

11 January 2012

**Item 3a**

**Housing Update**

**Purpose of Report**

For information.

**Summary**

This paper provides the Programme Board with an update on recent housing national policy developments and supporting the sector on the housing agenda.

**Recommendation**

Members note the report.

**Action**

As directed by the Programme Board.

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**Policy Update**

Housing Strategy

1. The Government launched *Laying the Foundations: A Housing Strategy for England* on 21 November 2011. The strategy includes a number of new announcements which will be of direct interest to local authorities including:
  - 1.1. Proposals to allow developers to re-open Section 106 agreements negotiated before April 2010.
  - 1.2. A New Build Indemnity Scheme, provide an up to 95 percent loan to value mortgages for new build properties in England, backed by a house builder indemnity fund.
  - 1.3. £400million fund to support firms in need of development finance to unblock stalled sites, including small and medium development firms; the government will launch a prospectus inviting bids in December 2011.
  - 1.4. A consultation on proposals to charge high earners an increased rent and to examine how the government can help social landlords tackle tenancy fraud.
  - 1.5. Review of barriers to investment in the private rented sector to be completed by Summer 2012.
  - 1.6. An additional £50million to bring empty homes back into use. This is in addition to the £100million previously announced. Funding plans for additional £50million will be announced by Spring 2012.
  - 1.7. Consultation on proposals to ensure that service personnel with urgent housing needs should receive additional preference in allocation schemes and regulations to ensure that service personnel who have to move from base to base do not lose their qualification rights to social housing.
  - 1.8. Funding available for design support for communities through the Design Council.
  - 1.9. Review of building regulations to improve energy efficiency and carbon emissions standards for new buildings.
2. The LGA issued a press statement and briefing for LGA members in response to the strategy. Councillor Parsons CBE has also written to Rt Hon Grant Shapps MP outlining the role councils can play in meeting local housing needs, pressing for the financial flexibility and tools to allow councils to play this role and seeking a comprehensive impact assessment across the strategy and other related reforms (to health and welfare for example).

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3. In line with Board priorities the LGA will also build on existing advocacy work to take forward a campaign on the role councils play in meeting housing need. In particular the campaign will focus on the role of good design, appropriate infrastructure and the involvement of communities and their elected representatives in planning for their place and giving councils the tools (planning and financial) to stimulate house building as a way of stimulating economic growth and meeting local needs. A campaign plan has been circulated to the Programme Board for information.

Housing finance

4. The Government launched *The Housing Revenue Account Self-financing Determinations – Consultation* on 21 November 2011. The LGA has noted that it is disappointing to see that due to September's high inflation rate many councils are facing much higher settlement figures than they will have planned for based on projections from figures issued in February 2011. The average increase is 5 percent but in some cases as much as 25 percent. With many councils now preparing to take on more debt, the announcement by the Public Work Loans Board (PWLB) to limit to one day the time in which councils can take advantage of the lower loan rate is a concern. The LGA has raised this issue with government as a matter of urgency so that councils are able to plan effectively for the move to self-financing without the concern of government constantly moving the goal posts.
5. The LGA has been significantly engaged in discussions on the Right to Buy in advance of the consultation which was published in December 2011. The Programme Board has continued to press for the flexibility for councils to set the discount locally to avoid arbitrary national rates and that the receipts from right to buy sales are retained at the local level to enable quick reinvestment in affordable housing at the local level. Officers will prepare a response to the consultation for clearance by Members in line with the consultation period.

Housing Support Offer

6. The Environment and Housing Programme Board agreed to a housing support programme at their meeting in September 2011. The board agreed that the support should be primarily directed at elected members and that the LGA should seek to work in partnership with organisations such as the Homes and Communities Agency to extend the reach of the support programme and to draw on skills and expertise.
7. Members also agreed that the following outcomes should drive the support on offer from the LGA:

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- 7.1 Elected Members and senior officers have a good understanding of the housing reform agenda and what it means for the choices they make locally.
- 7.2 Local Authorities share good practice and learn from each others experiences in an accessible way.
- 7.3 Local Authorities experiencing specific performance issues are able to access bespoke support and advice.
- 7.4 Local Authorities benchmark and assess their performance to drive improvement.

8. The LGA has developed and planned a range of support activities within existing programme budgets to take this forward. Key actions include:

- 8.1 A series of Member briefings on housing to be published in January 2012. These briefings will highlight key questions that councils will need to respond to and will explore the practical implications of the housing reforms, providing advice as to how to capitalise on the opportunities and mitigate the risks.
- 8.2 A series of free housing and planning 'Masterclasses' for elected Members throughout March 2012 to equip councillors with the knowledge and skills needed to respond to the housing reform agenda, and the practical tools and techniques to support engagement with local people and external partners.
- 8.3 An LGA publication on Self Financing for Councillors on Self Financing will be published in January 2012.
- 8.4 A joint publication with the HCA aimed at elected Members and Chief Executives will be published in January 2012. This publication will illustrate the key reforms through a number of scenarios.
- 8.5 A full events programme including the recent successful event *Countdown to Self Financing*, the forthcoming joint event with HCA for elected Members in January 2012 and *'Planning for growth'* in February 2012.
- 8.6 Development of a housing data report to support councils to use LG Inform to benchmark and compare data.
- 8.7 Development of a Housing Peer Challenge.