LGA Executive

3 March 2016

Housing and Planning

Purpose

For discussion and direction.

Summary

This report updates the LGA Executive on the work being done to influence the proposals set out in the Housing and Planning Bill.

Appendix 1 to the report includes information on the cumulative impact of housing reforms on councils' Housing Revenue Accounts (HRA) and their local areas.

Recommendation

That the LGA Executive is asked to consider the approach that is being taken to influence the proposals set out in the Housing and Planning Bill and to provide further guidance.

Action

Officers will take action as directed.

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3 March 2016

Housing and Planning

Background

1. The Housing and Planning Bill is now in its House of Lords Committee stage. The Bill remains largely unchanged since it was introduced in the House of Commons in October 2015. The Leadership Board reviewed the progress in influencing the Bill at its meetings in December 2015 and January 2016. Members have expressed support for LGA being publically vocal and robust in challenging the Bill and the lobbying approach has been revised accordingly.

LGA activity

Analysis

2. The LGA has published press releases based on research by Savills which has highlighted some of the unintended consequences of the provisions set out in the Bill. The releases focused on the unaffordability of starter homes in many parts of the country, the impact of the pay to stay measures and the loss of social rented housing. These releases received substantial national coverage. Press releases can be found at: http://www.local.gov.uk/web/guest/media-releases

3. The LGA is surveying councils on the impact of the measures in the Bill and it has specifically called for councils to work with the LGA and Government on the impact of the proposals on housing market areas.

Working with the National Housing Federation

4. Members wanted to engage with the National Housing Federation (NHF) to seek a voluntary national framework to support councils and registered social landlords to work together on the extension of right to buy; this would include agreements on exemptions and the approach to replacements. The Chairman and Chief Executive met with David Orr - Chief Executive of the National Housing Federation - to discuss these issues. It was a positive meeting and more detailed work is being undertaken by officials in both organisations.

Lobbying activity with the Lords, ministers and officials

5. We have briefed a number of peers in person through one-on-one meetings; we also held a joint briefing event in Parliament on the Bill earlier this year (January) with Shelter and London Councils that just under 30 peers attended.

6. A number of peers have already tabled amendments on behalf of the LGA on a range of areas and we will be emailing policy statements to all peers in support of these, and other amendments that have also tabled.

7. The timetable for detailed scrutiny of parts of the Bill is as below.

   7.1. Starter Homes and self-build and custom housebuilding – 1 March.

7.2. Implementing the Right to Buy on a voluntary basis; vacant high value local authority housing – 3 March.

7.3. Rents for high income social tenants; reducing regulation of social housing; secure tenancies - 8 March.

7.4. Planning – 10 March and a second date to be confirmed.

7.5. Compulsory purchase; public authority land – date to be confirmed.

8. The House of Lords will rise for the Easter recess on 23 March and remaining stages (Report and Third Reading) in the House of Lords could take place ahead of this depending on other parliamentary business. Our latest briefing can be found at http://www.local.gov.uk/web/guest/briefings-and-responses/-/journal_content/56/10180/7529077/ARTICLE

9. We are continuing to discuss with officials and Ministers our positions on the key provisions of the Bill:

9.1. On the sale of high value homes we continue to push the case for retention of receipts for one for one replacement, and for a range of exemptions.

9.2. We are pushing to minimise the take up of the extended right to buy and for councils to have a lead role in shaping replacement tenure and location; this has been the basis of our discussion with the NHF.

9.3. We are calling for pay to stay to be voluntary and for councils to retain any additional receipts. We are also pushing government to include tapers and to exempt certain households.

9.4. We are pressing for councils to have the ability to determine mix of homes based on the assessment of need when considering Starter Homes.

9.5. We continue to push amendments to the social rent provisions of the Welfare and Employment Bill which would provide greater certainty on rent policy post 2020 and exempt certain housing form the policy.

10. The LGA is also working with government and the sector on changes to the existing right to buy that would enable more homes to be replaced. The flexibilities we are discussing include pooling of receipts across councils and also an increase to the receipts retained by councils.

11. In addition to the measures in the Bill, we know that Government is keen to see a greater focus on the sale of surplus public sector land for the purpose of house building. We anticipate that the Budget will include an aspirational target for local authority land sales. The LGA has stressed that it could not endorse a target, but we have been actively working with officials to outline the flexibilities and ministerial statements that would give councils the ability to manage public land disposal locally and the confidence to engage in development.

Next steps

12. Members are asked to consider the approach and activity of the LGA and provide further guidance, particularly on the approach to be taken in the remaining stages of the Bill's progress through the Lords.

Local Government Association

LGA Executive

3 March 2016

Appendix 1 - Cumulative impact of housing reforms on councils' Housing Revenue Accounts (HRA) and their local areas (3 March 2016)

An online survey comprising of 19 questions was sent to all 176 stock owning local authorities in England. The survey was in the field from 7 January 2016 to 29 January 2016 and had a 34 per cent response rate. This level of response rate means that these results should not be taken to be more widely representative of the views of all councils. Rather, they are a snapshot of the views of this particular group of respondents. The headline results are set out in the two tables below.

Thinking about the combined impact of these government policies what will the cumulative impact be on your local HRA by 2020?

	Increase	Neither increase, nor decrease	Decrease	Too early to say	Don't know	NA
	%	%	%	%	%	%
Expected number of new homes built	2	5	80	8	2	3
Current number of existing homes	0	3	90	7	0	0
Current maintenance spending	5	8	80	5	0	2
Numbers of replacement council homes of those sold under Right to Buy	2	15	74	5	3	2
Investment in estate development or regeneration	0	2	82	13	2	2
Financial health of the HRA	0	2	98	0	0	0

Thinking about the combined impact of these government reforms what will the cumulative impact be on your local area?

	Increase	Neither increase, nor decrease	Decrease	Too early to say	Don't know	NA
	%	%	%	%	%	%
Owner occupation	63	17	5	12	3	0
Renting in the private sector	80	10	0	8	2	0
Renting in social rented properties	3	8	82	5	2	0
Housing benefit spending	58	13	16	10	2	0
Council home waiting lists	81	7	2	7	3	0
Homelessness	78	8	0	10	3	0
Demands for temporary accommodation	80	7	0	7	3	0
Housing people out of area	52	27	0	7	10	3