

Safer & Stronger Communities Scrutiny

Policy Update

APR/MAY/JUNE 2012

1. Helping tenants take control

- a) Plans to make it easier for council tenants to take control of their local neighbourhood and services have been announced by Housing Minister Grants Shapps MP
- b) Mr Shapps has challenged tenants who feel their landlords have neglected their neighbourhood to exercise their rights and take matters into their own hands in the spirit of last year's riot clean-up crews
- c) The Minister has published plans to strengthen and streamline 2 key rights that can help tenants achieve this
- d) The Right to Manage gives tenants the chance to take over day-to-day management of housing services such as cleaning, repairs, refurbishment and security to deliver a more responsive, better quality and value for money service for their community. New proposals will streamline the piles of paperwork involved in transferring management responsibilities to a tenant organisation, speeding up the handover process.
- e) The Right to Transfer allows tenants to request the ownership of council homes in their neighbourhood to be transferred from the council to a local housing association. This could be because tenants believe this new landlord could provide better services like cleaning and security or bring more investment into their area such as improvement to peoples' homes and the environment. At the moment, tenants can put forward a case for transfer, but councils have no obligation to consider their proposals. The proposed changes will strengthen these rights, requiring councils to work with tenants to explore transfer requests
- f) The consultation runs until 23 May 2012 and comments are being invited from a wide range of consultees from across the local authority, housing and tenant sectors

2. Invest to save and offer support to vulnerable people

- a) Councils must invest to save and protect their most disadvantaged residents, Housing Minister Grant Shapps has said
- b) The Minister has urged town halls to follow Whitehall's example and protect Supporting People funding to help the most vulnerable in their communities
- c) In a letter to council leaders, he has reminded councils as they set their budgets they should consider evidence showing that every pound spent through this housing support services saves £3 in reduced costs to homelessness, tenancy failure, crime, health and residential care packages
- d) So the £1.6 billion invested in Supporting People can save as much as £3.41 billion in the costs of alternative help for vulnerable people in our communities

- e) The government protected £6.5 billion funding for Supporting People over the course of the Spending Review – representing a less than 1% cash reduction in funding each year
- f) The funding helps people across the country to live independently in their own homes. These can include: older and disabled people; single homeless people; people with mental health problems; and, women at risk of domestic violence

3. Up to £1 million to help communities shape the future of their high streets

- a) Planning Minister Greg Clark has revealed that £1 million will be made available to support the creation of high street neighbourhood plans that will help revitalise this crucial part of the local economy
- b) The announcement is part of the government's 'Portas-plus' response to the Mary Portas High Street Review, which goes above and beyond her recommendations and includes a raft of new incentives, funding schemes and bureaucracy-busting measures, all in a bid to rejuvenate the country's rundown high streets
- c) This financial support for neighbourhood planning will help local people, businesses and councils come together to develop and agree a neighbourhood street plan that makes locally led sustainable development puts the town centre first with plans for the vitalising and growing high street economy
- d) Neighbourhood planning is part of a series of measures announced in the Localism Act shifting power away from Whitehall into the hands of people. Over 200 neighbourhood planning front-runner projects are already trialling the new powers before they are fully rolled out next week
- e) The new National Planning Policy Framework also responds to the Portas recommendation by underlining the importance of town centres and allowing councils to provide the parking facilities in town centres that will help them compete with out-of-town shopping centres and supermarkets

4. PM launches reinvigorated Right to Buy scheme

- a) From April 2012 2 million social tenants could benefit from a discount of up to £75,000 with Right to Buy scheme
- b) The government has launched the reinvigorated Right to Buy, with a new discount of up to £75,000. since 1980, 2 million social homes have been bought by their occupants under the scheme, but numbers have gradually fallen to fewer than 4,000 sales last year as discounts have declined, making the scheme virtually meaningless in some parts of the country

5. Sound investment to help build more affordable homes

- a) Moves to encourage more private investment in social housing have been announced by Ministers
- b) Housing Minister Grant Shapps and Economic Secretary Chloe Smith published a consultation seeking views on how to encourage more

- private investment into the social housing sector through Real Estate Investment Trusts – vehicles for those wishing to invest in property
- c) The current Finance Bill is introducing a series of measures to support entry to and investment in Real Estate Investment Trusts. This consultation will build on these measures considering potential further changes to Real Estate Investment Trusts to support the establishment of more of these in the social housing sector
 - d) The consultation follows the successful Affordable Homes Programme, which levered in private funding from providers of almost £10 billion, and which is set to exceed expectations and deliver 170,000 homes – 20,000 more than originally thought
 - e) Private investment is vital to help fund the supply of new homes, but Ministers also want to see greater innovation and diversity in the management and delivery of affordable housing
 - f) Mr Shapps has also announced that 3 companies – Orchard and Shipman, Shanley and Pinnacle Spaces – have already signed up to become commercial providers of social housing
 - g) The registration of these organisations will help bring the innovation and investment needed to deliver even more of the affordable homes the country needs

6. Focus on victims to tackle antisocial behaviour

- a) Focusing on victims and changing the attitudes of police and partners is the key to tackling antisocial behaviour, according to a Home Office report published recently
- b) The report, 'Focus on the Victim: Summary report on the ASB call handling trials', summarises the findings of 8 police forces which trialled new approaches to handling calls from the public
- c) The forces which volunteered for the trials – Avon and Somerset, Cambridgeshire, Leicestershire, Lincolnshire, Metropolitan, Sussex, West Mercia and South Wales – designed their own projects and have reported some encouraging initial results
- d) These included better working relationships with other agencies, an improved service to the victim, and the start of a shift in culture with call handlers responding to the needs of the victim rather than just ticking boxes

7. George Clark appointed empty homes adviser

- a) Architect and TV presenter George Clarke is to be an independent adviser to the Government to help bring thousands of empty homes back into use for families in need of stable, secure homes, Ministers recently announced
- b) Although the numbers of empty homes have fallen to their lowest level since 2004, there are still 720,000 homes sitting empty across the country – with 280,000 left vacant for 6 months or more
- c) Ministers have already announced £150 million to bring empty homes back into use as affordable housing – including £50 million to tackle clusters of empty homes

- d) George Clarke presented Channel 4's recent series of programmes, 'The Great British Property Scandal'. His work as independent adviser on empty homes will particularly involve:
 - Promoting bringing empty homes back into use
 - Raising public awareness of the benefits of bringing empty homes back into use and encouraging people to report empty homes in their area
 - Encouraging councils, housing associations and voluntary groups to identify innovative and good ideas and sharing this across communities
 - Challenging government and other public bodies to ensure publicly-owned homes are not left empty
 - Exploring whether current plans for demolition in councils could be scaled back
- e) Ministers have made £150 million available to communities to bring empty homes back into use. This is comprised of:
 - £70 million for councils to bring over 5,600 empty homes back into use
 - £30 million for community groups
 - £50 million to tackle clusters of empty homes

8. Grant Shapps: Downing Street hosting the self-build boom

- a) A package of new support to give as many people as possible the opportunity to build their own homes was announced recently at England's most famous address by Housing Minister Grant Shapps
- b) It comes as a new report predicts a 141% rise in the mortgages available for those building their own homes over the next 3 years
- c) The Minister said that going down the self-build route was an affordable option for aspiring homeowners and shouldn't be seen as the preserve of those with deep pockets and grand designs

9. Grant Shapps: Help to get boxed-in generation up the property ladder

- a) Minister pledges to help those growing out of their properties
- b) The boxed-in generation – people unable to upsize their home but who have also outgrown their first property – will for the first time benefit from support to help them move up the housing ladder
- c) In a speech to housebuilders, the Housing Minister has argued that a generation of first-time buyers and families with children are unable to do what their parents did and move homes as their needs grow
- d) A recent survey from Finaproerty.com found that almost a third of parents find their current home too small to accommodate their family – rising to 40% for younger families where the parents are aged between 18 and 34
- e) Mr Shapps has said that for the first time these overlooked owners will now get the help they need to move from their current abode to a new address – through the NewBuy Guarantee – while also freeing up properties suitable for aspiring first time buyers
- f) The NewBuy Guarantee is not confined to first-time buyers but is designed to help anyone looking to buy a newly-built property – and is expected to help up to 100,000 prospective and current homeowners

- g) Through this innovative new scheme, instead of a typical buyer requiring a £40,000 deposit to buy a £200,000 home, they will now only need £10,000. The scheme – which had its first sale recently – is available for homes up to £500,000
- h) The NewBuy Guarantee is already starting to open up the market, with 4 lenders offering 95% mortgages on new-build properties by up to 9 leading housebuilders
- i) They are:
 - o Natwest – who offer 95% loan-to-value mortgages at under 5% interest on properties built by Barratt, Bellway, Bovis, Linden Homes, Persimmon, Redrow and Taylor Wimpey
 - o Barclays – who offer 95% loan-to-value mortgages on properties built by Barratt, Bellway, Bovis, Persimmon, Redrow and Taylor Wimpey
 - o Nationwide – who offer 95% loan-to-value mortgages on properties built by Barratt, Bovis, Bellway, Crest Nicholson, Fairview, Linden Homes, Persimmon, Redrow and Taylor Wimpey
 - o Halifax – who offer 95% loan-to-value mortgages on properties built by Barratt, Bellway, Bovis, Crest Nicholson, Cala Homes, Linden Homes, Persimmon, Redrow Homes and Taylor Wimpey

10. Grant Shapps: ‘Fantastic’ response to Portas Pilots offer

- a) Hundreds of towns across the country have applied in their droves to become one of the first Portas Pilots to breathe new life into their high streets, Local Government Minister Grant Shapps said recently
- b) The Government has received bids from 371 different towns to become one of 12 pilot areas, with the chance to receive a share of £1.2 million to help turn around their high streets – but more importantly the backing from the Minister and Mary Portas herself
- c) Mr Shapps said he was excited by the enthusiastic and energetic response to the Portas Review, which has proved a catalyst for communities to come together, form Town Teams and make plans for the future of their high streets
- d) While the results of this competition will be announced in May, the Minister has also announced a further round of pilots to trial some of Mary’s recommendations
- e) This programme of pilots is just one part of the Government’s ‘Portas Plus’ response to Mary’s review into the future of the high streets
- f) Grant Shapps has also announced:
 - o A £1 million Future High Street X-Fund, which will be awarded to areas with the most creative and effective schemes to rejuvenate their town centres
 - o A National Markets Day, launching a National markets fortnight, to celebrate the role markets can play and offer budding entrepreneurs the chance to test their business ideas, and
 - o A £500,000 fund for Business Improvement Districts, to help town centres access loans for their set-up costs

11. Grant Shapps: surge of interest in national home swap scheme

- a) Housing Minister Grant Shapps has hailed the national home swap scheme, 'HomeSwap Direct', as inquiries via the new scheme passed the million mark
- b) Since its launch in October 2011, over a million searches for properties have been made through HomeSwap Direct. The new scheme allows social housing tenants wanting to swap their home to see, for the first time, every available property in the country
- c) Mr Shapps said the surge of interest from tenants testified to a dramatic improvement since the failure of the centrally-prescribed MoveUK service. Started in 2004, within 2 years the number of moves had collapsed by half, and there was no clear strategy to improve the situation
- d) Now with over 5,500 searches a day, it is clear the greater choice offered through HomeSwap Direct is proving popular with tenants who want to move house, whether to be closer to a new job or their family, or to find a property that better suits their needs
- e) Until now tenants have been restricted to swapping properties with other tenants in a scheme chosen by their landlord – effectively meaning only a partial swap scheme existed, and often an uphill battle for tenants if they wanted to move anywhere other than the neighbourhood where they already lived. HomeSwap Direct is now giving tenants access to a much wider selection of properties than ever before and boosting their prospects of moving
- f) The scheme is online, so advertised swaps are much more accessible for tenants and the possibility of moving house is just a click away
- g) HomeSwap Direct brings together 4 internet-based providers of mutual exchange services (HomeSwapper, House Exchange, Abritas, and LHS)
- h) A new Tenancy Standard came into force on 1 April 2012 and places a requirement on social landlords in England to subscribe to an internet-based mutual exchange service. The provider of the service must be a signatory to an agreement such as HomeSwap Direct under which tenants can access matches across all (or the greatest practicable number of) internet based mutual exchange services

12. Communities and Local Government Committee publishes report on new housing supply

- a) The government must employ a basket of measures, covering all tenures of housing, if sufficient finance is ever to be available to tackle the country's housing crisis, says the CLG Select Committee in a report examining the financing of new housing supply
- b) Launching the report, Clive Betts, Chair of the CLG Select Committee has said that:
 - For decades, successive governments have failed to deliver sufficient homes to meet demand
 - The country faces a significant housing shortfall, and the financial crisis has amplified the problem – 232,000 new households are forming each year in England, and yet last year fewer than 110,000 homes were completed

- c) The Committee sets out 4 key areas for action which, taken together, could go a long way to raising the finance needed to meet the housing shortfall:
 - Large-scale investment from institutions and pension funds
 - Changes to the financing of housing associations, including a new role for the historic grant on their balance sheets
 - Greater financial freedoms for local authorities
 - New and innovative models, including a massive expansion of self-build housing
- d) Institutional investment
 - The Committee finds that large institutions and pension funds, which have only ever made a limited contribution to new housing, could provide a substantial source of investment
 - Public sector bodies and housing associations must encourage such investment
 - The Government should also look to establish a housing investment bank, to channel investment into housing – expanding the Green Investment Bank to cover housing would be one way of achieving this
- e) Housing associations
 - The Committee questions the Government's flagship Affordable Rent model e.g. how will it play out in different parts of the country? Will it prove unaffordable in parts of London? Is housing benefit now expected to take the strain of paying for new affordable housing? Is this model sustainable beyond 2015?
 - The Committee calls on Ministers to set out proposals for the future delivery of affordable homes, and to consult on how housing associations should be financed in future
- f) Local authorities
 - The Committee concludes that local authorities have an important role to play, but may struggle to fulfil their potential because of centrally-imposed constraints
 - The Government should give councils greater freedom to decide on the best housing solutions for their areas
 - Local authorities must also be allowed, within prudential limits, to safely increase their capital borrowing for new housing
- g) New models
 - The Committee urges Ministers to look to different models of delivery to help meet the housing shortfall
 - It sees interesting potential in self-build, where people manage the construction of their own homes, and points to Almere in the Netherlands as a useful model
 - Self-build schemes could be a major new source of housing in England, but it will require substantial institutional change to realise this potential. Government, local authorities and lenders must work together to remove the barriers that currently restrict self-build and commit to getting pilot schemes underway very quickly

13. Grant Shapps: Revamped Right to Buy to deliver thousands of new homes

- a) Details of how thousands of new affordable homes will be built using the cash proceeds from the Government's reinvigorated Right to Buy scheme were unveiled recently by Housing Minister Grant Shapps
- b) The Minister said he was responding to appeals by local authorities for more time to take advantage of the new scheme by allowing them 3 years to reinvest the funds they gain from additional sales into new housing. He said councils now have a prime opportunity to refresh their housing stock and help meet the housing needs of hard-working families currently languishing on the waiting list
- c) The revamped Right to Buy, which will give 2.5 million social tenants the opportunity to buy their home with discounts of up to £75,000 was launched in April 2012
- d) Mr Shapps has said that his ambition is that, for the first time, every Right to Buy home sold will be replaced by a new affordable home to rent nationally. He said he had listened to views raised by councils on how they would deliver this ambition, and has agreed to extend their timeframe for spending the receipts from 2 years to 3 years
- e) Under the new, light touch agreement between Whitehall and Town Halls, councils will have the opportunity to keep receipts from additional Right to Buy sales and the freedom to spend the cash as they see fit to meet local housing demand
- f) Councils will have the freedom to:
 - o Decide on the type, size and location of the new homes they build according to local needs
 - o Work with other organisations such as housing associations to finance and deliver affordable homes for their area, or
 - o Pass the cash to Whitehall to help deliver one-for-one replacement at a national level
- g) To ensure best value for taxpayers' money, Mr Shapps said Right to Buy funds should account for no more than 30% of total investment in new homes – in place of Government funding. This is in line with the highly successful Affordable Homes Programme, which has exceeded expectations and is expected to deliver up to 170,000 new affordable homes by 2015
- h) However, the Minister has been clear that the new homes must be delivered as quickly as possible, which is why councils must spend the cash on new affordable homes for rent within 3 years of first receiving it. This has been extended from the original proposal of 2 years in response to feedback from councils
- i) If additional Right to Buy receipts remain unspent after 3 years they will be returned to Whitehall to be reinvested in house building nationally
- j) Additional Right to Buy receipts for councils that have not signed the Right to Buy agreement will immediately be passed on to the Homes and Communities Agency or the Greater London Authority for investment. Councils will then be able to bid for funding for investment in affordable housing from this pot
- k) Councils that wish to retain additional Right to Buy receipts for the first quarter of 2012/13 must sign up to the Right to Buy agreement by

Wednesday 27 June 2012. Agreements can be signed after this date but will not cover receipts for Q1

- l) If Right to Buy receipts remain unspent at the end of 3 years they must be returned to central Government for investment by the Homes and Communities Agency or Greater London Authority. Similarly, if receipts constitute more than 30% of total investment, then a sum equivalent to the overspend should be returned to central Government
- m) The remaining 70% invested in new affordable homes must come from authorities' or housing associations' own resources, which could include borrowing supported by the additional rental income. For local authorities this will only be possible if they have sufficient headroom to borrow under the recent self-financing settlement

14. Putting people at the heart of tackling antisocial behaviour

- a) People affected by antisocial behaviour will have the right to force action from the police and local agencies through new proposals published recently
- b) Home Secretary Theresa May revealed plans to introduce faster and more effective powers to stop the dangerous and yobbish behaviour of those who make victims' lives a misery
- c) The existing top down approach will be turned on its head to ensure local solutions are found to local problems with a focus on the impact of victims and neighbourhoods
- d) The antisocial behaviour White Paper, *Putting victims first: more effective responses to antisocial behaviour*, will reduce 19 complex existing powers to 6 simple and flexible new ones
- e) And for the first time, victims who feel their problems are not being taken seriously enough will have the right to force action through a newly introduced 'Community Trigger'.
- f) The trigger will be trialled in Manchester, Brighton and Hove and West Lindsey in Lincolnshire from 1 June
- g) The government will publish a draft bill for pre-legislative scrutiny to ensure parliament, victims and frontline practitioners are involved in shaping the new legislation and that we deliver effective laws that last a generation

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