

Council – 11th January 2016

Notice of Motion: Housing and Planning Bill 2015-16

Introduction

This report is in response to a Notice of Motion detailed below:

1. *That the Housing and Planning Bill is currently being debated in Parliament, and if passed would threaten the provision of affordable homes for rent and buy through:*
 - *Forcing 'high-value' council homes to be sold on the open market!*
 - *Extending the right-to-buy to housing association tenants!*
 - *Undermining section 106 requirements on private developers to provide affordable homes.*
2. *That there is no commitment in the Bill that affordable homes will be replaced like-for-like in the local area:*
 - *That whilst measures to help First-time buyers are welcome, the 'starter homes' proposals in the Bill will be unaffordable to families and young people on ordinary incomes in most parts of the country!*
 - *Will not preserve the taxpayer investment! and will be built at the expense of genuinely-affordable homes to rent and buy.*
3. *That the Bill undermines localism by taking 32 new wide and open-ended powers for the secretary over councils and local communities, including the ability to override local plans, to mandate rents for social tenants, and to impose a levy on stock-holding councils, violating the terms of the housing revenue account self-financing deal.*
4. *That the Bill, whilst introducing some welcome measures to get to grips with rogue landlords, does not help with the high rents, poor conditions and insecurity affecting many of England's 11m private renters, including one in four families with children and does nothing to help arrest the recent rise in homelessness.*

The Notice seeks that the Council resolves:

- *To analyse and report on the likely impact of the forced sale of council homes, the extension of right-to-buy and the 'starter homes' requirement on the local availability of affordable homes*
- *To analyse and report on any further likely impacts of the Bill on the local area.*
- *To use this information to:*
 - Support the Leader of the Council in writing to the secretary of state with our concerns about the Bill.*
 - Set up an urgent meeting between the Leader of the Council and the Chief Executive with the local members of Parliament to raise our concerns.*

Make public our concerns, including by publishing the above information on the Council's website and promoting through the local press

2. Report Detail

- 2.1 The Housing and Planning Bill 2015-16 (the Bill) is currently with the House of Commons and due to be at Report Stage on 5 January 2016 prior to the Third Reading of the Bill by the House of Commons. The Bill has progressed through the Public Bill Committee and a series of amendments have been made. In summary the Bill has proposals for housing, estate agents, rent charges, planning and compulsory purchase. Table 1 below lists the key chapters and sections of the Bill.

Table 1 Summary of key parts of the proposed Bill

Part 1	New Homes in England
	<ul style="list-style-type: none">• Starter Homes• Self Build and Custom House building
Part 2	Rogue landlords and lettings agents in England
	<ul style="list-style-type: none">• Banning orders• Database of Rogue landlords and lettings agents in England• Rent Repayment Orders
Part 3	Recovering abandoned premises in England
Part 4	Social Housing In England
	<ul style="list-style-type: none">• Implementing the Right to Buy on a Voluntary Basis• Vacant High Value Local Authority Housing• Reducing regulation• High Income Social Tenants: Mandatory Rents• Secure tenancies etc
Part 5	Housing Estate agents and rent charges: other changes
Part 6	Planning in England
Part 7	Compulsory Purchase

2.2 Key Housing Aspects

a) Starter Homes

The Bill will enable the Government make councils to prioritise the provision of 'Starter Homes' above the supply of other affordable tenures including shared ownership and private and social rented housing.

Starter Homes will be sold at a discount, of at least 20% of market value and capped at £250,000 outside of London, to first time buyers under the age of 40.

There is the potential that Starter Homes will replace social home provision under Section 106 planning agreements.

b) Right to Buy (RTB)

A report responding to a Notice of Motion in September 2015 provided Council with background information on the changes to 'Right to Buy' that were proposed as part of the Bill at that time. As noted in that report:

- those tenants who transferred to Whg had a 'Preserved Right to Buy', meaning they could still purchase their home under Right to Buy terms.
- Whg has an estimated 10,478 properties with preserved right to buy (circa 54% of stock) with stock that is in good condition and relatively low-value and the net receipt from the sale of a Right-to-Buy unit is less than 50% of the value and the cost of replacing this property.

The Bill as now currently proposed does not contain measures to implement a statutory RTB for housing association tenants. Instead the Bill has:

- A voluntary system – an operational document is expected to be published
- Contains measures requiring English local authorities to make an annual payment to Government in respect of the expected sales of 'high value' vacant housing revenue stock over the year. These payments will be used to compensate housing associations for selling housing assets at a discount to tenants.
- Provision for grants to be paid to associations to cover the cost of RTB discounts.

c) Council Stock

The Council has no social housing stock since the large-scale voluntary transfer (LSVT) to Walsall Housing Group on 27 March 2003. The Council has no Housing Revenue Account and the only dwellings owned by the council are those let:

- under service tenancies e.g. school caretakers, park keepers and;
- as a combined commercial letting (flat above a shop etc).

Due to this a range of the proposed legislation has no direct impact on the Council. For example, the Council will not be 'forced' to sell its stock or compensate housing associations for selling housing assets at a discount. It is expected that the proposals will have direct impacts on a range of neighbouring stock holding councils such as Dudley.

d) High Income Social tenants

The Bill introduces a new mandatory requirement to charge "high income" (£30,000 outside London) council and housing association tenants a market rent. Housing associations can retain the full amount received and invest any excess in new housing. A two earner household on the new living wage could be hit by the proposed income threshold and it is possible that the £30,000 limit could create perverse incentives for people to refuse pay increases, take on extra hours or, in larger households, for additional family members to start work.

e) Enforcement of private rented sector

A range of new measures for council's to help tackle the minority of private landlords who are rogue including:

- the introduction of banning orders
- a rogue landlord database allow data to be held on landlords whose portfolios straddle borough boundaries,
- the expansion of Rent Repayment Orders,
- equipping local authorities with information on landlords and the properties via the tenancy deposit schemes, and
- the introduction of fixed penalty notices.

The Bill also proposes a 'fast track' eviction process in situations where the landlord thinks the property has been abandoned. Once two warning notices have been issued and no response has been received to confirm the property has not been abandoned the landlord can evict the tenant.

2.3 A report on the Housing and Planning Bill was agreed by Walsall Planning Committee on the 3 December 2015, when it was resolved that the concerns set out should be shared with the borough's MPs, the Black Country Local Enterprise Partnership (LEP), other West Midlands Metropolitan Councils, the Local Government Association and others concerned with the regeneration of the borough. Members especially wished to emphasise the following points:

- 1 The effect on local decision-making the ability of Council's to progress their Local Plans (especially where these need to provide sufficient land for industry);
- 2 The potential effects on the Green Belt, if the proposed Starter Homes initiative is to be extended to previously-developed sites without regard to the potential effects on 'openness';
- 3 The need to recognise that local needs for affordable housing differ between different areas, and there is a need to maintain the provision for rented housing as well as to promote owner-occupation; and
- 4 That consideration should be given to enabling developments for owner-occupation to fund the provision of rented homes on separate sites.

Background papers:

Current version of the Bill:

http://www.publications.parliament.uk/pa/bills/cbill/2015-2016/0108/cbill_2015-20160108_en_1.htm

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