

Legislative Changes [DRAFT]

Homelessness Reduction Act 2017 and Rough Sleeping

The Homelessness Reduction Act 2017 has introduced new duties around preventing and relieving homelessness. This includes extending the period within which an applicant is considered to be threatened with homelessness, and new requirements around provision of advice.¹

Homelessness and rough sleeping levels continue to increase both nationally and locally, and the government has been making more funding available for dealing with homelessness. For example, both councils, were part of a successful sub-regional bid for Homelessness Prevention Trailblazer grant funding, which is being used to develop a more effective and innovative multi-agency approach to preventing homelessness. The government has also committed to halve rough sleeping by 2022 and eliminate it by 2027; and consultation is due on identifying the barriers to landlords in making longer, more secure tenancies available.

Although both councils are already engaged in a range of prevention work, the Homelessness Prevention Act will introduce new pressures on both councils in implementing the new statutory requirements. This has meant that both councils have needed to increase their staff capacity following the implementation of the Act.

Fixing the Broken Housing Market – Government’s White Paper

In February 2017 the Government published a White Paper ‘Fixing our Broken Housing Market’. This sets out the Government’s plans to boost new housing supply; speed up the delivery of new homes; help aspiring home owners; tackle the shortage of affordable housing; widen the definition of affordable housing; boosting delivery of infrastructure; and increasing skills and capacity in the construction industry^{2 3}. Consultation has since been carried out on some of the key elements, and a review of planning is currently under way. With a sharp focus on the delivery of new housing, Government expects local authorities to be ambitious and innovative in seeking to meet their objectively assessed need for housing. A national target to build 300,000 new homes a year was subsequently set in the Budget 2017.

¹ Homelessness Reduction Act 2017: <https://services.parliament.uk/bills/2016-17/homelessnessreduction.html>

² <https://www.gov.uk/government/collections/housing-white-paper>

³ <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

Changes to National Planning Policy Framework (NPPF)

In July 2018 Government released a revised version of the NPPF. Changes include updates to national planning guidance, proposals for reforming developer contributions, and proposed changes to the assessment methodology for housing needs. The new methodology should include an assessment of the size, type and tenure of housing needed for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own home).

The definition of affordable housing has been broadened to include starter homes, discounted market sale and other affordable routes to home ownership, such as other low cost homes for sale and rent to buy. Whilst we are supportive in principle to provide alternative options to diversify the local market, this will need to be balanced against affordability in the area to ensure we are meeting the needs of those who most need affordable housing.

Housing and Planning Act 2016

This Act contained numerous legislative changes to housing policy including:

- **Introduction of Starter Homes** – a new product for people aged under 40 years with an income of less than £80,000 will be able to purchase a Starter Home at 80% of the market level capped at £250k for Greater Cambridge. The intention in the Act was for a proportion of new affordable homes to be ‘starter homes’ and the NPPF sets out how this should be interpreted.
- **Extension of Right to Buy** - The Right to Buy is due to be extended to housing association tenants. Housing associations will be required to replace homes on a ‘one for one’ basis. Providers would be required to replace any units sold through Right to Buy and we will encourage those to be replaced as close as possible to where the disposal occurred. This is particularly important in rural areas where there is less affordable housing. At the time of writing the detail on how this Policy will be implemented is yet to be released but a national pilot is underway.
- **Tackling Rogue Landlords** – the Act introduced various measures to improve standards in the private rented sector by tackling rogue landlords. These include introducing civil penalties of up to £30,000; rent repayment orders; banning orders and a database of rogue landlords. Other recent changes in the sector include a draft Tenant Fees Bill (November 2017) banning letting agents’ fees and capping deposits, and the extension of mandatory HMO licensing to a wider range of properties together with requiring minimum room sizes and a specification of the maximum number of people the HMO should house.
- **Self-build and custom built housing** – The government aims to increase the provision of self-build and custom built housing. Local authorities are required to hold a register of applicants who are interested in self and custom build housing and to allocate appropriate sites through the planning system.

Government Changes to Delivery Agencies

In 2017 Government changed the main delivery agencies for housing. The Government department was renamed 'Ministry of Housing, Communities and Local Government' raising the profile of housing delivery. A new Minister for Homelessness was also created. The Homes and Communities Agency (HCA) was disbanded and 'Homes England' was established to oversee housing growth and infrastructure, and the regulation of social housing. These changes emphasise the national priority being given to housing growth.

HRA Debt Cap – Delivering More Council Housing

Rent cuts have had a significant impact on the councils' Housing Revenue Accounts, reducing the amount available for providing services to tenants and for investing in new homes. However, the announcements that the proposed Higher Value Asset Levy (whereby councils would have been required to sell some of their higher value empty homes when they became empty) is not to be introduced, and that councils will be able to start increasing social rents again from 2020 is welcome in terms of managing and maintaining and improving council homes.

The lifting of the HRA borrowing cap is also welcome, but we await further detail before we are able to commit to increasing our borrowing powers.

Welfare Reform

The implementation of a major national programme of welfare reforms aimed mainly at working age people is well under way. Key aims are to cut the overall welfare bill and encourage people into work.⁴

A key driver of the welfare changes is to make it financially worthwhile for people to take on paid employment rather than claim benefits. This, combined with advice and support around seeking employment, education and/or training should lead to improved opportunities for some people who would previously have been caught in the 'benefit trap'.

However, with severe cuts to the national welfare budget happening at the same time, many claimants are finding their benefits reduced, and struggling to make ends meet; including those who are already in work. This is compounded by the size of the local Broad Rental Market area (BRMA) which does not reflect local rents within Greater Cambridge. This means that Local Housing Allowance rates are insufficient to cover even the cheapest rents in Greater Cambridge, making it extremely difficult for those on benefits to access or remain in private rented housing.

⁴ CLG Welfare Reform web pages: <https://www.gov.uk/government/policies/welfare-reform>

Some more recent announcements have been welcomed, including: the scrapping of plans for housing benefit for social housing tenants to be capped at Local Housing Allowance rates; and some changes to Universal Credit including removing delays before those eligible can claim and making it easier for claimants to have the housing element of their award paid direct to their landlord.

Nationally the risk of Universal Credit claimants falling into rent arrears has been found to be high, and both councils as landlords will need to find ways of managing this risk going forwards.

Care Act 2016 and Better Care Fund

The Care Act 2016 requires local social services authorities to carry out a needs assessment in order to determine whether an adult has needs for care and support, it also supports closer working between health, housing and social care services. From 2015/16 onwards the Disabled Facilities Grant (DFG) allocation has been included within the Better Care Fund (BCF). The BCF created a pooled budget in each local authority area to encourage health, social care and other related services to work more closely together. The inclusion of the DFG allocation is intended to recognise the vital role that the home plays in helping people to remain healthy and independent. Central Government has increased the amount given to local authorities significantly over the last few years with the expectation that local areas will be more flexible in how the money is spent. Wider health and social care priority health outcomes such as delayed transfers of care and readmission to hospital can be supported using some of the DFG capital allocation.

A new deal for social housing Green Paper 2018

The government issued a social housing green paper in August 2018, 'A New Deal for Social Housing', plans for which were announced following the 2017 Grenfell Tower disaster.

As well as announcing that enforced sale of higher value assets and compulsory fixed term tenancies for local authorities would no longer go ahead, key proposals, around five core themes, include:

- **Safe and decent homes:** Legislation to improve building regulations and fire safety; measures to support improved social resident and landlord engagement; and reviewing the Decent Homes standard.
- **Improving complaints resolution:** eg improving resident awareness of how complaints can be made and escalated, and speeding up & simplifying complaint systems.
- **Empowering residents and strengthening regulation** – eg through social landlord performance league tables, taking performance into account when allocating –including grant for new homes; improvements to resident engagement; and considering a new stock transfer programme to promote transfer of local authority housing, particularly to community-based housing associations.

- **‘Tackling stigma and celebrating thriving communities’** eg through: introducing a ‘best neighbourhood’ competition; measures to improve design of social housing; and considering how residents can be better involved in planning and design of new developments.
- **Expanding supply and supporting home ownership**, building on the Housing White Paper ‘Fixing the Broken Housing Market: eg, considering changes to how local authorities can use Right to Buy receipts to build new homes; overcoming barriers to delivering new community owned homes; reviewing how homes are allocated & ensuring social housing is going to those who need it most; and Investigating introduction of new shared ownership products that enable purchasers to build up more equity in their homes.

At the time of writing the Green Paper is out to consultation, to which both councils have responded.

Funding of Supported Housing

In 2017, government consulted on possible alternative funding options for supported housing. Both councils expressed concern, alongside many other national and local organisations, of the potential impact on the long term security of supported accommodation if the current funding through the welfare system was abolished. On 9 August 2018, government announced that, having listened to views from providers, stakeholders and councils, the current system would remain in place. In addition, a review of housing related support will be undertaken to better understand how housing and support currently fit together.