

6. Ending of Secure Tenancies (Clauses 113-114 and Schedules 7 and 8)

What the Bill does:

Replaces the indefinite secure tenancies which are normally now granted to new council tenants with tenancies of between two and five years, and sets out mechanisms for reviewing tenancies as they approach the end of their term.

Implications:

New council (not housing association tenants) will no longer be assured of the security they now have in their home (subject to paying the rent and meeting the other terms of their tenancy agreement). There are no exemptions, so even tenants who are retired, or long term sick and disabled, will face the prospect of losing their home periodically. In practice, landlords are likely to roll over tenancies, where tenants are still in the same level of need. However, the process of review and renewal will create anxiety for tenants, many of them highly vulnerable, and bureaucracy for landlords.

SHOUT's position:

- The current high level of security of tenure enjoyed by council tenants means **highly vulnerable people can feel secure in their homes, and tenants can take their lives forward knowing that they are in control of whether or not they stay in their property;**
- Ending tenancies where tenants have successfully recovered from an episode of vulnerability, or got themselves into secure employment, **disincentivises and punishes aspiration, and risks leading to council housing, more than ever, becoming a tenure occupied only by the most vulnerable,** with obvious consequences for social inclusion and community cohesion;
- at the very least, in keeping with its commitment to localism, the Government should **leave it to council landlords to decide the terms on which they offer new tenancies.**

HOUSING AND PLANNING BILL: IMPACT ASSESSMENT

Key Points:

- no quantification at all of the key central propositions associated with extending the Right to Buy: the number of housing association properties to be sold or the proceeds, the number of higher value council properties to be sold or the proceeds, or the financial implications of the commitment to replace all sold properties
- Parliament cannot therefore judge the value for money of the measures in the Bill, or the risks that they will lead to a net loss of social rented units, across the country or in particular places
- analysis on other parts of the Bill is also very partial. There are at least two demonstrably false claims (that social rents are subsidised, and that local authorities do not benefit from holding higher value housing assets)

<i>Topic</i>	<i>Comment</i>
<i>Starter Homes</i> (1.1.1-28)	<ul style="list-style-type: none"> • good analysis of steadily worsening affordability, especially for younger people • however, complete failure to quantify: <ul style="list-style-type: none"> ➤ numbers of starter homes expected to be built on general sites and brownfield sites ➤ impact on delivery of social/affordable rented housing and low cost home ownership • Ludicrous claim (1.1.27) that “Discounted Starter Homes will provide an affordable route into home ownership and affordable housing provision will continue to be supported.” People on lower to medium incomes will not be able to afford to buy Starter Homes • There is no evaluation of the relative cost/benefit of the Starter Homes proposal relative to other possible ways of improving the affordability of homes to rent or buy
<i>Housing Association Right to Buy</i> (4.1.1-8)	<ul style="list-style-type: none"> • No attempt to estimate the number of homes to be sold, over what timescale, their geographic distribution, sale proceeds or the cost of reimbursing housing associations for discounts • No estimate of administrative costs to housing associations
<i>Sale of higher value council properties</i> (4.2.1-12)	<ul style="list-style-type: none"> • No analysis of why it is automatically preferable to sell higher value assets rather than keep them on the balance sheet and use them to support borrowing • Indeed, a completely spurious claim (4.2.7) that “Local authorities are not benefitting from their high value vacant assets as money is tied up in existing housing.” • No estimate of the likely proceeds, how they will be distributed geographically, or the cost to councils of replacing units sold
<i>Reducing Regulation</i> (4.3.1)	<ul style="list-style-type: none"> • No attempt even to list the benefits and risks of the policy, let alone quantify them
<i>“High Income” social tenants (“pay to stay”)</i> (4.4.1-28)	<ul style="list-style-type: none"> • Claims (4.4.1 and 4.4.3) that social rents are subsidised. They are not • No analysis justifying the £30,000/£40,000 thresholds in relation to household earnings in different parts of the country, or the minimum wage/proposed national living wage • no estimate of the numbers of households affected by the proposals who are in receipt of tax credits and/or housing benefit, and the potential impact on housing benefit spending of raising rents for this group • no estimate of the scale of and numbers affected by the poverty trap which would result if the policy were introduced without tapers, nor of the impact on marginal withdrawal rates of tapers • Attempt (in contrast to other parts of the Bill) to estimate administrative costs, but remains to be seen whether assumptions are valid