

Local Government Association Summary

Housing and Planning Act 2016

13 May 2016



BACKGROUND

On Thursday 12 May, the Housing and Planning Act received Royal Assent. The Housing and Planning Bill (the Bill) was introduced in the House of Commons on 13 October 2015 by the Secretary of State for Communities and Local Government, the Rt Hon Greg Clark MP. It followed an announcement made in the 2015 Queen's Speech that "legislation will be introduced to support home ownership and give housing association tenants the chance to own their own home."¹

The Housing and Planning Act 2016 (the Act) contains provisions on new homes (including starter homes), landlords and property agents, abandoned premises, social housing (including extending the Right to Buy to housing association tenants; sale of local authority assets; 'pay-to-stay'; secure tenancies), planning, compulsory purchase, and public land (duty to dispose).

The full text of the Act will be available here:

<http://www.legislation.gov.uk/>

KEY AMENDMENTS

The LGA worked with a number of MPs and peers during the passage of the Bill to provide background information and research on the proposals, support and table amendments to the legislation.

Our campaigning on behalf of local government, developed with the support from and input of councils from across the country, led to a number of positive changes in the final Act.

Higher value council homes

- The Act requires councils to sell higher value housing as it falls vacant. We worked with parliamentarians to put on the face of the Bill a requirement to ensure that where the Government makes an agreement with a local authority outside London about building new homes, at least one new affordable home is provided for each dwelling that is assumed to be sold.
- Parliamentarians secured a commitment from the Government that the change of wording from 'high' to 'higher' value would not be used to raise additional funds from local government.
- Peers sought to include a clarification that councils would be able to retain sufficient receipts from the sales to fund the provision of a replacement property, but this was overturned.

¹ <https://www.gov.uk/government/speeches/queens-speech-2015>

Secure tenancies

- Enabling local authorities to grant longer-term tenancies of up to 10 years in certain circumstances with potential for longer tenancies for families with children. The legislation originally limited this to five years, with no concession for families with children.

Starter homes discounts

- The Government will introduce in regulations restrictions around the resale of Starter Homes so that owners cannot 'cash in' the discount after a few years. The regulations may prevent the home being sold at full price for a specified period of time, or could require the seller to make a payment to the Secretary of State, local planning authority or another specified person.

Pay to stay

- For tenants above the high income thresholds ('pay to stay'), rent increases will be tapered. Every £1 they earn above the threshold will mean a 15p increase. The income thresholds will increase annually in line with CPI. Amendments that would have increased the income threshold to £40,000 (and £50,000 in London) were overturned.
- The Government committed to councils being able to keep the costs of administering pay to stay and to consider exemptions where the costs outweigh the additional rent collected.

Competition in processing planning applications

- The Government will carry out time-limited pilots on competition in processing planning applications, which will be fully evaluated.

The LGA Chairman Lord Porter spoke on the role of local government in housing provision in a number of the debates. The LGA also worked closely with our President and Vice-Presidents, as well as a large number of MPs and peers from all political parties, to update and inform throughout all stages on the legislation.

GET IN ON THE ACT

The LGA will produce a Get in on the Act guide to the legislation shortly, summarising the impact of the legislation on local government and the work of the LGA in influencing the legislation as it passed through Parliament.

<http://www.local.gov.uk/get-in-on-the-act>