



# What you need to know about the Housing and Planning Bill 2015

The government has published the [Housing and Planning Bill 2015](#) setting out its proposals to increase home ownership and boost levels of house building. The Bill has received its first reading, which is the first stage of the legislative process. The contents of the Bill are therefore still potentially subject to change as it completes its passage through both the House of Commons and the House of Lords.

This briefing for CIH members summarises the main measures as currently set out in the Bill.

## Headline proposals

### Extension of the right to buy

- Following a deal struck between the government and the National Housing Federation, whereby housing associations will extend the right to buy to their tenants on a voluntary basis, the Bill will enable the government to make payments to associations to compensate them for the cost of the discounts on offer.
- The Bill will also allow the government to publish 'the home ownership criteria' (a set of rules for the extension right to buy) and to direct the Homes and Communities Agency to monitor associations' compliance with the criteria.

### Sale of high value vacant local authority homes

- The government has previously announced a plan to require local authorities which have retained ownership of their stock to sell high value homes as they become vacant. It intends to use some of the receipts from these sales

to fund the extension of the right to buy to housing association tenants.

- The Bill will enable the government to set out a definition of 'high value' homes and will create a duty on local authorities to consider selling homes that meet this definition when they become vacant.
- The Bill will also allow the government to estimate the amount of money it would expect each individual authority to receive, in each financial year, from sales of high value homes. Authorities will then be required to pay this amount to the Treasury.
- Details of both the definition of high value homes and the mechanism by which the government will calculate the amount owed by each stock retaining authority will be published at a later date.

### Starter homes

- The government has previously announced that it intends to build 200,000 starter homes exclusively for first time buyers under the age of 40, for sale at 20 per cent below normal market prices. The Bill will create a new duty on all local authority planning departments to promote the supply of starter homes in their area.
- The Bill will also allow the government to set regulations requiring starter homes to be included on residential sites as a condition of securing planning permission. These regulations will be issued at a later date.



## High income social tenants: mandatory rents (pay to stay)

- The Bill will require social tenants with a higher income to pay a higher rent. Initially a 'higher income' will be defined as a household earning more than £30,000 per year, or £40,000 in London. However the government will set out details of how increased rents will be calculated at a later date.
- The Bill will require social tenants to declare their income to their landlord and will also allow social landlords to share data with HMRC in order to verify that the information they have been given is correct.
- The Bill will require local authorities to return any additional rental income generated by the policy (minus administrative costs) to the Treasury.

## Other significant measures

- The Bill will increase the government's powers where a local authority does not have an up to date local plan. The government will be able to direct an individual authority to prepare or revise its local plan, to submit it to independent examination, to publish any recommendations from that examination and to consider whether they should be adopted.
- The Bill will give the government powers to grant automatic planning consent on any land allocated in a development plan document - the council's role would then be to agree any technical details. The government says that currently it would only use this power for land identified on its new brownfield registers.
- The Bill includes a package of measures to help tackle rogue landlords in the private rented sector.

This includes:

- allowing local authorities to apply for a banning order to prevent a particular landlord/letting agent from continuing to operate where they have committed certain housing offences
- creating a national database of rogue landlords/letting agents, which will be maintained by local authorities
- allowing tenants or local authorities to apply for a rent repayment order where a landlord has committed certain offences (for example continuing to operate while subject to a banning order or ignoring an improvement notice). If successful the tenant (or the authority if the tenant was receiving universal credit) may be repaid up to a maximum of 12 months' rent.
- The Bill will allow a private landlord to regain possession of a property they believe to have been abandoned without a court order. They will be able to do this by sending two notices at different times requesting a written response from the tenant. Before they can send the second notice rent arrears must have been accrued.
- The Bill will put a duty on local authorities to ensure they have enough plots of land available for self build to meet local demand.



## What does CIH think?

### *Overall response*

The government's focus on getting new homes built is very welcome. In England we are currently building fewer than half the homes we need to keep up with our growing population, and the result is a housing crisis in which millions of people are struggling to access a decent home at a price they can afford.

We know the government is committed to boosting housing supply, and we support ministers' ambition to give people the opportunity to achieve their aspiration of home ownership, but 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 government has made its commitment to home ownership very clear – but what about people who can't afford to buy, even with government support?

### *Right to buy and the sale of high value council homes*

Like many others, we are waiting to see the full details - full compensation for housing associations will be absolutely vital if they are going to be able to build more affordable homes for people who can't afford to buy. The government has said the policy will be funded by the sale of empty high-value council homes. If affordable housing is being sold, it is absolutely crucial that it is replaced on the same terms. Without extra funding, we fear this may not prove to be the case.

### *Pay to stay*

We're concerned that this could prove to be quite complex and expensive for social landlords to administer, so it will be important to get the detail right through the government consultation announced last week. There is also a risk that it could make social housing too expensive for people on relatively low incomes – for example, a couple who both earn £15,000 a year would be subject to this policy outside London. The policy will need to be designed very carefully to make sure it is not discouraging people from either finding work or securing a better paid job.

### *Tackling rogue landlords*

Too many people living in the private rented sector are forced to put up with substandard homes or being mistreated by a minority of rogue landlords, so these proposals to deal with the worst parts of the sector are very welcome. However, it will be vital to make sure that local authorities are given the resources they need to enforce the new measures.

### Find out more

CIH is holding a Housing Bill Summit on 27 October. To find out more about the event, or to book your place [visit our website](#).