

Housing and Planning Bill 2015-16 – Key Points Summary

The Housing and Planning Bill 2015-16 had its first reading in the House of Commons on 13 October. [The full Bill, as introduced, is available here.](#) [The Explanatory Notes can be found here.](#)

The Bill confirmed major recent policy announcements, including Starter Homes, the voluntary RTB deal, and 'Pay as you save'. However, for most of the details we will have to wait for subsequent regulations from the Secretary of State. The Bill heralds a new dawn in affordable housing policy, encouraging the development of homes for sale (Starter Homes) as part of s106 agreements. Other notable inclusions in the Bill concerns tackling rogue private sector landlords and revision to the planning system.

It was published to mixed response from sector bodies, with the National Housing Federation's David Orr welcoming the fact that the Government is seeing "housing as one of the top issues to address to secure the future of the country". However, he expressed concerns of planning changes, which "will see even less desperately needed affordable homes being built through section 106 agreements". The Chartered Institute of Housing echoed these sentiments, welcoming the Government's focus of getting new homes built, but adding that "we must make sure that the new homes we build are a mix of tenures (home ownership, shared ownership, private and social rent) so that people on lower incomes are able to benefit too".

The remainder of this briefing provides a summary of the key aspects of the Bill as published.



Starter Homes

- Bill promotes the development of Starter Homes, available to qualifying first-time-buyers at a discount of at least 20% less than the market value.
- Councils will have a specific duty to promote the supply of Starter Homes, including the preparation of local plans.
- Regulations to stipulate that councils 'may only grant planning permission for a residential development of a specified description if the Starter Homes requirement is met'. This could include the requirement for a certain proportion of Starter Homes to be included, or a 'commuted sum' to be paid to the LA for developing Starter Homes as part of planning obligation, i.e. s106. Requirements may vary for different areas.
- Local planning authorities will be required to publish public reports regarding Starter Homes provision.
- Secretary of State has the power to make a compliance direction where LAs fail in their duty with regards to Starter Homes.

Implementing the RTB on a voluntary basis

- Bill confirms that RPs will be paid 'grants in respect of RTB discounts', but there is no reference whether this will be to the full market value of the home. Grants also may come with conditions attached to it, as the Secretary of State or GLA (in the case of London) considers appropriate.
- HCA is to monitor RPs' compliance with the 'home ownership criteria' if requested by the Secretary of State to report back. Secretary of State has the power to publish data about the level of compliance by RPs.
- The 'home ownership criteria' initially relates to the sale of a dwelling under the voluntary RTB deal.
- Compliance with the deal is expected to be sufficient to meet the expected level of compliance with the home ownership criteria. It would be open to RPs to meet the criteria in ways other than compliance with the voluntary deal, but these ways are expected to be of an equal, or greater, level of support to tenants to help them into home ownership to that afforded through the deal.
- Bill makes provision for LAs to sell off their highest valued homes, so that the value locked up in high value properties can be released to support an increase in home ownership and the supply of more housing.
- Payments from the sale are made to the Secretary of State in respect of a financial year.
- What constitutes 'high value' housing will be defined through regulations, which could vary for different areas.



- Secretary of State has the power to make an agreement with the LA to reduce the amount payable, specifying the terms and conditions of what the LA must do with the retained money. These will require provision of housing or things that facilitate housing, and could include infrastructure or land remediation.

Mandatory rents for high income social tenants

- Regulation will give RPs the power to increase rent levels of social tenants with an income over a specified threshold.
- The explanatory notes make reference to the Budget announcements, with income thresholds initially to be set at £30k outside London, and £40k in London. Last week's published consultation document said that there is likely to be a taper in the regulations.
- Level of rent will be set by regulations and may differ depending on income and geographical area.
- Regulation will further set out the type of income which is to be taken into account.
- RPs will be given the power to require a tenant to provide income information. Failure to disclose income will result in the maximum high income social tenant rent level to be charged.
- HMRC is required to disclose information for the purpose of verification. This could be either directly from HMRC to landlord, or via Secretary of State or a single body nominated by the latter.
- HCA is given the power to enforce mandatory rents. The Housing and Regeneration Act 2008 is amended to include new enforcement grounds to deal with non-compliant RPs.

Other provisions of note

- Powers to reduce regulatory control over RPs.
- Duty on LAs to compile a register of brownfield land brownfield sites, which is suitable for housing development.
- Automatic planning permission in principle on brownfield sites.
- Additional powers for the London Mayor to refuse planning applications.
- Duties on LA to keep, and have regard to, registers of people seeking land for self build and custom housebuilding.





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