



Presentation by David January
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DECENTRALISATION AND LOCALISM- PLANNING AND HOUSING -LOCALISM

Some Facts

- 2.5 million people live in rural areas in South East [32% of SE Region's 8 million]
- 80% of SE is classified as rural
- £392,884 is average price of house in rural SE
This is 9.3 times average rural income
- 29% of rural households are pensioners
- 27% of rural households have income of less than 60% of English Median income

Localism-Landscape is Changing

- Localism- decentralisation of power from centre to local government and communities
- Bill will lead to reforms of the planning system, social housing and council house finance
- LAs given general power of competence
- Communities given opportunity to request referendum on specific issues
- Community Right to Challenge and Community Right to Buy [subject to consultation currently]
- New Homes Bonus funding for LAs from Government for new homes provided within LA from 2011 for 6 years . Now announced

Planning Reforms 1

- Abolition of RSS, targets and regional bodies
- New simpler Planning system
- New National Planning Policy Framework
- Presumption in favour of sustainable development
- Community Infrastructure Levy reformed and retained
- Neighbourhood Development Orders and Plans

Planning Reforms 2

- New responsibility on LA to undertake referendum if requested by Parish Councils and designated Neighbourhood Forums on specific issues
- Community Right to Build - a special and simpler form of Neighbourhood Development Order
- Applicant to consult before making a planning application and publicise a community planning statement-details awaited on scope
- Conversion of Commercial to Residential simplified
- PPS 3 definition of affordable housing to include new Affordable Rent properties

Social Housing Reforms

- Allocations- LAs have greater freedom to determine who goes on waiting list -local connections
- Homelessness- LA can fulfil duty by making offer of private rented housing on a 12 month fixed term tenancy
- Tenancy Strategy with Registered Providers [was RSLs/HAs can now include private sector bodies as well]
- Flexible Tenancies LAs can offer and RPs must offer minimum 2 year tenancy under Affordable Rent regime.
- Existing Tenants rights protected under an exchange even with a flexible tenancy

Council Housing Finance

- The HRA subsidy system will end and move to Self Financing . Council will retain all rental income and use it to support their own housing stock . Settlement from April 2012
- LAs required to make a one off payment to Government [take on debt] and others will receive a payment [have debt reduced].
- Rent income will service the new debt as well as Management and Maintenance
- Awards of funding for Decent Homes Standard now available for all LAs with housing stock from Homes and Communities Agency[HCA]

Social Housing Regulation

- The Tenant Services Authority will be abolished and functions transferred to Homes and Communities Agency [HCA] through creation of regulation committee
- Audit Commission to be abolished
- Housing Ombudsman a new unified system will apply with referrals only from MP's, Councillor's and designated Tenants Panel's
- In London powers and responsibilities of HCA pass to the GLA and LDA abolished

Framework for the Affordable Rents 2011-15

- Prospectus issued by HCA for RPs to bid for net £1.8 billion
- New Affordable rent up to 80% of local market rent [LHA] no longer at social rent level
- Affordable rents properties provided with low levels of grant and other subsidies –land, rent surplus etc
- Affordable rent tenancies must be minimum of 2 years
- Shared ownership schemes simplified
- LAs can bid for council new build from 2012
- Aim to deliver 150,000 by March 2015 with less grant

What could these changes mean?

- More power for local communities
- Less central direction and control
- Some new incentives for new homes delivery
- Delivery of new homes at affordable rents
rents may not be way forward for some RPs
- Benefit reforms could prove significant for many families and landlords - rent cap, universal benefit
- Increase in investment in private renting

What does it mean for Housing in Local and Rural Communities

Partnership working will continue to be required

- Rural Housing Enablers
- Registered Providers[RSLs , Private developers]
- LA Planners and Housing Enabling staff
- HCA provide the Social Housing Grant for new affordable rented and shared Ownership
- Land owners- Public or Private
- Commission for Rural Communities to be subsumed within DEFRA

Key Steps Rural Housing Scheme

- Be Prepared for long process
- Establish there is housing need talk to LA Enabler or Rural Housing Enabler
- Explain to Village that Scheme is about local homes for local people
- Design Housing Needs Survey with Enabler and Registered Provider
- Share findings with LA Planning/Housing then Village and start examining Sites

Emerging New Models

- Community Land Trusts owned by local community and often run under an agency with RP/Managing Agent
- Community Interest Company- similar to CLT may include economic aims as well as Affordable Housing
- Community Housing Trusts
- Mutual /Co-operative Pilots
- Local Housing Company/ Joint Venture - LA involved
- REITS back on agenda
- Private Sector investment and long term ownership?

Budget/ Government Recent Announcements 1

- First Buy -new Equity Loan Home Ownership scheme £210m- provide 20% Equity Loan 5% deposit and 75% mortgage for new build homes . Assist 10,000 applicants
- Build Now Pay Later- land release by HCA prospectus issued – aim to produce 3,000 homes on HCA and others public land
- Ease planning rules for conversion of commercial to residential
- Changes to stamp duty for bulk purchases may increase Institutional Investment in private renting

Budget/Government

Announcements 2

- REITS-intend to remove barriers to entry and investment
- Pilot Land Auctions
- 17 Areas receive £20 k for developing Neighbourhood Plans and 33 more waiting
- Community Infrastructure Levy split in Two Tier areas[County/District or Borough]
- Reform of LG Finance -local business rates collected and retained by LA
- Tax Increment Financing- borrowing based on future rates income stream

Finally need further advice?

- Trevor Leggo Director SALC on quality council and well being powers
- Teresa Gittins Action in Rural Sussex
- David January Independent Housing Consultant

Email: djanuary@btinternet.com

Mobile: 07792026015

THANK YOU ANY QUESTIONS ?