

Housing and Planning Update

Purpose

For discussion and direction.

Summary

1. A verbal update will be provided at the meeting on the progress that has been made by Group Leaders in discussions with Government on the measures outlined in the Housing and Planning Bill.
2. The LGA continues to develop the policy case for mitigating the impacts of reforms on councils and communities. Activity includes:
 - 2.1. Group Leaders met with the Ministers in November and raised the sectors concerns with the Government's recent housing policies.
 - 2.2. Subsequently, LGA officers have met with officials to discuss: the extension of Right to Buy to the registered social landlord sector; exemptions from the sale of high value housing; the role of councils in the management and disposal of public sector land and the scope for reform to the existing Right to Buy scheme.
 - 2.3. David Orr, Chief Executive of the National Housing Federation met with the Environment, Economy, Housing and Transport Board on 2 December 2015 to discuss the reforms and how councils and RSLs can work together to meet the needs of communities as they are rolled out.
 - 2.4. The LGA continues to lobby through Parliament for amendments to the Housing and Planning Bill.
 - 2.5. Further research has been commissioned from Savills on the repercussions of national housing policy.
 - 2.6. Officers have arranged and hosted seminars between councils and government officials, such as Chief Executive sounding board, starter homes seminar, and high value assets seminar.

Recommendation

That the LGA Leadership Board note this report in advance of the verbal update.

Action

To be taken forward as directed by Members.

Contact officer: Eamon Lally
Position: Principal Policy Adviser
Phone no: 0207 664 3132
Email: eamon.lally@local.gov.uk

Housing and Planning Update

Background

1. This paper provides an update on the current housing and planning reforms, including the Housing and Planning Bill and the Welfare Reform and Work Bill, and recent Spending Review announcements and the lobbying work that has been undertaken by the LGA and Environment, Economy, Housing and Transport (EEHT). The paper also outlines the progress that has been made on the Housing Commission.

Housing and Planning Bill

2. The Housing and Planning Bill includes a range of proposals that will impact on local government's capacity to meet housing duties and to carry out functions as local planning authorities, and it will significantly impact councils with housing stock.
3. The LGA briefing on the first reading summarises proposals and initial views, including:
 - 3.1. **Extension of Right to Buy to housing association tenants.** The Board has projected the discount will cost a minimum £6 billion up to 2020 and continues to argue that discounts must not be funded by forcing councils to sell homes. It is pushing alternative funding sources, for instance by developing on the wider public estate. The Board has opened discussions with government and housing associations on the repercussions of the voluntary agreement to deliver the extended Right to Buy, for instance on the tenure and location of replacements, and on the potential de-regulation package for housing associations.
 - 3.2. **Forced sale of high value council homes.** The Board continues to argue that councils should be free to manage their stock as appropriate and retain 100 per cent of all receipts from sales, and is opposing the use of a national formula to generate a payment for each council to pay into government. The Board has also been exploring and pushing a range of mitigating exemptions, caps and flexibilities that would enable councils to reduce the impact of the policy on communities.
 - 3.3. **Mandatory rents for high income tenants.** The Board continues to expose challenges in implementing Pay to Stay, calling for a voluntary implementation rather than mandatory so that councils can ensure homes remain affordable for tenants and incentivises them to increase earnings; retain and reinvest additional rental income into housing stock, and manage down administrative burdens.
 - 3.4. **Rogue landlords.** The Board continues to push for tougher penalties on persistent rogue landlords. The Bill introduces a range of new measures that are welcome provided new duties on councils are funded, the Board is pushing for this to go further and for magistrates to have the powers to award tougher sentences, which could include jail, for the worst offenders.
 - 3.5. **Delivering 200,000 Starter Homes.** The Board has continued to push the case for local planning authorities to have the powers and flexibilities to shape the delivery of starter homes alongside sub-market rented housing in line with their local assessments of need and viability, including the local connection test. It is arguing for starter home discounts to remain in perpetuity until a local planning authority determines that there is no longer need for discounted home ownership products. In the Spending Review, government has made £2.3 billion available for developers to

- support the delivery of up to 60,000 starter homes. The Board continues to expose the impact of exempting Section 106 and Community Infrastructure Levy from Starter Homes, reducing investment in infrastructure and affordable rented homes.
- 3.6. **Permission in principle.** The Board continues to make the case for locally led planning responding to the needs of local communities and employers, and is expressing concern with proposals for government to be able to grant 'permission in principle' to identified sites in Local Plans, in neighbourhood plans, and to the Brownfield Register. It is working with government to ensure that councils will have the influence, for instance through the technical details, to ensure developments meet local need.

Other active policy areas

4. Public land – the EEHT Board is working with the government to explore how councils can enable the development of the wider public estate including a new power to direct the sale of surplus public land.
5. Skills to build – the EEHT Board is working with the Construction Industry Training Board to further evidence the need to adapt to increasing demand for construction skills.
6. Review of lifetime tenancies – the LGA is working with officials to ensure that councils have the freedom to manage local tenancy strategies as appropriate locally.
7. Local Plans review group – the EEHT Board has engaged with the review team, submitting written evidence and meeting to push for the simplification of the plan-making process.
8. Community Infrastructure Levy (CIL) review group – the EEHT Board has helped appoint council officials onto a government group reviewing the future of CIL.

LGA policy, press and parliamentary activity

9. The LGA continues to develop the policy case for mitigating the impacts of reforms on councils and communities. Activity includes:
 - 9.1. Group Leaders have meet with Ministers and senior civil servants to mitigate the impact of housing policies on councils.
 - 9.2. Further research has been commissioned from Savills on the repercussions of national housing policy. Officers have engaged with Government on policy detail through technical working groups, such as the starter homes working group and sale of high value assets technical working group.
 - 9.3. Officers have arranged and hosted seminars between councils and government officials, such as Chief Executive sounding board, starter homes seminar, and high value assets seminar.
 - 9.4. The LGA has responded to formal consultations such as on implementing Pay to Stay proposals.
10. The LGA has published research through press releases that have drawn a wide range of press and public attention to key housing and planning asks, for instance:

- 10.1. Objections to the forced sale of council homes and offer to bring forward development on the wider public estate in the Guardian.
- 10.2. Calls for councils to retain a 100 per cent of receipts from all council home sales on the BBC.
- 10.3. Evidence on the cost impact of proposed social rent reductions in the Financial Times.
- 10.4. Calls for councils to be able to locally determine the mix of affordable homes in the Financial Times.
- 10.5. Analysis of the costs of nationally set planning fees, and calls for locally set fees in the Financial Times.
- 10.6. Calls for tougher sentences for rogue landlords.
11. The LGA has increased parliamentary activity as the Housing and Planning Bill and the Welfare Reform and Work Bill progresses through parliament, including:
 - 11.1. Giving evidence to the CLG Committee, Housing and Planning Bill Committee, and Welfare Reform and Work Bill Committee.
 - 11.2. Publishing and sharing regular parliamentary briefings, included in official Houses of Parliament briefings for MPs and Lords.
 - 11.3. Regular meetings with MPs and Lords, including hosting parliamentary briefing sessions hosted by LGA Vice Presidents.
 - 11.4. Support and briefings for individual amendments.

Housing Commission

15. The LGA Leadership Board has asked the Environment, Economy, Housing and Transport Board to undertake a Housing Commission, looking at how councils can resolve wider public service challenges through housing. The Commission will reflect on the impact of current housing reforms and the future role of local government in housing beyond them.
16. The Commission will focus on four central themes in preparing a final report to launch at LGA Annual Conference in July 2016. The four themes are: housebuilding; place-shaping; employment; and health and ageing.
17. A call for evidence will be launched shortly. For each of the four themes the Commission will hold an evidence session, publish preliminary findings, and develop good practice case studies. The timetable and key events for the commission are set out below.

Housing Commission timetable

When	What	Where
2 December 2015	Initial meeting of Housing Commission Lead Members and Advisory Panel	Local Government House
December 2015	Launch with Call for Evidence	
27 January 2016	House building evidence session	The Point Theatre, Eastleigh
24 February 2016	Place shaping evidence session	Wakefield MBC
March 2016	Employment evidence session	Local Government House
April 2016	Health and ageing evidence session	tbc
July 2016	LGA Annual Conference, launch final report	Bournemouth

Next steps

12. Members are asked to consider the update and provide any further steer to the EEHT Board as it continues its:
 - 12.1. Parliamentary and campaigning activity supporting amendments mitigating the impact on communities and council capacity to meet local community need.
 - 12.2. Development of the evidence case on the impact of housing and planning reforms, including future work with Savills, a survey of local authorities, and research on unimplemented planning permissions.
 - 12.3. Evidence building and press and public support work on the need for councils to have the powers and flexibilities to meet local housing needs.

Financial Implications

13. None.