

Laying the Foundations: A Housing Strategy for England

A Summary of the key proposals

Increasing supply: more homes, stable growth

The strategy outlines a number of measures to get the housing market moving, including support for first time buyers; freeing up public land; and tackling stalled sites.

There will be support for a **new build indemnity scheme**, to provide up to 95 % loan to value mortgages for new build properties in England.

£400m will be available to help almost 10,500 first time buyers through the **FirstBuy** equity loan scheme, which was previously announced in the budget.

The £500m already announced is confirmed for the **Growing Places Fund**, and there will be a new £400m **Get Britain Building investment fund**.

There is a continued emphasis on **freeing up public sector land** to deliver developments, and proposals through **Neighbourhood Planning** to give communities a greater say in where new homes are built and what they should look like. It goes on to highlight the role of **Community Right to Build**; the **New Homes Bonus**; the **Community Infrastructure Levy**; and the **Community Right to Reclaim Land**.

Support is outlined for more **Custom Build Homes**, and there is reference to **National Planning Policy**, a draft framework for which was published in July 2011 for consultation.

This section concludes by announcing the **Red Tape Challenge** for housing planning and construction which will kick off in January 2012, and outlines what the Government will be doing to **restore economic stability and confidence** and underpin future housing market stability.

Social and affordable housing reform

This chapter of the Strategy looks at the role of both affordable and social housing, making the case for reform and investment, as well as looking at new ways of delivering affordable housing.

The **programme for reform** is outlined in the **Localism Act** which received Royal Assent last week.

The £4.5m **Investment in affordable housing** until the end of the Spending Review period in 2015 has already been announced, and based on the level of offers made

to the Homes and Communities Agency the expectation now is that this will deliver 170,000 affordable homes (more than then 150,000 original estimated).

The Strategy confirms that the key principles of the **Affordable Rent model** will remain the cornerstone of affordable housing provision in the future, and encourages **innovation and new ways of delivering affordable homes**.

The introduction of a **self financing model** to replace the current Housing Revenue Account is referred to in the paper, which means that councils will keep the rental income from their homes to invest locally. A **consultation on the self financing determinations** has also been published, with final determinations to be published in January 2012 and the introduction of self financing from April 2012.

As anticipated the Strategy outlines how the Government will help more people realise their aspiration of home ownership through raised **Right to Buy** discounts. The proposals include a commitment to ensuring that every home sold under the Right to Buy is replaced with a new home, and a **consultation** will be launched on the best way to ensure **delivery of these replacement homes**. This will consider three broad models of; local delivery; national delivery; and a combined approach.

This section of the Strategy concludes with a commitment to **tackling anti-social behaviour** and **tackling tenancy abuse** which includes the long trailed **pay to stay** for high earners occupying social housing, although it is not anticipated that this will have any significant impact in the North West.

A thriving private rented sector

The private rented sector is recognised as having an essential role to play in the housing market. The Government outlines in the Strategy how they want to **support growth in the sector** and considers the development of new investment and management models.

The Strategy recognises the issues of **quality in the private rented sector** and looks to work with industry to drive up standards. **Local Authorities** are encouraged to make **full use of the powers they already have** to tackle dangerous and poorly maintained homes.

Strategy for empty homes

Reducing the negative impact of neglected empty homes is seen as a priority for the Government and a number of initiatives have already been announced or introduced.

The **New Homes Bonus** was introduced in April 2011 as an incentive to encourage local authorities to tackle empty homes. There has also been work with the Homes and Communities Agency to launch an online **Empty Homes Toolkit** and there is now consideration being given to giving local authorities discretion to levy an **empty homes premium** on Council Tax.

We have also had the announcement of **£100m of funding to tackle** what are referred to as **problematic empty homes**. This funding will not support any one fixed delivery model, but will be available for different solutions as appropriate for different areas.

Changes are proposed in the Strategy to **Empty Dwelling Management Orders** to ensure that the use of these orders is limited to the very worst long term homes. Changes, through the Legal Aid Sentencing and Punishment of Offenders Bill, are being considered to tackle the problem of **squatting in empty residential properties**. The Bill is currently before Parliament with Royal Assent expected in 2012.

Quality of housing experience and support

Homelessness is identified as a key priority for Government, with a focus on preventing homelessness as well as managing the consequences of. £400m of funding has been prioritised over the next four years to be spent on prevention.

Building on the report *Vision to End Rough Sleeping* in July 2012, a Ministerial Working Group will publish a second broader **homelessness strategy** in spring 2012.

This section also reaffirms the ambition of the Government to try to turn around the lives of the most **troubled families** by the end of this Parliament, and recognises the key role that Housing Associations are playing in family intervention programmes.

Provision to **empower tenants** is made through the Localism Act, and an £8m tenant empowerment programme will support tenants to set up tenant's panels and scrutinise landlords' performance.

There is only a small reference to **empowering independence** through the £6.5b available for supporting people services. It is anticipated that the first supporting people personal budgets will be delivered in 2012, which will provide people with cash budgets to be used to choose services best fitted for their lives.

More detailed reference is made to **older people's housing**, recognising that good housing can prevent costs to the NHS and social care. To enable people to make an informed choice about their housing and care in later life £1.5m is to be invested in the **FirstStop information and advice service**.

Disabled Facilities Grant funding was protected in the 2010 spending review with the national allocation increasing from £169m in 2010/11 to £185m in 2014/15. Between 2011 and 2015 a further £51m has been made available for **handyperson schemes** to deliver small home repairs and adaptations.

The strategy outlines the role of **Home Improvement Agencies** and summarises work to extend the reach of the Agency's services. It goes on to look at housing provision for older people, and how to promote diversity and choice to support longer term independent living.

The Government remains committed to **Welfare benefit reform and the creation of a Universal Credit**. This package of reform is outlined in detail in the Welfare reform Bill which is currently at the end of its passage through Parliament. The Forum has continued to outline concerns regarding some aspects of the Bill, and the impact that this will have on our residents. The measures in the Bill will be introduced over a period of time and we will continue to lobby for changes where appropriate, and work with Members to monitor the impact of imminent changes.

This section of the strategy concludes around **consumer advice and preventing repossessions**. As well as support through independent advice, the existing **Mortgage Rescue Scheme** and **Support for Mortgage Interest** are highlighted, with a consultation to be launched on reform of the later in line with the principles of Universal Credit and the wider welfare reform.

Quality, sustainability and design

The final section of the Strategy considers the design of new homes and neighbourhoods. Through the Localism Act the Government will provide for **Community-led** design which will sit alongside **Neighbourhood Planning** proposals and the **National Policy Planning Framework**. The Strategy promotes **greener neighbourhoods** and re-emphasises the approach to **zero carbon** which will apply to all new homes coming through the planning system from 2016. There is a brief mention to efficient and prudent use of natural resources such as water in new and existing homes, and a commitment to **tackling fuel poverty**.

Dealing with the existing stock remains a challenge for the North West and this challenge is recognised in the Strategy. The **Green Deal** to be launched in 2012 will support householders to enjoy the benefits for warmer homes and cheaper fuel bills. Work is ongoing with Local Authorities and Social Landlords to prepare for this, with some actively looking to become Green Deal providers.

Action Plan

An action plan in annex A sets out the key milestones for each of the actions laid out in the Strategy. This includes dates when consultations will be launched as well as when new policies and initiatives will be introduced.

**North West Housing Forum
November 2011**