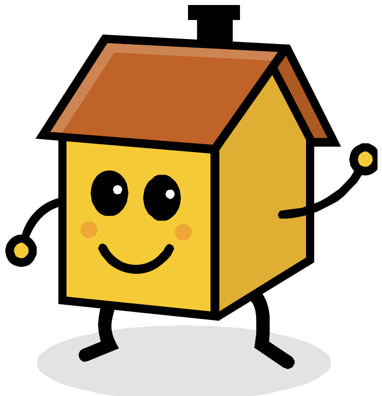
ITEM A.4

Housing & Planning Act (2016)

Housing & Planning Act (2016)

Community Overview & Scrutiny Panel

21 July 2016



Presentation By:
Jeremy Hewitson
(Housing Development Officer)

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Housing & Planning Act (2016)

Housing & Planning Act 2016

Key elements of the Bill include:-

- Starter Homes
- Right to Buy extended to Housing Associations/ sale of high value Council homes
- Lifetime Tenancies
- “Pay to Stay”
- Private Sector Housing Reform
- Planning Reform

Secondary Legislation still required in most key areas

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Opposition in the House of Lords …

At a glance: the 11 government defeats

1. Councils to decide the mix of Starter Homes locally.
2. Buyers forced to repay percentage of Starter Homes discount if sold within 20 years.
3. Rules around sales of higher-value council homes to come before parliament.
4. Pay to Stay to be voluntary for councils.
5. Taper rate for Pay to Stay to be set at no more than 10p in every pound over threshold.
6. Pay to Stay threshold increased to £40,000 a year (£50,000 in London).
7. Neighbourhood right of appeal for local forums and parish councils.
8. Permission in principle to apply only on 'housing-led' developments.
9. Developers required to contribute to affordable housing on sites of 10 homes or less.
10. A requirement for all new homes to be carbon-compliant from April 2018.
11. Measures to ensure better drainage to prevent flooding – including ending the automatic right of developers to connect to existing sewerage pipes.

Housing & Planning Act (2016)

Starter Homes

"A dramatic shift in housing policy in our country - from Generation Rent to Generation Buy" (David Cameron)

"… another reckless giveaway" (Generation Rent Campaign Group)

Housing & Planning Act (2016)

Right to Buy Extended to Housing Associations

- Funded through sale of higher value Council stock
- 'One-for-one' replacements not viable in the North of England
- Riverside Right to Buy Pilots:-
  - Biggest take-up: 50-59 age group
  - 3-bed houses most popular property type
  - Typical market value: £73k
  - Average discount: 55%
  - Significant no. of 'cash buyers'

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Shared Ownership & Affordable Homes Programme 2016 - 21

£4.7 billion Homes and Communities Agency Grant Programme:-

- **135,000 homes for Shared Ownership**
- **10,000 homes for Rent to Buy**
- **8,000 homes for specialised housing**

NO grant funding for general needs rented housing.

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Government Initiatives
Affecting Housing Associations Since 2010

- **Grant Cuts**
- **"Affordable" Rents replace social rents**
- **Universal Credit**
- **Removal of Spare Room Subsidy ("Bedroom Tax")**
- **Benefit Cap**
- **Extension of Right to Buy**
- **1% rent reductions for 4 years (April 2016)**
- **Local Housing Allowance Cap – shared room rate for people aged below 35**

Housing & Planning Act (2016)

Local Plan Update

- Requirement to have an up-to-date Local Plan in place
- Major driver of affordable housing completions (through planning obligations)
- Final Inspector's Report received
- Anticipated Adoption

  Autumn 2016

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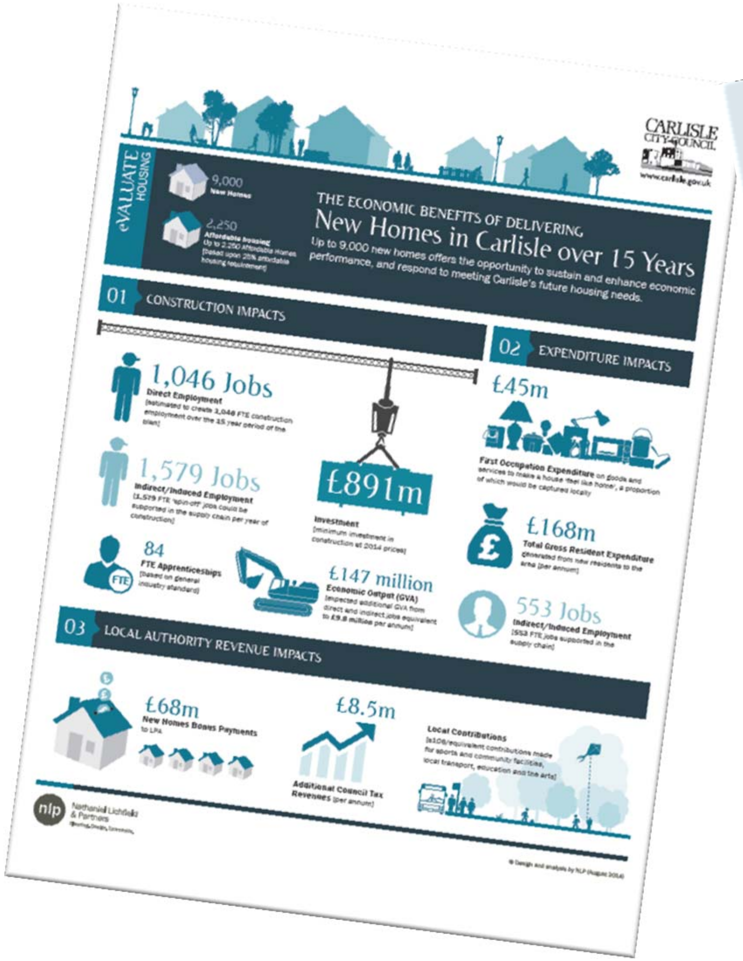
Housing Infographics

Housing & Planning Act (2016)



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SHMA (Strategic Housing Market Assessment)

8,000 – 9,500 **New Homes (2013 – 2030)**

Equates to 480 - 565 New Homes Per Year

Increase in existing housing stock of between 16 & 19%

295 New Affordable Homes Per Year (2014 -2019)

Recommends 70/30 (Urban/Rural) split for New Homes

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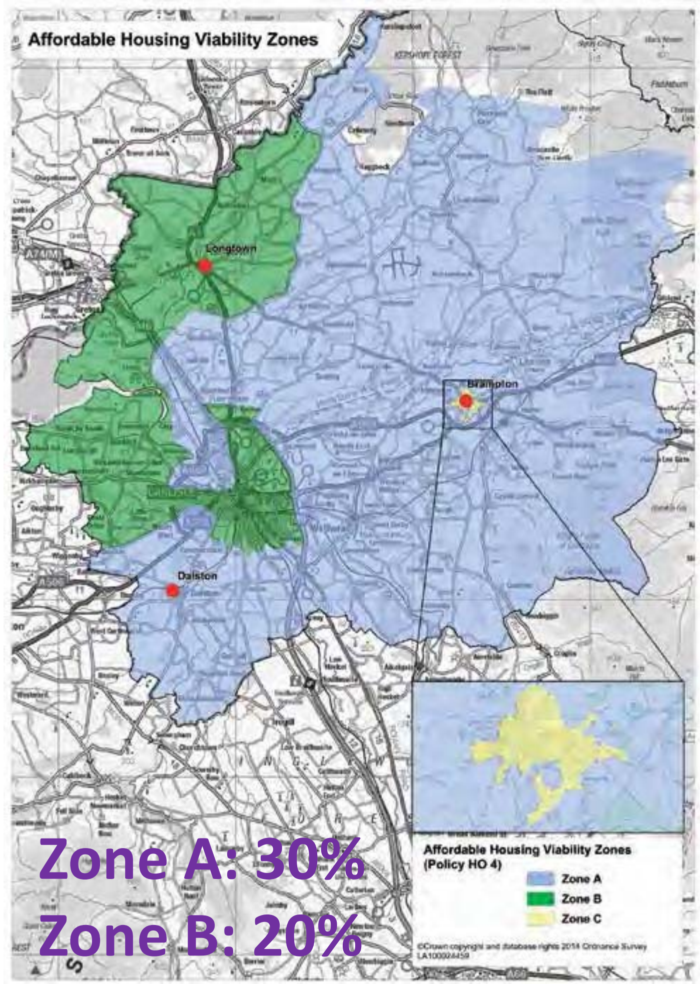
Local Plan
Affordable Housing Requirements

50% Affordable/ Social Rent
50% Intermediate Housing
(e.g. Discounted Sale / Shared Ownership)



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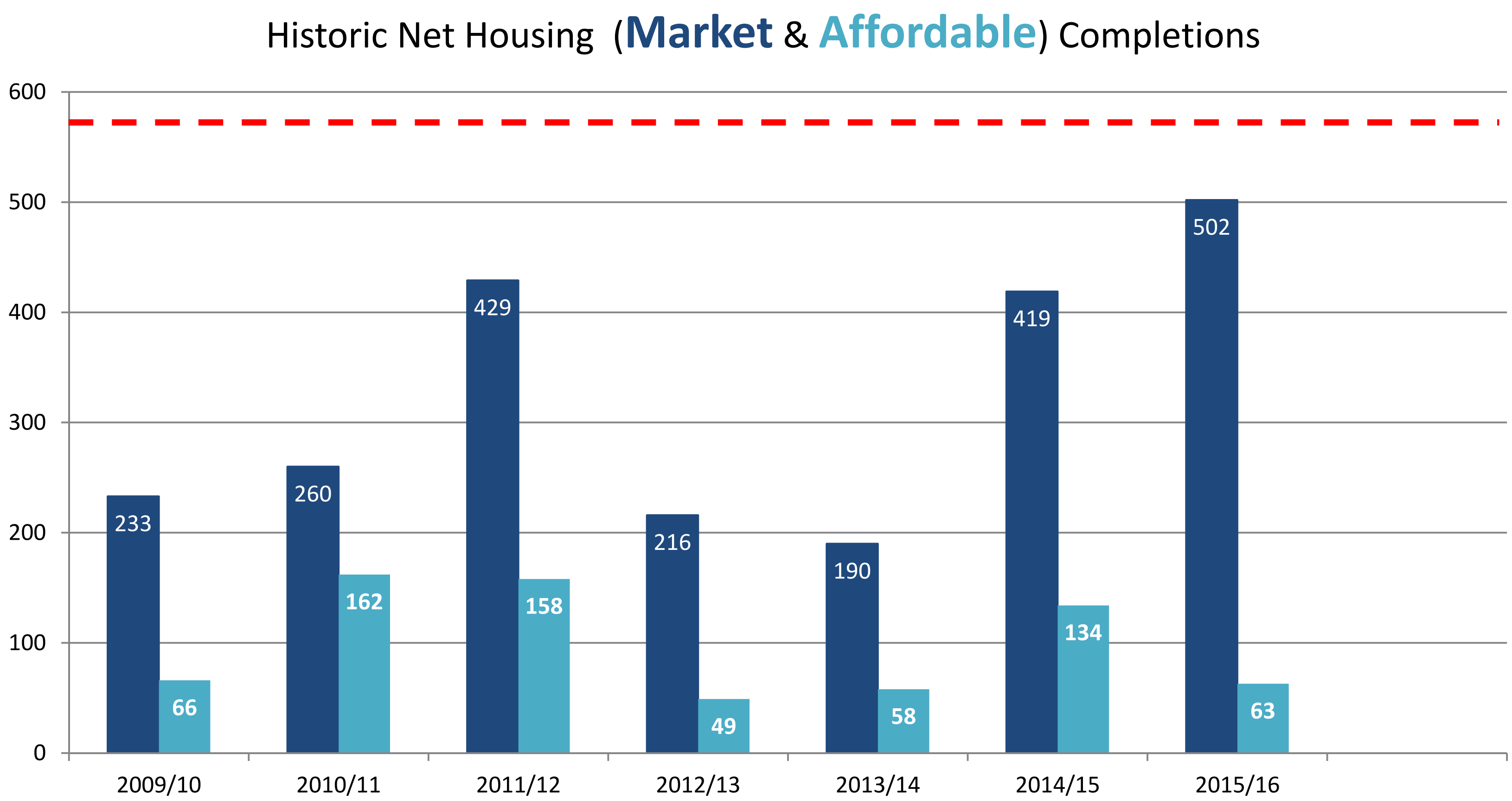
Delivery Update



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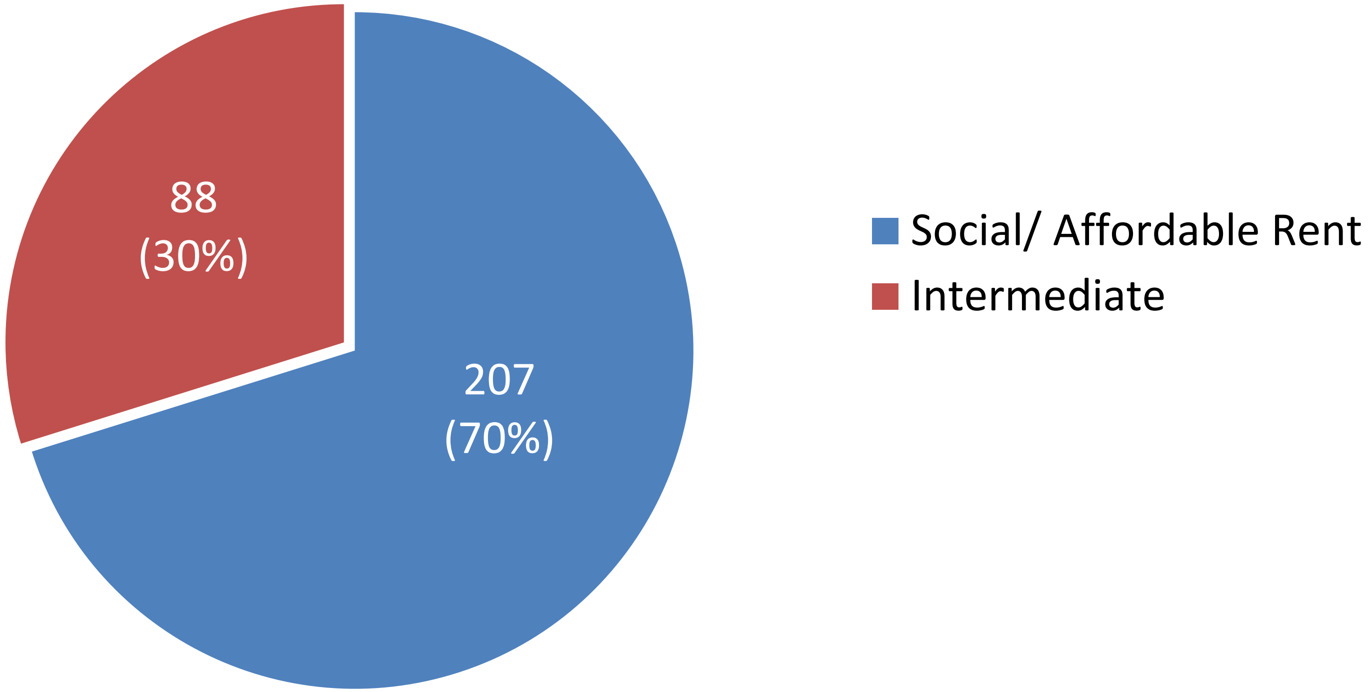
Carlisle District SHMA September 2014

Affordable Housing Need - 295 p.a.



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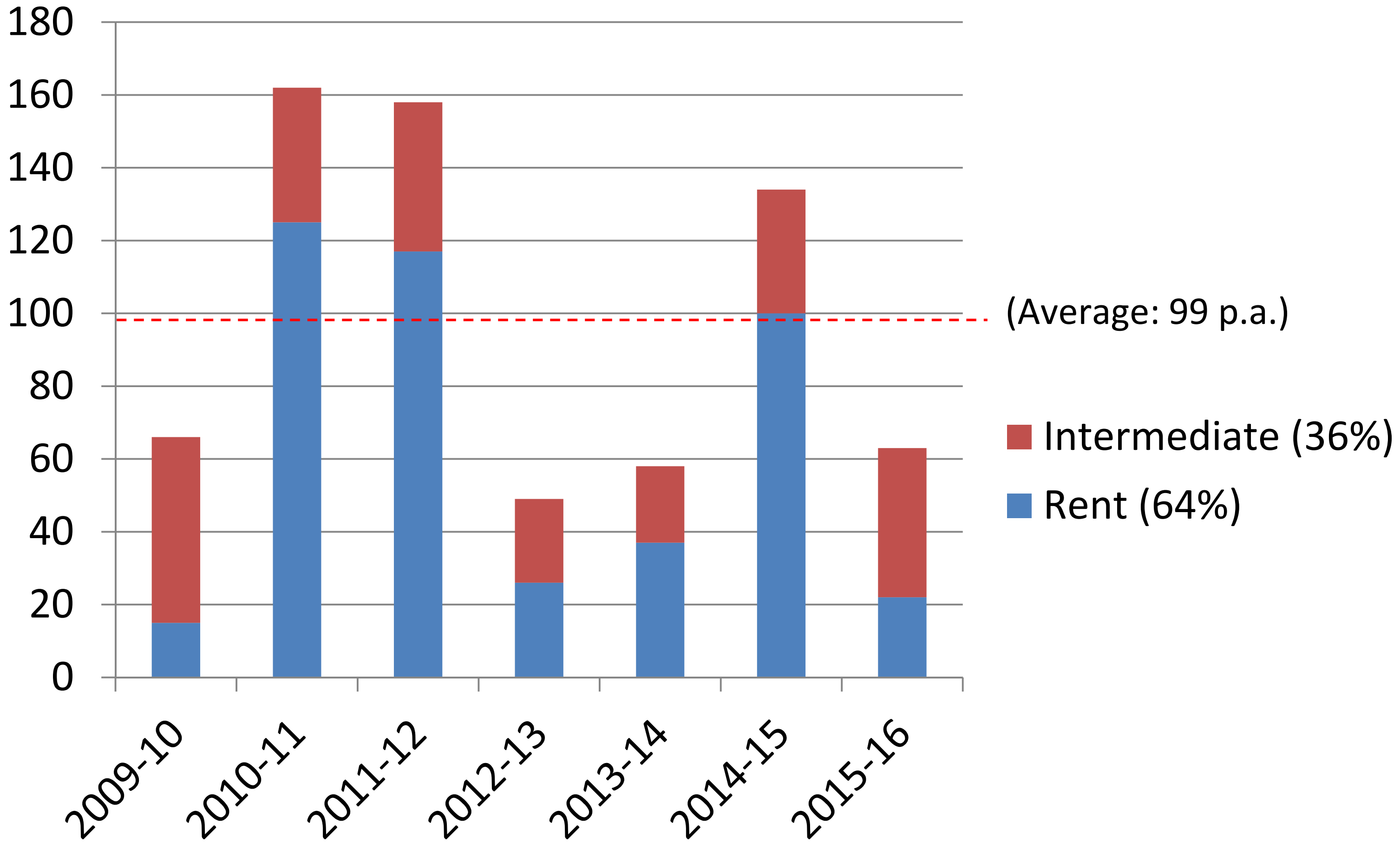
Affordable Completions by Tenure



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Property Prices & Income Multipliers (2015)

Mean	Property Price (£)	Income (£)	Multiplier
Great Britain	250,473	36,447	6.9
Cumbria	167,071	31,792	5.3
Carlisle	143,639	31,516	4.6

Median	Property Price (£)	Income (£)	Multiplier
Great Britain	175,143	28,696	6.1
Cumbria	139,877	25,332	5.5
Carlisle	122,183	25,238	4.8

Lower Quartile	Property Price (£)	Income (£)	Multiplier
Great Britain	111,662	15,453	7.2
Cumbria	91,335	14,185	6.4
Carlisle	85,688	14,135	6.1

(CACI Streetvalue/ CACI Paycheck)

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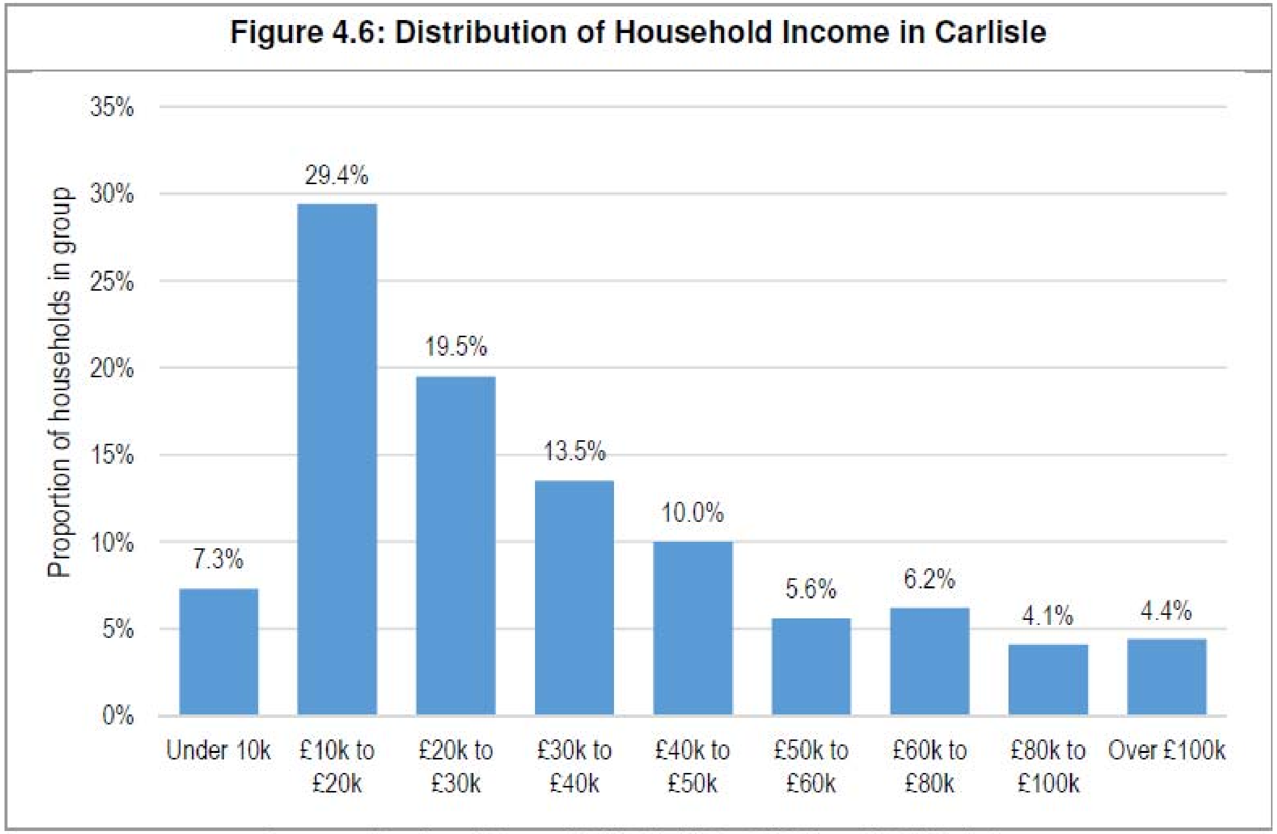
Local Incomes (2014)



Source: Derived from ASHE, EHS, CACI and ONS data

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Affordable Homes




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Supported Housing Review

- Government proposal to cap Housing Benefit at LHA rates from 2018 (report anticipated July 2016)
- Represents significant concern for supported housing (e.g. Extra Care)
  - service charges higher due to greater maintenance costs
  - scheme closures would increase pressure on NHS

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Extra Care – Heysham Gardens & Bramble Court

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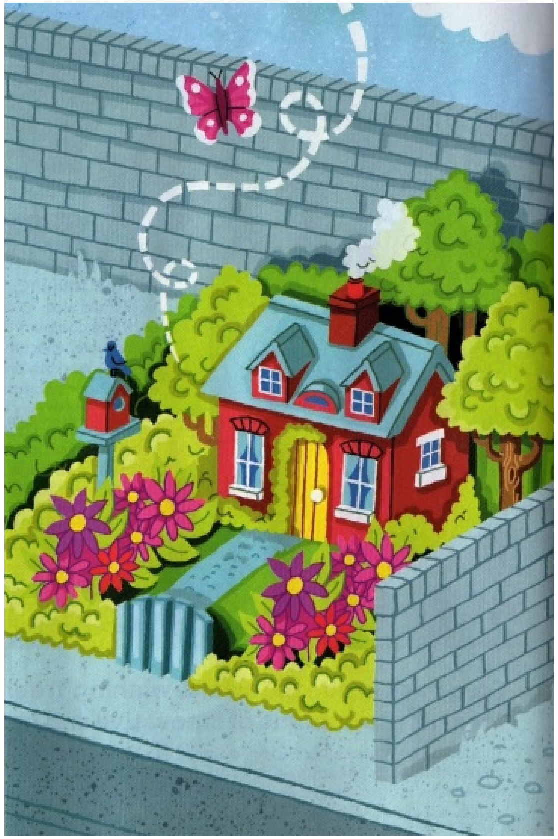

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