



ISLINGTON

Housing and Planning Act 2016 – Expected Impacts

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The Housing and Planning Act

- Sale of High Value Empty Properties
 - Annual levy to be paid to government
 - Expectation to sell ‘highest value’ empty properties to fund this
- Tenant Tax (Pay to Stay)
 - Tenants whose household income (2 highest earners) exceeds £40k per year will pay 15p for every £1 earned over £40k
- Fixed term tenancies will be introduced for all new tenants
 - 2 – 10 year tenancies, longer for families with young children
 - End to lifetime tenancies for new tenants
- Starter Homes



What we know so far?

The Act represents some of the biggest changes to social housing since the introduction of the Right to Buy

- None of the regulation is available and much of the detail was left out of the Act
- Possibly Summer 2016 Tenant Tax, Winter 2016/17 for High Value Sales and Fixed Term Tenancies
- Expect a levy about £200m annually, forcing us to sell 300 properties
- Lettings already dropping from 1594 (1249 council, 345 housing association) in 2013/14 to 1088 in 2015/16 (883/205)
- How long will we be required to do this? – there is no end date



What we know so far?

- Tenant tax less onerous than initially planned, but those on a tight budget may be badly affected. We won't know until we start collecting data.
- Shorter tenancies may create more empty properties. Security will be reduced for new tenants, especially those without children in the household. Unclear how the review at the end of tenancies will work
- Where is the money going? Tenant Tax contributes to Benefit reductions, voids levy to fund housing association right to buy and some new homes



The impact of the bill

- Our ability to meet housing need will be severely reduced:
 - We expect to lose a third of empty properties
 - it could be a lot more as void numbers are already down
 - loss of social lets due to Housing Association Right to Buy
 - the changes may significantly affect peoples willingness to move, family may choose security over larger accommodation
- This will impede our ability to:
 - Relieve overcrowding,
 - medical moves
 - discharge our homeless duty etc.
 - Control temporary accommodation costs
- Expect more polarised and transient communities




The impact of the bill

- Savings will not automatically follow sales and we will have to make choices about the services to be delivered
- Additional demands on services and change of our relationship with residents
 - Residents will have to share their income details
 - Reissuing inappropriate accommodation
 - Moving residents through a temporary accommodation system, rather than providing long term accommodation



Other changes and pressures?

Welfare Reform and Work Act 2016:

- 1% reduction in social rents for the next four years – we had been expecting 5% increases
 - Loss of £71m over the next four years and £1.7b over the life of the Business Plan
 - Benefits Cap reduced from £26k pa to £23k in London
 - Only 1 year relief from Benefit savings for supported housing – risk to adult social care
 - No automatic right to housing benefit for 18-21 year olds and under 35s only entitled to a shared room rate (will impact upon letting 1 bed properties)
 - 4 year freeze on Local Housing Allowance (maximum Housing Benefit) rates
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Links between Health and Housing?



- It is estimated that poor housing costs the NHS £2.5m a year treating illnesses linked to living in cold, damp and dangerous homes
- Multiple housing problems increases children's risk of ill-health by up to 25% during childhood and early adulthood
- 22% of people living in areas with high proportions of social housing have long term health conditions, compared with 9% in areas with no social housing
- Prevalence of certain types of health issues are high for those living in social housing, Chronic Obstructive Pulmonary Disease (24%), asthma (15%), chronic liver disease (57%), stroke (14%), Chronic Heart Disease (10%).



Impacts on Health and Wellbeing?

- Less stability from a new council tenancy
- Greater levels of overcrowding and families living in unsuitable conditions
- Significantly reduced ability to rehouse vulnerable people, even most vulnerable such as families with autistic children above ground level
- Affects on community cohesion, tolerance? Changing balance of council estates.
- More transient temporary accommodation experiences
- Silting up of supported housing due to reduced opportunities to move on



Impacts on Health and Wellbeing?

- Affects on those needing rehousing to be discharged from hospital
- Increased housing stress for those with mental health issues
- Less supported housing – 1% rent reduction only not applied for supported housing for 1 year – will providers be able to continue with this sort of housing?
- Cuts to benefit will mean that singles under 35s will only be able to afford to live in shared situations - lodging and flat shares – likely to have a disproportionate impact on those with health needs
- Lack of settled housing could be a barrier to employment for those seeking work or working in more transient work



Impacts on Health and Wellbeing?

- Change in deprivation index? Depending on how people respond.
- Possible reduction in demands on services
- Other impacts?



Questions and comments?

