

12 February 2019

Housing update

Purpose of report

For information.

Summary

An update of the on housing, planning and homelessness policy work that has been carried out for the Environment, Economy, Housing & Transport Board

Recommendation

Members to comment on the policy update and suggest areas for office attention.

Action

Officers to take forward any member comments for future policy work.

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12 February 2019

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Background

1. This paper provides an update on work areas being taken forward on housing, planning and homelessness policy and sector-support.

Planning

2. Letwin review of build out rates - An LGA [briefing](#) has been produced which summarises the main recommendations of relevance to local government and sets out the LGA's initial response to the review. Oliver Letwin has confirmed his attendance at the May Board meeting and we will also be inviting an MHCLG representative. The LGA met with MHCLG officials considering the Letwin recommendations in January.
3. Reforming developer contributions – We have responded to an MHCLG [consultation](#) on draft regulations amending the Community Infrastructure Levy (CIL) Regulations 2010. This includes streamlined consultation processes for local authorities introducing CIL; removal of the section 106 pooling restrictions; introducing Infrastructure Funding Statements and clarifying that local planning authorities can seek a sum as part of a section 106 planning obligation for monitoring of obligations.
4. Planning fees – We are working with MHCLG officials and the Planning Advisory Service to develop a survey for local authorities on the impact of the planning fee increase and resourcing issues more generally. It is anticipated that this will generate a robust evidence base to support our ask for properly resourced planning departments.
5. Permitted development rights (PDR) – The LGA has recently surveyed councils on the impact of PDR and used results as part of the draft response to the current MHCLG [consultation](#) on extending permitted development rights further. We also [published](#) an open letter with Shelter outlining our opposition to further permitted development rights including upwards extensions, and the demolition of commercial buildings and rebuild as new homes. This has attracted signatories from a number of other high-profile national organisations, MPs and Peers.
6. Local housing need and housing delivery test – The LGA responded to the [consultation](#) on changes to planning practice guidance on the standard method for assessing local housing need. We raised a number of concerns with the locally assessed need figures' responsiveness to the complexity in local housing markets, and the implications of using them as a target within the Housing Delivery Test, and made a number of proposals for ending or limiting the impact. The Government is due to publish its proposals on the future Housing Delivery Test soon.
7. Viability – The LGA continues to call for reforms that ensure developers deliver the affordable homes and infrastructure that communities need with new development. We have been working with MHCLG to shape the data format for publishing Section 106 agreements, viability assessments, and other developer contributions. The intention is for these tools to support councils in the development of an Infrastructure Funding

12 February 2019

Statement (draft regulations currently out for consultation) to monitor and report on CIL and s106.

8. Future Place - The LGA, Chartered Institute of Housing, Royal Institute of British Architects and Royal Town Planning Institute launched [Future Place](#) in December 2018 – a programme to recognise, reward and encourage high quality place-making in England. Winners will be announced on 13 March 2019.
9. Biodiversity net gain workshop - We held a successful sell-out workshop in December 2018 in collaboration with the Planning Advisory Service (PAS) and the Chartered Institute of Ecology and Environmental Management for local government planners who need to understand and implement the biodiversity agenda.
10. Starter Homes - The Government is planning to introduce regulations setting out a future for starter homes, crucially councils will have the flexibility to plan for them in line with local need, which was an LGA campaigning ask. LGA has participated in Government working groups and hosted a roundtable with MHCLG and councils to explore and shape future starter homes policy.
11. National housing, planning and infrastructure conference – the annual LGA Housing, Planning and Infrastructure [Conference](#) will take place on 13 March 2019. Kit Malthouse MP, Minister for Housing, will address the Conference. He will be joining a range of other high profile speakers, including Kate Henderson, Chief Executive at National Housing Federation and other leading housing professionals.

Social housing

12. Housing Revenue Account cap – Now the cap is off the LGA is undertaking a short survey of stock-owning councils to understand to what extent this changes their delivery ambitions, and to help inform the development of an LGA sector support offer that can add most value from next financial year. In the short term the LGA has established a small grant programme helping councils access the staff/skills to take forward their aspirations.
13. Right to Buy (RtB) reform – We are still awaiting the Government's response to the RtB consultation which closed last year. The consultation proposed a number of helpful reforms which the LGA have been advocating for some time, for instance for councils to be able to recycle greater proportions of RtB receipts into replacements, and to have more time to build replacements. While we're hopeful some of these proposals will be taken forward the LGA expressed a concern that they did not go far enough and has continued to make the case for 100% receipt retention and ability for councils to set discounts locally.
14. Social Housing Green Paper – The Government has not set a date for when it expects to publish its response to the submissions to its proposals, which include recommendations for reforming the regulatory and performance framework, tenant engagement and other issues. The LGA is currently finalising a project with the Tenant

12 February 2019

Participation and Advisory Service looking at good practice in enabling and empowering tenants through engagement.

15. Social rents – We have responded to Government consultations on the future of social rents, following the four year one per cent rent reduction. While there are some welcome proposals for increasing rents by CPI+1 per cent for 2020-25, the LGA raised concerns about the removal of flexibilities for councils to set rents, in particular for those councils that had flexibility to move rents upwards, and the limited certainty provided by a 5 year proposal. We expect a Government response in March. We have also written to HRA councils to help clarify the impact of the rent reduction on the recovery of rents on 53 Mondays in the year.

Homes England

16. Home England Strategy 2018/23 – Homes England have published a strategy setting out their future housing delivery ambitions. Within the next few years, they will have invested over £27 billion across their programmes. Homes England will be a critical partner for all councils outside London wanting to build homes and communities, in London the role is played by the Mayor and the Greater London Authority. Some councils have raised concerns that the strategy confirms geographical targeting across 5 of their funds, where 80 per cent of their funding will be targeted at 50 per cent of local authority areas. It is also critical that HE fully acknowledge and work with councils as direct deliverers of housing wanting to increase supply.
17. HE local government capacity work – As part of its wider role, HE is thinking about how it might support councils to build their capacity to enable the delivery of new housing. The LGA is working with them to ensure the development of an offer that adds most value to local authorities, in partnership with the One Public Estate Programme, the Planning Advisory Service, and Local Partnerships.

Private Rented Sector

18. Private rented sector improvement project - As part of the current review of selective licensing Government has commissioned independent research into the impact of these schemes. The LGA is on the project board along with Rotherham and Fenland Councils and stakeholders from landlord and tenant representative bodies. The research should be complete by the end of May 2019. The Chartered Institute of Housing and CIEH published the results of their own investigation in the impact of selective licensing in January 2019. This found evidence of improvement in property conditions as a result of the introduction of selective licensing.
19. Government funding of around £2.4 million was provided to 50 councils to tackle rogue landlords through short-term staffing and new digital tools. An LGA project will look at the longer term issue of how councils can improve the quality of the private rented sector, including sustainable sources of funding.

12 February 2019

20. Tenants' fees bill - The LGA supported the Tenants Fees Bill and the intention to ban excessive fees to tenants. Importantly, LGA lobbying activity secured an amendment to the Bill in the House of Lords to exempt local authority incentive payments to landlords from the ban, which councils used to prevent and relief 17,000 cases of homelessness last year. The Bill will undergo further scrutiny in the House of Lords and House of Commons before receiving Royal Assent. Local authorities will be responsible for enforcing the ban.
21. Fitness for Human Habitation Act - The Private Members Bill proposed by Karen Buck MP has been passed into legislation. The LGA supported the new Bill, which will allow tenants to take their landlord to court in order to secure repairs and compensation for unfit accommodation.. Tenants could use the new powers against council landlords and this extends to the common parts of a building. We will be working with government and other stakeholders to provide further information.
22. Empty homes - The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 became law in November 2018. This includes a new provision to help councils tackle long term empty homes. The percentage by which a council may increase the council tax payable in respect of a long-term empty dwelling, rises to up to 300 per cent for some properties. The LGA welcomed the new provisions as recognition of the challenge facing councils in tackling empty homes and a potentially useful new tool.

Homelessness

23. Homelessness Reduction Act - The LGA has been working with MHCLG and councils to ensure that councils' concerns around the implementation of the Act are reflected in its review, in particular the concerns that councils have not been sufficiently funded to deliver the new duties. As part of this, we have undertaken a survey of councils on their experiences of the Act, with results due to be published shortly, and we have been successful in influencing the shape of the Government's own review of the progress on the delivery of the Act.
24. Rough sleeping strategy - We fed into the Government's Rough Sleeping Strategy, which was published in August 2018, including over £100 million of new funding some of which responded to direct asks from the LGA. The Government subsequently published a delivery plan in December, which states that MHCLG plans to work with the LGA to develop a package of sector-led support for homelessness and rough sleeping. We have also supported MHCLG to engage with councils by hosting one of three regional homelessness workshops in October. New data published by the Government found that 440 rough sleepers died last year. On the 31 January the Government also published the annual Rough Sleeping count for Autumn 2018; this is a single night snapshot. The figures showed that for England rough sleeping had declined by 2 per cent since the last count, but that the picture was mixed across the country with the number of people rough sleeping in London increasing by 13 per cent.

12 February 2019

25. Homelessness prevention project – Following Board discussion in December, the research project to present the case for effectively resourcing a long-term council-led approach to preventing homelessness is now underway. Scoping conversations with colleagues in the voluntary sector, academia, and councils have taken place in the first part of January. We are also working with LGA colleagues to commission a cross-policy analysis of the fragmentation in central government funding, in order to demonstrate the weaknesses in Government’s current approach to funding councils.
26. Local Housing Allowance work – Working with the LGA Resource Board, we have been working with colleagues in the voluntary sector, private landlord sector and in London Councils to coordinate messaging on the Local Housing Allowance (LHA), in the lead-up to the Spending Review. We will be taking forward the call for a review of LHA rates, which have been limited (and subsequently frozen) since 2013, limiting the support claimants receive with their housing costs. The evidence which we collectively provide is intended to shape DWP’s review on the future of the LHA following the lifting of the LHA freeze in 2020.
27. Local homelessness strategies - The Government’s Rough Sleeping Strategy included a commitment to ensure that councils update their local homelessness and rough sleeping strategies, and publish annual action plans for their implementation. Following on from this, we have commissioned best practice guidance for local housing authorities on creating a local homelessness strategy. This report will also contain recommendations for central Government on which changes to monitoring and legislation would best support councils to implement this new requirement.
28. Homelessness Officers’ Policy Network - The second meeting of our Homelessness Officers’ Policy Network has been scheduled to take place in March: this Network brings together 20-30 council officers to directly engage with MHCLG on homelessness issues, and to help inform and evidence our lobbying activity on homelessness. The next meeting will focus on the challenges which councils are facing in preventing homelessness, and learning will feed directly into the prevention project.

Building safety

29. Hackitt Review - On 18 December, MHCLG confirmed that it will be implementing the recommendations from Dame Judith Hackitt’s review of building regulations and fire safety in full, in order to: create a more effective regulatory framework; introduce clearer product standards and guidance; put residents at the heart of the new system; and drive a culture of change in the construction industry. Legislation will be brought forward to implement the recommendations, with various elements to be developed over the next few months. These will be designed and trialled by the Joint Regulators Group, which brings together the LGA, the Health and Safety Executive, Local Authority Building Control, and the National Fire Chiefs Council, before the Government consults on its proposals in the Spring.

12 February 2019

30. Remediation work - We continue to hold regular meetings with MHCLG officials, the National Housing Federation, and local authorities to discuss issues related to fire doors. This is leading to some interim solutions which should enable councils to more confidently procure replacement fire doors. We have also appointed a team leader to the Joint Inspection Team, the MHCLG-funded multi-disciplinary taskforce which will support councils to enforce the removal of ACM cladding. Work continues to recruit other team members and commence works on the 69 privately owned buildings where remediation plans are still unclear.

Housing Improvement [joint with the LGA improvement board]

31. Housing Adviser Programme update - The LGA Housing Advisor Programme is a direct response to the challenge of the Housing crisis and the need to build new homes and increase housing supply. In 2018/19, the LGA received over 120 bids for independent advice & expert support from Councils who are striving to deliver homes, reduce homelessness or generate savings or revenues in 2018/19. We are currently funding over 45 bids, directly supporting over 60 Councils meet their local Housing need, through a mix of direct Grant funding and LGA procured expertise. The projects are diverse and wide ranging; covering our key themes of Homelessness, Housing Supply, Overall Housing Strategy and Planning. Projects are in delivery phase and we will start publishing comprehensive case studies and best practice / learning from April 2019 onwards.
32. HRA cap grant offer - Following the removal of the Housing Revenue Account (HRA), the LGA wants to promote, facilitate and enhance the role and capacity of councils to build more homes. Many Councils want to move quickly, so we have launched a Building Council Homes Programme to provide some immediate support to those ambitious Councils who want to immediately access skills to increase the delivery of homes via their HRA. The Programme will issue grants to support a minimum of twelve projects to the value of £50,000 and potentially more depending on the demand. This might include projects to: fully understand development potential; innovate in the delivery of new homes; explore and build partnerships to deliver new homes; access particular skills necessary to deliver new homes, and: achieve wider public service gains through delivering new homes. The programme has received almost 50 bids from councils.
33. Housing Revenue Account survey and bid to MHCLG for further support – We have written to all HRA holding councils, and have asked them to complete a short survey in order to help us create a longer-term offer that helps councils have access to the skills and expertise needed to realise their growth and building ambitions. The overwhelming majority of responding councils said that they are now or will soon plan for increasing their housing delivery as a result of the cap coming off. The majority identified a need to recruit specific skills, areas of particular need included land purchase, design and architecture, project management. There was an emphasis from councils in wanting to collaborate locally and regionally in meeting skills needs.

12 February 2019

34. Housing Business Ready Springboard programme – We are working with the Housing Finance Institute and Cheyne Capital to support 16 councils through an intensive masterclass programme supporting councils to explore and develop their potential to enable housing delivery. The programme has held two events and has two still to go.
35. Understanding local housing markets – We are working with leading housing analysts to develop advice and guidance for councils wanting to use data in ways to best inform their decisions for intervening in the local housing market. The output will include advice to councils on different data sets, including what can and can't be inferred from them, options for matching data or using other techniques to gain more understanding, and where there might be particular gaps. It will also generate a tool that generates for individual councils a report summarising what the latest data reveals at a local authority level, and a more specific look at what data can reveal below local authority level.

Implications for Wales

36. Housing, Planning and Homelessness are devolved matters

Financial Implications

37. There are no financial implications at this stage

Next steps

38. This item is for update and comment