

## Agenda

Paper 1 – Housing Panel – March 20

Meeting                    CIPFA Housing Panel Meeting

Date                        12 March 2020

Time                        11:00 – 13:00

Venue                       Remote – Dial in

                                  Please call: 0800 376 8445  
                                  Use code: 48188207#

Chair                      Ken Lee

Members                Julie Crook  
                                  David Enticott  
                                  Bryan Lea  
                                  Lawrence Morris  
                                  David Ellis  
                                  Jayne Owen  
                                  Pascale Mezac  
                                  Hilary Vaughan  
                                  Jane Harrison  
                                  Sukvinder Kalsi  
                                  Darrell Campbell  
                                  Charles  
                                  Brotherton  
                                  Steve Partridge  
                                  Ron Potts  
                                  Mike Potts  
                                  Maria Organ  
                                  Lindsey Wishart

CIPFA                    Joanne Pitt                    Local Government Policy Manager  
                                  Milan Palmer                Policy Support Officer  
                                  David Ayre                    Property Networks Manager

Dial in                    Please call 0800 376 8445 and use code 48188207#

The Code of Conduct requires members to be honest and open with regard to conflicts of interest (either real or perceived). Members must not use their position for personal gain in either business, political or social relationships. Therefore, a member who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest, withdraw from all discussions relating to it and take no part in any vote on such matter. Members should also declare interests which would affect how other members may evaluate their contribution to the discussion; this may include a roles in other organisations or a relationship with someone contributing to the debate. In such cases it will be for the Chair to determine whether the member should withdrawal from all or part of the meeting.

	<b>Agenda item</b>	<b>Paper</b>
1	Welcome of new member, noted absences and declaration of interest	
2	Minutes of previous meeting for approval	
3	<b>Budget update</b>	<b>P2</b>
	What is in it for housing? An update to the panel following the 2020 budget	
4	<b>MHCLG &amp; Housing Advisers Programme meeting updates</b>	<b>P3</b>
	Ken Lee will provide an update from recent meetings attended on behalf of CIPFA	
5	<b>Building safety programme</b>	<b>P4</b>
	Discussion on the implications for Social Housing	
6	<b>Update from CIPFA property – Mike Potts (phone)</b>	
	News from the new Housing network, as well as additional housing products and conference feedback	
7	<b>CIPFA Climate Change strategy</b>	
	The panel are asked to discuss the impact of climate emergency declarations on housing and where CIPFA can most add value to this ambition	
8	<b>CIPFA Diversity and Inclusion – Strategic programme</b>	<b>P5</b>
9	<b>Update from the Local Government Board</b>	
10	<b>First Homes programme – Consultation</b>	
	<a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/864265/First_Homes_consultation_document.pdf</a>	
11	<b>AOB</b>	
	<ul style="list-style-type: none"> <li>Nb: to gain explicit agreement of all members for sharing of emails</li> </ul>	

**Next meetings:**

2 July 2020 11.00 – 13.00

12 November 2020 11.00 – 13.00

# Report

Paper 2 – Housing Panel – March 20

Committee	Housing Panel
Venue	Remote meeting
Date	12 March 2020
Author	Milan Palmer, Policy Support Officer
Subject	<b>Budget 2020</b>

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## **Purpose:**

This report is provided to gain an insight in to the 2020 budget and any highlights relevant to the Housing sector

## **Pre-budget stories:**

- The Residents Landlords Association (RLA) and National Landlords Association (NLA) have called on for changes to punitive tax changes, which includes the stamp duty levy on 2<sup>nd</sup> homes and changes to Section 24 mortgage interest relief – The associations are hoping changes to these tax policies will encourage longer term lets, not short term as the current tax arrangements benefit more
- RLA/NLA furthermore proposes stamp duty levy to be dropped when landlords add to the net supply of housing e.g. empty properties back in to use and/or converting commercial properties. As well as capital gains tax exemptions for landlords who sell to sitting tenants, and tax reliefs for landlord investing in improvements to energy efficiency
- The mansion tax which had been discussed, which would have applied to high-value properties has now been near certainly scrapped with Rishi Sunak recently saying it was 'highly unlikely' the measure would proceed
- The First Homes scheme is due to be launched for first-time buyers, with the plan to lower deposit and mortgage requirements by 30% for new builds only, with prioritisations for veterans and other key workers including nurses, police, firefighters
- The Royal Institute for Chartered Surveyors (RICS) have submitted their own proposals for the budget, including increased spending in sustainable, green housing stock becoming a priority for new builds, as well as VAT cuts for sustainable home improvements. Echoing the RLA/NLA, RICS have put forward a review of stamp duty
- The Northern Housing Consortium (NHC) states that current properties remain biggest polluters, with 80% of homes which will be in use by 2050 already been built. It has as such pushed for further steps forward from the social housing decarbonisation fund, with retrofitting of existing homes, a view that RICS/LGA have also echoed
- The current Affordable Homes Programme is due to end in March 2021, the National Housing Federation (NHF) have proposed that funding should be confirmed for the programme post 2021, with £12.8bn of investment in real terms over the next 10 years needed to build 145,000 affordable homes a year. Three-quarters of government housing spend is currently supporting the private sector e.g. Help to

Buy / Home Building Fund, they are of the view this is not an exorbitant number in the context of other housing investments

- Crisis have made calls for long term funding to ensure legislation such as the Homeless Reduction Act is realised to its full potential, with the NHF further echoing that a revised rough sleeping strategy should be looked with a focus on ring fenced secure funding
- The Chartered Institute of Housing (CIH) have proposed that the Local Housing Allowance rates should be returned to covering 30% of local rents
- The CIH furthermore, have asked for the bedroom tax to be abolished as they believe the initiative has now met its objective of saving the public money, while pushing households in to more precarious positions
- The NHF are urging the government to keep to its *levelling up* promises, urging at least a £1bn investment in the north to renew its towns, cities and communities, sighting the net spend on Housing services among northern councils dropping 54% since 2010/11 compared with a 35% fall across the rest of England

### **Housing Budget 2020 highlights:**

- The government announced a continuation of the Affordable Homes Programme, current funding is worth £9bn, with another £3bn added on which will be available from the start of the 2021/22 financial year, the current programme was due to end in 2021
  - The Housing Infrastructure Fund will receive £1.1bn in allocations for up to 70,000 new homes in high demand areas around the UK
  - Housing on Brownfield sites will receive a £400m fund to boost the number of homes on this land
  - Robert Jenrick to present today (12<sup>th</sup> March) updates on changes to planning rules, including: comprehensive reforms to the planning system, including consequences for authorities that fail to meet the need of their local population with greater involvement from Whitehall in these instances
  - £643m funding for rough sleeping funds. It is intended to fund 6,000 new places for permanent residence of rough sleepers.
  - 2% stamp duty surcharge to be introduced for non-UK residents from Apr 2021
  - £1bn building safety fund – to work on removing combustible and dangerous cladding on private and public housing
  - Public Works Loans Board has had its interest rates cut by one percentage point, when councils are taking out public loans to build social housing
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## **CIPFA Housing Panel, SUBJECT Housing Meetings**

### **MHCLG Local Authority Technical Working Group – 30/1/20**

This is a group of mainly housing finance people that MHCLG call together 2 to 3 times a year. The actions that flowed from the meeting are as follows:

- MHCLG agreed to clarify how new Building Safety Programme (BSP) rules could be imposed on private leaseholders;
- MHCLG agreed to look into how we could share best practice on how LAs can gather detailed information on buildings from private landlords;
- The Group agreed to share specific examples of cost pressures in the HRA as a result of remediation and new building safety regulations;
- The Group agreed that when disseminating messages about BSP announcement they would helpfully include a plea for council to update Delta (the system used by MHCLG to capture LA data), including forecast completion dates;
- The Group agreed to share examples of HAs that no longer appear to be prioritising development of supported housing/extra care;
- The Group agreed that LGA, ARCH and NFA should contact their members to ask about upcoming council housing developments that could be shared with MHCLG for possible visit opportunities by Housing Minister.

A number of useful links:

- Letter from MHCLG to LAs and HAs on [External Wall Systems](#).
- Link to the [Affordable Housing Supply data](#) that we will be using in public lines going forwards. Particularly table 1011 (filtered for LAs - attached) and the open data are the most useful. Data sources are detailed on p.12-13 of [Affordable Housing Supply statistical release](#), it uses HE & GLA data, department data and LAHS.

MHCLG were keen to ensure that all were clear about their push around building safety:

#### **Building safety update.**

- Over two years on from the Grenfell Tower fire, one of the Government's main priorities is to ensure that residents and buildings across the country are safe. Secretary of State for Housing, Communities and Local Government announced a series of new measures to help achieve this.
- The announcement included:
  - an update to the Fire Safety Order;
  - progress on establishing the Building Safety Regulator;
  - the launch of a consultation on proposals to lower the ban on combustible cladding from 18m to a new height threshold of 11m;
  - and consolidates advice on building safety for multi-story, multi-occupied buildings.
- Details of the statement can be found here [www.gov.uk/government/news/new-measures-to-improve-building-safety-standards](http://www.gov.uk/government/news/new-measures-to-improve-building-safety-standards)
- The consolidated advice can be found here <https://www.gov.uk/government/publications/building-safety-advice-for-building-owners-including-fire-doors>

### **Housing Finance Advisers Network meeting 12/02/20**

This is a larger group of Local Authority finance officers and industry bodies such as ARCH, NFA and is sponsored by the Local Government Association.

- The LGA detailed the work that they are undertaking in housing:
  - Housing advisors Programme – grants up to £50k, a range of tasks like Housing Options.
  - A series of toolkits based on learning from above – improving quality of PRS – others were suggested e.g. setting up a housing company
  - Master classes – mainly around housing policy
- All these are aimed at sharing the learning around the sector.
- ARCH/NFA/CIH research - **What's stopping councils from building more houses?** that looks at Local authority new build programmes and the lifting of the HRA borrowing caps was discussed.
- <http://www.almos.org.uk/include/getDoc.php?did=8509&fid=10108>
- Work undertaken by Savills for LGA looking at costs associated with recent government announcements, particularly around building safety and energy conservation was mentioned. It is believed that the NHF have done a similar piece of work for HAs. Both appear to suggest that some rather large figures might be involved even when the £3.8bn social housing decarbonisation fund – a November budget announcement is taken into consideration.
- The 53 weeks rent issue was due to be discussed with DWP during late February. DWP have backtracked on the bulk rents upload.
- Temporary Accommodation issues were considered with some LAs facing challenges.

### **Panel Action**

Panel members are asked to note these meetings.

## **Building Safety programme**

Date	March 2020
Author	Joanne Pitt Policy Manager
Subject	Considering the financial implications of the new Building safety regulations

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### **1. Summary**

- Government committed to delivering the biggest change in building safety for a generation
- Housing Secretary announced the new Building Safety Regulator within the Health and Safety Executive, to be established immediately
- Government set out clarified and consolidated advice for building owners, proposal to extend cladding ban, update on fire sprinklers
- Response to Phase 1 of the Grenfell Tower Public Inquiry published
- Building owners who have not taken action to make their buildings safe will be named from next month

### **2. Action**

**Considering the announcements made on 20 January by MHCLG the Panel are asked for their insight into the short term and longer term funding implications for the sector.**

### **3. Headline details on the proposals**

Housing Secretary Rt Hon Robert Jenrick MP said on January 20 2020:

The government is committed to bringing about the biggest change in building safety for a generation.

Progress on improving building safety needs to move significantly faster to ensure people are safe in their homes and building owners are held to account.

That's why today I'm announcing a major package of reforms, including establishing the Building Safety Regulator within the Health and Safety Executive to oversee the new regime and publishing consolidated guidance for building owners.

Unless swift progress is seen in the coming weeks, I will publicly name building owners where action to remediate unsafe ACM cladding has not started. There can be no more excuses for delay, I'm demanding immediate action.

## **4 The package of measures includes:**

### **4.i Building Safety Regulator**

The Health and Safety Executive (HSE) will quickly begin to establish the new regulator in shadow form immediately, ahead of it being fully established, following legislation.

It will raise building safety and performance standards, including overseeing a new, more stringent regime for higher-risk buildings.

With a strong track record of working with industry and other regulators to improve safety, they will draw on experience and the capabilities of other regulators to implement the new regime. Dame Judith Hackitt will chair a Board to oversee the transition.

#### **Chair of the Health and Safety Executive, Martin Temple said:**

"We are proud the government has asked HSE to establish the new Building Safety Regulator. HSE's vast experience of working in partnership with industry and others to improve lives will ensure people are confident the creation of the new regulator is in good hands."

### **4.ii Advice on building safety for multi-storey, multi-occupied buildings**

Recent high-rise fires, including that in a block of student flats in Bolton in November 2019, have highlighted that many building owners have still not taken sufficient measures to ensure the safety of residents in buildings at all heights.

The government appointed independent expert advisory panel (IEAP) has clarified and updated advice to building owners on actions they should take to ensure their buildings are safe, with a focus on their external wall systems, commonly referred to as cladding.

This consolidated advice simplifies the language, consolidates previous advice into one place, and – vitally – makes clear that building owners need to do more to address safety issues on residential buildings under 18 metres.

It additionally reflects the independent panel view that cladding material comprised of ACM (and other metal composites) with an unmodified polyethylene core should not be on residential buildings of any height and should be removed.

A call for evidence will also be published, seeking views on the assessment of risks within existing buildings. This important step will help to gather ideas and lead to research which will provide a firm evidence base to guide decisions for both existing buildings and future regulatory regimes.

### **4.iii Fire doors**

The consolidated advice also makes clear the actions building owners should take in relation to fire doors. The government welcomes the commitment by the Association of Composite Door Manufacturers to work with building owners to remediate their doors which failed tests. The Government will continue to monitor the situation closely to ensure that this commitment is followed through.

### **4.iv Remediation of buildings with ACM cladding**

To speed up remediation, the government will be appointing a construction expert to review remediation timescales and identify what can be done to improve pace in the private sector.



To ensure cost is not a barrier to remediation, the government is considering different options to support the remediation of buildings. We are examining options to mitigate costs for individuals or provide alternative financing routes.

#### **4.v Combustible cladding ban**

The government has also launched a consultation into the current combustible cladding ban, including proposals to lower the 18 metre height threshold to at least 11 metres.

#### **4.vi Sprinklers**

The government's consultation on sprinklers and other measures for new build flats concluded on 28 November 2019. They have proposed lowering the height threshold for sprinkler requirements in new buildings and will set out detailed proposals on how the government will deliver the technical review of fire guidance.

#### **4.vii Fire Safety Bill**

The government has also set out further details of the upcoming Fire Safety Bill being introduced to Parliament, which will set out in more detail the response to the Public Inquiry Phase 1 recommendations.

This will clarify the Regulatory Reform (Fire Safety) Order 2005 – 'the Fire Safety Order' - requiring residential building owners to fully consider and mitigate the risks of any external wall systems and front doors to individual flats. The changes will make it easier to enforce where building owners have not remediated unsafe ACM by complementing the powers under the Housing Act.