

TENANTS' FORUM	Agenda Item
Thursday 14 th July 2016	9(ii)

HOUSING AND PLANNING ACT 2016

This report provides a briefing on the main provisions of the Housing and Planning Act 2016 that relate to council housing.

The report also looks at the steps we need to take as the Act is being implemented

INTRODUCTION

The Housing and Planning Act 2016 received Royal Assent on 12th May following a stormy passage through the House of Lords.

The impact of the Act on the Council and tenants will only become clear as detailed regulations and guidance are published by the Government over the next few months.

MAIN PROVISIONS

The main provisions of the Act relating to council housing are described below:

Extension of the Right to Buy

- Housing associations have agreed voluntarily to introduce the Right to Buy to their tenants.
- The Government will compensate housing associations for the cost of Right to Buy discounts using income from the sale of higher value vacant council housing.
- A pilot scheme involving five housing associations has been established.

Sale of Higher Value Vacant Council Housing

- Each local authority will be required to make an annual payment to the Government. This will equate to the assumed annual income from selling high value vacant homes

- The payment will be calculated by the Government according to a formula that has yet to be announced
- Each higher value home will be replaced with another 'affordable' home

Fixed term tenancies

- Fixed term tenancies will be between two and ten years although usually they will last for five years.
- Tenancies will be longer where there is a child under 9 years old – up to the child's 19th birthday
- Councils will be required to review tenancies at the end of the fixed term.

Pay to Stay for high income social tenants

- This will apply to households earning more than £31,000 per annum
- Every additional £ earned above the threshold will result in a 15p rent increase
- Any additional rental income has to be returned to HM Treasury
- Tenants will have to declare their income to their landlord and councils will be able to share data with HMRC

NEXT STEPS

Over the coming weeks and months, we will be working to clarify the detailed requirements of the Act and to assess the implications for the Council and its tenants. This will include:

- Setting up a number of project groups to focus on particularly important parts of the Act
- Getting involved with the Government in drafting the guidance and regulations
- Telling the Government about the impact of the Act on our community
- Keeping tenants in the picture.

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