

News Update – January 2019

This update includes the following topics:

- Government publishes response to the Hackitt Review
- Homes (Fitness for Habitation) Act
- Social Housing Commission Report - Shelter
- New build Network Meeting – 20th February 2019
- 53 Week Rent Year and Universal Credit
- New in the Library

Government publishes Hackitt Implementation Plan

On 18th December the Government published '[Building a Safer Future](#)', its' implementation plan in response to the Hackitt Review of Building and Fire Safety, commissioned in the aftermath of the Grenfell Fire.

Addressing Dame Judith Hackitt's finding that the regulatory framework around the construction and maintenance of high-rise residential buildings was not fit for purpose, the implementation plan outlines a range measures to improve building safety and ensure that people living in high rise buildings are both safe and feel safe in their homes.

The Government intends to create a stronger and more effective regulatory framework and will be consulting on options for a new governance structure for overseeing and revising fire safety guidance within building regulations.

The implementation plan is focussed on working with the building industry to drive a change in culture. Those developing high rise buildings will be required to demonstrate explicitly how safety is incorporated into the design and construction. Owners of existing buildings will need to demonstrate how ongoing safety is being actively managed and there will also be more powers for regulators to intervene and pursue those who fail to comply.

Proposals include the setting up of a Joint Regulators Group to develop and pilot new regulatory approaches. The Group will bring existing regulatory bodies together along with developers, building owners and residents to develop and test new approaches and inform future legislation. There will also be a 'standards committee' to advise on construction products and system standards.

The Implementation Plan sets out proposals to consult early in 2019 on:

- Requirements for residents to be provided with critical safety information about their building
- Requirements for responsible duty holders to put in place a Resident Engagement Strategy for high risk buildings
- Clear and speedy escalation routes for residents' safety concerns.

The Government has also issued a [Call for Evidence](#), inviting views from residents and those who manage buildings on how to improve fire and structural safety (closing date 12th February 2019).

Homes (Fitness for Human Habitation) Act

12 months after the Government indicated that it would support the Private Members' Bill put forward by the Labour MP Karen Buck, the Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill received Royal Assent on 20th December 2018. The Bill passed both Houses unopposed enjoying cross-party and cross-sector support.

The Act amends the Landlord and Tenant Act 1985, extending its obligations to cover almost all landlords and to modernise the fitness for habitation test.

The Act requires that residential rented accommodation is provided and maintained in a state of fitness for human habitation and gives tenants a right to take action in the courts where a landlord fails to let and maintain a property that is fit for human habitation.

Previously private tenants were dependent on local authorities to take enforcement action where rented property failed to meet fitness standards and there was no consistency around the country in how local authorities applied these powers.

In addition, as councils cannot take enforcement action against themselves, council tenants with disrepair and unfitness issues were at a relative disadvantage if their landlord failed to address these issues.

This new legislation gives all tenants a right to take action on unfitness and disrepair in the courts.

Social Housing Commission Report – Shelter

Shelter's Social Housing Commission was set up in the aftermath of the Grenfell Fire, and in common with a number of other reviews, sought to address questions around the wider role and future of social housing.

The twelve commissioners were drawn from across the political spectrum, representing a diverse range of views and experience of the social housing sector. The commission has spent a year researching the issues and 31,000 people responded to its consultation exercise.

The Commissioners final report makes a number of recommendations including:

The development of 3.1 million social homes over a 20 year period – The report makes the case for a significant expansion social housing, redefining its role from that of a safety net and stepping stone into owner-occupation to much more mainstream provision where social housing is seen as part of the country's infra-structure, essential for wider national success and well-being.

The report uses analysis by Capital Economics to demonstrate the economic benefits making the case that the programme would pay for itself within forty years.

Enhanced tenants' rights - Proposals include a new / enhanced Regulator with greater consumer powers to protect tenants. In addition, the Commission is proposing a new national tenants' organisation to give social housing tenants a voice at national and regional level.

Download the full report ['Building for our future – a vision for social housing'](#)

Changes to Universal Credit Announced – 11th January 2019

Amber Rudd the new Secretary of State for Work and Pensions Secretary has announced an overhaul of Universal Credit admitting that the proposed system was not as ‘compassionate’ or ‘effective’ as she wanted.

Changes include:

- Plans to migrate three million existing benefit claimants to UC have been delayed. Instead just 10,000 claimants will be transferred this summer as part of a trial ‘test and learn’ approach before proceeding further.
- Plans to extend the two-child cap to families with children born before 2017 will be scrapped.
- The introduction of a facility to allow more frequent payments for new claimants.
- A new on-line system to allow direct rent payment to private landlords.
- A more flexible approach to childcare provisions.
- A commitment to ensure that household payments go directly to the main carer – following protests from women’s groups.
- Confirmation that the benefits freeze introduced in 2016 will be lifted in 2020.

[DWP Summary of Changes](#)

53 Week Rent Year

A number of CWAG members raised the issue of the 53 week year and the problems this causes both in terms of Universal Credit entitlement and achieving the 1% rent reductions that are required under the Welfare Reform Act in 2019/20.

The issue arises because most social landlords charge rent on a weekly basis with the weekly rent debited to the tenants rent account on the Monday of each week. In most years there are 52 Mondays but every six to seven years 53 Mondays fall in a financial year and this will be the case in 2019/20.

The LGA recently sent out some [guidance](#) to assist councils with immediate issues around rent setting for 2019/20. However the Universal Credit issue remains a problem as UC regulations are based around monthly payments and do not recognise 53 weeks. Without changes to the UC regulations or other financial assistance from government, affected tenants could end up with a week's arrears at the end of the financial year.

Each landlord will need to decide whether to charge the additional week and try to recover the money which is not currently covered by UC. In the meantime, CWAG will continue to work with partners in the sector to highlight this problem with both DWP and MHCLG.

New build Network Meeting – 20th February 2019

Following the scrapping of Housing Revenue Account Borrowing Caps in last year's Autumn Budget, there is an expectation from government will be that councils should now deliver the "new generation of council housing" promised by Prime Minister Theresa May.

We have therefore arranged a meeting of the ARCH/NFA/CWAG New Build Network to enable members to come together across the local authority and ALMO sector to discuss new build development issues and what further help and assistance ARCH, the NFA and CWAG may be able to provide to support members.

Speakers will include senior officials from MHCLG discussing the government's response to the recent consultation on the use of RTB Receipts and initiatives around modern methods of construction (MMC) and off-site construction. We will also hear from colleagues at CIPFA on the Prudential Borrowing Rules and the lifting of HRA Borrowing Caps and what this means for councils in practice.

The event is aimed primarily at senior officers responsible for delivery of councils' new build programme and those responsible for management of the HRA. The event may be of interest to local authority Section 151 Officers and housing finance colleagues.

The meeting will take place on 20 February 2018, 10.30am - 3.30pm at Woburn House, Tavistock Square, London.

Two free places are available to each CWAG member authority. Additional places can also be booked at a cost of £55 per head.

[Further details and booking arrangements](#)

New in the Library

[LGA Guidance – HRA Rent issues in 2019/20 arising from 53 Mondays falling in the financial year](#)

Twitter

We are on [twitter @CWAGUK](#)

If you are on twitter please follow the CWAG account