

Subject: Housing & Planning Act and Autumn Statement Update

Report to: Housing & Neighbourhoods Committee, 8th December 2016

Report by: Trevor Chaplin, Group Manager Housing Services

SUBJECT MATTER/RECOMMENDATIONS

This report provides an update on the impact of the Housing & Planning Act 2016 to Housing Services

1. INTRODUCTION/BACKGROUND

1.1 At the initial Housing & Neighbourhoods Committee in June, a briefing was provided on the impact of some of the measures contained within the Housing & Planning Act 2016.

2. CURRENT POSITION

2.1 The following table highlights the measures previously discussed and the current position;

Policy Area	Current Position	Comments
'Pay to Stay'	Discontinued (LA's have discretion to operate a discretionary scheme).	This policy would have required tenants, whose household income is £31,000 per year or more, to pay a higher rent. GYBC, amongst other councils, raised the issue that the cost of the scheme was likely to be higher than any income generated.
Sale of higher value vacant properties	No payment required for 2017/18.	The policy requires LA social landlords to make a payment to government to cover the cost of discounts awarded to housing association (HA) tenants exercising the right to buy. Funding for the payment could be raised by selling 'higher value' properties when they became vacant. As the initial pilot scheme with 5 HA's produced low demand, a new large scale regional pilot has been announced. It remains to be seen whether payments will be demanded in future years.
Flexible (fixed term) tenancies	No guidance or further information received.	We are still awaiting a commencement order and the statutory guidance in order to implement this part of the Act. The award of any new tenancies would be for a fixed term up to 10 years. The

		decision not to proceed with 'pay to stay' made reference to the ability to review eligibility for a secure tenancy upon completion of the fixed term.
Restriction of housing costs (HB & UC) to Local Housing Allowance (LHA) rates	Planned commencement delayed until April 2019 for both supported and general needs housing.	This affects any new tenancies taken from 1.4.2016. From April 2019, payments towards housing costs, whether for HB or UC will be limited to the LHA rate. Analysis of our rent data indicates that this will have a low impact on GYBC tenants; however, individual cases may be affected. All UC claimants will come under the policy immediately. HB claimants will receive transitional protection. A consultation has been issued on alternative top-up funding for supported housing.
Support for development of affordable homes limited to shared ownership, rent to buy and supported housing	Additional funding provided of £1.4bn for new affordable homes, including sub-market rent. An additional £2.3bn funding for housing infrastructure.	The ability to apply for grant funding to develop homes for sub-market rent is welcome. The infrastructure fund is for private house building, details of how to bid will follow.
1% rent reduction for LA & HA rents	Supported housing no longer exempt from 2017/18.	For 2016/17, GYBC used discretion to freeze rents for our sheltered stock. There is no discretion from 2017/18; therefore all rents will reduce by 1%.
Letting Agents unable to charge upfront fees	New announcement	Upfront fees, not including deposits and rent in advance, will not be permitted. This may assist GYBC with homeless prevention work as these fees can be an obstacle to accessing the private sector.

3. **FINANCIAL IMPLICATIONS**

Income from rent will fall from 2017/18, through to 2019/20. Further potential negative impact on budgets if, e.g. sale of higher value homes policy commences.

4. **RISK IMPLICATIONS**

Risk to service provision if budget reduced

5. **CONCLUSIONS**

N/A – for information

6. **RECOMMENDATIONS**

6.1 That H&N Committee note this report

7. **BACKGROUND PAPERS**

None

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	N/A
Existing Council Policies:	N/A
Financial Implications:	N/A
Legal Implications (including human rights):	N/A
Risk Implications:	N/A
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A