

Brave New World ... ?

The policy landscape after 2015

John Bryant

April 2016

The morning after ...



Scale of changes

- Bigger than 1988
 - Stock transfers
 - End of fair rents
 - Assured tenancies
 - Private finance
 - No more mini-HAG
- Maybe comparable with 1974

A great time to be in policy

Key policy developments

(in no particular order)

- No new funding for rented housing
- Right to Buy
- Welfare reform
- Rent cut
- Reclassification
- Pay to stay and ending lifetime tenancies
 - (mandatory for LAs only)

Right to Buy for HA tenants

- Promised in Conservative manifesto
- Voluntary offer by sector
- Discretion whether to sell ...
 - But presumption to do so
- Full compensation for market value ...
 - Sooner or later

- Size criteria now embedded
- Universal Credit grinds on
 - ... with direct payment to tenants
- LHA cap
 - Future funding for supported housing?
 - The 'regulation' of the future?
 - Constraining landlords' income streams
 - Limiting realistic options

- A solution to a welfare problem
- Other political advantages
 - Popular with tenants
 - VfM
- Devil in the detail
- Impact on sector
 - Supported housing
 - Waivers
- ... after 2020?

Reclassification by ONS: October 2015

- RPs reclassified as 'public' for accounting purposes
- Five reasons:
 1. Consent powers over disposals
 2. Powers to direct use of disposal proceeds (i.e. DPF)
 3. Enduring powers over disposals even after deregistration
 4. Consent powers over winding-up, restructuring, &c
 5. Management powers (appt of Board members, &c)

Why does reclassification matter?

- Legitimizes and validates Government interference in sector
- Makes future intrusive regulation much more likely
- Puts accumulated HA debt onto Government books
- Therefore means Treasury will (almost certainly) seek control of future borrowing

- “We will bring forward measures that seek to allow housing associations to become private sector bodies again as soon as possible.”

- DCLG

- Changes introduced into Housing and Planning Bill

- Consents regime abolished
 - Outright sale
 - Granting of leases, tenancies, &c
 - Use as security for loans
 - (including deregistered bodies)
- Extends to tenanted as well as untenanted stock
- Disposals to be notified to HCA

Other deregulatory changes

- DPF abolished
 - (but RCGF retained)
- Mergers, restructuring, &c no longer needs consent
 - But likely to be obliged to notify HCA
- Appointment powers reined back

Changes to current Gov't policy

- Pay to Stay
 - To be voluntary for HAs
 - But still compulsory for LAs
- Use of fixed-term tenancies
 - To be mandatory for LAs
 - But HAs free to use fixed-term or lifetime

Further deregulatory issues

- EU procurement
- Change of use of stock
- Deregistration
- Rent freedom?
 - Future of rents after 2020
- Regulation through the purse-strings

Where does all this leave us?

- Finding our way through unexplored territory
- Opportunities as well as threats

John Bryant
Policy Leader

020 7067 1082

john.bryant@housing.org.uk

April 2016