Implications of the Housing and Planning Bill

What we know so far

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The Devil is in the detail!
Key issues for Councils and ALMOs

Part 4: Social Housing in England

- Implementing the Right to Buy on a voluntary basis
- Vacant High Value Local Authority Housing
- High Income Social Tenants: Mandatory Rents (Pay to Stay)
- The end of lifetime tenancies
Implementing the Right to Buy on a voluntary basis

- You might think this is just a Housing Association issue….
- But there are 9 ALMOs who are Registered Providers and at least 1 more going through the registration process.
- Not consulted on the deal – unsure how it will affect them.
- Keeping in touch with the HCA.
Vacant High Value Local Authority Housing

- Councils will be required to consider selling off high value empty properties and make payments to Government on that basis.

**Issues:**
- What will count as a high value void?
- “Duty to consider” – what exemptions might there be?
- The re-introduction of the subsidy system?

- Government analysing data from all councils at the moment.

- Taking away the control and local decision making that self-financing gave us.
High Income Social Tenants: Pay to Stay

- Social tenants with high income to pay higher rents.
- Thresholds £30k outside London £40k in London – too low?
- Work incentives affected.
- Adding layers of bureaucracy and means testing for how much benefit?
- Some areas of the country the market rent is very similar to the social rent.
- It will now remain voluntary in the HA sector but compulsory for councils and councils can’t keep any additional rental income!
End of Lifetime Secure Tenancies

- Will only apply to new council secure tenancies.

- Councils will have to offer fixed-term lets of between 2 and 5 years.

- Then review each one to decide whether to grant a new tenancy or recover possession.

- It will also apply to people other than a spouse or partner who inherits a secure tenancy:
  - Those will be converted into a 5 year fixed term tenancy.
NFA work on the Housing Bill

- Engaged with DCLG officials, MPs and Peers.
- Submissions to the Housing and Planning Bill Committee.
- Portcullis House events for Labour and Conservative MPs.
- Briefings to MPs and Peers on implications of the bill.
- Supported amendments to the Housing and Planning Bill to retain local control over the council housing finances and assets.
- Briefed MPs and Peers on the likely impact of all of these changes and had meetings with a number of potential supporters.
Amendments

Sale of High Value Voids:

■ Councils to decide what gets sold and when and to keep 100% of the capital receipts to re-invest in new housing.

■ no more than 1/3 of all the council houses in any one area are sold.

■ Where the agreement is with a local housing authority outside London, it must require the authority and Secretary of State to ensure that at least one new affordable home is provided for each sold dwelling.

■ All agreements ensure no loss of social or affordable rented accommodation.
Amendments

Pay to Stay

- Not to make the voluntary pay to stay policy mandatory for councils
- Or if it is to remain compulsory for councils, at the very least do not require payment by local authorities of the additional income to the Government.
- To amend the wording about the power for HMRC to disclose income information to social landlords to include ALMOs and TMOs.
- To look at areas for exemptions and a taper for tenants to avoid work incentives.
Amendments

The ending of lifetime tenancies

- For this clause to be withdrawn pending proper public consultation.
- To remain voluntary as some councils have introduced their own policies and others are waiting to see the results.
- At the very least tenancies should be exempted if they are for tenants transferring, releasing much needed accommodation, or moving into sheltered or supported housing.
Progress so far....

House of Commons

- NFA Amendments proposed and supported by Labour and Lib Dem MPs but all voted down or withdrawn due to the Government majority.

House of Lords

- NFA Amendments proposed and supported by a number of Labour, Lib Dem and Cross Bench Peers as well as supportive statements being made by some Conservative Peers.
- A statement by the Government on ALMOs being covered by the legislation on sharing data with HMRC.
Progress so far….

- At report stage in the House of Lords – debating it at the moment.
- NFA sent briefings and speaker notes to relevant Peers.
- Lords will vote on amendments and then send back to the House of Commons for approval.
- House of Commons can accept or reject the changes.
- If rejected the bill then gets sent back to Lords for approval.
- Royal Assent – expected by May 2016
Impact on Councils and ALMOs
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- A dismantling of the HRA self-financing settlement and principles. Loss of local control and finance.

- Lots more bureaucracy on pay to stay and fixed term tenancies with less resource.

- Impact on ALMO and councils’ ability to build new homes, provide wider services on worklessness etc. and for some manage and maintain the existing stock.
Reduction in resources for council housing

- 1% rent cuts
- Loss of capital receipts from sales or having to find money to pay government
- Rent arrears risk of UC roll out
- Most members reviewing their Business Plans
- Will try to protect core services but reviewing:
  - Repairs and maintenance
  - Additional services such as worklessness and financial inclusion
  - Impact on costs of homelessness due to less social or affordable new homes to rent
The end of Council New Build?
The end of council house building?

- Revenue losses mean less borrowing over next 5-10 years.
- Still have the debt caps on HRA borrowing.
- Risks around Universal Credit and wider welfare reform mean less appetite for new schemes and projects.
- Risks of RtB or High Value Void sales on new build.
- Government grant support being directed at starter homes and owner occupation.
- Need to look for new financing models…. 
Impact on Communities
Impact on Communities

- End of lifetime secure tenancies - higher turnover of tenants on council estates?
- Impact on education and health for families with no security of tenure?
- Social and council housing especially seen as tenure of last resort – stigmatising for tenants?
- Will Pay to Stay drive more Right to Buy and push some into unsustainable homeownership?
- Inequality between HA tenants and council tenants.
- Increased opportunities for home ownership for some.