

# 11/2016 Housing and Planning Bill: House of Lords Third Reading



28/04/16

## Key Points

- The Housing and Planning Bill passed its Third Reading, with further amendment, in the House of Lords on 27 April. The Bill will now return to the House of Commons for consideration of the amendments made by the House of Lords.
- Government amendments were carried to the rogue landlord and planning provisions of the Bill.
- A Government amendment was carried to provide for one-for-one replacement of vacant high value council housing sold outside London; Peers voted through an additional amendment requiring like-for-like replacement of social housing with social housing.
- Having already voted at Report Stage to raise the household income thresholds for Pay to Stay to £50,000 in London and £40,000 elsewhere, Peers voted to require the thresholds to be raised every 3 years in line with the Consumer Prices Index.
- Government amendments were approved to give local authorities discretion to offer tenancies longer than 5 years in circumstances to be specified in statutory guidance. These are likely to include lettings to families with school-age children, older people and those with disabilities or long-term illnesses and those who care for them.

## Progress of the Bill

Report Stage debate of the Housing and Planning Bill began on 11 April and continued on 13, 18 and 20 April, with a final session on 25 April. Third Reading took place on 27 April. The Bill will now return to the House of Commons for consideration of the amendments made by the House of Lords.

## Sale of Vacant High Value Council Housing

Chapter 2 of Part 4 of the Bill gives the Secretary of State power to levy stock-owning councils in relation to high-value vacant properties. Clause 73 (formerly Clause 72) of the Bill allows the Secretary of State to enter into an agreement with a local authority to reduce the levy by an amount that will contribute towards the provision of replacement housing. The Bill was earlier amended so that any such agreement in London should provide for two replacement homes for each one sold. At Report Stage, Lord Kerslake had proposed an amendment to require agreements with councils elsewhere in England to provide for at least one-for-one replacement, and, where councils could demonstrate that there was a need for housing for social rent, to require replacement of sold social housing with new social housing. The Minister expressed sympathy with the thrust of the amendment and offered to work with Lord Kerslake and the amendment's other sponsors on an alternative Government amendment to be introduced at Third Reading.

At Third Reading, a Government amendment to clause 73 was tabled, and agreed, providing for one-for-one replacement outside London with "affordable" housing. The amendment did not, however, provide for like-for-like replacement of social housing with social housing, and for this reason, Lord Kerslake proposed a further amendment requiring like-for-like replacement, which was carried following a Division.

The Minister repeated the commitment she had given at Report stage that regulations would be used to exclude properties in National Parks and Areas of Outstanding Natural Beauty and undertook, further, to consider exclusion of further rural properties which would be difficult to replace.

## Pay to Stay

Chapter 3 of Part 4 of the Bill includes proposals for a mandatory Pay to Stay scheme for councils and powers to help housing associations to operate voluntary schemes. At Report stage, peers voted through three significant amendments to this Chapter against Government resistance. They voted:

- To make operation of a Pay to Stay scheme discretionary for local authorities as it is for housing associations;
- To raise the household income thresholds above which a higher rent would be payable to £50,000 in London and £40,000 elsewhere;
- To limit the additional rent payable to 10% of household income above the threshold.

At Third Reading, Peers proposed further amendments. Lord Beecham proposed that the household income thresholds be increased every 3 years in line with the increase in the Consumer Prices Index (CPI). The amendment was carried after a Division.

## Phasing out of Lifetime Tenancies

Chapter 5 of Part 4, and Schedules 7 and 8, includes proposals to require councils to offer fixed term tenancies of two to five years to nearly new tenants, and to reform the law on succession to secure tenancies.

Following an undertaking given at Report Stage, the Government moved amendments to Schedule 7 to allow councils discretion to offer new tenancies up to 10 years in certain circumstances. The amendments include a power for the Government to issue statutory guidance on the exercise of this discretion, to which councils would be required to have regard. The guidance is likely to say that longer tenancies may be offered to families with school-age children, to minimize the risk that they will be forced to move school, and to households where there is someone with a disability or long-term illness, older people, and those who provide long-term care for someone in this situation. Amendments were proposed to allow local authorities to grant tenancies of up to 10 years instead of 5, to allow longer tenancies to cover the period where a child is in full-time education, and in certain circumstances where a tenant is disabled or of pensionable age. The amendments were approved.

## Other Amendments

Government amendments were also agreed to the rogue landlord and planning provisions of the Bill.