Canopy (2024) <https://www.canopy.rent/rental-affordability-index/q3-2024>

⁸ DCN analysis of MHCLG Statutory Homelessness data between March 2021 and March 2024 for DCN member councils, including those unitarised since 2019, <https://www.gov.uk/government/collections/homelessness-statistics#statutory-homelessness>.

⁹ DCN analysis of MHCLG data on Local Authority Outturn Expenditure between 2018 and 2024, <https://www.gov.uk/government/collections/local-authority-revenue-expenditure-and-financing>

¹⁰ Viable villages closing the planning loophole that undercuts affordable housing in the countryside, Shelter and Campaign to Protect Rural England (2018) <https://www.cpre.org.uk/resources/viable-villages-closing-the-planning-loophole-that-undercuts-affordable-housing-in-the-countryside/>

¹¹ The Cost of Poor Housing in England, BRE Group (2021) https://files.bregroup.com/research/BRE_Report_the_cost_of_poor_housing_2021.pdf

¹² Design For All: A Place To Call Home, University College London (2023) <https://www.arc-nt.nihr.ac.uk/media/2yxfzell/ucl-report-a-place-to-call-home.pdf>

¹³ DCN analysis of DLUHC, Right to Buy Sales of Local Authority Stock (2022-23)

