

Housing and Planning Bill gains Royal Assent

By Chloe Fletcher

NFA Policy Director for 24 Housing



Now it's been passed, what does the Housing and Planning Act 2016 mean for ALMOs and their Councils? Well in many ways we still don't really know. This is because much of the detail is still to be set out in regulations, which are expected over the summer. But from what we do know already there are a number of worrying impacts on ALMOs, their councils and the communities they serve.

The forced sale of higher value voids

Councils will now be forced to consider selling every "higher" value empty property within their stock and make a payment to the Treasury based on an estimate of how many such properties they could have sold each year.

During debates in both houses of parliament the NFA and others lobbied hard for amendments to make the policy more palatable and workable on the ground. The Government did make some concessions and have committed to re-providing two affordable homes (but could be starter homes) for every home sold in London and one for every one sold outside of London. They have also said that they may exclude some housing from that duty and in particular that they will consider "whether there is a case to exclude rural areas that have particular difficulty in replacing housing."

Pay to stay compulsory for council tenants

Local Authorities now **must** charge a higher rent to a high income tenant of social housing in England. This policy will still be voluntary for Housing Associations. The household income thresholds will be over £31,000 outside of London and £40,000 in London and the duty will be on the tenant to disclose their household's income and failure to do so will probably mean that councils will **have** to charge a market rent.

We did gain some concessions from Government during the passage of the bill and they have stated that the definition of "household" will not include income from non-dependent children and that certain state benefits will not count towards the calculation of income. The rent rise will be tapered at 15% (down from the proposed 20%) and all tenants receiving Housing Benefit or the housing element of Universal Credit will be automatically excluded from this policy. The thresholds will also be up-rated every year in line with CPI.

The biggest concern for our members is how to implement this policy simply but fairly and effectively. This will be a huge challenge to all ALMOs and councils across England as they grapple with the complexity of having to verify tenants' income and set a variety of rents each year whilst many of those tenants move in and out of work or up and down the income scale. It is reassuring that ALMOs are covered by the power for HMRC to disclose income information to "a registered provider of social housing" but we do not expect it to be operational for a few years to come.

Phasing out of lifetime tenancies.

Councils will now only be able to offer fixed-term lets of between 2 and 10 years for most new tenants. There will be some exemptions to this, for example households with children can be given a fixed term tenancy until their youngest child reaches 19.

This will involve more bureaucracy for ALMOs and Councils as they will then have to review each tenancy at the end of its term to decide whether to grant a new tenancy or recover possession.

ALMO Registered Providers

And then finally for our eight members who are also Registered Providers they also have to deal with the fact that they have been inadvertently caught up in the outcome of discussions between the NHF and Government on the voluntary right to buy and deregulation of housing associations.

It's going to be a busy year sorting all of these issues out and getting as much implemented as possible but we will continue to work with our members and government to ensure its goes as smoothly as possible for all concerned!