Dear Permanent Secretary

Housing: State of the Nation

Thank you for the response to the Committee's report *Housing: State of the Nation*. I am grateful for some of the commitments made, in particular your commitment to respond in full to our recommendation to report to Parliament on housebuilding in other countries and to present progress towards your one million homes target as a cumulative measure.

However, I am disappointed that you did not accept two of our recommendations, and I am not satisfied with your response to a further four which you did accept. I do not see how the actions you propose amount to a remedy to the issues we raised.

My specific concerns are:

- **Recommendation 1 (not accepted):** on reporting the difference between the rate of housebuilding and the rate required to meet demand. Your response is that the information is available for people to calculate this difference, and you do not intend to publish it. I am concerned that you are refusing to publicise your performance in the context of demand, and are therefore not being sufficiently transparent. I would therefore ask you to reconsider your rejection of the recommendation. The Committee expects you to publicise your performance not only in the context of your internally set target, but in the context of the level of demand that you are working to address.

- **Recommendation 2b (not accepted):** on writing to us with an estimate of the number of homes councils are able to build under current arrangements, and the details on other innovative measures. Your response is that it is not possible to provide this estimate because of uncertainties in future activity. I would ask you to write to us to set out how you have considered how you could respond to our recommendation, and on what grounds you have concluded that what we have asked for is impossible. I would also remind you that your response has made no reference to our request to write to us with details on other innovative measures for council housebuilding, and we expect to receive this.
• Recommendation 3b (accepted): on setting out the additional contribution of individual housing programmes and spending on the supply of new homes. Your response is that you will publish the gross contribution of individual programmes. I am concerned that you say it is not possible to calculate the additional contribution, while making no indication of the efforts you have made to identify a suitable methodology for evaluation before arriving at this conclusion. I would ask that you write to us to set out the reasons why it is not possible to calculate an estimate of the additional impact of individual programmes, and what needs to be done to overcome each of these reasons.

• Recommendations 4a, 4b, and 5 (accepted): on reporting to us on how to measure the impact of Housing Benefit on new homes, reporting to us on how Housing Benefit can be used more innovatively to support housing policy objectives, and commissioning research on the payment of Housing Benefit to non-decent homes in the private-rented sector. Your response took these three recommendations and offered to write to us with data on non-decent homes in the private rented sector in receipt of Housing Benefit, and how DCLG and DWP work together. While this information would be welcome, your response ignores our recommendation to commission research on the policy mechanisms for using Housing Benefit to raise the quality of the housing it subsidises, and appears insufficient to establish how to make more efficient use of Housing Benefit. I would ask you to write to us setting out the research you have commissioned – its scope and timetable for reporting – so we can know when to expect your conclusions on a more efficient use of Housing Benefit funding.

I would be grateful if you could provide me with further information on how you will deal with these concerns by 8 January 2018.

I am copying this letter to the Comptroller and Auditor General, the Treasury Officer of Accounts, and the Permanent Secretary at the Department for Work & Pensions.

MEG HILLIER MP
CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS