



# AXE the HOUSING ACT

CONTROL RENTS  SECURE HOMES FOR ALL

## Campaign Briefing: The Housing and Planning Act and what it means for our communities

### ■ Introduction

The Housing and Planning Act ('the Act') was passed in outline on 12th May 2016. The government ignored the warnings of tenants, academics, faith leaders, lawyers, trade unions and many politicians that the Act is unfair and unworkable. But the Act left parliament as damaged goods. Numerous areas of uncertainty and questions of practical implementation remain. The role of local councils and landlords will be critical as the government tries to get them to do their dirty work. It's essential the campaign against the Act is built at local level with a broad alliance of opposition uniting tenants from all tenures (council, housing association and private) with trade unions, housing activists, housing workers and politicians who support our aims. Together we can make Housing policy this government's Poll Tax.

**UPDATE:** In November 2016 Government announced that:

- councils would not be compelled to impose Pay to Stay on council tenants
- the extension of Right to Buy, paid for by selling off higher value council homes, would be delayed
- councils would have more discretion over 'Starter Homes'.

These u-turns are due to pressure inside and outside parliament, led by the Axe the Housing Act campaign. But the Act, and a proposed second Housing Act 2017, remain a threat.

The detailed regulations needed to implement the current 2016 Act have still not been passed. This remains law, though not yet put into action. It has not been scrapped, only delayed or diluted.

While this Act is on the statute books, it could still be used to destroy council housing, privatise non-market homes, and to break up working class communities through social cleansing.

That's why we say 'Axe the Act'!

*January 2017*



## THE THREATS

### ● Fewer homes for genuinely affordable rent

Selling council and housing association homes, with no guarantees of like for like replacement, will significantly reduce the genuinely affordable housing for rent. The Act will therefore trap the five million people on housing waiting lists and the many more in housing need, including those in sub-standard, unaffordable private renting.

The government is using public money to subsidise private developers to build 200,000 Starter Homes for sale on new developments, meaning even fewer homes for 'social rent'. Starter Homes will be unaffordable to most, costing up to £450,000 in London, £250,000 outside and will fuel the over-heated housing market; it will become even harder for people on low or medium incomes to afford to live in our cities.

### ● Sell-off 'higher value' council homes when they become empty

Council homes defined as 'higher value' will be sold-off into the private market when they become empty, instead of providing homes for the thousands on waiting lists.

The money from sell-offs, in an equivalent 'levy', will be paid to government and used to refund Housing Associations which provide discounts for extending Right to Buy to some tenants. The government wants to destroy council housing piece by piece. Sell-offs will discourage councils from building new homes and open up estates to property speculators. Shelter estimates that 23,500 council homes a year could be lost and councils asked to pay an average of £26 million a year each to pay for Right to Buy discounts: a total cost of £4.5 billion annually. This money will be taken from cash-strapped council housing departments already cutting services, and paid to private-sector Housing Associations which currently have total surpluses of £3 billion.

### ● End lifetime secure tenancies

New council tenancies will be fixed term and time limited for 2 – 10 years (housing associations are already able to issue fixed term tenancies). The government has been forced to accept some amendments allowing 10 year tenancies in certain circumstances. For tenants moving home through a 'managed transfer', their 'new' tenancy will be at the council's discretion, and there is still uncertainty about what will happen to the tenancies of women forced to leave homes because of Domestic Violence, or other vulnerable people. The right to pass secure tenancies on to children will also be ended.

Ending secure tenancies was not in the Conservative election manifesto and was introduced through the back-door of the parliamentary process. It's a fundamental attack on the rights of council tenants, reversing legal protections won in the 1980s. The strength of council housing lies in settled, diverse, strong communities where people, whatever their income can



plan their lives, go to work and care for their families based on the stability of a secure tenancy. The government wants to end this and redefine council housing as temporary, 'emergency' shelter where social problems and inequality become concentrated as they are in the US 'projects'. They want to push future generations in to the private rented sector and destabilise council estates so they're easier to privatise.

### ● Break up council estates and turn them into 'brownfield' sites

Councils will be required to keep a 'brownfield' register of public land deemed suitable for redevelopment and able to accommodate five or more homes. Under the Act 90% of these sites should have planning permission for new house-building by 2020. This could include green and open spaces on council estates. The Act will make it easier to build new homes on these sites, but with no guarantees these will be for rent and genuinely affordable.

This is a charter for breaking-up council estates, private use of public land and over-development. Already estates around the country have experienced so called 'regeneration' projects leading to the loss of thousands of council homes replaced with more expensive, often private, housing that existing tenants and leaseholders and most people in housing need can't afford.

### ● Drive up rents with 'Pay to Stay' Tenant Tax

Council (and many housing association) tenants in households where two members have combined gross income above £31,000 (£40,000 in London) could face rent rises of 15p in the pound until rent reaches the market or 'near market' level. So with joint-income of £50,000, paying rent of £650 per month, rent will go up to £800 a month: a 15% Tenant Tax. Tenants earning more in 'high value' areas could see their rent double or treble.

The earnings threshold and calculations for rent rises/Tenant Tax will be reviewed annually. Housing Associations will implement 'Pay to Stay'/Tenant Tax on a 'voluntary' basis, but early indications are most will do so.

Money raised by Pay to Stay/Tenant Tax will be paid to the government for 'deficit reduction'. It is not





Photos: Debbie Humphry



earmarked for investment in council housing or other genuinely affordable homes.

**'Household Income'** is defined as the joint income of the two highest earners in the home who are on the tenancy agreement, including non-dependent children. Non-dependent children not on the tenancy and not one of the highest two earners will not be included. **'Sources of income'** include wages, pensions and student loans, but exclude Housing Benefit, Disability Living Allowance or Universal Credit. Tenants receiving Housing Benefit will be excluded.

Pay to Stay introduces general means testing to council and housing associations. This penalises working families and makes it harder for them to stay as tenants. Some will move out, others reduce their working hours or stop working. Some will feel compelled to exercise the Right to Buy, even if they can barely afford it. Working adult children will leave, breaking up families and forcing them into sub-standard private renting. The net effect will be less mixed, stable communities and fewer homes for rent.

Means testing is not straightforward, will provoke resistance and can end up costing more than the estimated income generated by Pay to Stay/Tenant Tax. It will stretch the already scarce resources within council housing departments. As with the Bedroom Tax, this measure is driven more by an ideological agenda than by a sound economic or social argument – it will not ease the housing crisis, it will financially penalise tenants.

### ● Deregulate Housing Associations

Housing Associations (HAs) – now officially renamed 'Private Registered Providers' – will be pushed to behave even more like private developers. Some of them already are. Under the Act HAs will find it easier to switch homes out of 'social rent' to private renting or sale.

The Act also ends the 'Consents' regime so housing associations will no longer need the Social Housing Regulator's agreement to sell off empty homes. Providers had to prove empty for-rent homes were in an irredeemably poor state or area of low demand before they sold them off. Now HAs will be able to sell and

privatise their stock on a mass scale. Already some associations are considering selling-off all their social rented housing to become wholly private landlords and developers.

The Act means HAs will lose homes through Right to Buy and shift away from their 'not for profit' origins into building for market sale and private rent, free from council and other regulation.

### ● Reduce local planning controls

The Act makes it easier for private developers to get planning permission and for the government to impose this if they don't. New housing on 'brownfield' sites will receive automatic 'Permission in Principle', and consultation on the details of such projects is significantly reduced. Key functions of local planning will also be privatised.

These changes weaken democratic accountability and are a direct threat to council estates. Although exactly what goes on the Brownfield Register has not yet been defined, the government and its corporate property advisors Savills have already described some council estates as 'brownfield' sites suitable for redevelopment and the prime minister has joined the attack, referring to 'sink estates'.

## ■ HOW WE FIGHT THE ACT

### Building a united campaign to win

**The Housing and Planning Act is a threat to all except the large landlords and developers making money from the housing crisis. Council, housing association and private tenants have a common interest in fighting the Act. So do local councils, housing associations, housing workers and trade unions. Gypsies and Travellers are also targeted by the Act, with further reductions in their housing rights. Those who are adequately housed themselves are concerned about where their children and grandchildren will live. The government wants to divide us, but we must unite to demand a decent housing future for all.**

● One of the biggest tasks is to raise awareness. So far, the government has been able to introduce its vicious changes by stealth. We demand that every council in the country follow the lead of Camden and Islington, write to tenants and all residents to inform them about the Act and invite them to a public meeting to discuss it. Councils must urge Housing Associations to do the same.

● Tenants are not willing to provide income details every year and there is nothing in current tenancy agreements to require them to. Landlords will have to vary tenancies to do this. Tenants may refuse to accept these changes. Housing workers may also be unable or unwilling to collect income data.

● Councils and Housing Associations should not administer or implement Pay to Stay. Council and Housing Association tenants must unite to boycott the Tenants Tax!

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**AXE THE HOUSING ACT** is Supported by Defend Council Housing, Radical Housing Network, Generation Rent, tenant groups, Unison, GMB, CWU, Bakers, NUT trade unions, Unite Housing Workers, London Gypsy Traveller Unit, National Bargee Travellers Association, the Green Party, John McDonnell MP, Peoples Assembly, Momentum and more

**Facebook:** [Axe the Housing Act – secure homes for all](#) **Email:** [info@axethehousingact.org.uk](mailto:info@axethehousingact.org.uk)  
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- Local councils must continue to issue permanent, Secure Tenancies.
- Councils must commit not to include any housing estate land on brownfield registers.
- Housing Associations must stop issuing fixed term tenancies and continue to issue permanent Assured Tenancies.
- The Act offers councils discretion about whether to sell off our homes. They must refuse to do so and refuse to pay the Right to Buy levy to government.
- Councils and landlords should join tenants to support mass organised resistance to the Act
- Where councils do try to sell-off empty homes, local campaigns should campaign to build mass campaigns and consider occupying them.
- Labour and other opposition parties should confirm their support for fully repealing the Act.

## ■ WHAT IT MEANS FOR YOU

### **If you're a private renter**

The Act does nothing address the two biggest problems of exorbitant rents and lack of security that mean private tenants are constantly threatened by paying even more of their income on rent or being evicted. That's why we demand rent control and secure homes for all. The Act includes some limited, but welcome, protections: 'rogue' landlords can be banned and local councils should find it easier to set up registration schemes that encourage responsible landlords. However, some of these protections already exist with little effect and depend on local councils having the staff and resources to enforce them.

### **If you're a leaseholder**

The combined effects of the Act and spending cuts will mean higher service charges because Council housing departments are being asked to do more with less. As more council homes are sold off and implementing the Act brings higher administration costs, leaseholders will be asked to foot some of the bill. There's added danger for leaseholders if your estate is ear-marked for 'regeneration'. We've already seen examples of families forced to move out, but unable to afford to move back and being offered a fraction of the value of their home as compensation. These cases will increase if the government is allowed to implement its 'brownfield sites' policy.

### **If you're a housing association tenant**

Many HA tenants are likely to be subject to the Pay to Stay/Tenants Tax in the same way as council tenants. New HA tenants can already be placed on fixed term tenancies, and this is likely to increase as HAs make decisions they think are best for their 'business', rather than for tenants and those in housing need. As on council estates, more short term tenancies will undermine communities and increase the problems associated with high-turnover of residents. Similarly, introducing Right to Buy will open HA estates up to



Photo: Debbie Humphry

more speculative private landlords and reduce the overall amount of genuinely affordable housing for future generations. The de-regulation of HAs could make tenants more vulnerable to losing their homes.

### **If you're a council tenant**

This Tory government wants to destroy council housing as we know it and reduce it to being 'the housing of last resort' as in the US. This would be a disaster not just for current tenants, but for their children and future generations who, now more than ever, need a decent, secure home at a rent they can afford. The government wants to break up council estates and allow developers more powers to make even more money from building for sale. This is also a threat to the kind of places we live in. Without council housing, those on low and medium incomes will find it increasingly hard to live and work in our cities. It's already happening and we need to fight to stop it!

### **If you're trying to find a place to live**

One thing is certain: the Housing and Planning Act will make the housing crisis worse. There will be fewer truly affordable, secure, decent quality homes available for rent so, if they can't afford to buy, more people will be forced into the unregulated private rented sector. The government dangle the dream of home-owning for all, but in reality it means those with money buying up more homes, and renting them to the rest of us. This turns back the housing clock to the early 20th century when 90% of people in the UK rented privately. We mustn't let this happen!

**THE HOUSING AND PLANNING ACT IS A THREAT TO US ALL!**