HOUSING AND PLANNING BILL 2015/2016
HOUSE OF LORDS – SECOND READING
JANUARY 2016

ABOUT UNISON

UNISON is a major union in the housing sector, representing 100,000 of our members working in local government and the community and voluntary sector, including private registered providers (housing associations), that provide a wide range of services including housing management, housing related social care, housing advice to private sector tenants, repair work and administrative support. This gives us a unique knowledge of the issues affecting tenants, quality service provision and people working in housing.

THE HOUSING AND PLANNING BILL

UNISON shares concerns with councils, housing organisations and campaign groups that the Housing and Planning Bill will result in fewer affordable homes, deepen the housing crisis and lead to social cleansing by forcing families into insecure, cheaper, sub-standard, private lets. We would like to see an increase in all types of housing, especially affordable social housing that the majority of people need. This would lower housing costs, cut the housing benefit bill, and really make housing more available, accessible and affordable.

This briefing sets out UNISON’s concerns about the Bill and offers suggestions for amendments to the Bill which would mitigate the impact of the Bill.

1. Social Housing in England: Right to Buy - Vacant High Value Local Authority Housing

UNISON believes that extending the Right to Buy will reduce further the social housing stock available and worsen the housing crisis.

The extension of the Right to Buy to housing association tenants will reduce further the number of existing and future social housing units at a time when there is an acute shortage of affordable social housing which is contributing to rising housing costs and increased social problems such as overcrowding, poverty and homelessness. UNISON believe that the policy proposals will undermine the financial viability of social landlords to manage and maintain existing stock and also their ability to develop genuinely affordable social housing.

Forcing councils to sell off their most valuable homes to fund the Right to Buy with no guarantee that they can keep sales receipts to reinvest in housing could lead to an unprecedented loss of council homes and the loss of adequate funding to manage housing services and jobs which will be put at risk.
UNISON would like to see amendments which remove the imposition on councils to fund the Right to Buy through the proceeds from sales receipts or an equivalent levy. This would enable councils to retain Housing Revenue self-financing freedoms introduced in 2012 to manage their stock and keep control of rental income; it would also allow councils to reinvest the receipts generated from sales in much needed affordable social housing in their local areas. Many councils have already agreed long-term housing investment plans based on future rent levels; if they are forced to sell off their most valuable stock with no guarantee that the receipts from sales can be reinvested in replacing the homes sold then councils could face a funding shortfall, which would mean fewer homes at social rates will be built.

2. Social Housing in England: High Income Social Tenants: Mandatory Rents

Pay to Stay will make social housing too expensive for some social housing tenants and may lead to increased levels of poverty, rent arrears, eviction and homelessness.

Social landlords - councils and housing associations - have a social mission to provide cheaper, good-quality affordable housing for people on moderately low incomes. This social mission is at odds with the measures in the Bill which seeks to make ‘high income’ social tenants, defined as households with a total income of more than £40,000 in London or £30,000 elsewhere, to pay rents up to market rent under the Pay to Stay measures. Research evidence from KMPG Housing suggests that those targeted to pay higher rents are already priced out of homeownership, as a first-time buyer would need to be earning at least £77,000 a year in London or £43,000 elsewhere to afford to access the property ladder. Targeting ‘higher earners’ in social housing and forcing them to pay market rent may therefore expose them to unnecessary financial hardship and poverty.

UNISON believes that this policy is divisive and damaging and that the social mission of social landlords should be retained to ensure that people on average incomes have access to affordable social housing.

The policy is estimated to affect 250,000 households per year in social housing. Many of them will be worried about rent hikes and eviction and being penalised for working hard. The policy could also disincentivise some tenants to seek to work more hours or attain a higher paid job as it could mean they would incur a higher rent. The Institute for Fiscal Studies (IFS) has warned that ‘Pay to Stay’ will increase the incentive for some ‘higher earning’ tenants to leave the sector, for example by exercising their Right to Buy, and that this would lead to a further reduction in economic diversity among social housing tenants. The measures could also force some tenants out of their social home and into insecure, poor quality, private lets.

The policy will also pose unnecessary administrative and cost burdens on social landlords – an impact assessment of the Bill shows the policy will cost the social housing sector £45m in transitional costs and £28m a year in extra administrative costs. Rather than spending money on a scheme that could lead to hundreds of thousands of those affected facing financial hardship, eviction and homelessness, the focus should be on delivering genuinely affordable homes that the majority of people can afford.

The housing affordability crisis means that many young adults, who are living with their parents longer, risk being forced out of their homes because they cannot afford market rents.
UNISON would like to see amendments that (a) abolished Pay to Stay completely or (b) that raised the threshold to £50,000 equivalent to that used for Child Benefit.

3. Lifetime tenancies

**UNISON is concerned that the Government has amended the Bill to include measures to end lifetime tenancies which will remove security of tenure for council tenants.**

The Bill includes measures that will end secure or lifetime tenancies for all new council tenants which will be replaced with 2-5 year fixed-term tenancies, after which there will be a review and tenants can be issued with another fixed-term tenancy or moved on if their circumstances have changed. Changes to the rules of success rights will also mean that only the partner of a deceased tenant and no other family member will be able to succeed to a secure tenancy, which will be converted to a five-year fixed term secure tenancy.

The majority of people live in social housing because it is often cheaper than renting privately, and for some people it is also the route to owning their own home because cheaper rents can allow them to save for a deposit for a house. Furthermore, social housing currently provides better security of housing, meaning that provided tenants take on their housing responsibilities they can stay in their home for life and create a stable and secure life. Social housing therefore provides families – particularly families with young children - with stability and security way beyond what is available in the Private Rented Sector.

Given the lack of suitable and affordable homes to rent or buy in the market, it is important that social housing should be able to retain its wider role of catering to households on low to middle incomes. Further, removing security of tenure in council housing, at a time when there is no security in the Private Rented Sector because private rental tenancies are typically six months or a year, will mean that there is no secure option for people who are unable to buy their own home. This will lead to increased homelessness - subjecting them to a lifetime of insecure renting with no hope of a stable and secure home.

**UNISON is opposed to the measures to end secure tenancies in council housing and wants to see amendments that abolished them completely.** We believe in a social housing system that provides individuals and families with a stable and secure home, which is responsive to people’s changing needs without tenants facing the threat of losing their homes or security. A key to addressing the housing crisis is improving affordability and building more social and affordable homes to meet different types of housing need and to ensure that those on low to modest incomes have access to secure, affordable and decent housing. This is important, so as to avoid the unintended consequences of tenure reform, such as disincentives to work; transient and polarised communities that only provide for the poorest and vulnerable in society; housing instability and insecurity.

4. The Private Rented Sector (PRS)

**UNISON welcomes measures in the Bill that seek to tackle the worst offending landlords (rogue landlords) and letting agents who let their tenants down by poorly managing their properties or treating tenants unfairly. However, the Bill is silent on improving conditions, supply and affordability across the Private Rented Sector (PRS).**
Decent and affordable housing is one of the biggest issues facing private renters, especially young people who are most affected by the housing crisis. Yet the Private Rented Sector is the sector which has the least regulation, the highest number of homes that do not meet the decent homes standards, where tenants face high rents, unpredictable rent rises, the most insecure tenancies, instability, extortionate letting agency fees and rogue landlords. According to UNISON’s research young people - whether in work or not - are now the largest group in the private rented sector. We believe that young people are being forced into the private rented sector due to severe lack of social housing and un-affordability of home ownership, and more needs to be done to effectively regulate the private rented sector. UNISON would like to see amendments that improve affordability and conditions in the private rented sector around:

• improving renters’ rights by ending letting agents’ fees to stop them from being able to charge a letting fee for renting out properties in addition to requiring a deposit and a month’s rent upfront;
• measures to make long-term tenancies the legal default by bringing in mandatory three-year tenancies for tenants in the PRS with flexibility, for example, to allow tenants to end their rental contract if they have to move for work
• A regulated system of rent controls to stop runaway rents, as part of wider measures, including a national register of landlords and borough-wide licensing schemes.

UNISON has worked with the Trade Union Congress (TUC) to produce a Young Workers’ Housing Charter which calls for a range of measures to strengthen tenants’ rights and improve conditions in the Private Rented Sector.

5. Starter Homes

UNISON welcomes support for first-time buyers to get onto the property ladder, but we are concerned that the Starter Homes initiative will be beyond the reach of thousands of workers and lead to the decline of real affordable housing.

Measures in the Bill will help to boost housing supply and result in the delivery of Starter Homes to help more people, especially young people, to purchase their own home. However, the price caps of up to £450,000 in London and £250,000 elsewhere in England for the Starter Homes are set too high. The Bill also seeks to widen the definition of ‘affordable housing’ to include Starter Homes, which will be prioritised above genuinely affordable homes such as social housing that it will replace, and it will result in the further decline of affordable housing. Starter Homes will only help those who are already able to buy their own home or who are on higher incomes as it will require people to be earning at least £76,000 a year in London, and £50,000 elsewhere, pricing them way beyond the reach of nurses, teaching assistants, and school cleaners.

UNISON would like to see amendments which (a) ensure that Starter Homes are affordable to the average buyer in their local area (reflecting local incomes); (b) ensure that Starter Homes are additional to the affordable housing supply, and not a replacement of it; and (c) removes the age restriction, as while the affordable housing crisis is the biggest housing challenge facing young people, it affects people of all ages.

6. Impact of Bill on affordable housing provision

UNISON is concerned that the Bill focuses on boosting homeownership at the expense of providing genuinely affordable homes that the majority of people need. Measures such as the Starter Homes for sale policy will be funded by cutting the provision of low cost social housing, and the
extension of the Right to Buy to housing association tenants will be paid for by forcing councils to sell off high value vacant council homes. The reforms will take funding away from social housing and will result in even fewer affordable rented homes for people on average incomes, deepening the housing crisis across all regions of the country.

7. Impact of measures in the Bill on the social housing workforce

UNISON is concerned that the measures in the Housing and Planning Bill, in particular the plans to extend the Right to Buy to housing association tenants, will result in fewer social rented homes and will have a negative impact on the social housing workforce.

Reforms such as Pay to Stay will result in additional administrative and cost pressures on council and housing association landlords and make it difficult for them to manage housing and deliver genuinely affordable social homes for low income households. At a time when housing budgets and social rents are being cut due to the measures in the Welfare Reform and Work Bill, the workloads of staff could increase and likely result in more difficult conditions for staff, as has been the case with previous housing and welfare reforms. With a reduced stock and reduced rental income the situation will worsen, as some associations have already scaled back their development programmes and announced job cuts in response to housing and welfare reforms. This will result in even fewer homes and services for vulnerable people.

8. Conclusion

The Housing and Planning Bill will result in fewer affordable homes and deepen the housing crisis. The measures will end the aspirations of a whole generation for decent and genuinely affordable housing. They pose a sustained attack on social housing, particularly council housing, which is in dramatic decline and represents a poor housing deal for young people, workers, ordinary families and those on low to middle incomes. As a consequence, people on low to middle incomes will find it even more difficult to access a decent home to rent or buy.

The measures do little to tackle the housing crisis, such as significantly improving the supply of affordable housing across all housing markets to meet demand. They could end the existence of social housing. This will in turn lead to increased social and housing problems as poverty, overcrowding and homelessness and the social cleansing of people out of high property value areas into insecure private renting.

MORE INFORMATION

UNISON is campaigning with the TUC for a significant increase in housing supply and for effective regulation in private rented sector. Our key priority is to campaign to defend and safeguard social housing stock for current and future generations and to protect the working conditions of the social housing workforce. UNISON housing campaign: https://www.unison.org.uk/at-work/community/key-issues/housing. For more information, please contact: Sylvia Jones, Assistant Policy Officer: s.jones@unison.co.uk.