



Position Statement June 2008

# Housing and Regeneration Bill 2007

Originally published in November 2007, and currently going through its Parliamentary stages the Bill takes forwards many of the proposals outline in the Housing Green Paper (2007).

The Bill contains provisions to merge the housing investment and regeneration functions of the Housing Corporation and English Partnerships into the new Homes and Communities Agency (HCA).

The Bill also creates a new regulator of social housing, the Tenant Services Authority (TSA). The task of this new regulator will be to improve the level of service that social tenants receive and ensure that they have more choice and influence over their housing service.

The stated purpose of the bill is to:

- support the delivery of housing supply through the creation of a new homes agency
- reform social housing regulation to put tenants at the heart of social housing increase choice and drive up standards
- reform social housing to ensure that it is a modern and flexible public service;

The bill covers 2 key policy areas:

- new housing supply
- social housing regulation

The bill also includes provisions for local authority housing finance; tenant empowerment; and housing sustainability.

## **ARCH's view**

- ARCH agrees that affordable housing is a critical national priority, and that retained stock authorities have as vital a role as Arms Length Management Organisation (ALMO) authorities and Registered Social Landlords (RSLs) in providing new affordable housing for sale and rent in their areas
- we believe that retained authorities should be not overlooked in the processing of grants for

housing improvements. Under the current Housing Corporation rules ALMOs and local authority special delivery vehicles are able to apply for Housing Corporation National Affordable Housing Grants. However, the option for retained authorities to benefit from Housing Corporation funding is limited. We would like to see the new HCA working with retained councils and supporting our bids for improvement and new development

- housing quality and supply are vital to economic prosperity, and social and environmental well being. It is essential that the new Homes and Communities Agency (HCA) builds close and effective partnerships with councils and supports them in delivering local ambitions for homes and communities
- ARCH supports the Cave Review's vision that delivery to tenants should be driven by a single regulatory framework applying to councils as well as housing associations and we are calling for Government to amend the bill to enable councils to be included in the regulator's scope from the outset, rather than two years down the line
- low carbon homes and Eco towns are vital, and support the moves to reduce emissions from new build.

## **Summary of key proposals affecting retained stock authorities**

### **Homes and Communities Agency**

#### **Key Proposals**

- establishes the Homes and Communities Agency (HCA) in England – the new national housing and regeneration agency
- the HCA will merge the affordable housing investment and regeneration functions of the Housing Corporation and English Partnerships, and take over some delivery roles from Communities and Local Government.

#### **ARCH's View**

- ARCH believes that the creation of a single regulator is a positive step and we are active members of the adviser panel establishing this. In this role we have been promoting the case for retained stock and feel that it is essential that the HCA supports councils in achieving their ambitions for local communities. It should not impose its own vision on places or take over delivery from legitimate local players. The HCA should be under the same duty of co-operation as the public bodies named in the local government bill
- the HCA focus must be wider than just the delivery of housing numbers it needs to focus not just on new build but on supporting funding to the maintenance and regeneration of existing communities.

### **Tenant's Service Authority**

#### **Key Proposals**

- creates the TSA - a new, independent regulator for the social housing sector
- the TSA will take over the regulatory functions of the Housing Corporation for Registered Social Landlords but will place greater emphasis on the quality of services delivered to tenants
- over the next two years, an advisory panel is to assess how council landlords can be included in TSA.

#### **ARCH's View**

- we support the creation of the TSA and its vision in promoting better services to tenants
- we are a member of the advisory panel and are actively working with Government to have stock retained landlords included in the remit of the TSA
- we are disappointed that the Bill provisions do not cover council landlords. Including them later may risk councils being seen as a bolt-on by a body which sees its primary focus as non-council landlords
- we call on the Government to bring forward amendments to enable Cave's vision of a single regulatory framework to be delivered without further primary legislation, as we believe our tenants should have comparable rights and protections as RSL tenants
- we believe that regulation should encourage all landlords to promote social inclusion, strong neighbourhoods and wider well-being.

## **Sustainable Homes & Eco Towns**

### **Key Proposals**

- places a duty on a person selling a newly constructed residential property to give the purchaser information about the sustainability of the new property free of charge before the sale is agreed
- allows 'eco towns' - with zero or low carbon housing - to be built more quickly by modernising powers on establishing new settlements, and simplifying the ways in which the HCA delivers these projects.

### **ARCH's View**

- to ensure local co-operation and community cohesion Councils should take the lead in decision about where new eco-towns are situated
- eco-towns should include a reasonable proportion of affordable social rented housing as part of their over all housing provision
- where it is the will of the council and the residents that social housing provision should be provided by the council and not other social housing providers
- the provisions to improve energy efficiency are welcomed and supported as they will help to reduce fuel poverty
- developers need to be encouraged to utilize the timetable set out for ratcheting up standards to ensure that new technologies are mainstreamed at lowest cost and to develop efficient supply chains and economies of scale
- are concerned that given the current skills gap in the construction industry on this issue meeting the challenging target for zero carbon build will be difficult and encourages the Government to work with the house building and construction industry to develop a skills and training strategy.

## **Council Housing Finance**

### **Key Proposals**

- the bill enables certain authorities and properties to be excluded from the Housing Revenue Account (HRA) subsidy system.

### **ARCH's View**

- ARCH welcomes the opportunity that a review of the finance system gives to address the issues that are inherently wrong with the current subsidy system

- we are working with the Local Government Association (LGA) to develop a local government ask for housing finance which aims to provide for the long term, financial viability of council housing.
- we believe that retained authorities should have sufficient resources from grants, rents, borrowing and asset management to be able to manage their stock effectively and are developing detailed proposals on self-determination.

## **Tenant Empowerment**

### **Key Proposals**

- makes it easier for council tenants to set up organisations to manage their homes.
- Ministers are able to require council landlords to enter into agreements with tenant management organisations; new regulations govern council cooperation and information provision; and new time limits for resolving issues, carrying out requirements, and acting in accordance with Secretary of State Guidance or directions.

### **ARCH's view**

- simplification of the regulations should make the right to manage easier to achieve through properly constituted, accountable organisations. However, adequate resources for tenant training and ongoing support will be essential to make this a success
- whilst we support the rights of tenants to manage we strongly advocate that this right should be exercised in full consultation and cooperation with their council landlord
- we are disappointed that housing association tenants are not to be afforded the same management rights as local authority tenants. The disparity between tenants goes against the ethos of achieving consistency of outcomes and tenant experience across the board as identified by the Hills and Cave reviews commissioned by Government.
- we believe that outcomes and experience should be consistent regardless of who is managing a property. It is thus essential that Tenant Management Organisations are subject to the same regulation as any other social housing landlord or management arrangement.