

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

HOUSING AND PLANNING BILL

Seventeenth Sitting

Thursday 10 December 2015

(Afternoon)

CONTENTS

New clauses considered.
New schedules 2, 3, 4 and 5 agreed to.
Bill, as amended, to be reported.
Written evidence reported to the House.

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IN GENERAL COMMITTEES

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The Committee consisted of the following Members:

Chairs: MR JAMES GRAY †, SIR ALAN MEALE

- | | |
|---|---|
| † Bacon, Mr Richard (<i>South Norfolk</i>) (Con) | † Lewis, Brandon (<i>Minister for Housing and Planning</i>) |
| † Blackman-Woods, Dr Roberta (<i>City of Durham</i>) (Lab) | † Morris, Grahame M. (<i>Easington</i>) (Lab) |
| † Caulfield, Maria (<i>Lewes</i>) (Con) | † Pearce, Teresa (<i>Erith and Thamesmead</i>) (Lab) |
| † Dowd, Peter (<i>Bootle</i>) (Lab) | † Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Griffiths, Andrew (<i>Burton</i>) (Con) | † Philp, Chris (<i>Croydon South</i>) (Con) |
| † Hammond, Stephen (<i>Wimbledon</i>) (Con) | † Smith, Julian (<i>Skipton and Ripon</i>) (Con) |
| † Hayes, Helen (<i>Dulwich and West Norwood</i>) (Lab) | † Thomas, Mr Gareth (<i>Harrow West</i>) (Lab/Co-op) |
| † Hollinrake, Kevin (<i>Thirsk and Malton</i>) (Con) | Glenn McKee, Katy Stout, <i>Committee Clerks</i> |
| † Jackson, Mr Stewart (<i>Peterborough</i>) (Con) | † attended the Committee |
| † Jones, Mr Marcus (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) | |
| † Kennedy, Seema (<i>South Ribble</i>) (Con) | |

Public Bill Committee

Thursday 10 December 2015

(Afternoon)

[MR JAMES GRAY *in the Chair*]

Housing and Planning Bill

2 pm

The Chair: Order. One of the doors is locked. I am advised that I ought to suspend the sitting until it has been opened and the public and others can get in.

Sitting suspended.

2.1 pm

On resuming—

The Chair: Order. When we broke for lunch, I had proposed the question that new clause 9 be read a Second time.

Dr Roberta Blackman-Woods (City of Durham) (Lab): On a point of order, Mr Gray. As you will be aware, this morning it was suggested that the proposals in new clauses 32 and 33 were at some stage being considered as policy by the last Labour Government. Over the lunch break I was able to check, and the Minister at the time, my right hon. Friend the Member for Derby South (Margaret Beckett), made it absolutely clear that the proposal for fixed-term contracts was made by the Chartered Institute of Housing as part of a consultation on a housing reform Green Paper. She stated categorically that it was not Government policy. There had been some unhelpful speculation following an inaccurate report that appeared in a national newspaper, but she made it absolutely clear that she was not sympathetic to the notion that council residents should somehow lose their security of tenure—

The Chair: Order. The hon. Lady knows well that that is not a point of order and not a matter for the Chair, but she has by that mechanism made her views known to the Committee.

New Clause 9

DUTY TO PROMOTE LENDING TO SMALL AND MEDIUM SIZED HOUSE BUILDERS

‘(1) The Secretary of State shall have a duty to promote lending by banks to small and medium sized house builders.

(2) A small or medium sized builder in subsection (1) is a builder that has fewer than 250 employees.’—(*Mr Gareth Thomas.*)

Brought up, read the First time, and Question proposed (this day), That the clause be read a Second time.

Question again proposed.

The Minister for Housing and Planning (Brandon Lewis): As you mentioned this morning, Mr Gray, this is the final day of the Committee. We have finished scrutinising the Government’s proposals for the Bill; for the rest of the day, we will focus on the propositions

from the Opposition. The hon. Member for Harrow West and others might be particularly focused on the rest of our deliberations and indeed on Parliament for the next few days, but people generally and the members of the Committee might also be thinking about and looking forward to Christmas, so I wish everyone well for Christmas.

As I said, we have completed our consideration of the Government’s proposals for the Bill at this stage, but Opposition Members keep surprising us—I suppose in the Christmas spirit—with gifts on the amendment paper. The hon. Member for Harrow West is a gift that just keeps on giving. I am of course more than happy to accept his offer of gifts and to spend the rest of our time in Committee considering the Opposition’s suggestions for the Bill, now that we are done considering the Bill as drafted. Never let it be said that we are not happy to accept and enjoy the good will of all Committee members.

The new clause tabled by the hon. Member for Harrow West would introduce a statutory duty in respect of lending to small and medium-sized house builders. I have said clearly on the record that we recognise that the lack of availability of development finance can be and has been a major barrier to smaller firms that are looking to expand and develop their building activity. Indeed, as outlined earlier, in the survey conducted by the Federation of Master Builders this year, more than 62% of respondents thought that the availability of finance was a constraint on housing supply.

I am concerned to ensure that we do all we can to help small and medium-sized house builders, because they are key to delivering the housing we need throughout the country. Nevertheless, introducing a statutory duty on the Secretary of State to promote lending by banks to small and medium-sized companies simply will not address the problem. We share the desire to see it happen, but I suspect the hon. Gentleman realises that such a duty would not work. As my hon. Friend the Member for Croydon South said, the Secretary of State has no power to force banks to lend to small businesses, so the new clause is technically unworkable. However, it may please the hon. Gentleman to know that the Government are already taking action.

In July I launched the £100 million housing growth fund, which is a partnership between the Homes and Communities Agency and Lloyds Banking Group, to help smaller builders to get access to the finance they need to build more homes and grow their businesses. In the autumn statement, the Chancellor announced further measures to support small and medium-sized builders, including a housing development fund that will provide access to £1 billion of loan finance over up to five years. The new fund brings together and expands the builders finance fund and custom build serviced plots loan fund as well, providing more flexibility for Government support in those emerging markets.

We have also created the British Business Bank for £782 million of facilitated lending and investment. That aims to unlock £10 billion of financing for smaller businesses over the next five years. The Chancellor also announced support for small and medium-sized house builders specifically through amending planning policy to promote the delivery of small schemes, some of which we have debated in the Committee in the past few weeks.

Other proposals announced in the autumn statement will halve the length of the planning guarantee for non-major developments from 26 weeks to 13 weeks, ensuring that those smaller builders are not slowed down by an unnecessarily bureaucratic and slow planning system. With those assurances on Government activity, I hope that the hon. Gentleman will withdraw his new clause.

Mr Gareth Thomas (Harrow West) (Lab/Co-op): It is lovely to have the Minister of State back in his place. We all noticed that he effortlessly passed the hospital pass of the ending of secure tenancies to the Under-Secretary of State, which was a skilful dodge—the Under-Secretary had better watch his back in the Department.

I welcome the Minister's detailing of the various measures that he and the Chancellor of the Exchequer have set out to help small and medium-sized builders. I leave him with the thought that perhaps not enough has been done yet to end the concerns of many in that part of the house building market about the shortage of finance. I welcome the steps taken, but I encourage him to keep this matter in close view. In that spirit, I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

New Clause 10

PLANNING OBLIGATIONS IN RESPECT OF APPRENTICESHIPS

'In section 106 of the Town and Country Planning Act 1990 (planning obligations), after subsection (12) insert—

“(12A) The Secretary of State may by regulations require planning obligations to include a requirement to offer apprenticeships to local people on sites where 50 or more dwellings are to be constructed.”—(*Mr Gareth Thomas.*)

Brought up, and read the First time.

Mr Thomas: I beg to move, That the clause be read a Second time.

I am delighted to move the new clause and highlight the need for more construction apprenticeships. The new clause, which for want of a better phrase is a probing new clause, suggests that in proposals for sites where 50 or more dwellings are to be constructed, there should be a guarantee that local people can be offered apprenticeships. The Minister should take that seriously.

The Federation of Master Builders highlighted the shortage of skilled workers in the construction industry, which could scupper the vision for the new affordable homes that we all want. Brian Berry, the chief executive of the FMB, said last month:

“Unless we see a massive uplift in apprenticeship training in our industry, there won't be enough pairs of hands to deliver more housing on this scale.”

I looked in detail to see where the shortages lay. According to the FMB's state of trades survey:

“In Q2 of 2015 49% of FMB members were having difficulties recruiting bricklayers and 47% carpenters and joiners.”

The FMB also said:

“Another recent FMB poll of members found that two thirds had had to turn down work because of their inability to recruit the skilled labour they need.”

A significant number of its members saw that as a “major barrier” to their ability to build more homes in the next 12 months, and a third were worried looking three years ahead.

One worries that small and medium-sized house builders will suffer most from the shortage of skilled labour. I remind the Committee of my previous comments about the decline in the number of small and medium-sized house builders over the past 25 years or more. A shortage of labour is no doubt an issue for small and medium-sized house builders. We have the problem of access to finance on the one hand, and if we add to that the shortage of skilled labour, we risk seeing even greater concentration in the house building sector.

Just before he stepped down from Parliament earlier this year, the excellent Nick Raynsford, then the Member for Greenwich and Woolwich, chaired a cross-party parliamentary inquiry into apprenticeships with the noble Lord Best. The inquiry drew attention to the 1 million 16 to 24-year-olds who are not in education, employment or training, as well as the fact that we will need an extra 182,000 construction workers by 2018. It also highlighted that just 7,280 people had completed a construction apprenticeship in 2013, and that even though there had been a rise in the number of apprenticeships in other areas, there continued to be a significant shortage in the construction industry.

Between 2008 and 2011, the Homes and Communities Agency had guidelines that required housing associations to initiate apprenticeships as they got money to build new homes, which helped to generate more than 4,000 apprenticeships in that three-year period. The guidelines were lifted in 2011, when, as the agency said in evidence to the cross-party inquiry, they were clearly beginning to make a significant difference. That is a disappointment.

Peter Dowd (Bootle) (Lab): The Royal Institution of Chartered Surveyors construction market survey says the skills shortage has reached its highest levels since the survey was launched 18 years ago. Do you see anything in the Bill or any policy that will help to address that?

The Chair: I do not, but Mr Gareth Thomas might.

Mr Thomas: Mr Gray, if you have not seen any evidence, and I certainly have not seen any evidence—

The Chair: I have not been looking for evidence. I take no view on the matter.

Mr Thomas: Very wise, Mr Gray; leave it to us and trust our judgment instead. I have not seen anything specific in the Bill that offers improvement regarding the worrying shortage of skilled construction workers. I tabled this probing new clause because it is worth raising the need for more apprenticeships, particularly in the construction sector.

Mr Richard Bacon (South Norfolk) (Con) *rose*—

Mr Thomas: I look forward, as ever, to the contribution from the hon. Member for South Norfolk.

Mr Bacon: The hon. Gentleman is, as usual, ineffably kind, but I wonder why he looks to the Bill for a solution to his problem. Were he to look at the website of the excellent Easton and Otley College in my constituency, he would see that with the opening of its modern, well equipped £3.75 million construction centres, it aims to lay the foundations for a more secure future by trebling the number of construction students. It does not have to be legislation that does it.

Mr Thomas: The hon. Gentleman is right in the sense that legislation is not the answer to everything. Although I am glad to give him the opportunity to praise a provider of apprenticeships in his constituency, I simply make the point, which I am sure he would not try to counter completely, that at the moment we do not have enough skilled workers in the construction industry in this country. All the fine words that we have exchanged over the past four weeks about how we might get more people into their own home are surely put at risk if we cannot find the people to build those homes in the first place.

2.15 pm

I gently urge the Minister to do more to champion the take-up of apprenticeships by the construction industry. There has been concern in the past that, where construction apprenticeships have been on offer, they have not been of the quality that might have tempted people into them. There has been concern on occasion that people have been too quickly moved away from sites, and that some of the specialists in the provision of apprenticeships have continued to be undercut by those who do not provide such high quality training programmes.

I am grateful to Joe Brennan of Denbury Ltd, which is based in my constituency. It has provided for many years high quality apprenticeships to local people, usually on housing association building projects, but not exclusively. I ask the Minister: what more can be done to get more people into construction apprenticeships?

Brandon Lewis: I find myself in a worrying position, because I agree with the hon. Member for Harrow West on two clauses running. I am not sure where to go from there.

One of our biggest challenges to get the homes that we want built across our country is the skills shortage. When we talk to developers and housing associations, some will talk about access to finance and some will talk about access to land and the planning system, but they will all talk about the skills challenge. Putting this matter on the record is useful, so I thank the hon. Gentleman for making the point. The industry is fantastic to work in. To be part of an industry that creates a home for people in the future is a special thing to be able to do.

Mr Stewart Jackson (Peterborough) (Con): I agree with both my hon. Friend and with the hon. Member for Harrow West. Does my hon. Friend think that registered providers—housing associations—have a vital role to play? I commend my local registered provider, Cross Keys Homes in Peterborough, that works with the Mears construction company to run an apprenticeship school. Apprentices go straight back into working for that housing association in its remedial work and new build.

Brandon Lewis: My hon. Friend makes an excellent point. I suspect many of us in Committee today can find local housing associations doing excellent work with apprentices. I have certainly found that when I have met housing associations. There are good examples in the private sector as well. At Derby College recently I met Ian Hodgkinson and his team who encourage people particularly into brickwork. We all want to see more people going into bricklaying. Fantastic work is being done, and the more we can do to promote that, the better.

Peter Dowd: At the risk of breaking into the love-in, what role does the Minister feel that immigration may have in helping to sort out the skills shortage?

Brandon Lewis: Actually, I think the hon. Gentleman does not go too far in breaking into the love-in. People should bear in mind that a lot of the building work we are getting done at the moment is thanks to some very positive work migration. That free movement of labour has been very useful to the construction industry over the past few years.

We want to make sure that the public sector plays a full part. I am proud to be a member of the Government that want to deliver 3 million apprentices in this Parliament, building on the 2 million in the previous Parliament, and we have changed Government procurement rules. The hon. Member for Harrow West talked about what could be done directly. We have changed Government procurement rules so that all relevant bids for central Government contracts worth £10 million or more and lasting more than 12 months must demonstrate a clear commitment to apprenticeships.

Mr Thomas: Might I ask the Minister, while there is a period of friendliness between us, to look at the guidelines that the HCA used to have, which encouraged housing associations to offer quality apprenticeships, and consider whether there might be scope for encouraging the HCA to bring them back?

Brandon Lewis: Worryingly, I am going to say yes. I would agree with the hon. Gentleman again. I am very happy to look at that. There is obviously a balance at the moment in working with housing associations and the HCA. We have made it clear that we want housing associations to be declassified by the Office for National Statistics, but the housing association sector is keen on the area in question, and I have been speaking to David Orr, the chief executive of the National Housing Federation, about the skills issue. We will be doing a piece of work on that, and I am happy to liaise directly with the housing associations as well as with the HCA.

More specifically on construction apprenticeships, we are supporting initiatives of the Construction Industry Training Board and those that flow from the work of the Construction Leadership Council. In addition, the CITB has developed a range of initiatives, working closely with the Department for Work and Pensions and the armed forces, through the resettlement service, and with local enterprise partnerships.

A legal requirement for all section 106 agreements on sites with 50 or more dwellings to include a requirement to offer apprenticeships to local people would not necessarily

support apprenticeships. It could be detrimental. Experience has shown us that without effective dialogue such as the work we are doing with the housing associations and indeed with people doing apprenticeships, some of the objectives that have been set out, which I know have the best intentions—I take the hon. Gentleman’s comments absolutely—can have unintended consequences and result in apprentices being unable to complete their apprenticeships.

I will briefly explain that. It is important to remember that apprenticeships are real, proper jobs, with a structured training to prescribed standards, which require a significant time investment from the employee as much as the employer. The taking on of an apprentice must fit the employer’s work patterns and skill needs. In construction, where work happens from project to project, consideration must be given to the labour skills and general skills needs for each project, and what is therefore practical and capable of delivery.

For example, smaller projects, but even projects of more than 50 homes, may not be able fully to support apprenticeships, especially as an apprentice cannot transfer between trade frameworks. It is not the length of the project but the analysis of the length of the trade activity undertaken within the project that establishes the number of apprenticeships it can support.

Also, requirements to recruit from the local area can in some circumstances be unsustainable. To pick up the point made by the hon. Member for Bootle highlighting mobility, the construction industry workforce is one of our most mobile, and many contractors operate across the country. It may not be feasible for a company based in a different area of the country to support a locally-recruited apprentice once their element of the project is completed. I want to work directly with the sector on that issue.

I hope that those assurances and my explanation will lead the hon. Gentleman to accept our determination of the matter, and to withdraw the new clause.

Mr Thomas: I am grateful to the Minister for his reply and his willingness to look at the issue of HCA guidance. A number of contractors and social landlords told the inquiry to which I referred that the framework had worked well, and I gently suggest that that might be another reason for looking at the matter again.

I welcome the Minister’s personal commitment to the area in question. As a last point, I would urge him to consider the point that he ended on—the quality of construction apprenticeships. I worry that, in the past, some apprenticeships on offer have not been of high quality, which might have been a factor in putting some people off going into the construction industry. However, given the Minister’s helpful remarks, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 12

TENANTS’ RIGHTS TO NEW MANAGEMENT IN PROPERTY SOLD UNDER LSVT

“(1) This section applies to housing which—

- (a) was previously owned by a local authority;
- (b) was part of a large scale voluntary transfer falling within the definition of section 32(4AB) of the Housing Act 1985; and
- (c) the disposal of which was subject to the consent of the Secretary of State under section 32 of the 1985 Act.

(2) Where the transfer took place more than five years before this section comes into operation the current owner of the transferred housing shall consult the current tenants on their satisfaction with the management of that property.

(3) Where the transfer took place less than five years after this section comes into operation the current owner of the transferred housing shall not more than every five years consult the current tenants on their satisfaction with the management of that property.

(4) If more than 50% of tenants responding to the consultation under subsections (2) or (3) are dissatisfied with the management of the property, the owner of the housing must carry out a competitive tender for the management of the property and report the outcome to the tenants.”—(*Dr Blackman-Woods.*)

Brought up, and read the First time.

Dr Blackman-Woods: I beg to move, That the clause be read a Second time.

The new clause is intended to ensure that tenants will be consulted about their satisfaction with management arrangements for their properties and tenancies where there has been a large-scale voluntary transfer. If, after five years, more than 50% of tenants are not happy with the arrangements, it provides for a competitive tendering exercise. This is largely a probing amendment to check whether the Government think it important to gauge tenant satisfaction with the LSVT arrangements, and to provide a mechanism to change them if tenants are not happy.

Brandon Lewis: Local authority stock transfer can take place only if the majority of the tenants vote in a ballot, as required by statute. Indeed, the Secretary of State’s consent to the transfer can be given only after he is satisfied of two things: first, that the local authority’s consultation exercise has been adequate; and, secondly, that the majority of tenants voting are in favour of transfer. Furthermore, the Secretary of State will ensure that the acquiring landlord is registered with the regulator, so that he can be satisfied that the organisation is viable and will look after the stock in the long term, to the benefit of the tenants.

Although there are no powers currently available to tenants to sack or fire their housing association, the rights of housing association tenants, including ex-council tenants, are protected through a range of mechanisms. The Localism Act 2011 placed the power to scrutinise landlords’ performance and hold them to account back into the hands of tenants and their elected representatives. That can include referring complaints to the housing ombudsman if issues have not been resolved locally. Many tenant panels already play a key role in scrutinising landlords’ performance, challenging poor service and holding landlords of all types to account for delivery and value for money. The regulator’s tenant involvement and empowering standard requires landlords to offer tenants a wide range of opportunities to play that bigger role locally, including by forming tenant panels.

The regulator does not have powers to mediate or resolve individual cases, but it can and will investigate where there is evidence of serious detriment. The regulator also has the power to institute a statutory inquiry if necessary. Where a merger is proposed, housing associations are already required to consult with all stakeholders. I appreciate, as the hon. Member for City of Durham said, that this is a probing amendment. Hopefully she will accept and acknowledge that it is not necessary, as

[Brandon Lewis]

current tenants already have a number of sufficient and wide-ranging instruments enabling them to scrutinise their landlords and hold them to account, and rightly so, in addition to the HCA's regulatory standards.

Furthermore, the proposed amendment will affect only some tenants in England: namely, ex-council tenants transferred to new housing association landlords. It does not make sense for that whole group to be treated differently from other housing association tenants. I appreciate that this is a probing amendment, and I hope she will feel able to withdraw it.

Dr Blackman-Woods: I have heard what the Minister has said. It is a particular concern of my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick), who was keen to have something on the record about the need for some trigger mechanism in place for tenants unhappy with LSVT arrangements. I have heard what the Minister has said. Perhaps we will come back at a later stage to reconsider the issue. I beg to ask leave to withdraw the new clause.

Clause, by leave, withdrawn.

New Clause 13

CONVERSION OF LEASEHOLD TO COMMONHOLD FOR INTERDEPENDENT PROPERTIES

“(1) On 1 January 2020 long leases of residential property in interdependent properties shall cease to be land tenure capable of conveyance.

(2) On 1 January 2020 long leases as set out in subsection (1) shall become commonholds to which Part 1 of the Commonhold and Leasehold Reform Act 2002 (‘the 2002 Act’) shall apply, subject to the modifications set out in this section.

(3) Leaseholders, freeholders and those with an interest in an interdependent property are required to facilitate the transfer to commonhold, in particular they shall:

- (a) by 1 January 2018 draw-up an agreed plan for the transfer;
- (b) by 1 October 2018 value any interests to be extinguished by the transfer where the interest is held by a person who after transfer will not be a unit-holder; and
- (c) by 1 January 2019 draw up a commonhold community statement for the purposes of—
 - (i) defining the extent of each commonhold unit;
 - (ii) defining the extent of the common parts and their respective uses;
 - (iii) defining the percentage contributions that each unit will contribute to the running costs of the building;
 - (iv) defining the voting rights of the members of the commonhold association; and
 - (v) specifying the rights and duties of the commonhold association, the unit-holders and their tenants.

(4) In any case where the parties at subsection (3) cannot or refuse to agree arrangements to facilitate the transfer any of the parties can make an application to the First-tier Tribunal (Property Chamber) for a determination of the matter.

(5) Section 3 [Consent] of the 2002 Act shall cease to have effect on 1 January 2017.

(6) In subsection (1) ‘long lease’ means—

- (a) a lease granted for a term certain exceeding 21 years, whether or not it is (or may become) terminable before the end of that term by notice given by the tenant or by re-entry or forfeiture; or

- (b) a lease for a term fixed by law under a grant with a covenant or obligation for perpetual renewal, other than a lease by sub-demise from one which is not a long lease.”—(Dr Blackman-Woods.)

This New Clause would end the tenure of residential leasehold by 1 January 2020 by converting residential leases into commonhold.

Brought up, and read the First time.

Dr Blackman-Woods: I beg to move, That the clause be read a Second time.

I will be extremely brief. New clause 13 seeks greater clarity on how the use of commonhold and leasehold tenancies are mentioned and dealt with in practice by the Department. I would be grateful to hear the Minister's comments on how the current situation can be improved.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr Marcus Jones):

New clause 13 seeks to replace long residential leasehold with commonhold. As hon. Members know, leasehold is a long-established way of owning property, supported by a framework of rights and protections that aims to deliver the appropriate balance between providing leaseholders with the rights and protections that they need and recognising the legitimate interest of landlords.

Commonhold is subject to a different statutory framework of rights and protections. It has its benefits, but there are important differences between commonhold and leasehold. That is partly why commonhold is and was intended to be a voluntary alternative to long leasehold ownership—a choice. There are no plans to abolish residential leasehold.

2.30 pm

Abolishing leasehold and forcing leaseholders into commonhold may seem attractive to some, but would that be the right thing to do in all circumstances? The Government believe that it would not. Removing choice in this instance and, with it, the rights and protections currently afforded to leasehold homeowners and at the same time forcing existing leaseholders to become commonholders against their will would not be desired by all. Considerable care needs to be taken before embarking on legislation that would force existing leaseholders and landlords to transfer to the commonhold model, which would not in all cases be appropriate. Commonhold should remain a voluntary alternative to long leasehold ownership.

On that basis, I hope that the hon. Lady will, as she says, withdraw the motion.

Dr Blackman-Woods: With this probing new clause, we were seeking greater clarity. Some of that clarity has been provided by the Minister this afternoon. On that basis, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 21

PLANNING OBLIGATIONS: LOCAL FIRST-TIME BUYERS

“After section 106 of the Town and Country Planning Act 1990 (planning obligations) insert—

‘106ZA Planning obligations in respect of local first-time buyers

(1) When granting planning permission under 70(1)(a), or permission in principle under 70(1A)(a), for the construction of new dwellings for sale, the local planning authority may require that a proportion of the dwellings are marketed exclusively to local first-time buyers for a specified period.

(2) The “specified period” in subsection (1) must start no earlier than six months before the new dwellings have achieved, or are likely to, practical completion.

(3) “First-time buyer” in subsection (1) has the meaning given by section 57AA(2) of the Finance Act 2003.

(4) The Secretary of State may by regulations—

- (a) define the “specified period” in subsection (1);
- (b) define “local” in subsection (1), and
- (c) the definition “local” may vary according to specified circumstances.

(5) The regulations in subsection (4) so far as they apply to local planning authorities in Greater London will not apply to these authorities unless the Secretary of State has consulted and received the consent of the Greater London Authority.”—
(*Dr Blackman-Woods.*)

This amendment would empower local planning authorities to impose a planning obligation when giving planning permission for the construction of new housing for sale requiring that a proportion of the housing is marketed exclusively to local first-time buyers.

Brought up, and read the First time.

Dr Blackman-Woods: I beg to move, That the clause be read a Second time.

The new clause would apply to all new homes for sale given planning permission by local authorities, as well as those given permission in principle, under provisions in the Housing and Planning Bill. The new clause would give local authorities the power to require a proportion of new homes for sale to be marketed exclusively to local first-time buyers for a specified period. Local authorities could make a judgment call about what proportion was reasonable. The new clause would allow the Secretary of State or, in Greater London, the Mayor of London, to make reasonable definitions of the time period for exclusive local marketing and to make definitions of what “local” means.

Chris Philp (Croydon South) (Con): I entirely agree with the hon. Lady’s desire to encourage first-time buyers. Does she not agree, though, that the starter home provisions that we agreed some weeks ago will go a very long way towards doing that?

Dr Blackman-Woods: What the new clause is designed to do, which I think the hon. Gentleman has probably realised—I am not totally sure—is to ensure that where new homes are available, they go to local people. There would be a period of time during which they were marketed to local people. This is particularly a London issue, and I will go on to talk about why it is so critical in London.

In many parts of the country, local first-time buyers compete for new homes with second-home buyers and buy-to-let investors. There is wide concern that the problem affecting first-time buyers is growing and that something needs to be done. The director of research at Countrywide was reported in the *Daily Express* as saying that

“landlords and first-time buyers are now in direct competition because they tend to look for homes that are smaller and cheaper than average.”

The trend has been confirmed by the mortgage search tracker from Mortgage Advice Bureau, whose data in November showed that the number of buy-to-let landlords searching for mortgages on cheaper properties was up 17% on the same quarter last year.

The property website Rightmove was reported in *The Guardian* in October as saying:

“First-time buyers are facing asking prices almost 10% higher than a year ago because of demand from buy-to-let investors”.

In February 2015, the rural housing policy review, chaired by Lord Richard Best and sponsored by Hastoe housing association, recommended that, in areas of high second-home ownership, the Government should require

“a proportion of new...homes granted planning permission...to be with the condition that they can only be used as principal residences.”

There are, as we know, particular impacts in London from the non-availability of homes for first-time buyers. In London, the problem of first-time buyers being squeezed out is particularly acute, with high proportions of new homes sold to investors, including off-plan overseas investors.

Mr Jackson: The hon. Lady will know that the Chancellor of the Exchequer made some fiscal changes in the autumn statement that specifically focused on the difficulties encountered by first-time buyers in London vis-à-vis buy-to-let landlords. I just wonder—I may have missed something—why the new clause does not apply just to London. Is she saying that the problem is nationwide?

Dr Blackman-Woods: I am saying that the problem is particularly acute in London, but housing stress and difficulty getting on the housing ladder not only affect people in London. It happens in a lot of our cities, and it happens in rural areas, too. There is a particularly acute situation in London, which I will talk about in a moment or two.

Matthew Pennycook (Greenwich and Woolwich) (Lab): I thought I would give my hon. Friend a useful illustration from my constituency. Overseas buyers regularly turn up at City airport, get the docklands light railway over to Greenwich and buy off-plan—not buy to let but off-plan, and sometimes in cash—just to hold the property as an asset, rather than seeking to rent it out.

Dr Blackman-Woods: I am very grateful to my hon. Friend for that extremely helpful intervention highlighting some of the difficulties in London, which enables me to respond further to the intervention of the hon. Member for Peterborough. The autumn statement included some measures that might affect buy to let. We do not know what the full outcome of those measures will be, but they do not address the issue of overseas investors buying up properties to keep them empty.

Mr Jackson: Taking on board the comments of the hon. Member for Greenwich and Woolwich, surely the issue is wider than that. It is about tax changes and fiscal policy for overseas buyers, rather than adding

[Mr Jackson]

quite a prescriptive new clause to the Bill in respect of first-time buyers. There is a difference between those who are purchasing properties from overseas and those who are seeking to become first-time buyers.

The Chair: Order. We are straying slightly wide of the new clause. In the context of planning obligations for first-time buyers, I call Roberta Blackman-Woods.

Dr Blackman-Woods: I was going to say to the hon. Member for Peterborough that I would be ruled out of order if I went too far down the fiscal route. The new clause primarily seeks to probe the Minister on what more can be done to ensure that first-time buyers are not priced out of the housing market and to ensure that their needs are considered in order to encourage them into the housing market.

Research by Molior London Ltd for the British Property Federation shows that, in 2013, 61% of new homes in London went to investors and 49% of all new homes in central London were bought by overseas buyers. Londoners are competing with wealthy buyers who are being actively targeted across the world. Housing stock is being sold so many years in advance of being built that cash buyers are favoured over those buying with a mortgage, and a number of us have seen examples in the press of that happening throughout the capital. Councils are powerless to prevent it from happening, even though the phenomenon is widespread and growing. For example, when someone clicks on the “enquire” tab of the website for the new 624-apartment Warden development on the Isle of Dogs, they are asked to choose their location from London, Kuala Lumpur, Singapore, Hong Kong, Qatar, Abu Dhabi and Dubai. The scheme is not due for completion until 2019.

In 2014, the Mayor of London announced a mayoral concordat that would commit signatories to marketing new homes to Londoners first or first equal, yet that has failed to offer Londoners any meaningful first choice. Even if homes are technically available to Londoners on a first equal basis, the homes are being marketed across the world many years ahead of being completed. By ensuring that the period of exclusive marketing to local first-time buyers starts no earlier than six months before completion, the new clause would ensure that a proportion of new homes for first-time buyers are held back to be sold as they near completion, which would help people who are trying to buy with a mortgage.

As the Minister will know, the new clause seeks to address the horrible reality, faced by many people in London and other cities, of being priced out of the housing market because of overseas buyers coming in and snapping up the properties. If the Minister does not think that the new clause provides the way forward, it will be interesting to hear what he thinks will tackle the problem.

Brandon Lewis: We clearly need a radical shift in how housing markets support young first-time buyers, otherwise we will condemn a whole generation to further uncertainty and insecurity. On the hon. Lady’s point about buy to let and overseas investment, which my hon. Friend the Member for Peterborough touched on, there are two things we need to bear in mind.

First, we need to be cautious about always falling into the trap of attacking overseas investment, because we have to remember that, during the economic crash of 2008, a great deal of building in this country, in London in particular, would not have happened had it not been for overseas money. Projects such as Battersea would not be going ahead where no English money was bidding to come forward. There is a part for overseas investment to play.

Secondly, it is also right to do what we can to deliver the homes that we need for young people in this country. That is why we saw the changes in the Budget this year to the tax relief for buy to lets, as well as the changes announced in the autumn statement only a few weeks ago, which made a substantial statement about where the Government are going and about our determination to deliver for people who want to buy their own home. I am therefore pleased that the Government have already made tremendous strides making mortgage lending available again to first-time buyers through the Help to Buy scheme. The number of first-time buyers has now increased by 68% since 2010.

I also recognise, however, the point made very well by the hon. Member for City of Durham: more needs to be done. We have to be clear and honest with ourselves that young people are struggling to buy their first home as house prices have continued to increase. Over the past 20 years, the proportion of under-40s who own their own home has been on a downward trend, so I fully understand and endorse the underlying policy objective of the new clause.

I believe, however, that promoting starter homes, as part 1 of the Bill does, is a much better way of achieving that objective. Not only will developers be required to build a proportion of starter homes on all suitable, reasonably sized sites in future, but those starter homes will be at least 20% cheaper than the going market price. That will give more prospective first-time buyers the opportunity to buy an affordable home of their own, especially if linked with Help to Buy and the 5% deposit, which the new clause would not necessarily achieve.

That is why we want 200,000 new starter homes built over the Parliament, with a minimum of a 20% discount. The Bill sets the framework for delivering our commitment. In November we debated in Committee the starter homes clauses extensively and the new clause would not add further value given the reforms we are putting in place. With that assurance, I hope the hon. Lady will withdraw the new clause.

Dr Blackman-Woods: I want to make it clear that, in moving the motion, we were not in any way suggesting that we were against a degree of overseas investment. The new clause is clear that the provisions would relate to a proportion of the dwellings that are marketed. It was simply intended to allow local people to have a way in to some of the new developments and to ensure that the new homes were not totally unavailable to them because they had all been bought up by overseas investors.

I have heard the Minister’s comments, however, and I think the Government are seeking to find a way of addressing the issue. We will mull over his comments and decide whether to investigate things at a later stage. I therefore beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 22

SECURITY OF TENURE

‘After section 19A of the Housing Act 1988 insert—

‘(1) Any assured shorthold tenancy (other than one where the landlord is a private registered provider of social housing) granted on or after April 1, 2018 must be for a fixed term of at least thirty six months. It is an implied term of such a tenancy that the tenant may terminate the tenancy by giving two months’ written notice to the landlord.’

(2) In section 21 Housing Act 1988 insert—

‘(4ZA) In the case of a dwelling-house in England no notice under subsection (4) may be given for thirty six months after the beginning of the tenancy.’—(*Teresa Pearce.*)

This amendment would prevent private sector landlords from using the ‘notice only’ grounds for possession for the first three years of a tenancy, without affecting the rights of tenants to give notice and leave the tenancy early.

Brought up, and read the First time.

Teresa Pearce (Erith and Thamesmead) (Lab): I beg to move, That the clause be read a Second time.

The new clause would have the effect of making longer-term tenancy much more common. Landlords and tenants would both have stability, but with the ability to terminate contracts early with proper notice, if they have to, just as they can now.

The private rented sector is an important and growing part of the housing sector. The number of people living in the private rented sector has increased by 2.5 million since 2010. Now, 1.5 million families with children are renting from a private landlord and could be evicted with as little as two months’ notice. Some 9 million people now rent privately. Almost half of those who rent are over 35. Many of them want the same security and stability that they would have if they owned their own home but the rules on private renting have not caught up with the way people live now.

2.45 pm

Historically, private renting was mainly for students or was temporary. For example, if someone moved house from one place to another, they might rent temporarily for six months. Now, families live in the private rented sector. Private rents have risen massively—by more than 20% since 2010. While costs rise in the private sector, insecurity also rises. Assured shorthold tenancies have quickly become the most common type of tenancy, accounting for the majority of all private rental agreements, yet those tenancies have only provided security of tenure for less than 12 months.

Privately renting households, including many families with children, are moving between properties with much greater regularity now than 20 years ago. That clearly suits some people. Many private renters are young and move between properties for job-related reasons. At the other end of the sector, many struggle on low incomes, under further pressure from increasing rents and with the uncertainty of insecure tenancies looming on the horizon.

Most landlords seek good tenants and want them to stay for a long time. They want to build up a relationship with tenants who pay their rent on time and treat the property respectfully as their home. Most tenants seek a place with security in their tenancy, where they can plan for the future and build a home, but the current legislation

leaves tenants with permanent uncertainty over their future and an inability to commit to a property and to a local community.

Insecurity manifests itself by restricting tenants. They might feel unable to commit to work or other opportunities for fear of the looming end of their tenancy. They might feel unable to start a family, worrying about the insecurity the future may bring. Insecurity might mean that tenants refrain from spending money on the property to redecorate, if allowed, and to make it a home for fear or losing out if forced to move on within the year.

Kevin Hollinrake (Thirsk and Malton) (Con): I am very supportive of the principle of longer tenancies, but should that not be the option of the landlord as well? Has the hon. Lady considered the impact on landlords and on supply in the private rented sector if conditions on landlords are made too onerous? Does she understand that that might restrict supply and mean that properties are not there to rent in the first place?

Teresa Pearce: I recall in an earlier debate on rogue landlords that we also said that there were rogue tenants. There needs to be security on both sides. Later, I will come to the fact that the Residential Landlords Association supports the measure. It needs to be done sensibly, but I take the hon. Gentleman’s point.

Kevin Hollinrake: The RLA supports this measure—a minimum of three years on a tenancy agreement? The hon. Lady must give us more details.

Teresa Pearce: I will, later in my speech. The RLA supports the Government looking into the ability to have longer tenancies as a more normal structure. It is particularly bothered about the situation where a landlord has a leasehold property bought from a local authority freeholder, and the local authority will not allow that landlord to let for longer than a year. The association just wants a discussion about that sort of thing, which is why I am bringing the matter to the Committee today.

Kevin Hollinrake: I am aware of its proposals in that regard, but that is optional, not compulsory. The new clause would make it compulsory for a landlord to give a three-year agreement. I do not know any landlord association that would support that.

Teresa Pearce: This is a probing amendment to see what we agree on. I am glad that you do think that longer tenancies—

The Chair: I don’t think that—the hon. Member for Thirsk and Malton does.

Teresa Pearce: I note that the hon. Gentleman does think that longer tenancies can be a good thing. The purpose of the amendment is to have that debate and to understand the Government’s direction of travel—possibly with longer tenancies in the future. I completely accept what you say.

The Chair: No, you completely accept what he says.

Teresa Pearce: I completely accept what the hon. Gentleman says.

Insecurity in housing affects not only individuals—tenants or landlords—but our whole society. There is a small school in my area that is in a fairly settled part of my constituency, and yet staff there told me that they had a whole class of pupils—30 pupils—that had churned in and out since September. It really affects the way that teachers can make progress with a class when there are new children coming in and out all the time, and the staff put that churn down to the private rented sector.

There is also a doctors' surgery in my constituency that has 14,000 patients, and every year 4,000 of those patients move on and move to a different practice. A third of patients coming and going makes it nigh-on impossible for the doctors to deal with long-term health issues. They cannot run campaigns on diabetes, obesity or smoking with any success, because a third of their patients are constantly churning in and out. Many of the patients are living in bad conditions with mould and damp, and suffering from asthma, which puts more pressure on GP services.

Also, more secure tenancies and housing will allow families to become more settled, which I believe would help the local economy. Many employers, small and large, that I go to see tell me that they have a problem with recruitment, and it is because of the insecurity in the housing sector.

New clause 22 is designed to encourage longer-term tenancies and to make them much more common, so that both landlords and tenants have more stability. It is important to note that that should not penalise responsible landlords who may need to evict tenants, perhaps because their own financial position has changed or perhaps because they are unhappy with the way the tenant is treating the property. These are legitimate circumstances in which landlords should still be able to evict tenants by providing proper notice.

Measures to increase long-term tenancies are supported not only by me personally but across the industry. In particular, I will highlight some of the written evidence that the Residential Landlords Association gave to the Committee. The RLA wrote:

“We believe that reforms are needed to encourage a culture of long termism within the private rented sector which would play a significant part in stabilising rents for tenants.”

It also wrote:

“Too often letting agents base their business models on short term tenancies, charging fees (and thereby increasing rents) when they are renewed.”

It continued:

“The evidence shows that where tenants stay in their properties for longer periods, landlords are reluctant to increase rents, at least beyond inflation...Landlords often want to offer longer tenancies...Many landlords are prevented from voluntarily providing for tenancies longer than a year by mortgage lenders and the owners of blocks of flats”,

including the freehold owners of blocks of flats. Those were the words of the RLA.

I raised this issue in the most recent Department for Communities and Local Government oral questions with the Minister, and I hope that I might hear more today about what conversations are being had with mortgage providers. I know that the Nationwide now does not have a clause in buy-to-let mortgages whereby

it will not allow lettings for longer than a year. However, other lenders have not been as enlightened, so I would be interested to know whether Ministers have had any discussions with the Treasury regarding this issue.

Finally, it is worth noting that many other countries already have longer-term tenancies. I accept that in some other countries in Europe there is not the same attitude towards home ownership that we have in this country, and that renting is a much more normal way of life there. However, in countries such as Germany, Switzerland and Belgium, long-term contracts and more flexibility give tenants the chance to plan for the future. In Germany, leases are usually signed for an unlimited period of time, and in France, where one in five people rent, longer leases are always available.

I am sure that Members from all parties have been contacted in the past by tenants who are struggling because they cannot find stable housing. I think we all agree that we want stability in housing, and longer-term tenancies could be a way of securing that stability. So we hope that we find some common ground with the Minister, and I am very interested to hear the Government thinking regarding longer tenancies becoming more of a norm than they are at the moment.

Mr Jones: Let me make it clear that this Government are committed to building a bigger and better private rented sector, which provides security and stability. We have taken action to support the supply and quality of private rented accommodation by resisting unnecessary and unhelpful regulation, while cracking down on the worst practices of some rogue landlords. Our model tenancy agreement, which was introduced in September 2014, promotes longer tenancies for landlords and tenants who vote to sign up to them.

However, there is no one-size-fits-all approach to tenancy length. Many landlords are looking to rent out a property for the longer term, but there will be some for whom letting a property is a short-term plan and who need the property back at some point, perhaps even for their own family to live in. Although I understand the spirit in which the amendment has been tabled, I think it would be counter-productive and would overburden the market with restrictive red tape, stifling investment and the supply of rented housing at a time when we most need to encourage it. That would not help tenants or landlords.

Peter Dowd: I can accept the assertion that the Minister is making, but actually, all the evidence from continental Europe points in the opposite direction. Investment is not stifled—quite the opposite. Secure tenancies often give the security to people investing in them, so the evidence continentally does not indicate that.

Mr Jones: The hon. Gentleman gives me a very good opportunity to segue into explaining that before assured shorthold tenancies were introduced by the Housing Act 1988, the private rental market was in severe decline. Lifetime tenancies and regulated rents meant that being a landlord was simply not commercially viable for many property owners. Since 1988, however, the private rented sector has grown steadily, increasing from just over 9% of the market in 1988 to 19% today. Landlords, and in many cases tenants, welcome the flexibility of the current assured shorthold tenancy regime, which does

not lock the parties into long-term commitments and promotes mobility. Without the certainty that landlords can seek repossession when required, many, I am sure, would be reluctant to let their properties. I believe that the current framework strikes the right balance between the rights of landlords and tenants. With those points in mind, I hope that the hon. Lady will withdraw her amendment.

Teresa Pearce: I am interested in what the Minister said, but he has not responded to the point about the artificial barriers to some landlords, who want the choice to have either a short let or a longer let, but who are restricted by the freeholder—often the local authority—or the mortgage lender. Perhaps he would like to answer that or write to me about it at some future point.

Mr Jones: I will certainly undertake to write to the hon. Lady on that, but I also say that in reality, figures show that the length of time that somebody takes a tenancy from a landlord is, on average, three and a half years.

Teresa Pearce: That is not the case in my constituency, I assure him; that is very rare.

I believe that longer tenancies are a very good idea. It is interesting that in the heated debate we had this morning, tenancies of two to five years were meant to be the right thing for social tenants, but for private rented tenants, there is resistance to it. However, given that the Minister is going to write to me regarding the particular issue I am concerned about, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 24

LOCAL AUTHORITIES AND DEVELOPMENT CONTROL SERVICES

“(1) A local planning authority may set a charging regime in relation to their development control services to allow for the cost of providing the development control service to be recouped.

(2) Such a charging regime will be subject to statutory consultation.”—(*Helen Hayes.*)

Brought up, and read the First time.

Helen Hayes (Dulwich and West Norwood) (Lab): I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss new clause 31—*Local authority planning fees cost recovery schemes*—

“Local authorities shall be given powers to operate full cost recovery schemes with regard to fee levels relating to planning applications”.

This amendment would allow local authorities to develop a planning fees schedule that would enable the full costs of processing planning applications to be recovered.

Helen Hayes: Since 2010, spending on planning by local authorities has almost halved, from £2.2 billion in 2010 to £1.2 billion this year—a decline second only to that in spending on cultural services. In previous sittings of the Committee, Government Members have dismissed the situation as simply being down to the choices of

local authorities, but in reality, many councils have faced a Hobson’s choice. The extent of cuts to local authority budgets has been so great over the past five years that councils have had to cut across all areas of expenditure, and most have made the entirely rational and appropriate choice, when pressed, to protect where they can the services on which the most vulnerable residents rely—adult social services and children’s services. That has resulted in a situation where areas such as planning and cultural services have taken a disproportionate level of the cuts.

3 pm

No one’s life is put in jeopardy as a consequence of planning cuts, unlike in areas such as adult social care or children’s services. The consequences of poor-quality or untimely planning decisions are felt by communities many years down the line, so it is important that planning services are resourced, but that resourcing should absolutely not be at the expense of services on which our most vulnerable residents rely.

We heard from the Royal Town Planning Institute in oral evidence that it believes councils should be allowed to recoup the full costs of providing planning services. The point has rightly been made that good, well-run planning departments contribute to economic development and growth. The proper resourcing of planning departments is essential to their being able to do that.

The new clause is supported by the Local Government Association, which writes:

“The LGA broadly supports new clause 24...which would enable local planning authorities to set a charging regime in relation to their development control service to allow for the cost of providing the service to be recovered. Councils have been forced to spend in excess of £450 million covering the cost of planning applications over the last three years. Currently year on year taxpayers are subsidising 30 per cent of the estimated cost of processing all planning applications in England because nationally set planning fees do not cover the full costs. Introducing locally-set planning fees would enable councils to deliver responsive council planning services that are crucial to growth and building the homes we need.”

Together with new clause 31, on which my hon. Friend the Member for City of Durham will speak shortly, new clause 24 is supported by London Councils, which writes:

“We believe the government should localise fee setting and scheduling controls so as to support boroughs that commit to boost the supply of housing. This would produce a more effective, swifter and consistent planning service, and ensure a properly resourced and more efficient planning system in the context of development control in London having seen an estimated net shortfall of around £37-£45 million annually between 2012-13 and 2014-15.”

London Councils published the results of research on charges last year. This found that,

“if planning fees for large scale housing regeneration projects were charged on a full cost recovery system enabling councils to meet all 13 week planning targets, this would save developers up to £486 million per year in delayed development costs, while adding only £65 million in planning fees.”

Kevin Hollinrake: The hon. Lady talks about efficiency and cost. There is a connection between the two. Does she agree that local planning authorities should be more creative in how they share services, in order to become more efficient and lower costs?

Helen Hayes: I agree that local authorities should be as efficient as possible wherever they can, and that in some cases economies of scale can be derived from sharing services. I also believe, however, that a certain volume of work is created by large-scale planning applications and by our need to deliver new homes across the country that must be properly resourced; I am suggesting to the Government a creative way in which that might be achieved.

Mr Jackson: I am slightly disappointed that the Local Government Association supported the new clause, because it is incumbent upon the LGA to understand that the cumulative impact of regeneration, much of which is housing, is beneficial to local authorities; it is an investment. This should be seen in the context of non-domestic rates, the new homes bonus or sales-related taxes—the long-term capital investment—rather than just a one-off negative cost.

Helen Hayes: I agree with the hon. Gentleman that this is an investment. It is, however, an investment that many local authorities do not have the luxury of being able to make in the context of the stretching of their resources across other very important statutory areas of service.

I will complete the quotation from London Councils:

“Full cost charging could also be used to fund the kind of pro-active multi-borough teams that supported”

the work of the Olympic Delivery Authority. Where we have large-scale regeneration across a wide area, London Councils supports the principle that local authorities should share that resource and be able to recoup the costs of it.

The new clause makes sense for councils, who would be able to raise the resources that they need without jeopardising vital statutory services such as children’s and adults’ social care; for communities, who will get higher-quality decisions; and for developers, who will get the speed of service they need to bring forward development. I hope that the Government will support it.

Chris Philp: It is an exquisite pleasure to serve under your chairmanship, Mr Gray. I shall be extremely brief.

Again, I draw Members’ attention to my entry in the Register of Members’ Financial Interests. I spent the past five years financing developers, and must say that they commonly complain that local authority planning departments are both insufficiently resourced in terms of the number of people they employ and inadequately resourced in terms of the quality of those people, because so many move into private practice.

I fully accept the points, made in interventions by my colleagues on the Government Benches, that local authority planning departments should be made more efficient by sharing services and, as my hon. Friend the Member for Peterborough said, that local authorities enjoy financial benefit when development takes place, but I do know that developers would, in principle, be prepared to pay higher fees in exchange for better levels of service, which they can currently do via agreements for larger schemes. There might be some concern that local authorities would simply take the extra fees and spend them on something else, so will the Ministers consider whether in future local authorities could be permitted to charge

a specific higher fee in exchange for a guaranteed service level? If that service level was not delivered, the fee could be refundable so that there would be a direct and explicit link between the fee and the service. I understand, though, that this is a complicated subject area and there are views on both sides.

Peter Dowd: I am exquisitely pleased that you have given way on that point.

The Chair: I have not given way.

Peter Dowd: That the hon. Gentleman has given way.

Here we go again with the issue of localism. The bottom line is that, whether we like it or not, we are going to have to trust local authorities to make decisions and deliver. The new clause would just give us the ability to make those decisions in the best interests of the local area. I do not like the idea—through you, Mr Gray—of Ministers yet again saying one thing and doing another.

Chris Philp: It is reasonable to want to ensure that developers are not simply treated as cash cows and penalised with unlimited fees, which is why I was suggesting that the Ministers might in future consider a fixed-fee schedule related to specific service delivery, with the extra fees being refunded if that delivery is not made. Having uncapped fees so that developers could simply be bled dry would be a retrograde step.

Helen Hayes: The text of the new clause is explicit in saying that the schedule of charges should be set in a transparent way. To my mind, that would include setting out the level of service that would be expected to be delivered, as well as the full cost of that service, and undertaking consultation with the wider development industry prior to setting the schedule of charges. I hope that answers the hon. Gentleman’s point.

Chris Philp: Before one could sign up to the new clause, one would want to see the detail, which clearly is not there. I think I have made my point in general terms.

Dr Blackman-Woods: I have been momentarily knocked off track by the hon. Gentleman’s final comments. We have been debating most of the Bill without the detail we need because most of it is coming in regulations, so I hope he will address those comments to his Ministers.

I rise to support new clause 24, which was tabled by my hon. Friend the Member for Dulwich and West Norwood, and to speak briefly to new clause 31. The hon. Member for Croydon South might want to think about why so many planners from local authorities are leaving to join the private sector, because that used not to happen. It is a fairly recent phenomenon that so many local authority planners have been moving on. The reason is that local authority planning departments are in a very, very pressed situation, with reduced resources, greater pressure and increasing insecurity because they do not know when the next round of Government cuts is going to mean that they will lose their job. The only way to address that is to resource local authority planning departments properly—something that developers speak to me about all the time.

If the hon. Member for Peterborough is upset by the Local Government Association backing my hon. Friend's new clause, he will be even more upset by the fact that the District Councils Network has come out very strongly in favour of the idea that there should be some cost recovery at a local level:

"Having a system where Whitehall dictates to local councils what planning fees they can charge is very unfair for local taxpayers around the country who are left paying the shortfall where fees don't cover costs. Letting councils set their own fees is a much fairer system for both the applicant and the local taxpayer and will ensure there is flexibility in the system to recover the actual costs of applications."

In 2010, a major review, which was instigated by the last Labour Government, was carried out of how local planning fees should operate. Instead of bringing forward a plan for the localisation of planning fees, as had been suggested throughout the consultation exercise before 2010, the Government merely revised the fee levels in 2012. That did not carry with it the degree of localism that we all wanted to see. As my hon. Friend has pointed out, London Councils has stressed that point recently, because of the impact of the increasing number of planning applications that local authorities are having to deal with, particularly in the London area:

"We believe the government should localise fee setting and scheduling controls so as to support boroughs that commit to boost the supply of housing. This would produce a more effective, swifter and consistent planning service, and ensure a properly resourced and more efficient planning system in the context of development control in London having seen an estimated net shortfall of around £37-£45 million annually".

London Councils has stated that,

"if planning fees for large scale housing regeneration projects were charged on a full cost recovery system enabling councils to meet all 13 week planning targets, this would save developers up to £486 million per year in delayed development costs, while adding only £65 million in planning fees. Full cost charging could also be used to fund the kind of pro-active multi-borough teams that supported the work"

of the Olympic Delivery Authority. Developers, the LGA, London Councils and the District Councils Network—more or less everyone involved in the planning and development system—think that local authorities should be able to set planning fees locally, but the Government do not. We can find no rationale for that. The District Councils Network has helpfully set out for the Government some principles that could be applied.

Peter Dowd: Does my hon. Friend agree that there are contradictions all over the place? For example, the Government are quite happy to let local authorities raise 2% for social care, but they do not seem to take the same view on matters such as this.

Dr Blackman-Woods: My hon. Friend makes a good point. As we have discussed several times in Committee, the Government's approach is not necessarily consistent.

The District Councils Network has requested that four common principles be adopted. Principle 1 is the ability to have full cost recovery as a minimum, with full transparency as to method of fee calculation, which could be achieved through an earned autonomy approach. Principle 2 is that council tax payers should not subsidise commercial activities or companies. Principle 3 is that, wherever possible, charges should be determined locally. Principle 4 is that if central Government continue to

determine charges at a national level, there should be an agreed annual indexation mechanism. If we do not want to go all the way down the road of local charging, some of those principles could be applied to move us some of the way down that road. I am interested to hear what the Minister has to say about that, particularly as the Government seem to be in an isolated position once again.

3.15 pm

Mr Jackson: It is obviously being so cheerful that keeps the hon. Lady going.

I want to briefly add my comments to the debate. The hon. Member for Dulwich and West Norwood has experience in the field and proceeded on the basis of a very reasoned and moderate argument, with which many Government Members agree. We were looking forward—still look forward—to hearing the Minister respond in a similar vein. It is unfortunate that the hon. Member for City of Durham—she was rather sparky today and I do not know why; perhaps it is end-of-term blues—has sought to—

Mr Thomas: Get a move on!

Mr Bacon: Pot, kettle, black.

Mr Jackson: I think *Hansard* can record "Pot, kettle, black" there. The loquacity of the hon. Member for Harrow West in this Committee is legendary. I defer to no one in my admiration for him.

There is a good reason why there should be consistency in charging across the country. That said, some years ago I had the experience of visiting Medway unitary authority, which had significant numbers of large infrastructure projects that were beyond the capacity of the planning and development control teams in Medway and many other local authorities, and it got some big construction companies to effectively second services to the planning department, so that the services were offered in a non-monetised way. That was a good compromise, which shows that the very best and visionary local planning officers—head of planning, city council, borough councillors and civic leaders—do make the effort to involve their staff with developers and with big regeneration projects.

The Committee will be interested to know that in my own local authority, Peterborough city council, at the planning and environmental protection committee on Tuesday, the Fletton Quays project was agreed with 285 homes, a hotel, shops and restaurants on the south bank of the River Nene. It is a bit naughty, because technically it is in the constituency of my hon. Friend the Member for North West Cambridgeshire (Mr Vara), but I am sure my hon. Friend will forgive me on this occasion for drawing it to the Committee's attention. However, that was an example of a joint venture partnership between the planning department and the developer, Lucent, and others.

The point is that there are different ways to access money from developers without putting in the Bill a prescriptive way forward.

Mr Bacon: I am listening with great interest to my hon. Friend the Member for Peterborough, who, unlike the hon. Member for Harrow West, has been contributing

[Mr Bacon]

in a powerful way this afternoon. My hon. Friend mentioned a joint venture between planning departments and others. Does he share my view that the problem is not what is or is not in the Bill, but the lack of innovation and dynamism from some of the planning departments controlled by the sclerotic Opposition?

Hon. Members: Speech!

The Chair: Order. I do not need any help from Back Benchers to keep order in this Committee, as they no doubt will have discovered already.

Mr Jackson: The hon. Member for Harrow West has obviously got a tiger in his tank this afternoon as well.

My hon. Friend the Member for South Norfolk is absolutely spot-on. It is no good whining about funding constantly and saying, "It is not as it used to be." We have to go out and attract forward-looking, intelligent, smart planning officers. They are out there. I give way to the hon. Member for Dulwich and West Norwood, who I am sure is in that category.

Helen Hayes: I am grateful to the hon. Gentleman for giving way. The new clause is not about constantly whining about funding. It is about putting the absolutely vital task of securing the new homes that we need through the planning system on a sustainable financial footing, without placing an additional burden on the public purse. He would surely agree with that.

Mr Jackson: I would not agree with that, but we all see issues in politics through the prism of our constituencies, which is quite natural. In my constituency, we have a target to build 25,500 homes between 2001 and 2031, which is enormous growth. We are the second-fastest-growing city in England, and our planning department, in only a medium-sized unitary authority, is award-winning because it has worked with developers and it has delivered its structure plan, local plan, site location plans, city centre area action plan and other supplementary development on time. It has managed to recruit good people. I gently suggest to the LGA and the District Councils Network that we should be encouraging best practice in recruiting really good planning officers, rather than trying to legislate for it on the face of a Housing and Planning Bill.

The Chair: Order. I have been reasonably accommodating, but the new clause under consideration is about charging for planning. I think that general debate on the way in which planning departments work is perhaps a little wide of the mark.

Mr Jackson: Mr Gray, I accept your admonition. I am just reaching a crescendo in my remarks.

Stephen Hammond (Wimbledon) (Con): Just before my hon. Friend does, will he give way?

Mr Jackson: Before I reach that crescendo, I will give way to my hon. Friend.

Stephen Hammond: I am very much looking forward to my hon. Friend's crescendo. Will he reflect in his closing remarks on the fact that the planning system, via the pre-application process, already contains the chance for small developers to pay to get developments brought forward more quickly, and that does reflect the full cost to the authority?

Mr Jackson: Not for the first time, my hon. Friend rescues me from falling into your disregard, Mr Gray, and gets me back on track. There is full cost recovery at pre-application, and one of the most useful aspects of planning and development control is the help and assistance that developers get from good, experienced, knowledgeable planning officers at the pre-application stage, leading them to make timely, properly costed applications that will be expedited through the planning system. The new clause may be probing, but it is superfluous and unnecessary and if it is pressed to a vote, I suggest that the Committee reject it.

The Chair: Helen Hayes.

Helen Hayes *rose*—

The Chair: I am sorry, the Minister.

Brandon Lewis: Thank you, Mr Gray. I was already looking forward to an early Christmas finish.

Before discussing the new clauses' merit, I should highlight to hon. Members who may not have noticed that section 303 of the Town and Country Planning Act 1990 already provides for the Secretary of State to allow, by regulations, local planning authorities to set their own level of fees up to cost recovery. We are therefore already technically in possession of the powers to enable local fee setting.

Authorities have a crucial role to play in providing services, none more so than enabling development to encourage home ownership, building homes people can afford to buy, and supporting economic growth and job creation. An effective and efficient planning system is essential to support that. Authorities have done a lot of work to find savings and efficiencies over the past few years, but fees for making planning applications have been set nationally and make an important contribution to meeting the costs of development management services. As has been outlined, they were last revised in 2012, and that revision was substantial.

I hear the call from professional bodies and developers that action is needed to ensure that local planning departments are resourced properly. My hon. Friend the Member for Wimbledon pointed out that we already have planning performance agreements that developers will take forward in order to have a guaranteed level of service. However, the level of planning application fees is only one side of the resourcing equation. Local government must drive down its costs, too. I am clear that any changes in fees should go hand in hand with the provision of an effective service. Giving local government a completely blank cheque, as the new clauses would do, could bring about unintended risks, as touched on by my hon. Friend the Member for Peterborough.

Many more local authorities can do much more to transform their planning departments. I actually thank the hon. Member for Dulwich and West Norwood for

tabling her new clause as it gives me the chance, as I had on the Floor of the House just a few weeks ago, to reconfirm that, although some authorities have introduced new ways of delivering planning services through outsourcing and shared service arrangements, showing that costs can be saved and services can be improved, more should be following that lead. The research shows that there is a saving of 5% to 20% for competitively tendered or completely shared services. More local authorities need to do that, not just because it brings efficiencies but because it brings better resource, particularly for small districts that will be challenged to find the best players. Coming together gives them a better career opportunity, and there is also an opportunity for planners. Not enough local authorities have moved down that road.

I do not disagree with the hon. Members who spoke in favour of the proper resourcing of planning services, but local government and councils need to understand that their planning department is also their economic regeneration department, and they should focus clearly on it. Going further must go hand in hand with local authorities driving forward those service improvements and cost reductions.

We heard from my hon. Friends in Committee last week interesting ideas about fast-track planning applications and having a more competitive planning process. I made a commitment at the time, and I do so again today, to consider them before the end of this Bill process. That, rather than a focus on raising fees alone, is the type of innovative thinking that needs to be brought to the resourcing debate.

Dr Blackman-Woods: I hear what the Minister is saying about driving efficiency. Nevertheless, we have to ask what the Government can possibly mean by devolution if they do not even trust planning authorities to set their own fee levels.

Brandon Lewis: Finally, I will respond to the many references that hon. Members have made throughout the Committee proceedings, in one form or another, to resourcing—in fact, the hon. Lady just referred to it. The spending review provides a reasonable offer to local government and an increase in resources over this Parliament in cash terms. By the end of this Parliament, local government will be able to retain 100% of local taxes to spend on local services. We have to be honest and clear about this: local authorities have been able to increase their reserves over the past few years from about £13 billion to £22 billion. Although they should retain sensible reserves, they should also look at how to prioritise the funding they have, and they must see planning as a core and important department. As I said at the start of my speech, we already have the powers to allow local planning authorities to set fees locally. I have undertaken to look at some of the suggestions that my hon. Friends made last week. With that, I ask the hon. Member for Dulwich and West Norwood to withdraw the new clause.

Helen Hayes: I thank the Minister for his response, and in particular for agreeing that planning services should be properly resourced in local authorities. I agree that there is scope for innovation. I saw innovation during my work in planning, but I think that the task of

delivering the new homes that we need through the planning system cannot be fulfilled by innovation alone. Those services must be resourced on a basis that is proper, modern and fit for purpose, given that local authority resources are very stretched and that planning is competing with services that are of a different order of magnitude. I therefore wish to press new clause 24 to a Division.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 7, Noes 11.

Division No. 16]

AYES

Blackman-Woods, Dr Roberta	Pearce, Teresa
Dowd, Peter	Pennycook, Matthew
Hayes, Helen	Thomas, Mr Gareth
Morris, Grahame M.	

NOES

Bacon, Mr Richard	Jones, Mr Marcus
Caulfield, Maria	Kennedy, Seema
Griffiths, Andrew	Lewis, Brandon
Hammond, Stephen	Philp, Chris
Hollinrake, Kevin	Smith, Julian
Jackson, Mr Stewart	

Question accordingly negatived.

New Clause 25

IMPLIED TERM OF FITNESS FOR HUMAN HABITATION IN RESIDENTIAL LETTINGS

“Implied term of fitness for human habitation in residential lettings

“(1) Section 8 of the Landlord and Tenant Act 1985 (c.70) is amended as follows.

(2) Leave out subsection (3) and insert—

“(3) Subject to subsection (7), this section applies to any tenancy or licence under which a dwelling house is let wholly or mainly for human habitation.”

(3) Leave out subsections (4) to (6).

(4) After subsection (3), insert—

“(3ZA) Subsection 1 does not apply where the condition of the dwelling-house or common parts is due to—

(a) a breach by the tenant of the duty to use the dwelling-house in a tenant-like manner, or often express term of the tenancy to the same effect; or

(b) damage by fire, flood, tempest or other natural cause or inevitable accident.

(3ZB) Subsection 1 shall not require the landlord or licensor of the dwelling house to carry out works—

(a) which would contravene any statutory obligation or restriction; or

(b) which require the consent of a superior landlord, provided that such consent has been refused and the landlord or licensor has no right of action on the basis that such refusal of consent is unreasonable.

(3ZC) Any provision of or relating to a tenancy or licence is void insofar as it purports—

(a) to exclude or limit the obligations of the landlord or licensor under this section; or

(b) to permit any forfeiture or impose on the tenant or licensee any penalty or disadvantage in the event of his seeking to enforce the obligation under subsection (1).

(3ZD) Regulations may make provision for the exclusion of certain classes of letting from subsection (1).

(3ZE) In this section “house” has the same meaning as “dwelling house” and includes—

- (a) a part of a house, and
- (b) any yard, garden, outhouses and appurtenances belonging to the house or usually enjoyed with it.”

(5) In section 10 of the Landlord and Tenant Act 1985, after “waste water”, insert—

“any other matter or thing that may amount, singly or cumulatively, to a Category 1 hazard within the meaning of section 2 of the Housing Act 2004.”

(6) Regulations may make provision for guidance as to the operation of the matters set out in section 10 which are relevant to the assessment of fitness for human habitation.

(7) This section shall come into force—

- (a) In England at the end of the period of three months from the date on which this Act receives Royal Assent and shall apply to all tenancies licences and agreements for letting made on or after that date; and
- (b) In Wales on a date to be appointed by the Welsh Ministers.”—(*Teresa Pearce.*)

This new Clause would place a duty on landlords to ensure that their properties are fit for habitation when let and remain fit during the course of the tenancy.

Brought up, and read the First time.

3.30 pm

Teresa Pearce: I beg to move, That the clause be read a Second time.

The Chair: With this it will be convenient to discuss new clause 26—*Requirement to carry out electrical safety checks*—

“(1) A landlord of a rental property shall ensure that there is maintained in a safe condition—

- (a) any electrical installation; and
- (b) any electrical appliances supplied by the landlord so as to prevent the risk of injury to any person in lawful occupation or relevant premises.

(2) Without prejudice to the generality of subsection (1), a landlord shall—

- (a) ensure that the electrical installation and any electrical appliances supplied by the landlord are checked for safety within 12 months of initial leasing and thereafter at intervals of not more than 5 years since they were last checked for safety (whether such check was made pursuant to this Act or not);
- (b) in the case of a lease commencing after the coming into force of this Act, ensure that the electrical installation and each electrical appliance to which the duty extends has been checked for safety within a period of 12 months before the lease commences or has been or is so checked within 12 months after the electrical installation or electrical appliance has been installed, whichever is later; and
- (c) ensure that a record in respect of any electrical installation or electrical appliance so checked is made and retained for a period of 6 years from the date of that check and which shall include the following information—
 - (i) the date on which the electrical installation or electrical appliance was checked;
 - (ii) the address of the premises at which the electrical installation or electrical appliance is installed;
 - (iii) the name and address of the landlord of the premises (or, where appropriate, his agent) at which the electrical installation or electrical appliance is installed;

(iv) a description of and the location of the electrical installation or electrical appliance checked;

(v) any defect identified;

(vi) any remedial action taken;

(vii) the name and signature of the individual carrying out the check; and

(viii) the registration number with which that individual’s firm is registered with a Part P competent persons scheme approved by the Department for Communities and Local Government and certified as being competent in periodic inspection and testing.

(3) Every landlord shall ensure that any work in relation to a relevant electrical installation or electrical appliance carried out pursuant to subsection (1) or (2) above is carried out by a firm registered with a Part P competent persons scheme approved for the time being by the Department for Communities and Local Government.

(4) The record referred to in (2)(c), or a copy thereof, shall be made available upon request and upon reasonable notice for the inspection of any person in lawful occupation of relevant premises who may be affected by the use or operation of any electrical installation or electrical appliance to which the record relates.

(5) Notwithstanding subsection (4), every landlord shall ensure that—

- (a) a copy of the record made pursuant to the requirements of (3)(c) is given to each existing tenant of premises to which the record relates within 28 days of the date of the check; and
- (b) a copy of the last record made in respect of each electrical installation or electrical appliance is given to any new tenant of premises to which the record relates before that tenant occupies those premises save that, in respect of a tenant whose right to occupy those premises is for a period not exceeding 28 days, a copy of the record may instead be prominently displayed within those premises.

(6) A landlord who fails to comply with this section commits an offence and is liable on summary conviction to a fine not exceeding level 4 on the standard scale”.

This new clause would introduce a requirement for landlords to undertake electrical safety checks.

Teresa Pearce: Both new clauses in this group relate to standards in the private rented sector.

New clause 25 would place a duty on landlords to ensure that their properties are fit for habitation when let and remain fit during the course of a tenancy. The new clause is largely about probing the Minister to see whether he is open to putting that duty into legislation and follows on from the private Member’s Bill promoted by my hon. Friend the Member for Westminster North (Ms Buck), which had a similar aim but which was talked out by the hon. Member for Shipley (Philip Davies)—a fate that befalls some of the worthiest private Members’ Bills, including my own.

Before moving on to the detail of new clause 25, I note that the majority of landlords let property that is and remains of a decent standard. Many good landlords go out of their way to ensure that even the slightest safety hazard is sorted and that any repairs are attended to, so it is even more distressing when we see reports of homes that are frankly unfit for human habitation being let, often at high prices.

Parliament has for more than 100 years considered and legislated for standards in the private rented sector. The Housing of the Working Classes Act 1885 and, 100 years later, the Landlord and Tenant Act 1985

placed obligations on landlords regarding safety in their properties. Indeed, the 1985 Act placed a statutory duty on landlords covering issues such as damp, mould and infestation, yet that duty applies only to those fulfilling a rent criterion, and that criterion has not been changed since 1957, so the duty now applies only to properties where the annual rent is less than £80. The new clause would remove those limits to allow the 1985 Act to fulfil the intention and place a duty on landlords to provide a safe, secure environment.

I am sure that all Members in their casework receive letters from constituents living in poor conditions—indeed, it is one of the biggest issues in my constituency. My office phone rings every day with people calling about mould and infestation in their property, the impact that has on their health and the inaction of some landlords in rectifying the situation. It is also a consumer issue, because where else in the modern day could one buy something that is not fit for purpose? If someone buys a television that does not work, they can take it back and get a refund. We are pretty much assured that the food in a food shop is safe to eat—if it was unsafe to eat, the food premises would be shut down. Yet a landlord can let a property that is unfit for human habitation and there is no easy recourse.

About this time last year, I was asked by a family in my constituency to visit the property that had been occupied by their father, who had just passed away from a respiratory illness. They wanted me to see at first hand the conditions he had lived in. The walls were so thick with mould that it looked like flock wallpaper. The air just smelled of damp. This man had died on his sofa on a Saturday night from lung disease while living in that accommodation. His family lived some distance away, which is why they were not fully aware of the conditions he was living in. They had contacted the landlord on numerous occasions, and the landlord failed to assist. Nothing could be done.

I am sure the Government will want to consider the new clause. It would only affect a small number of tenants in the few properties let by bad landlords that are unfit for human habitation, but it would change the lives of many tenants. Earlier in our consideration of the Bill, we discussed rogue landlords and banning orders, but the new clause would try to alleviate suffering before we got to that position. It is a basic consumer, health and productivity issue. It is hard for someone to be productive at work when they live in a property which is not fit to live in. It is also a moral issue where children and elderly people are concerned, so I am interested to hear what the Minister has to say on the new clause.

New clause 26 would introduce a requirement for landlords to undertake electrical safety checks. Electrical Safety First has been leading the way on the issue by raising awareness and lobbying parliamentarians—I think it was in Parliament this week doing that very thing—on the need to ensure that the private rented sector is fire-safe. Many other organisations support the measure, and the Local Government Association, the London fire brigade, Shelter, the Association of Residential Letting Agents, British Gas, Crisis and the Fire Officers Association have all supported previous measures to introduce mandatory electrical safety checks.

It is estimated that each year electrical faults cause more than 20,000 house fires and lead to around 350,000 serious injuries and 70 deaths. It is worth noting those

figures, because we now see fewer deaths and injuries—only 300 injuries and 18 deaths—caused by gas and carbon monoxide, on which action has been taken. The risks remain serious, so it is right that we continue to monitor that, but those figures show what is at stake when we discuss electrical fires in the home.

Although landlords have a duty to keep electrical installations in proper working order and to ensure that any electrical appliances they supply are safe, poorly maintained installations remain in the sector and there is no explicit requirement for landlords to prove to tenants that a property is electrically safe. Landlords of houses in multiple occupation are required to have a periodic inspection every five years, but those whose properties are not HMOs are not legally obliged to do that. It is not right that people would be safer in a bed and breakfast or an HMO than in a privately rented home. What is the difference in fire risk between a property that meets the HMO requirements in which a landlord lets to six people and a property that is not an HMO where six different people live? The standards should be the same because the risk is the same.

Of course, many good landlords ensure that their properties are safe. The property is their asset, so they have as much interest in keeping it safe as their tenants. Many good landlords run electrical safety checks and ensure that all appliances are tested at the beginning of the tenancy and at points during it, but there is growing consensus that the introduction of mandatory electrical safety checks is a worthy cause.

We have seen action on the issue in Scotland, where the Scottish Government have introduced fire safety requirements for private rented properties, and the authorities in Northern Ireland are currently running a review of the private rented sector which includes a consultation on mandatory fire checks. In Wales, we have growing cross-party support and we hope that the Welsh Government will introduce such requirements.

Helen Hayes: I want to share an example of a constituent who emailed me recently. She is a private tenant in Lambeth who told me how she lies awake at night going over and over in her mind her worries about the electrical safety in her property and the lack of fire safety in general, and about how she would get out with her children if there was a fire. Does my hon. Friend agree that the clause would provide great comfort to tenants in that situation?

Teresa Pearce: I thank my hon. Friend for her intervention. That is the exact scenario. People have said to me, “If that is the case, why don’t they move somewhere else?” but particularly in London housing is scarce, so sometimes people have to take whatever is available and thereby risk their and their family’s safety if the place is not safe to live in.

We have mandatory annual gas checks in the private rented sector, and secondary legislation has added regulation for smoke detectors and carbon monoxide detectors, so I hope that the Minister will consider accepting new clause 26. There is growing support for the measure across the UK, in Parliaments and with landlords. In fact, Janet Finch-Saunders, the Welsh Conservative spokesperson on this issue in the Welsh Parliament, has pledged her support and she also happens to be a landlord. We have broad support.

[Teresa Pearce]

To recap, new clause 25 would introduce a duty on landlords to ensure that their properties are fit for human habitation, which would drive up standards. New clause 26 would introduce a requirement for landlords to undertake electrical safety checks. I hope that the Minister will accept that new clause.

Brandon Lewis: I have enjoyed listening to the hon. Lady's thoughts. I have some sympathy with the points she made in the latter part of her speech. We have listened to hon. Members talk at length about the private rented sector in the past few weeks, so I apologise to those listening now or reading our deliberations later in *Hansard*, because some of the points I will make have been made before. If the hon. Lady had tabled the new clauses for consideration when we debated the private rented sector, we could have saved ourselves some time and had a more focused debate at a relevant point.

The new clauses cover—once again—property condition in the private rented sector. The hon. Lady outlined new clause 25. I agree that all homes should be of a decent standard and that all tenants have the right and should expect to be able to live in a safe place, regardless of tenure. However, we do not consider that amending the Landlord and Tenant Act 1985 in the way proposed would ensure that.

Local authorities already have strong and effective powers to deal with poor-quality, unsafe accommodation and we expect them to use those powers. Where tenants raise concerns, they can carry out an inspection using the housing health and safety ratings system introduced in the Housing Act 2004, which assesses 29 categories of hazard found in a property. Local authorities can issue an improvement notice or a hazard awareness notice, or prohibit the property from being rented out. In serious cases, the local authority may decide to make repairs itself.

The Government want to crack down on the small minority of rogue and criminal landlords who exploit their tenants by renting out unsafe and substandard accommodation and who fail to comply with statutory notices. Measures in the Bill that we have already debated will ensure that our powers against rogue and bad landlords go further than ever before. I hope that Members are advising their constituents with bad electricians or mould that they are covered in that way, and telling them to contact their local authority so that the local authority can use its powers. In addition, the Government have a wide range of policy initiatives to improve existing properties in the private rented sector. New clause 25 would result in unnecessary regulation and cost to landlords, which would deter further investment and push up rents for tenants. I ask the hon. Member for Erith and Thamesmead to withdraw it.

The hon. Lady outlined how new clause 26 would introduce a requirement for landlords to undertake electrical safety checks. I support measures to help safeguard tenants in their homes, so I will consider it. Any new legislation must strike the right balance, protecting tenants without over-regulating or causing unnecessary burdens for landlords. I remind hon. Members of all parties that landlords are already under a general legal duty to ensure that electrical installations are safe, but

we are committed to creating a strong and professional private rented sector that works for all, where good landlords can prosper and tenants are protected.

We will carry out further work to understand what legislative amendments for undertaking electrical safety checks, if any, would be beneficial and appropriate to the private rented sector, and ensure that they do not harm the sector by stifling it with red tape. With that assurance, I hope that the hon. Lady will not press the new clause.

Teresa Pearce: I thank the Minister for his response. On the point about late tabling, the reason why the new clauses were tabled when they were is that I did not have time to table them. Knives were put in that I did not expect. I apologise for the fact that they are at the end of the Bill.

Brandon Lewis: I am just wondering what the hon. Lady means by unexpected knives. We have gone late some nights and moved things around to suit the Opposition, so I am not quite sure what she is referring to.

Teresa Pearce: Because the Minister at the time seemed to understand that we had moved further on the Bill than the Opposition expected, he accepted starred amendments, for which I thank him. I was trying to point out that we did not deliberately put the new clauses at the end of the Bill; it was because we moved much more swiftly through the Bill than I had expected. That was my explanation.

On new clause 25, I understand what the Minister says about existing ways for tenants to get in touch with their local authority and get it to come inspect a property, but one problem is that there are so few people working in local authority departments at the moment who can carry out such checks that often it is a feeble hope that somebody will come inspect a property. When we considered banning orders and fines, I hoped that the fines could be ring-fenced to employ people to go out and do that work. I hope that the Government will take that on board as a possibility.

On new clause 26, I am heartened by what the Minister has said. I am pleased that he will consider it. I think that there is consensus across all parties that it would be a good thing to do. On that basis, I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

New Clause 27

DESCRIPTION OF HMOs

“(1) The Licensing of Houses in Multiple Occupation (Prescribed Descriptions) England Order 2006 is amended as follows.

(2) Clause 3, subsection (2), leave out paragraph (a).

(3) Clause 3, leave out subsection (3)”.—(Teresa Pearce.)

This new clause would remove the three storeys condition from the conditions HMOs must satisfy in order to be of a description prescribed by article 3(1) of the Housing Act 2004.

Brought up, and read the First time.

Teresa Pearce: I beg to move, That the clause be read a Second time.

This is a probing amendment, and it is quite short. I am aware that the Government have published a consultation on houses in multiple occupation, and I was pleased to see it. HMOs come in a variety of forms. In the past, they were accommodation mainly for students, or for lots of single people, and they were basically tenement buildings, but increasingly in crowded cities, HMOs can be just a three-bedroom semi or similar building.

In my street, there is a bungalow that is an HMO, with about 10 people living in it, but because it does not have three storeys it does not fall within the definition of an HMO. That means many people living in HMOs and bed and breakfasts now have a better standard of safety than people who live in a private rented property that is clearly an HMO by every other definition, but not under the current definition because it has only one or two storeys, not three.

I am sure the Minister will say he needs to wait for the consultation to end, but I hope he will agree that the HMO sector needs revisiting. I would like to hear a little more about why the consultation has gone out now and what his intentions are for changes to the management and licensing of HMOs.

3.45 pm

Brandon Lewis: The hon. Lady is right; there is a technical consultation out at the moment. We recognise that not all local authorities have made additional licensing schemes. It is well known that some of the worst management standards, living conditions, disrepair and overcrowding in the sector are found in smaller HMOs, which is why we issued the technical discussion paper. We wanted to seek views on whether mandatory licensing should be extended to smaller HMOs. The closing date for those responses is 18 December. I do not want to pre-empt at this stage how the proposals will be taken forward; I want to wait and get the final remarks from the consultation.

I can assure the hon. Lady and the Committee that the Government are committed to tackling abuse in the HMO market as we are in any other part of the private rented sector. Extending mandatory licensing is an option to achieve that, but I want to fully consider all responses before announcing how I will proceed. I can give the Committee some assurance about how we may do that. Any change to the scope of mandatory licensing can be achieved through secondary legislation. With that assurance, and given our commitment to stamping out abuse in the HMO market, I hope the hon. Lady is willing to withdraw her new clause.

Teresa Pearce: I thank the Minister for his response. I am sure we will return to this issue at a later stage, and I look forward to seeing the results of the consultation. On that basis, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 28

REPORTING OF HOUSING BENEFIT PAID

(1) Each local housing authority must disclose information quarterly to HMRC regarding any monies paid to landlords through Housing Benefit in accordance with the Social Security Contributions and Benefits Act 1992.

(2) In this section—

“HMRC” means the Commissioners for Her Majesty’s Revenue and Customs;

“local housing authority” has the meaning given by section 1 of the Housing Act 1985”.

This new clause would require local housing authorities to disclose the amount of Housing Benefit paid to landlords to HMRC quarterly.—
(Teresa Pearce.)

Brought up, and read the First time.

Teresa Pearce: I beg to move, That the clause be read a Second time.

The new clause is largely a probing one, but it raises an important issue. In many cases up and down the country, someone making a claim for housing benefit has to send in a copy of their lease or tenancy agreement, on which the landlord is named. I would like local authorities and housing benefit departments to ensure there is quarterly or annual reporting to HMRC of the moneys paid when they pay out housing benefit.

The overwhelming majority of landlords pay their taxes in a timely and correct fashion. However, a few choose not to. I have seen evidence of that myself, where tenants have to pay every Sunday, when the landlord comes round and collects the money in cash. That is public money—housing benefit money—but it goes into the landlord’s pocket, and they do not pay any tax on it.

I was so concerned about this issue that I wrote to Lin Homer at Her Majesty’s Revenue and Customs and to HM Treasury. I got a reply from a Minister and Lin Homer, both of whom estimated that the tax gap for letting income could be as high as £500 million a year. Something needs to be done about that, because housing benefit is public money—it is taxpayers’ money, and we should ensure that where it goes to a landlord, it is treated with the respect it deserves.

If HMRC had quarterly or annual reporting of the moneys paid, it would have more information to allow it to track down certain individuals, ensuring that those who are not being proper landlords and acting as decent citizens are caught up with much sooner. At the moment, we all know that HMRC is running on less resources, but it is clear that it wants to tackle tax evasion wherever that occurs. Where someone evades tax on public money they have received, it is even more important that HMRC does that.

Dr Blackman-Woods: My hon. Friend makes a powerful case. The Government want to set up a whole public body to transfer information about tenants’ incomes from landlords to HMRC. Does she agree that this is another thing the body could do? That would be helpful for recouping much-needed money for the taxpayer.

Teresa Pearce: I completely agree with my hon. Friend. We are talking about people who are receiving taxpayers’ money, taking it as income and not paying tax on it. We should do whatever we can to tackle those people, because they are exactly the same group of people who will not be carrying out electrical safety checks on the properties they rent out and who are cramming people into bedrooms that are too small. They are exactly the rogue landlords that this Bill seeks to ban, so we should also be ensuring that they are not profiting from this.

[Teresa Pearce]

This is a probing new clause to raise the issue for consideration by the Committee. I look forward to the Minister's response, and I hope that something can be done to ensure that every citizen of this country who gets income pays the right amount of tax on that income.

Mr Jones: The new clause would place an additional requirement on each local authority to collect information about housing benefit paid to landlords and to disclose that information to Her Majesty's Revenue and Customs on a quarterly basis. Local authorities are already accountable to the Department for Work and Pensions for their housing benefit expenditure as part of the subsidy scheme, which is subject to an annual audit. For claimants in social housing, housing benefit is often paid directly to the landlord, although that is starting to change with the roll-out of universal credit, which pays benefits directly to the claimant in most cases. For claimants in the private rented sector, housing benefit is not, for the most part, paid directly to private landlords but is paid to the claimant, who is then responsible for the rent, so any reporting would only provide a partial picture.

Universal credit, which is replacing housing benefit for working-age claimants, is currently being rolled out across the country and is not administered by local authorities, which means that the proposal would become of diminishing relevance in the medium to short term. On that basis, I urge the hon. Lady to withdraw her motion.

Teresa Pearce: I understand what the Minister says about the roll-out of universal credit but, at present, every local authority has a payroll department and has to make annual reports of payments made outside of the payroll to contractors and people like that. The proposal is not that onerous on councils, but I accept that it might not fix the problem, so I ask the Minister to go away and consider what would fix the problem. There clearly is an issue, and I would like to think that the Government will consider it and try to find some way of ensuring that such people are not avoiding their due taxes. In the spirit of accepting that he may do that, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 29

ACCREDITATION AND LICENSING FOR PRIVATE LANDLORDS

"Local authorities shall be required to operate an accreditation and licensing scheme for private landlords."—(*Dr Blackman-Woods.*)
This amendment would require local authorities in England and Wales to put in place a scheme to license and provide for the accreditation of private sector landlords in their area.

Brought up, and read the First time.

Dr Blackman-Woods: I beg to move, That the clause be read a Second time.

New clause 29 would introduce an accreditation and licensing scheme for private landlords. It is possible to argue that we would not have needed to table so many new clauses to improve the quality of much of our private rented sector and to improve the way in which landlords operate if we had followed the excellent example

of some of our devolved Administrations by having a proper register of landlords. I will use the scheme set up and operated by the Scottish Government since 2006 as an example. That register is extremely straightforward. Anyone who owns residential property in Scotland that is let must apply to register with the local authority for the area in which the property is located unless the property is covered by one of the exemptions. It is the owner of the property who must register, and in some cases that may not be the landlord who has the letting agreement, but they must declare that information. The scheme is very straightforward, and it is operated online. The exemptions are very clear and it is the property that is exempt from registration: it is the only or main residence of the landlord; there are not more than two lodgers; it is let under an agricultural tenancy; it is let under a crofting tenancy; it is used for holiday lets; it is regulated by the Care Commission; it is owned by a religious organisation; it is occupied only by members of a religious order; or it is let to members of the landlord's family. We can see that those are very sensible and straightforward exemptions.

Mr Jackson: I do not instinctively have any objection to the hon. Lady's new clause, but I wonder about the payment regime and who funds the administration and management of the scheme. As she knows, selected licensing under the Housing Act 2004 is in effect self-financing and any money goes back into ameliorating the impacts of antisocial landlords and tenants. The funding is not on the face of her new clause, so how would the scheme be funded? Would the funding fall disproportionately on the taxpayer?

Dr Blackman-Woods: Absolutely not. I will come to the matter of payment in a moment or two.

The scheme is very straightforward. The information is given online and all the council has to do is to check that there is documentation to back up an exemption if a landlord asks for one. Furthermore, the person letting must be fit and proper according to three categories. They are considered not to be a fit and proper person if they have committed an offence involving fraud, dishonesty, violence, drugs, discrimination, firearms or sexual offences; if they have practised unlawful discrimination in connection with any business; or if they have contravened any provision of the law relating to housing or landlord and tenant law.

As the hon. Gentleman said, I was keen to find out how such a straightforward scheme was funded. It is funded by the application of a fee, which is extraordinarily low; it is £55. Often what we hear back from the Conservative party is, "Oh, we couldn't possibly have a landlord register operating, because it's so expensive, puts unreasonable charges on to landlords and is much too complicated", but in Scotland an excellent, straightforward and reasonably charged scheme is in operation. I can see no landlord who would be unable to pay £55. I would like to hear from the Minister why such a scheme cannot operate in the UK.

Alongside that we could have an accreditation system. We already have the London Landlords Accreditation Scheme, which seeks to enable landlords to register and get accreditation to show that they are fit and proper persons who operate as good landlords. Some other such schemes operate locally—for example, Oxford City Council has a landlord accreditation scheme.

Those are examples of good practice, often carried out by Labour authorities. It would be excellent if such good practice could be rolled out nationally. I look forward to hearing from the Minister why we do not have the ability to operate in this country schemes that operate easily in Scotland and under other devolved Administrations.

Mr Jones: The new clause would require all local authorities to operate an accreditation and licensing scheme for private landlords. The existing licensing arrangements for the private rented sector were introduced to give local authorities the ability to deal with problems that might arise in connection with rented property. Three types of licensing are provided for: mandatory licensing of larger homes in multiple occupation; additional licensing of smaller houses in multiple occupation; and selective licensing of all types of private rented sector housing.

Additional and selective licensing are discretionary powers. Additional licensing may be introduced by a local authority for smaller houses in multiple occupation in all or part of its area where there are significant management issues, or the properties are in poor condition. Selective licensing allows local authorities to license all private rented housing in a designated area that suffers issues such as low housing demand and/or significant antisocial behaviour.

4 pm

A major drawback of licensing is that it impacts on all landlords and places additional burdens on reputable landlords who are already fully compliant with their obligations. This creates additional unnecessary costs for reputable landlords, which tend to be passed on to tenants. The majority of landlords provide a good service and the Government do not want to impose unnecessary additional costs on them or on their tenants, who would inevitably see rents rise as a result of the additional costs.

Dr Blackman-Woods: Will the Minister outline what is burdensome about filling in an online form, which takes about 10 minutes, and paying £55 to do so, given that that scheme operates effectively elsewhere in the country?

Mr Jones: I thank the hon. Lady for that question. It was typical of the last Labour Government that more and more bureaucracy was layered on to business. The problem is that the more bureaucracy that is layered on, particularly to decent business people who are doing the right thing, the more it discourages them from investing and running businesses and, in this case, from housing people. It is apparent that where this system has been or is being used—Scotland—the additional required administration has resulted in increased rents for tenants.

Several voluntary landlord accreditation schemes have already been introduced by many local authorities and are promoted by the main landlord associations. We strongly encourage that approach. The aim of voluntary accreditation is to raise standards by providing education and training to landlords, identifying poor practice and generally increasing the levels of professionalism among landlords. However, I do not believe that local authorities should be required to operate an accreditation

scheme in their area. Accreditation is only of interest to good landlords who rent out decent accommodation, so it does not help to identify and tackle criminal landlords. Local authorities are in the best position to decide whether there is a need for an accreditation scheme in their area. On that basis and following that explanation, I hope the hon. Lady will withdraw the new clause.

Dr Blackman-Woods: The Minister gave exactly the response that I thought he would and that we have heard a number of times from this Government. The lack of consistency in approach is pretty breathtaking. Earlier in our discussions, we found out that local authorities have been given powers to offer fixed-term tenancies to their tenants. Local authorities do not think that is a good idea and they do not want to do it, so what are the Government doing? They are making them do it through this legislation. Exactly the same situation pertains to the registration of landlords.

It is extremely difficult for local authorities to run selective licensing schemes and, in this instance, any sensible Government would say, “We would want to ensure that we have maximum protection and ease of information for tenants. Therefore, we will set up a very cheap, easy-to-administer national scheme.” I just do not understand the logic, but it is getting late in the deliberation of the Committee. No doubt we can return to the issue at some later stage in our deliberations. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 30

RESTRICTIONS TO GRANTING PERMISSION IN PRINCIPLE

“Permission in principle shall apply—

- (a) to brownfield sites only for the provision of housing, and
- (b) to sites that have already been approved in an adopted local plan for the provision of housing”.—(*Dr Blackman-Woods.*)

This amendment would restrict the circumstances in which permission in principle can be applied to brownfield sites for housing and to sites that have already been approved in an adopted local plan for the provision of housing.

Brought up, and read the First time.

Dr Blackman-Woods: I beg to move, That the clause be read a Second time.

The new clause was tabled to put on the record—or at least to try again to elicit from the Minister—exactly how wide the permission in principle outlined in clause 102 of the Bill will be applied. Will it be applied to brownfield sites and to sites that have been approved in the adopted local plan for the provision of housing? What we are trying to elicit through this new clause is some clarity from the Minister about what brownfield sites will be used for in terms of getting permission in principle.

Brandon Lewis: I am very happy to put on the record today that the Government obviously have no intention of allowing, for example, planning in principle to be used for some of the things that I know some people may be concerned about, such as fracking or waste development. However, we want to ensure that the local

[Brandon Lewis]

authorities are able to grant permission in principle for mixed-use developments that promote balanced and sustainable places, as I outlined last week.

The hon. Lady did not quite use the phrase “probing amendment”, but she wanted to have another go at making a point, which I appreciate. I am pleased she made that point, because I was somewhat surprised that she had tabled this new clause, bearing in mind that, in effect, we have already debated these issues quite heavily in two previous Committee sittings.

Both parts of this new clause would restrict the granting of permission in principle. As I outlined when we had those lengthy debates in those two Committee sittings, we want to ensure that there is a flexible system that delivers for people. That is where we are, and that is why I ask the hon. Lady to withdraw her new clause. If she does not do so, we will oppose it.

Dr Blackman-Woods: As I suggested earlier to the Minister, this new clause is very much about getting further clarity from him about the extent of land, and the purpose, that could be behind permission in principle. It appears that it goes beyond housing and the Minister has helpfully clarified that this afternoon. On that basis, I beg to ask leave to withdraw the new clause.

Clause, by leave, withdrawn.

New Clause 34

EXTENSION OF THE HOUSING OMBUDSMAN TO COVER THE PRIVATE RENTED SECTOR

“(1) The Secretary of State shall by regulations introduce a scheme to extend the Housing Ombudsman Scheme, as set out in section 51 and Schedule 2 of the Housing Act 1996, to cover disputes between tenants and private landlords in the Greater London Authority.

(2) The scheme under subsection (1) shall—

- (a) last at least one year and no longer than two years; and
- (b) come into effect within 6 months of this Act receiving Royal Assent.

(3) The Secretary of State shall lay before each House of Parliament a report of the scheme under subsection (1) alongside any statement he thinks appropriate, within 3 months of the closing date of the scheme.

(4) The Secretary of State may by regulations extend the powers of the Housing Ombudsman Scheme as set out in section 51 and Schedule 2 of the Housing Act 1996, to cover disputes between tenants and private landlords nationwide.”—
(Teresa Pearce.)

This new clause would give the Secretary of State the power to introduce a pilot scheme which would see the Housing Ombudsman extend its cover in London to private sector housing and disputes between tenants and private landlords, to require that the Secretary of State reports on the pilot scheme, and to give the Secretary of State power through regulations to extend the Housing Ombudsman to cover private sector housing and disputes between tenants and private landlords nationwide.

Teresa Pearce: I beg to move, That the clause be read a Second time.

The new clause would give the Secretary of State power to introduce a pilot scheme that would see the housing ombudsman extend its cover in London to the private sector. That would require a report from the

Secretary of State following the pilot, and would give the Secretary of State the ability to extend the powers of the housing ombudsman to the private sector nationwide if that pilot is successful.

In London, the private rented sector is growing and is a significant proportion of the housing market. Extending the ombudsman scheme to cover the private rented sector would be a big change. That is why this new clause proposes a pilot to establish whether such an extension would be worth while.

Most landlords are effective and efficient in letting their property, but disputes between landlords and tenants can and do occur. They could be about a delay in responding to a situation in a flat. Perhaps there could be problems with electrics, gas or heating, or there could be a concern that the property is dangerous. A tenant could be concerned that part of the tenancy agreement or lease has not been upheld. The housing ombudsman is a fantastic independent service that helps to resolve many such complaints and concerns.

The ombudsman considers complaints about how a landlord has responded to reports of a problem, and considers what is fair in all circumstances. The ombudsman does not look at the original problem. For example, it does not decide whether or not a property is damp. What they look at is whether or not the landlord has done what he needs to do in line with the tenancy agreement and the ombudsman’s policies. It helps to defuse disputes by having an independent person look at them.

All local authorities and housing associations must be a member of the ombudsman scheme. At present, private sector landlords can join on a voluntary basis, but not nearly enough of them do so, leaving many tenants in a position where they have nowhere left to turn when things go wrong.

In total, 87% of cases referred to the housing ombudsman were resolved by landlords and tenants with the support of the ombudsman. Many of those landlords and tenants have gone on to build and keep good relations, and they continue to rent from and let to each other.

The measures in the Bill will bring about a decline in social housing, whether it is managed by the local authority or a housing association. As a result, the private rented sector, particularly in London, will increase its share of the housing market. Surely, therefore, it is right to ensure that all tenants across the sector are afforded the same protections and dispute resolution service.

That is why I have tabled new clause 34, which would extend the housing ombudsman scheme as a pilot in London. I hope the Minister will look favourably on it and let me know whether he sees any merit in this scheme. If he does, I hope he will accept the new clause.

Brandon Lewis: Of course, private sector landlords can already join the housing ombudsman scheme on a voluntary basis. Many landlords who wish to assure their tenants of the quality of their services already do so. I suggest that tenants reading *Hansard* in their quiet moments this weekend might take that on board and ensure that they look for landlords who are members of that scheme and the housing ombudsman scheme, because it sends a clear signal. The Greater London Authority would need to take a view on whether it would be

appropriate for the housing ombudsman to expand its role in London, given the linkages with the London rental standards.

I have made it clear that we have absolutely no intention of introducing unnecessary regulation on landlords or a national register of landlords. If the new clause were agreed, all landlords would be required to sign up to the scheme in order for it to work. Despite the excellent work of the housing ombudsman to resolve complaints, membership in the scheme for private landlords should remain voluntary at present, and we encourage private sector landlords to sign up.

Private landlords who have signed up voluntarily are signalling to their tenants that they are committed to a high level of service and can be expected to comply with any determination. Were they to be required to sign up, we would not expect the same level of engagement in the process or the same level of compliance. Indeed, the rogue landlords whom we want to target are the landlords who would ignore and avoid such a measure in the first place. Determinations would not therefore be enforceable, and we could risk increasing costs while tenants of reluctant landlords might not see any benefit. Although we accept and acknowledge the ethos of the hon. Lady's new clause, I hope she will agree to withdraw it at this stage.

Teresa Pearce: I thank the Minister for his response. Given that in London we have the GLA, I hope that, in conversations with the GLA and the next Mayor of London, whoever that might be, the Minister will press them to publicise the scheme and ensure that private landlords sign up for it. I agree that the rogue landlords that we discussed some weeks ago do not pay their tax or look after their tenants, and are not likely to sign up to the scheme. That is why we asked for a pilot scheme. In the hope that the Minister will take on board what we are trying to do, which is to raise the standard in the sector, I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

New Clause 35

COVER FOR MONEY RECEIVED OR HELD BY LETTINGS AGENTS IN THE COURSE OF BUSINESS

“(1) Subject to the provisions of this section, a person may not accept money from any person who seeks residential accommodation which is to let or who has a tenancy of a residential premises, or other right or permission to occupy, in the course of lettings agency work unless there are in force authorised arrangements under which, in the event of his failing to account for such money to the person entitled to it, his liability will be made good by another.

(2) In this section ‘lettings agency work’ has the same meaning as in section 83 of the Enterprise and Regulatory Reform Act 2013 and a ‘lettings agent’ is a person who engages in lettings agency work.

(3) The Secretary of State may by regulations made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of either House of Parliament—

- (a) specify any persons or classes of persons to whom subsection (1) does not apply;
- (b) specify arrangements which are authorised for the purposes of this section including arrangements to which an enforcement authority nominated for the purpose by the Secretary of State or any other person so nominated is a party;

- (c) specify the terms and conditions upon which any payment is to be made under such arrangements and any circumstances in which the right to any such payment may be excluded or modified;
- (d) provide that any limit on the amount of any such payment is to be not less than a specified amount; and
- (e) require a person providing authorised arrangements covering any person carrying on lettings agency work to issue a certificate in a form specified in the regulations certifying that arrangements complying with the regulations have been made with respect to that person.

(4) Every guarantee entered into by a person who provides authorised arrangements covering a lettings agent shall tenure for the benefit of every person from whom the lettings agent has received a relevant payment as if the guarantee were contained in a contract made by the insurer with every such person.

(5) A ‘relevant payment’ means any sum of money which is received in the circumstances described in subsection (1).”—
(*Teresa Pearce.*)

This new clause would require lettings agents to have Client Money Protection to cover all money received in the course of business.

Brought up, and read the First time.

Teresa Pearce: I beg to move, That the clause be read a Second time.

New clause 35 would require letting agents to have client money protection to cover all money received in the course of their business. Client money protection is an issue of which the sector has been incredibly supportive, and I thank those who have been in touch with me to share their support for the new clause.

It is estimated that letting agents currently hold approximately £2.7 billion in clients' funds. The figure has been derived from the assumption that letting agents will potentially have a tenant's deposit and one month's rent in their client account at any given time, yet if a letting agent is not covered by client money protection, both the landlord and the tenant stand to lose their money. The new clause is designed to protect both parties in the unlikely event that an agent goes into administration or misappropriates the client's funds. Any losses could be recovered through the scheme. The Bill's extension of banning orders to letting agents has acknowledged that there are times when letting agents do not act in the best interests of landlords or tenants.

The new clause would provide a type of consumer protection to the financial services industry's Financial Services Compensation Scheme, but it would be financed by the industry itself. We have a tenancy deposit scheme, which has been influential in ensuring that tenants' deposits are fairly and securely held, so why are letting agents and the tenants who use them not granted the same protections? The Enterprise and Regulatory Reform Act 2013 already requires all letting and managing agents to be members of a redress scheme. The new clause would simply complement that.

I have spoken about the industry support for the clause. Indeed the Association of Residential Letting Agents believes that

“the client money protection scheme is fundamental for tenants and landlords to ensure that they have peace of mind should an agent go bust or take off with their funds...Last year's move for all letting agents and property management agents in England to be a member of an approved redress scheme is a welcome step but essentially is only a half measure without a Client Money Protection

[Teresa Pearce]

scheme in place to ensure that, if necessary, we can cover losses for both the landlord and tenants...To not include such an amendment would be a missed opportunity.”

The introduction of a CMP would clearly be a positive step towards enhancing the professional reputation of letting agents across the board and for protecting clients’ money. I hope the Committee and the Minister will consider the new clause and that, in his response, the Minister will indicate whether he is minded to proceed in this direction and ensure that landlords’ and tenants’ money is protected when letting agencies are in administration or make off with the money.

4.15 pm

Kevin Hollinrake: I will keep my comments brief. I draw the Committee’s attention to my entry in the Register of Members’ Financial Interests.

I am delighted that Members on the Opposition Benches have tabled a measure that will actually protect landlords, rather than just tenants. It really is a problem for the landlord that if money has been paid by a tenant to a landlord through the intermediary of a letting agent, the agent might disappear with it. That has happened in the past. I hope that the Minister looks carefully at the new clause, because it would raise standards in the property, estate agents and lettings industry, among which it is a popular measure. We have to be careful, though, that we do not drive competition out of the market. There should be a proper impact assessment of how the proposal would affect the overall industry. The Government have introduced other measures to protect deposits, which protect both tenants and landlords, but client moneys—moneys paid in rent—are not currently protected. I hope that the Minister looks at the idea in more detail.

Brandon Lewis: I am aware that there is some support for the new clause in the housing sector, as the hon. Member for Erith and Thamesmead and my hon. Friend the Member for Thirsk and Malton have just outlined, but I am concerned that requiring letting agents to belong to a client money protection scheme at this stage could introduce into the sector significant costs, which would have implications on many levels.

We want to ensure that we have a strong and thriving private rented sector that is not tied up in excessive regulation. Requiring agents to pay to belong to a client money protection scheme would force honest agents to buy insurance against the risk that they themselves were fraudulent, when, as the hon. Lady said, the vast majority of agencies are not. Introducing a mandatory client money protection scheme at this point would be a step too far and would overburden a market that is perfectly capable of self-regulation. However, in May 2016 we will review the impact of the transparency measures that were put in place only recently. At that stage, I will take due consideration of whether any further action is needed, and obviously I will take into account the comments made this afternoon. I hope that, with those points in mind, the hon. Lady will withdraw the new clause.

Teresa Pearce: I thank the Minister for his response. When people are handling money that does not belong to them, it is important that it is ring-fenced and

safeguarded. For example, solicitors have to keep a completely separate client account, which is audited, because it is not their money. That principle is important with letting agents as well. Nevertheless, I hear what the Minister says and look forward to what may happen in 2016. With that, I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 36

RESTRICTION ON PERMITTED CHANGES OF USE

Where the Secretary of State has exercised or exercises his powers conferred by sections 59, 60, 61, 74 or 333(7) of the Town and Country Planning 1990 Act to make an Order in respect of change of use from office buildings (currently Class B1(a) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 (as amended)) to use as dwelling-houses, the Order shall have no effect in respect of any building situated within Greater London as provided in the London Government Act 1963.”—
(*Mr Gareth Thomas.*)

This new clause would exclude from the permitted changes of use provided in a Permitted Development Order made, or to be made, by the Secretary of State changes of use from offices to housing in London. Such changes would require planning permission from the local authority.

Brought up, and read the First time.

Mr Thomas: I beg to move, That the clause be read a Second time.

The new clause would require proposals to change offices in London into homes to go through a planning application process. Greater London has been particularly badly affected by the introduction of permitted development rights for those wanting to convert office accommodation into residential dwellings without seeking planning permission. There is a significant difference between office and residential values, which, combined with the high demand for housing and the scarcity of land, has created big incentives for landlords to convert, without planning permission, viable and occupied offices into homes. London Councils estimates that between May 2013 and April this year, at least 100,000 square feet of office floor space was lost. It argues that one consequence of that had been to drive up office rents in some parts of London, increasing costs for businesses; hon. Members know about all the implications of that.

London Councils has expressed concerns about the impact of the provisions on affordable housing in such developments. Because developers do not have to go through section 106 agreements when offices are converted into flats, there is no requirement to provide any affordable housing. London Councils estimates that some 16,000 new dwellings have avoided the full planning process and, as a result, many affordable homes that could have been built, had a planning application been required, have not been built. The LGA and London Councils have argued for change, and they support the intent of the new clause.

Chris Philp: Does the hon. Gentleman agree that the permitted development rights legislation has enabled the creation of thousands of new units in London, which have all been very affordable? What would he say to the thousands of Londoners who have been able to buy relatively cheap flats using that excellent provision?

Mr Thomas: On occasion, conversion from office accommodation into residential accommodation may well be justified. My point is simply that that should go through a proper planning application process, partly because of the impact on affordable housing and partly because it is necessary to consider the impact on jobs and the business community of the loss of office space. However, I entirely accept the hon. Gentleman's broader point that there is a huge shortage of housing, and on occasion it may well be entirely appropriate to convert offices into flats.

I will give the Committee some examples of where the ability to convert without planning permission has had an adverse impact on the business community. In Barnet, more than 100 small businesses were given as little as four to six weeks' notice to leave the premises they were in, Premier House, because the developers wanted to turn it into 112 flats. Another example, which the hon. Member for Wimbledon may be aware of, involved Merton Council—

Seema Kennedy (South Ribble) (Con): Will the hon. Gentleman give way?

Mr Thomas: I will just give the hon. Member for Wimbledon this example, because he may also want to intervene, and I will happily take the hon. Lady's intervention when I have done so. On Willow Lane industrial estate, some 40 small businesses with 150 employees were told to search for new premises, because there was a desire to convert the premises that they occupied into flatted accommodation.

Stephen Hammond: The industrial estate that the hon. Gentleman cites is not in my constituency; it is in that of his colleague the hon. Member for Mitcham and Morden (Siobhain McDonagh). As I pointed out earlier, a derelict office building has been brought into use to create 70 new flats for tenants who have come, I think, from the borough of Tower Hamlets. Before he prays too much against it, I think we need to be careful, because it is, as my hon. Friend the Member for Croydon South has pointed out, creating real opportunities for low-cost housing.

Mr Thomas: The hon. Gentleman's example of a derelict office block being brought into use as housing is absolutely encouraging. There is nothing to say that had it gone through the planning application process, those flats or other forms of accommodation could not have been provided. The planning application process allows the local community to think about the impact on jobs and the business community of particular applications. I apologise to the hon. Member for South Ribble; I am happy to give way to her.

Seema Kennedy: The hon. Gentleman raised a point about a notice period of as little as four weeks. That was done on the basis of a lease that had been agreed between two commercial parties. Surely, he is not suggesting that we legislate to interfere in the privacy of contract.

Mr Thomas: Absolutely not. I am simply saying that when there is a proposal to convert a big office block into residential accommodation, it is sensible to consider

the full impact on the local community, both the benefit of the conversion to housing and the effect on jobs and businesses. The Opposition are pro-business, particularly pro-small business, and I am surprised that the Government want to damage the business communities in the boroughs in my examples.

In that spirit, I gently suggest to Government Members that the new clause would not stop conversions from office use to residential accommodation, but it would allow proper discussions to take place about the benefits and the balance between business and housing need.

Chris Philp: Does the hon. Gentleman agree that article 4 directions can address the hon. Gentleman's concern about that balance? Local authorities can exclude town centre areas, for example, from the provisions, as many London boroughs have. Islington, Richmond and I think Southwark and Croydon, actually, have all done that.

Mr Thomas: The hon. Gentleman makes an interesting point about the degree to which the exemption process is working. London Councils has pointed out many other examples of where local authorities have sought exemptions, such as those he describes, but have been rejected.

Chris Philp: Typically where they have been unreasonable by requesting whole-borough exemptions, which have been quite rightly turned down.

Mr Thomas: With respect, I do not think that is accurate. The hon. Gentleman is perhaps rushing to read the Whip's script a bit too quickly.

Dr Blackman-Woods: Is it not another curious inconsistency in the Government's approach that they are happy to add to the bureaucratic burden of local authorities by making them go through a tortuous article 4 direction application, which may or may not be allowed, to carry out the most basic of planning functions?

Mr Thomas: My hon. Friend makes a good point. The hon. Member for Croydon South may want to seek the help of the hon. Member for Wimbledon in looking in a little more detail at the example of the Willow Lane trading estate and the conversion of business accommodation into flats there. According to the Local Government Association, Merton Council had attempted without success to get the industrial estate exempt from the Government's rules.

I introduce this new clause in the spirit of concern about the impact on the business community, while still wanting office accommodation to be converted into housing, where appropriate, as long as there is a full discussion involving the local community.

Dr Blackman-Woods: I rise to support my hon. Friend's new clause and to ask the Minister a very straightforward question. In October, he said that the changes in the policy on permitted development of office blocks from office to residential were to be made permanent. Will he clarify whether there has been any secondary legislation to bring that about?

Brandon Lewis: The office-to-residential policy has been successful in achieving what it was intended to do. It has helped to simplify the planning process to encourage more development on brownfield land and to deliver additional new homes, including in London, where housing need is particularly acute. I should also make it clear that it has helped to reduce the pressure to build on brownfield land. The data show that we have seen a 65% increase in the number of new homes created through change of use. Furthermore, since April 2014, nearly 4,000 permissions have been granted under permitted development rights for office-to-residential conversion, showing that it is delivering much-needed homes for Londoners.

To continue to boost the supply of housing, we have announced that we will make the permitted development right permanent. However, we also understand the need to protect the vitality of key economic areas. The current exemption areas, including the City of London and the central activity zone, will be extended until 30 May 2019 to allow time for those authorities to consider whether it is necessary to make an article 4 direction to remove the right. As I set out in my response to new clauses 19 and 20 on Tuesday, the article 4 process is straightforward. Local authorities, including a number of London boroughs, as my hon. Friend the Member for Croydon South outlined, have already used that process. I think the new clause is unnecessary, and I invite the hon. Member for Harrow West to withdraw it.

Mr Thomas: Even though the Minister has gone back to his Mr Grumpy mood, with some reluctance I have decided not to seek to divide the Committee on this new clause. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 37

REMOVAL OF LIMIT ON DEBT WHERE AN AUTHORITY HAS A HOUSING REVENUE ACCOUNT

The Localism Act 2011 is amended as follows.

Leave out section 171 (Limits on indebtedness).—(*Mr Gareth Thomas.*) *This new Clause would remove the Secretary of State's power to make determinations about the housing debt that may be held by a local housing authority that keeps a Housing Revenue Account.*

Brought up, and read the First time.

4.30 pm

Mr Thomas: I beg to move, That the clause be read a Second time.

This new clause seeks to remove the limit on debt where an authority has a housing revenue account. I hope that it will attract the support of the hon. Member for Thirsk and Malton, who rightly reminded the Committee of the 1.4 million households on council waiting lists and the need for urgent action to tackle the scale of housing need those waiting lists represent. Crucially, we need to do more to build homes that those on the waiting lists can afford. Rents have rocketed because of the shortage of supply, as we have discussed, which is another factor necessitating urgent action. Hon. Members will be more than well aware of the particularly acute shortage of housing in London, where, even according to the Mayor of London's planning documents, we are building only half of the housing we need.

In April 2012, the Government gave councils that own their own housing full control over their stock for the first time, although it was planned under the previous Labour Government. That meant that councils have the right to keep and manage all their rental income. In exchange for that right, councils in London agreed to take on billions of pounds of the nation's housing debt. One of the benefits of giving councils full control of their own housing stock is that councils can borrow money against their assets to invest in new housing. However, as part of the agreement, the Government sadly imposed a cap on such borrowing. That cap was over and above the Treasury's normal prudential borrowing rules that apply to most local authority borrowing. That artificial cap effectively halved the potential cash available for councils in London to invest in new homes.

London Councils has estimated that aligning the housing borrowing cap with the Treasury's prudential borrowing rules—that is the purpose of my new clause—could generate an additional £3.2 billion of sustainable borrowing, which could potentially pay for an additional 54,000 extra affordable homes for Londoners over and above those already planned.

I understand that the reason—or at least the reason that was given in public—for the introduction of that cap was the worry that even prudential borrowing by local authorities might have an impact on the national deficit. But work by Capital Economics was drawn to the attention of the Lyons review, which made clear, from a series of conversations with City interviewers, that the amount of money that is likely to be borrowed would not be sufficient for the markets to worry, irrespective of any changes in accounting methods.

I understand that, on occasion, some flexibility around the cap has been on offer to local authorities. I hope the Minister, if he does not feel that he can support new clause 37 in its entirety, might be willing to look at the possibility of giving further flexibility to local authorities that have clear, sensible and thought-through plans to build additional homes so they can use their borrowing powers.

It is worth pointing out that a number of councils are seeking to get around the existing borrowing cap by setting up additional partnerships with developers and housing companies that are often wholly run by the local authority. Sheffield Housing Company, which will build some 2,300 homes over the next 15 years, is a particularly interesting example. It has had to go down the housing company route in order to get access to finance from the market. Having to go down such a bureaucratic route by setting up a company would not be necessary if there was no borrowing cap, or indeed, if the Ministers showed more flexibility.

Mr Bacon: I do not quite understand what the hon. Gentleman's problem is with having to set up a company. When I worked in property banking as a young man, I would run five or six annual general meetings for different special purpose vehicle companies before breakfast on one day—literally.

Mr Thomas: With all due respect to the hon. Gentleman, it is a long time since he was a young man, and things have changed somewhat since then. Despite that gentle riposte, I bring the Committee's attention back to what I hope will be a positive reply from the Minister.

Brandon Lewis: I have always felt that my hon. Friend the Member for South Norfolk is, at the very least, young at heart.

The indebtedness limits were put in place as part of the self-financing settlement with local authorities back in 2012. The financial freedoms provided by the settlement were widely welcomed by local government. However, as part of that, it was necessary to place a limit on the amount of housing debt that can be held, given the potential impact on the public sector borrowing requirement.

The limits do not mean there is no flexibility for local authorities to borrow. Indeed, at the time of self-financing, there was borrowing headroom of about £2.8 billion. That figure has increased as local authorities have reduced their debt levels. At the end of 2014-15, the headroom had increased to almost £3.4 billion. We were aware that the headroom was not evenly spread and that some councils needed additional borrowing headroom to build more homes, which is why we made available £221 million of extra borrowing headroom to 36 councils in England, to support thousands of new affordable homes in 2015-16 and 2016-17.

Much as I support the hon. Member for Harrow West on seeing more homes built, I cannot agree to the unrestricted increase of housing debt that would result from the amendment, given the implications for the public sector borrowing requirement, so I urge him to withdraw his new clause.

Mr Thomas: The Minister worries unnecessarily, given the comments put to us in the Lyons review. Nevertheless, I do not intend at this point to seek a Division, and I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 38

EXTENSION OF HELP TO BUY SCHEMES TO TENANTS RECEIVING SUPPORT FOR THE VOLUNTARY RIGHT TO BUY

(1) This section applies to a tenant purchasing a dwelling-house in respect of which the Secretary of State makes a grant to a private registered provider in respect of a right to buy discount provided at section 56.

(2) The tenant shall be entitled to the same support provided under a help to buy scheme supported or underwritten by the Government as a tenant exercising right to buy of a dwelling-house from a local authority.”—(*Mr Gareth Thomas.*)

This new clause would extend the Government's Help to Buy schemes to those exercising the right to buy under the voluntary scheme supported by Government grants, to put housing association purchasers in the same position as those buying their homes under right to buy from local authorities.

Brought up, and read the First time.

Mr Thomas: I beg to move, That the clause be read a Second time.

I tabled the new clause in a spirit of wanting to finally flush the Minister out on why he was so opposed to the proposal from the Mayor of London and, indeed, the noble Lord Kerslake about the potential for equity loans—an extension of the Government's Help to Buy scheme—to help pay for the sale of council homes.

It is worth referencing the huge waiting lists that many councils have and the large number of people in temporary accommodation and bed and breakfasts,

which represents a huge cost for council tax payers. It is also worth mentioning that last year, for every 11 council homes sold off, just one new property was built.

The proposal from the Mayor of London and the noble Lord Kerslake might be a potential solution that obviates the need to sell off council housing in particular areas—notably in central London, where it will be very difficult to replace—while allowing the Government to move forward with their agenda of offering housing association tenants the right to buy their flat. If the only motivation for including the forced sale of council homes is to pay for the cost of the discounts that housing association tenants will get through the right to buy, the option of extending the Government's own Help to Buy scheme to housing association tenants might provide a genuinely new route to avoid the sale of council homes, and, as a result, exacerbate the housing crisis in London. In that spirit, I move this new clause.

Brandon Lewis: I appreciate the intent behind the new clause, and I welcome the hon. Gentleman's conversion and support for our home ownership policies. However, I can assure him that it is completely unnecessary to put his new clause in the Bill, despite Labour building only one home for every 170 that were sold under right to buy. Our new revitalised right-to-buy scheme is delivering one for one, and is reaching two for one in London. We want to support people who work hard and save up for the deposit to buy their own home. That is why there is nothing to prevent the Help to Buy individual savings account being used with other Government schemes, helping people to achieve their home ownership aspirations. I encourage people to look at that, including the voluntary right to buy.

The Help to Buy equity loan scheme can only be used for new build properties, so would not apply to either local authority or housing association tenants looking to buy their own home. I hope the hon. Gentleman will agree to withdraw his new clause.

Mr Thomas: I am a bit disappointed that the Minister did not say he had at least discussed with the Treasury the possibility of extending the scheme to cover housing association tenants. I can see no reason why not. Nevertheless, I am not at this point of a mind to press the new clause to a Division, but perhaps it is a good time to commend you, Mr Gray, for your chairmanship.

The Chair: Order. That will come later. At the moment we are discussing new clause 38.

Mr Thomas: I will not press it to a vote. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Schedule 2

DEFAULT POWERS EXERCISABLE BY MAYOR OF LONDON OR COMBINED AUTHORITY: SCHEDULE TO BE INSERTED IN THE PLANNING AND COMPULSORY PURCHASE ACT 2004

“SCHEDULE A1

Section 27A

DEFAULT POWERS EXERCISABLE BY MAYOR OF LONDON OR COMBINED AUTHORITY

Default powers exercisable by Mayor of London

1 If the Secretary of State—

- (a) thinks that a London borough council, in their capacity as local planning authority, are failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision or adoption of a development plan document, and

- (b) invites the Mayor of London to prepare or revise the document,

the Mayor of London may prepare or revise (as the case may be) the development plan document.

2 (1) This paragraph applies where a development plan document is prepared or revised by the Mayor of London under paragraph 1.

(2) The Mayor of London must hold an independent examination.

(3) The Mayor of London—

- (a) must publish the recommendations and reasons of the person appointed to hold the examination, and

- (b) may also give directions to the council in relation to publication of those recommendations and reasons.

(4) The Mayor of London may—

- (a) approve the document, or approve it subject to specified modifications, as a local development document, or

- (b) direct the council to consider adopting the document by resolution of the council as a local development document.

3 (1) Subsections (4) to (7C) of section 20 apply to an examination held under paragraph 2(2)—

- (a) with the reference to the local planning authority in subsection (7C) of that section being read as a reference to the Mayor of London, and

- (b) with the omission of subsections (5)(c), (7)(b)(ii) and (7B)(b).

(2) The Mayor of London must give reasons for anything he does in pursuance of paragraph 1 or 2(4).

(3) The council must reimburse the Mayor of London—

- (a) for any expenditure that the Mayor incurs in connection with anything which is done by him under paragraph 1 and which the council failed or omitted to do as mentioned in that paragraph;

- (b) for any expenditure that the Mayor incurs in connection with anything which is done by him under paragraph 2(2).

Default powers exercisable by combined authority

4 In this Schedule—

“combined authority” means a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009;

“constituent planning authority”, in relation to a combined authority, means—

- (a) a county council, metropolitan district council or non-metropolitan district council which is the local planning authority for an area within the area of the combined authority, or

- (b) a joint committee established under section 29 whose area is within, or the same as, the area of the combined authority.

5 If the Secretary of State—

- (a) thinks that a constituent planning authority are failing or omitting to do anything it is necessary for them to do in connection with the preparation, revision or adoption of a development plan document, and

- (b) invites the combined authority to prepare or revise the document,

the combined authority may prepare or revise (as the case may be) the development plan document

6 (1) This paragraph applies where a development plan document is prepared or revised by a combined authority under paragraph 5.

(2) The combined authority must hold an independent examination.

(3) The combined authority—

- (a) must publish the recommendations and reasons of the person appointed to hold the examination, and

- (b) may also give directions to the constituent planning authority in relation to publication of those recommendations and reasons.

(4) The combined authority may—

- (a) approve the document, or approve it subject to specified modifications, as a local development document, or

- (b) direct the constituent planning authority to consider adopting the document by resolution of the authority as a local development document.

7 (1) Subsections (4) to (7C) of section 20 apply to an examination held under paragraph 6(2)—

- (a) with the reference to the local planning authority in subsection (7C) of that section being read as a reference to the combined authority, and

- (b) with the omission of subsections (5)(c), (7)(b)(ii) and (7B)(b).

(2) The combined authority must give reasons for anything they do in pursuance of paragraph 5 or 6(4).

(3) The constituent planning authority must reimburse the combined authority—

- (a) for any expenditure that the combined authority incur in connection with anything which is done by them under paragraph 5 and which the constituent planning authority failed or omitted to do as mentioned in that paragraph;

- (b) for any expenditure that the combined authority incur in connection with anything which is done by them under paragraph 6(2).

Intervention by Secretary of State

8 (1) This paragraph applies to a development plan document that has been prepared or revised—

- (a) under paragraph 1 by the Mayor of London, or

- (b) under paragraph 5 by a combined authority.

(2) If the Secretary of State thinks that a development plan document to which this paragraph applies is unsatisfactory—

- (a) he may at any time before the document is adopted under section 23, or approved under paragraph 2(4)(a) or 6(4)(a), direct the Mayor of London or the combined authority to modify the document in accordance with the direction;

- (b) if he gives such a direction he must state his reasons for doing so.

(3) Where a direction is given under sub-paragraph (2)—

- (a) the Mayor of London or the combined authority must comply with the direction;

- (b) the document must not be adopted or approved unless the Secretary of State gives notice that the direction has been complied with.

(4) Sub-paragraph (3) does not apply if or to the extent that the direction under sub-paragraph (2) is withdrawn by the Secretary of State.

(5) At any time before a development plan document to which this paragraph applies is adopted under section 23, or approved under paragraph 2(4)(a) or 6(4)(a), the Secretary of State may direct that the document (or any part of it) is submitted to him for his approval.

(6) In relation to a document or part of a document submitted to him under sub-paragraph (5) the Secretary of State—

- (a) may approve the document or part;

- (b) may approve it subject to specified modifications;

- (c) may reject it.

The Secretary of State must give reasons for his decision under this sub-paragraph.

(7) The Secretary of State may at any time—

- (a) after a development plan document to which this paragraph applies has been submitted for independent examination, but
- (b) before it is adopted under section 23 or approved under paragraph 2(4)(a) or 6(4)(a),

direct the Mayor of London or the combined authority to withdraw the document.

9 (1) This paragraph applies if the Secretary of State gives a direction under paragraph 8(5).

(2) No steps are to be taken in connection with the adoption or approval of the document until the Secretary of State gives his decision, or withdraws the direction.

(3) If the direction is given, and not withdrawn, before the document has been submitted for independent examination, the Secretary of State must hold an independent examination.

(4) If the direction—

- (a) is given after the document has been submitted for independent examination but before the person appointed to carry out the examination has made his recommendations, and

- (b) is not withdrawn before those recommendations are made,

the person must make his recommendations to the Secretary of State.

(5) The document has no effect unless the document or (as the case may be) the relevant part of it has been approved by the Secretary of State, or the direction is withdrawn.

The “relevant part” is the part of the document that—

- (a) is covered by a direction under paragraph 8(5) which refers to only part of the document, or

- (b) continues to be covered by a direction under paragraph 8(5) following the partial withdrawal of the direction.

(6) The Secretary of State must publish the recommendations made to him by virtue of sub-paragraph (3) or (4) and the reasons of the person making the recommendations.

(7) In considering a document or part of a document submitted under paragraph 8(5) the Secretary of State may take account of any matter which he thinks is relevant.

(8) It is immaterial whether any such matter was taken account of by the Mayor of London or the combined authority.

10 Subsections (4) to (7C) of section 20 apply to an examination held under paragraph 9(3)—

- (a) with the reference to the local planning authority in subsection (7C) of that section being read as a reference to the Secretary of State, and

- (b) with the omission of subsections (5)(c), (7)(b)(ii) and (7B)(b).

11 In the exercise of any function under paragraph 8 or 9 the Secretary of State must have regard to the local development scheme.

12 The Mayor of London or the combined authority must reimburse the Secretary of State for any expenditure incurred by the Secretary of State under paragraph 8 or 9 that is specified in a notice given by him to the Mayor or the authority.

Temporary direction pending possible use of intervention powers

13 (1) If the Secretary of State is considering whether to give a direction to the Mayor of London or a combined authority under paragraph 8 in relation to a development plan document, he may direct the Mayor or the authority not to take any step in connection with the adoption or approval of the document—

- (a) until the time (if any) specified in the direction, or
- (b) until the direction is withdrawn.

(2) A document to which a direction under this paragraph relates has no effect while the direction is in force.

(3) A direction given under this paragraph in relation to a document ceases to have effect if a direction is given under paragraph 8 in relation to that document.”—(*Mr Marcus Jones.*)

This new Schedule inserts a new Schedule A1 to the Planning and Compulsory Purchase Act 2004 which makes detailed provision for the intervention in local plan-making by the Mayor of London or a combined authority described in NC17.

Brought up, read the First and Second time, and added to the Bill.

New Schedule 3

“RIGHT TO ENTER AND SURVEY LAND: CONSEQUENTIAL AMENDMENTS

Defence Act 1842 (5&6 Vict c. 94)

1 In section 16 of the Defence Act 1842, at the end insert—

“(3) A person may not be authorised under subsection (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Coast Protection Act 1949 (12 & 13 Geo 6 c. 74)

2 In section 25 of the Coast Protection Act 1949, after subsection (1) insert—

“(1A) A person may not be authorised under subsection (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

National Parks and Access to the Countryside Act 1949 (12, 13 & 14 Geo 6 c. 97)

3 (1) Section 108 of the National Parks and Access to the Countryside Act 1949 is amended as follows.

(2) In subsection (1)(a), after “therein” insert “in relation to land in Scotland”.

(3) After subsection (1) insert—

“(1A) A person may not be authorised under subsection (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Land Powers (Defence) Act 1958 (6 & 7 Eliz 2 c. 30)

4 In section 21 of the Land Powers (Defence) Act 1958, after subsection (1) insert—

“(1A) A person may not be authorised under subsection (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Caravan Sites and Control of Development Act 1960 (8 & 9 Eliz 2 c. 62)

5 In section 26 of the Caravan Sites and Control of Development Act 1960, after subsection (1) insert—

“(1A) A person may not be authorised under subsection (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Compulsory Purchase Act 1965 (c. 56)

6 In section 11(3) of the Compulsory Purchase Act 1965 for “surveying and taking levels” substitute “surveying, valuing or taking levels”.

Criminal Justice Act 1972 (c. 71)

7 In the Criminal Justice Act 1972 omit section 60.

Welsh Development Agency Act 1975 (c. 70)

8 In Schedule 4 to the Welsh Development Agency Act 1975 omit paragraph 14(1).

Local Government (Miscellaneous Provisions) Act 1976 (c. 57)

9 In the Local Government (Miscellaneous Provisions) Act 1976 omit section 15.

Ancient Monuments and Archaeological Areas Act 1979 (c. 46)

10 In section 43 of the Ancient Monuments and Archaeological Areas Act 1979, for subsection (1) substitute—

“(1) Any person authorised under this section may at any reasonable time enter any land in Scotland for the purpose of surveying it, or estimating its value, in connection with any proposal to acquire that or any other land under this Act or in connection with any claim for compensation under this Act in respect of any such acquisition.

(1A) Any person authorised under this section may at any reasonable time enter any land in England and Wales or Scotland for the purpose of surveying it, or estimating its value, in connection with any claim for compensation under this Act for any damage to that or any other land.

(1B) See section 111 of the Housing and Planning Act 2015 for a power to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land.”

Local Government, Planning and Land Act 1980 (c. 65)

11 (1) Section 167 of the Local Government, Planning and Land Act 1980 is amended as follows.

(2) In the heading, after “land” insert “in Scotland”.

(3) In subsection (1)—

- (a) in paragraph (a) after “any land” insert “in Scotland”;
- (b) in paragraph (b) after “other land” insert “in Scotland”.

(4) In subsection (7)—

- (a) for the words before paragraph (a) substitute “Where it is proposed to search or bore in pursuance of this section in a road within the meaning of Part 4 of the New Roads and Street Works Act 1991—”;
- (b) in paragraph (a) omit “55 or”;
- (c) in paragraph (b) omit “69 or”;
- (d) in paragraph (c) omit “82 or”;
- (e) for the words after paragraph (c) substitute “have effect in relation to the searching or boring as if they were road works within the meaning of Part 4 of that Act.”

(5) In subsection (9)—

- (a) for “Upper Tribunal” substitute “Lands Tribunal for Scotland”;
- (b) for the words from “section 4” to “costs)” substitute “sections 9(2) to (5) and 11 of the Land Compensation (Scotland) Act 1963 (procedure and expenses)”.

(6) Omit subsection (13).

Highways Act 1980 (c. 66)

12 In section 289 of the Highways Act 1980, after subsection (1) insert—

“(1A) A person may not be authorised under subsection (1) to enter and survey or value land in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

New Towns Act 1981 (c. 64)

13 In section 73(1) of the New Towns Act 1981 omit paragraph (b) (and the “or” before it).

Civil Aviation Act 1982 (c. 16)

14 (1) Section 50 of the Civil Aviation Act 1982 is amended as follows.

(2) In subsection (1), for paragraph (e) substitute—

- “(e) in any case not falling within paragraphs (a) to (d) above where the Secretary of State has made an order under or in pursuance of this Part of this Act—
 - (i) authorising the compulsory purchase of land,
 - (ii) providing for the creation in favour of a particular person of a right in or in relation to land, or
 - (iii) declaring that an area of land shall be subject to control by directions.

(f) in any case not falling within paragraphs (a) to (d) above where the Secretary of State is considering making an order under or in pursuance of this Part of this Act—

- (i) authorising the compulsory purchase of land in Scotland or Northern Ireland,
- (ii) providing for the creation in favour of a particular person of a right in or in relation to land in Scotland or Northern Ireland, or
- (iii) declaring that an area of land in England and Wales, Scotland or Northern Ireland shall be subject to control by directions.”

(3) In subsection (3)(e), after “(1)(e)” insert “or (f)”.

(4) In subsection (4)(b), after “(1)(e)” insert “or (f)”.

(5) In subsection (7)(c), after “(1)(e)” insert “or (f)”.

Industrial Development Act 1982 (c. 52)

15 In section 14 of the Industrial Development Act 1982 omit subsection (6).

Housing Act 1985 (c. 68)

16 In section 54 of the Housing Act 1985, after subsection (2) insert—

“(3) A person may not be authorised by a local housing authority under subsection (1)(a) to enter and survey or value land in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Local Government and Housing Act 1989 (c. 42)

17 In section 97 of the Local Government and Housing Act 1989, after subsection (1) insert—

“(1A) A person may not be authorised by a local housing authority under subsection (1)(a) to enter and survey or value land in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Electricity Act 1989 (c. 29)

18 In Schedule 4 to the Electricity Act 1989, in paragraph 10, after sub-paragraph (1) insert—

“(1A) A person may not be authorised under sub-paragraph (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Town and Country Planning Act 1990 (c. 8)

19 In section 324 of the Town and Country Planning Act 1990 omit subsection (6).

Planning (Listed Buildings and Conservation Areas) Act 1990 (c. 9)

20 In section 88 of the Planning (Listed Buildings and Conservation Areas) Act 1990 omit subsection (5).

Land Drainage Act 1991 (c. 59)

21 In section 64 of the Land Drainage Act 1991, after subsection (1) insert—

“(1A) A person may not be authorised under subsection (1)(a) or (b) to enter and survey or value land in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Water Industry Act 1991 (c. 56)

22 (1) Section 169 of the Water Industry Act 1991 is amended as follows.

(2) In subsection (2) omit paragraph (a) (and the “or” at the end of it).

(3) In subsection (4), for the words before paragraph (a) substitute “The powers conferred by this section or section 111 of the Housing and Planning Act 2015 shall not be exercised on behalf of a water undertaker in any case for purposes connected with the determination of—”.

Water Resources Act 1991 (c. 57)

23 (1) Section 171 of the Water Resources Act 1991 is amended as follows.

(2) In subsection (2) omit paragraph (a) (and the “or” at the end of it).

(3) In subsection (4), for the words before paragraph (a) substitute “The powers conferred by this section or section 111 of the Housing and Planning Act 2015 shall not be exercised on behalf of the Agency or the NRW in any case for purposes connected with the determination of—”.

Environment Act 1995 (c. 25)

24 (1) Schedule 8 to the Environment Act 1995 is amended as follows.

(2) In paragraph 1(2) omit paragraph (b).

(3) In paragraph 2(3)—

(a) at the end of paragraph (a) insert “and”;

(b) omit paragraph (c) (and the “and” before it).

Greater London Authority Act 1999 (c. 29)

25 In the Greater London Authority Act 1999 omit section 333ZD.

Postal Services Act 2000 (c. 26)

26 In Schedule 6 to the Postal Services Act 2000, in paragraph 2, after sub-paragraph (2) insert—

“(2A) A person may not be authorised under sub-paragraph (1) to enter and survey or value land in England and Wales in connection with a proposal to acquire an interest in or a right over land (but see section 111 of the Housing and Planning Act 2015).”

Housing and Regeneration Act 2008 (c. 17)

27 In the Housing and Regeneration Act 2008 omit sections 17 and 18.

Localism Act 2011 (c. 20)

28 In the Localism Act 2011 omit section 210. —(*Mr Marcus Jones.*)
See Member’s explanatory statement for NC18.

Brought up, read the First and Second time, and added to the Bill.

New Schedule 4

“SECURE TENANCIES ETC: PHASING OUT OF TENANCIES FOR LIFE

Law of Property Act 1925 (c.20)

1 (1) Section 52 of the Law of Property Act 1925 (conveyances to be by deed, unless excepted by subsection (2) of that section) is amended as follows.

(2) In subsection (2), after paragraph (db) insert—

“(dc) secure tenancies of dwellings in England granted on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force, other than old-style secure tenancies;”.

(3) In subsection (3)—

(a) in the definition of “flexible tenancy”, for “107A” substitute “115B”;

(b) at the appropriate place insert—

““secure tenancy” has the meaning given by section 79 of the Housing Act 1985 and “old style-secure tenancy” has the meaning given by section 115C of that Act;”.

Housing Act 1985 (c. 68)

2 The Housing Act 1985 is amended as follows.

3 For the italic heading before section 79 substitute—

“*Secure tenancies*”

4 After section 81 insert—

“*Grant of new secure tenancies in England*

81A New English secure tenancies to be between 2 and 5 years in general

“(1) A person may grant a secure tenancy of a dwelling-house in England only if it is a tenancy for a fixed term that is—

(a) at least 2 years, and

(b) no more than 5 years.

(2) If a person purports to grant a secure tenancy in breach of subsection (1), it takes effect as a tenancy for a fixed term of 5 years.

(3) This section does not apply to the grant of an old-style secure tenancy (as to which, see section 81B).

81B Cases where old-style English secure tenancies may be granted

“(1) A person may grant an old style-secure tenancy of a dwelling-house in England only—

(a) in circumstances specified in regulations made by the Secretary of State, or

(b) in accordance with subsection (2).

(2) A local housing authority that grants a secure tenancy of a dwelling-house in England must grant an old-style secure tenancy if—

(a) the tenancy is offered as a replacement for an old-style secure tenancy of some other dwelling-house, and

(b) the tenant has not made an application to move.

(3) Other provisions of this Part set out the consequences of a tenancy being an old-style secure tenancy.

(4) Regulations under subsection (1) may include transitional or saving provision.

(5) Regulations under subsection (1) are to be made by statutory instrument.

(6) A statutory instrument containing regulations under subsection (1) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

81C Duty to offer new secure tenancy in limited circumstances

“(1) This section applies where a change in circumstances means that a tenancy that is not a secure tenancy would become a secure tenancy but for the exception in paragraph 1ZA of Schedule 1.

(2) The landlord must, within the period of 28 days, make the tenant a written offer of a secure tenancy in return for the tenant surrendering the original tenancy.

(3) If the tenant accepts in writing within the period of 28 days beginning with the day on which the tenant receives the offer, the landlord must grant the secure tenancy on the tenant surrendering the original tenancy.

81D Review of decisions about length of secure tenancies in England

“(1) A person who is offered a secure tenancy of a dwelling-house in England (under section 81C or otherwise) may request a review under this section, unless the tenancy on offer is an old-style secure tenancy.

(2) The sole purpose of a review under this section is to consider whether the length of the tenancy is in accordance with any policy that the prospective landlord has about the length of secure tenancies it grants.

(3) The request must be made before the end of—

(a) the period of 21 days beginning with the day on which the person making the request first receives the offer, or

(b) such longer period as the prospective landlord may allow in writing.

(4) On receiving the request the prospective landlord must carry out the review.

(5) On completing the review the prospective landlord must —

(a) notify the tenant in writing of the outcome,

(b) revise its offer or confirm its original decision about the length of the tenancy, and

(c) if it decides to confirm its original decision, give reasons.

(6) The Secretary of State may by regulations make provision about the procedure to be followed in connection with a review under this section.

(7) The regulations may, in particular—

- (a) require the review to be carried out by a person of appropriate seniority who was not involved in the original decision;
- (b) make provision as to the circumstances in which the person who requested the review is entitled to an oral hearing, and whether and by whom that person may be represented.

(8) Regulations under this section may include transitional or saving provision.

(9) Regulations under this section are to be made by statutory instrument which is subject to annulment in pursuance of a resolution of either House of Parliament.”

5 In section 82 (security of tenure), in subsection (3), for the words from “section 86” to the end substitute “section 86 or 86D shall apply”.

6 (1) Section 82A (demoted tenancy) is amended as follows.

(2) After subsection (4) insert—

“(4A) The court may not make a demotion order in relation to a secure tenancy of a dwelling-house in England if—

- (a) the landlord is a local housing authority or housing action trust, and
- (b) the term has less than 1 year and 9 months left to run

(4B) But subsection (4A) does not apply to a tenancy to which an exception in section 86A(2) or (3) applies.”

(3) In subsection (5), for paragraph (b) substitute—

“(b) the period or term of the tenancy (but see subsection (6));”.

(4) For subsection (6) substitute—

“(6) Subsection (5)(b) does not apply if—

- (a) the secure tenancy was for a fixed term and was an old-style secure tenancy or a flexible tenancy, or
- (b) the secure tenancy was for a fixed term and was a tenancy of a dwelling-house in Wales,

and in such a case the demoted tenancy is a weekly periodic tenancy.”

7 After section 82 insert—

“*Orders for possession and expiry of term etc*”

8 In section 83 (proceedings for possession or termination: general notice requirements), in subsection (A1), for paragraph (b) substitute—

“(b) proceedings for possession of a dwelling-house under section 86E (recovery of possession on expiry of certain English secure tenancies).”

9 In section 84 (grounds and orders for possession), in subsection (1), for “section 107D (recovery of possession on expiry of flexible tenancy)” substitute “section 86E (recovery of possession on expiry of certain English secure tenancies)”.

10 (1) Section 86 (periodic tenancy arising on termination of fixed term) is amended as follows.

(2) In subsection (1), after “secure tenancy” insert “to which this section applies”.

(3) After subsection (1) insert—

“(1A) This section applies to a secure tenancy of a dwelling-house in Wales.

(1B) This section also applies to a secure tenancy of a dwelling-house in England that is—

- (a) an old-style secure tenancy, or
- (b) a flexible tenancy the term of which ends within the period of 9 months beginning with the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force,

unless it is a tenancy excluded by subsection (1C).”

(4) In subsection (2), for “this section” substitute “subsection (1)”.

11 After section 86 insert—

“*English secure tenancies: review, renewal and possession*

86A English tenancies: review to determine what to do at end of fixed term

“(1) The landlord under a fixed term secure tenancy of a dwelling-house in England must carry out a review to decide what to do at the end of the term, unless one of the following exceptions applies.

(2) Exception 1 is where the tenancy is an old-style secure tenancy.

(3) Exception 2 is where the tenancy is a flexible tenancy the term of which ends within the period of 9 months beginning with the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force.

(4) A review under this section must be carried out while the term has 6 to 9 months left to run.

(5) On a review under this section the landlord must decide which of the following options to take.

Option 1: offer to grant a new secure tenancy of the dwelling-house at the end of the current tenancy.

Option 2: seek possession of the dwelling house at the end of the current tenancy but offer to grant a secure tenancy of another dwelling-house instead.

Option 3: seek possession of the dwelling-house at the end of the current tenancy without offering to grant a secure tenancy of another dwelling-house.

(6) The landlord must also—

(a) offer the tenant advice on buying a home if the landlord considers that to be a realistic option for the tenant, and

(b) in appropriate cases, offer the tenant advice on other housing options.

86B Notification of outcome of review under section 86A

“(1) On completing a review under section 86A the landlord must notify the tenant in writing of the outcome of the review.

(2) The notice must be given by no later than 6 months before the end of the term of the current tenancy.

(3) The notice must state which of the options mentioned in section 86A the landlord has decided to take.

(4) If the landlord has decided to seek possession of the dwelling-house at the end of the secure tenancy the notice must also—

(a) inform the tenant of the right under section 86C to request the landlord to reconsider, and

(b) specify the time limit for making a request under that section.

(5) If the notice states that the landlord has decided to offer a new tenancy and the tenant accepts in writing before the end of the current tenancy, the landlord must grant the new tenancy in accordance with the offer.

86C Reconsideration of decision not to grant a tenancy

“(1) Where a tenant is notified that the outcome of a review under section 86A is that the landlord has decided to seek possession of the dwelling-house at the end of the current tenancy, the tenant may request the landlord to reconsider its decision.

(2) The request must be made before the end of the period of 21 days beginning with the day on which tenant was notified of the decision.

(3) On receiving the request, the landlord must reconsider its decision.

(4) The landlord must, in particular, consider whether the original decision is in accordance with any policy that the landlord has about the circumstances in which it will grant a

further tenancy on the coming to an end of an existing fixed term tenancy.

(5) Once the landlord has reconsidered the decision the landlord must—

- (a) notify the tenant in writing of the outcome,
- (b) revise or confirm its original decision, and
- (c) if it decides to confirm its original decision, give reasons.

(6) The Secretary of State may by regulations make provision about the procedure to be followed in connection with reconsidering a decision for the purposes of this section.

(7) The regulations may, in particular—

- (a) require the original decision to be reconsidered by a person of appropriate seniority who was not involved in the original decision, and
- (b) make provision as to the circumstances in which the person who requested the landlord to reconsider the original decision is entitled to an oral hearing, and whether and by whom that person may be represented.

(8) Regulations under this section may include transitional or saving provision.

(9) Regulations under this section are to be made by statutory instrument which is subject to annulment in pursuance of a resolution of either House of Parliament.

86D Fixed term tenancy arising on termination of previous fixed term

(1) This section applies to a secure tenancy of a dwelling-house in England other than—

- (a) an old-style secure tenancy, or
- (b) a flexible tenancy the term of which ends within the period of 9 months beginning with the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force.

(2) If the tenancy comes to an end by virtue of the term expiring, or by virtue of an order under section 82(3), a new tenancy of the same dwelling-house arises by virtue of this subsection.

(3) Where the landlord has offered the tenant a new tenancy of the same dwelling-house following a review under section 86A but the tenant has failed to accept, the new tenancy that arises by virtue of subsection (2) is a fixed term tenancy of whatever length the landlord offered.

(4) In any other case, the new tenancy that arises by virtue of subsection (2) is a 5 year fixed term tenancy.

(5) The parties and other terms of a new tenancy that arises by virtue of subsection (2) are the same as those of the tenancy that it replaces, except that the terms—

- (a) are confined to those which are compatible with a tenancy of the length determined in accordance with subsection (3) or (4), and
- (b) do not include any provision for re-entry or forfeiture.

(6) A new tenancy does not arise by virtue of subsection (2) if the tenant has been granted another secure tenancy of the same dwelling-house to begin at the same time as the earlier tenancy ends.

86E Recovery of possession of secure tenancies in England

(1) The landlord under a secure tenancy of a dwelling-house in England may bring proceedings for possession under this section if—

- (a) the landlord has decided on a review under section 86A to seek possession at the end of the tenancy, and
- (b) the landlord has not subsequently revised the decision under section 86C.

(2) If the landlord brings proceedings under this section the court must make an order for possession if satisfied that—

- (a) the landlord has complied with all of the requirements of sections 86A to 86C,

(b) the tenancy that was the subject of the review section 86A has ended,

(c) the proceedings were commenced before the end of the period of 3 months beginning with the day on which the tenancy ended, and

(d) the only fixed term tenancy still in existence is a new secure tenancy arising by virtue of section 86D.

(3) But the court may refuse to grant an order for possession under this section if the court considers that a decision of the landlord under section 86A or 86C was wrong in law.

(4) Where a court makes an order for possession of a dwelling-house under this section, any fixed term tenancy arising by virtue of section 86D on the coming to an end of the tenancy that was the subject of the review under section 86A comes to an end (without further notice) in accordance with section 82(2).

(5) This section does not limit any right of the landlord under a secure tenancy to recover possession of the dwelling-house let on the tenancy in accordance with other provisions of this Part.

Termination of English secure tenancies by tenant

86F Termination of English secure tenancies by tenant

(1) It is a term of every secure tenancy of a dwelling-house in England, other than an old-style secure tenancy, that the tenant may terminate the tenancy in accordance with the following provisions of this section.

(2) The tenant must serve a notice in writing on the landlord stating that the tenancy will be terminated on the date specified in the notice.

(3) That date must be after the end of the period of four weeks beginning with the date on which the notice is served.

(4) The landlord may agree with the tenant to dispense with the requirement in subsection (2) or (3).

(5) The tenancy is terminated on the date specified in the notice or (as the case may be) determined in accordance with arrangements made under subsection (4) only if on that date—

- (a) no arrears of rent are payable under the tenancy, and
- (b) the tenant is not otherwise materially in breach of a term of the tenancy.”

12 (1) Section 97 (tenant’s improvements require consent) is amended as follows.

(2) In subsection (1), after “secure tenancy” insert “to which this section applies”.

(3) After subsection (1) insert—

“(1A) This section applies to—

- (a) a secure tenancy of a dwelling-house in Wales, or
- (b) an old-style secure tenancy of a dwelling-house in England.”

(4) Omit subsection (5).

13 (1) Section 99A (right to compensation for improvements) is amended as follows.

(2) In subsection (1)(c), after “secure tenancy” insert “to which this section applies”.

(3) After subsection (1) insert—

“(1A) This section applies to—

- (a) a secure tenancy of a dwelling-house in Wales, or
- (b) an old-style secure tenancy of a dwelling-house in England.”

(4) Omit subsection (9).

14 Omit sections 107A to 107E (flexible tenancies).

15 After section 115A insert—

“115B Meaning of “flexible tenancy”

(1) For the purposes of this Act, a flexible tenancy is a secure tenancy to which any of the following subsections applies.

(2) This subsection applies to a secure tenancy if—This subsection applies to a secure tenancy if—

- (a) it was granted by a landlord in England for a fixed term of not less than two years,

- (b) it was granted before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force, and
- (c) before it was granted the person who became the landlord under the tenancy served a written notice on the person who became the tenant under the tenancy stating that the tenancy would be a flexible tenancy.
- (d) it became a secure tenancy by virtue of a notice under paragraph 4ZA(2) of Schedule 1 (family intervention tenancies becoming secure tenancies),
- (e) the notice was given before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force,
- (f) the landlord under the family intervention tenancy in question was a local housing authority in England,
- (g) the family intervention tenancy was granted to a person on the coming to an end of a flexible tenancy under which the person was a tenant,
- (h) the notice states that the tenancy is to become a secure tenancy that is a flexible tenancy for a fixed term of the length specified in the notice, and sets out the other express terms of the tenancy, and
- (i) the length of the term specified in the notice is at least two years.

(3) The length of the term of a flexible tenancy that becomes such a tenancy by virtue of subsection (3) is that specified in the notice under paragraph 4ZA(2) of Schedule 1.

(4) The other express terms of the flexible tenancy are those set out in the notice, so far as those terms are compatible with the statutory provisions relating to flexible tenancies; and in this subsection “statutory provision” means any provision made by or under an Act.

(5) This subsection applies to a secure tenancy if—

- (a) it is created by virtue of section 137A of the Housing Act 1996 (introductory tenancies becoming flexible tenancies), or
- (b) it arises by virtue of section 143MA or 143MB of that Act (demoted tenancies becoming flexible tenancies).”

115C Meaning of “old-style secure tenancy” in England

“(none) In this Part “old-style secure tenancy” means a secure tenancy of a dwelling-house in England that—

- (a) is a secure tenancy, other than a flexible tenancy, granted before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force,
- (b) is a secure tenancy granted on or after that date that contains an express term stating that it is an old-style secure tenancy, or
- (c) is a tenancy that arose by virtue of section 86 on the coming to an end of a secure tenancy within paragraph (a) or (b).”

16 (1) Section 117 (index of defined expressions) is amended as follows.

(2) In the entry relating to flexible tenancies, for “section 107A” substitute “section 115B”.

(3) At the appropriate place insert—

“old-style secure tenancy section 115C”

17 (1) Schedule 1 (tenancies which are not secure tenancies) is amended as follows.

(2) After paragraph 1 insert—

“Certain English tenancies that were not secure tenancies when originally granted

1ZA A tenancy of a dwelling-house in England cannot become a secure tenancy if—

- (a) it was granted on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force,
- (b) it was not a secure tenancy or an introductory tenancy at the time it was granted, and
- (c) it is a periodic tenancy or a tenancy for a fixed term of less than 2 years or more than 5 years.”

(3) In paragraph 4ZA, after sub-paragraph (2) insert—

“(2A) A notice under sub-paragraph (2) that relates to a tenancy of a dwelling-house in England must—

- (a) state that the tenancy is to become a secure tenancy for a fixed term of a length specified in the notice, and
- (b) set out the other express terms of the tenancy.

(2B) The length of the term specified in a notice in accordance with sub-paragraph (2A) must not be less than 2 or more than 5 years.

(2C) Where a notice is given in accordance with sub-paragraph (2A) the length of the secure tenancy, and the other terms, are those set out in the notice.

(2D) Sub-paragraphs (2A) to (2C) do not apply to notices given before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force.”

Housing Act 1996 (c. 52)

18 The Housing Act 1996 is amended as follows.

19 (1) Section 124 (introductory tenancies) is amended as follows.

(2) After subsection (1) insert—

“(1A) When such an election is in force, every fixed term tenancy of a dwelling-house in England entered into or adopted by the authority or trust shall, if it would otherwise be a secure tenancy, be an introductory tenancy, unless section 124A(4) applies or immediately before the tenancy was entered into or adopted the tenant or, in the case of joint tenants, one or more of them was—

- (a) a secure tenant of the same or another dwelling-house, or
- (b) a tenant under a relevant assured tenancy, other than an assured shorthold tenancy, of the same or another dwelling-house.”

(3) In subsection (2), in the words before paragraph (a), after “dwelling-house” insert “in Wales”.

(4) In subsection (2A), for “subsection (2)(b)” substitute “subsections (1A)(b) and (2)(b)”.

(5) In subsection (3), for “subsection (2)” substitute “subsections (1A) and (2)”.

(6) After subsection (5) insert—

“(6) In relation to a tenancy entered into or adopted by a local housing authority or a housing action trust before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force, this section has effect—

- (a) as if subsection (1A) were omitted, and
- (b) as if, in subsection (2), the words “in Wales” were omitted.

20 After section 124 insert—

“124A New introductory tenancies in England: overall length

(1) A local housing authority or a housing action trust may enter into an introductory tenancy of a dwelling-house in England only if it is a tenancy for a fixed term that is—

- (a) at least 2 years, and
- (b) no more than 5 years.

(2) If a local housing authority or a housing action trust purports to enter into an introductory tenancy in breach of subsection (1), it takes effect as a tenancy for a fixed term of 5 years.

(3) Subsections (1) and (2) apply only to tenancies entered into on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force.

(4) A tenancy of a dwelling-house in England that is adopted by a local housing authority or a housing action trust does not become an introductory tenancy if—

(a) it is adopted on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force, and

(b) the tenancy is a periodic tenancy or it is a tenancy for a fixed term of less than 2 years or more than 5 years.

(5) Subsections (6) and (7) apply where a tenancy that has been adopted by a local housing authority or a housing action trust is not an introductory tenancy but would (on adoption or at any later time) become a secure tenancy but for subsection (4).

(6) The local housing authority or housing action trust must, within the period of 28 days, make the tenant a written offer of an introductory tenancy in return for the tenant surrendering the original tenancy.

(7) If the tenant accepts in writing within the period of 28 days beginning with the day on which the tenant receives the offer, the local housing authority or housing action trust must grant an introductory tenancy on the tenant surrendering the original tenancy.

124B Review of decisions about length of introductory tenancies in England

(1) A person who is offered an introductory tenancy of a dwelling-house in England may request a review under this section.

(2) The sole purpose of a review under this section is to consider whether the length of the tenancy is in accordance with any policy that the prospective landlord has about the length of introductory tenancies it grants.

(3) The request must be made before the end of—

(a) the period of 21 days beginning with the day on which the person making the request first receives the offer, or

(b) such longer period as the prospective landlord may allow in writing.

(4) On receiving the request the prospective landlord must carry out the review.

(5) On completing the review the prospective landlord must—

(a) notify the tenant in writing of the outcome,

(b) revise its offer or confirm its original decision about the length of the tenancy, and

(c) if it decides to confirm its original decision, give reasons.

(6) The Secretary of State may by regulations make provision about the procedure to be followed in connection with a review under this section.

(7) The regulations may, in particular—

(a) require the review to be carried out by a person of appropriate seniority who was not involved in the original decision;

(b) make provision as to the circumstances in which the person who requested the review is entitled to an oral hearing, and whether and by whom that person may be represented.”

21 (1) Section 125A (extension of trial period by 6 months) is amended as follows.

(2) In subsection (1), for “both” substitute “each”.

(3) After subsection (3) insert—

“(3A) The third condition must be met only if the introductory tenancy—

(a) is one to which section 124A(1) or (2) applies, or

(b) is adopted by a local housing authority or housing action trust on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) came fully into force.

(3B) The third condition is that the new expiry date would be before the period mentioned in section 86A(3) of the Housing Act 1985 (review to determine what to do at end of fixed term secure tenancy); and for this purpose “the new expiry date” means the last day of the 6 month extension period mentioned in subsection (1).”

22 In section 128 (notice of proceedings for possession), in subsection (4), for the second sentence substitute—

(a) in a case where the introductory tenancy is a periodic tenancy, must not be earlier than the date on which the tenancy could, apart from this Chapter, be brought to an end by notice to quit given by the landlord on the same date as the proceedings, and

(b) in a case where the introductory tenancy is a fixed term tenancy, must not be earlier than the end of the period of 6 weeks beginning with the date on which the notice of proceedings is served.”

23 In section 137A (introductory tenancies that are to become flexible tenancies), in subsection (2), for “, before entering into or adopting the introductory tenancy” substitute “the introductory tenancy was entered into or adopted before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force and, before entering into or adopting it.”

24 In section 143A (demoted tenancies), in subsection (1), omit “periodic”.

25 In section 143E (notice of proceedings for possession), for subsection (3) substitute—

(a) in a case where the demoted tenancy is a periodic tenancy, must not be earlier than the date on which the tenancy could, apart from this Chapter, be brought to an end by notice to quit given by the landlord on the same date as the proceedings, and

(b) in a case where the demoted tenancy is a fixed term tenancy, must not be earlier than the end of the period of 6 weeks beginning with the date on which the notice of proceedings is served.”

26 (1) Section 143MA (demoted tenancies that are to become flexible tenancies) is amended as follows.

(2) In subsection (1), for “section 107A of the Housing Act 1985” substitute “section 115B of the Housing Act 1985 (certain tenancies granted etc before the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 came fully into force)”.

(3) After subsection (3) insert—

“(3A) If the notice is given on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force, the period specified under subsection (3)(b) must be no more than five years.”

27 After section 143MA insert—

“143MB Default flexible tenancies when no notice given under section 143MA

(1) This section applies where—

(a) a landlord has the power to serve a notice under section 143MA on the tenant under a demoted tenancy but fails to do so, and

(b) the tenancy comes to an end on or after the day on which paragraph 4 of Schedule (Secure tenancies etc: phasing out of tenancies for life) to the Housing and Planning Act 2015 comes fully into force.

(2) On ceasing to be a demoted tenancy, the tenancy becomes a secure tenancy for a fixed term of 5 years that is a flexible tenancy.

(3) The terms of the new tenancy are the same as those of the tenancy that it replaces, so far as those terms are compatible with—

- (a) a tenancy for a fixed term of 5 years, and
- (b) the statutory provisions relating to flexible tenancies (within the meaning given by section 143MA(5)).”

Land Registration Act 2002 (c. 9)

28 In section 132 of the Land Registration Act 2002 (interpretation), in the definition of “flexible tenancy” in subsection (1), for “107A” substitute “115B”.

Localism Act 2011 (c. 20)

29 The Localism Act 2011 (flexible tenancies: other amendments) is amended as follows.

30 In section 155, omit subsections (3) and (4).

31 In section 159 (further provisions about transfer of tenancy under section 158), in subsection (6)(b), for “107A” substitute “115B”.

Savings for flexible tenancies with only 9 months left to run

32 (1) Despite the repeal of sections 107D and 107E of the Housing Act 1985 (flexible tenancies: recovery of possession) by paragraph 14 above, those sections continue to apply in relation to a flexible tenancy the term of which ends within the period of 9 months beginning with the day on which paragraph 4 of this Schedule comes fully into force.

(2) The amendments made by paragraphs 8 and 9 (which replace references to proceedings for possession under section 107D of the Housing Act 1985) do not apply in relation to such a tenancy.”—(*Mr Marcus Jones.*)

See Member’s explanatory statement for NC32.

Brought up, read the First and Second time, and added to the Bill.

New Schedule 5

“SUCCESSION TO SECURE TENANCIES AND RELATED TENANCIES

Housing Act 1985 (c. 68)

1 The Housing Act 1985 is amended as follows.

2 In section 86 (periodic tenancy arising on termination of fixed term), after subsection (1B) (inserted by Schedule (Secure tenancies etc: phasing out of tenancies for life) insert—

“(1C) This section does not apply to a secure tenancy of a dwelling-house in England if—

- (a) the original secure tenant has died,
- (b) the tenancy has been vested in, or otherwise disposed of to, the current tenant in the course of the administration of the original tenant’s estate, and
- (c) the current tenant qualified to succeed the original tenant under section 86G(2) or (4).”

3 (1) Section 86A (persons qualified to succeed: England) as inserted by the Localism Act 2011—

- (a) is renumbered section 86G (so that it follows on from section 86F as inserted by Schedule (Secure tenancies etc: phasing out of tenancies for life) without making the numbering more complex than it has to be), and
- (b) is amended as follows.

(2) After subsection (7) insert—

“(8) This section applies to a tenancy that was granted before 1 April 2012, or that arose by virtue of section 86 on the coming to the end of a secure tenancy granted before 1 April 2012, as it applies to a secure tenancy granted on or after that day.”

4 In section 88 (cases where the tenant is a successor), in subsection (1), after paragraph (b) insert—

- “(ba) the tenancy arose by virtue of section 89(2A) (fixed term tenancy arising in certain cases following succession to periodic tenancy), or”.

5 (1) Section 89 (succession to period tenancy) is amended as follows.

(2) In subsection (1A), for “section 86A” substitute “section 86G”.

(3) After subsection (2) insert—

“(2A) Where the tenancy vests in a person qualified to succeed the tenant under section 86G(2) or (4) and continues to be a secure tenancy—

- (a) the periodic tenancy comes to an end immediately after vesting, and
- (b) a new tenancy of the same dwelling-house arises by virtue of this subsection for a fixed term of 5 years.

(2B) The parties and terms of a tenancy arising by virtue of subsection (2A) are the same as those of the tenancy that it replaces, except that the terms—

- (a) are confined to those which are compatible with a tenancy for a fixed term of 5 years, and
- (b) do not include any provision for re-entry or forfeiture.”

6 In section 117 (index of defined expressions), in the entry relating to persons qualified to succeed , for “section 87” substitute “sections 86G and 87”.

Housing Act 1996 (c. 52)

7 Before section 131 (but after the italic heading) insert—

“130A Persons qualified to succeed to introductory tenancy: England

(1) A person is qualified to succeed the tenant under an introductory tenancy of a dwelling-house in England if—

- (a) the person occupies the dwelling-house as his or her only or principal home at the time of the tenant’s death, and
- (b) the person is the tenant’s spouse or civil partner.

(2) A person is qualified to succeed the tenant under an introductory tenancy of a dwelling-house in England if—

- (a) at the time of the tenant’s death the dwelling-house is not occupied by a spouse or civil partner of the tenant as his or her only or principal home,
- (b) an express term of the tenancy makes provision for a person other than such a spouse or civil partner of the tenant to succeed to the tenancy, and
- (c) the person’s succession is in accordance with that term.

(3) Subsection (1) or (2) does not apply if the tenant was a successor as defined in section 132.

(4) In such a case, a person is qualified to succeed the tenant if—

- (a) an express term of the tenancy makes provision for a person to succeed a successor to the tenancy, and
- (b) the person’s succession is in accordance with that term.

(5) For the purposes of this section a person who was living with the tenant as the tenant’s wife or husband is to be treated as the tenant’s spouse.

(6) Subsection (7) applies if, on the death of the tenant, there is by virtue of subsection (5) more than one person who fulfils the condition in subsection (1)(b).

(7) Such one of those persons as may be agreed between them or as may, where there is no such agreement, be selected by the landlord is for the purpose of this section to be treated as the fulfilling that condition.”

8 (1) Section 131 (persons qualified to succeed tenant) is amended as follows.

(2) At the end of the heading for “tenant” substitute “to introductory tenancy: Wales”.

(3) After “introductory tenancy” insert “of a dwelling-house in Wales”.

9 (1) Section 133 (succession to introductory tenancy) is amended as follows.

(2) After subsection (1) insert—

“(1A) Where there is a person qualified to succeed the tenant under section 130A, the tenancy vests by virtue of this section—

- (a) in that person, or

(b) if there is more than one such person, in such one of them as may be agreed between them or as may, where there is no agreement, be selected by the landlord.”

(3) In subsection (2), after ““tenant” insert “under section 131”.
10 Before section 143H (but after the italic heading) insert—

“143GA Persons qualified to succeed to demoted tenancy: England

(1) A person is qualified to succeed the tenant under a demoted tenancy of a dwelling-house in England if—

(a) the person occupies the dwelling-house as his or her only or principal home at the time of the tenant’s death, and

(b) the person is the tenant’s spouse or civil partner.

(2) A person is qualified to succeed the tenant under a demoted tenancy of a dwelling-house in England if—

(a) at the time of the tenant’s death the dwelling-house is not occupied by a spouse or civil partner of the tenant as his or her only or principal home,

(b) an express term of the tenancy makes provision for a person other than such a spouse or civil partner of the tenant to succeed to the tenancy, and

(c) the person’s succession is in accordance with that term.

(3) Subsection (1) or (2) does not apply if the tenant was a successor as defined in section 132.

(4) In such a case, a person is qualified to succeed the tenant if—

(a) an express term of the tenancy makes provision for a person to succeed a successor to the tenancy, and

(b) the person’s succession is in accordance with that term.

(5) For the purposes of this section a person who was living with the tenant as the tenant’s wife or husband is to be treated as the tenant’s spouse.

(6) Subsection (7) applies if, on the death of the tenant, there is by virtue of subsection (5) more than one person who fulfils the condition in subsection (1)(b).

(7) Such one of those persons as may be agreed between them or as may, where there is no such agreement, be selected by the landlord is for the purpose of this section to be treated as fulfilling that condition.

(8) This section applies to a tenancy that became a demoted tenancy before or after Schedule (Succession to secure tenancies and related tenancies) of the Housing Act 2015 comes into force.

143GB Succession to demoted tenancy: England

(1) This section applies if the tenant under a demoted tenancy of a dwelling-house in England dies.

(2) Where there is a person qualified to succeed the tenant under section 143GA, the tenancy vests by virtue of this section—

(a) in that person, or

(b) if there is more than one such person, in such one of them as may be agreed between them or as may, where there is no agreement, be selected by the landlord.

(3) Where a periodic demoted tenancy vests in a person qualified to succeed the tenant under section 143GA(2) or (4) and continues to be a demoted tenancy—

(a) the tenancy comes to an end immediately after vesting, and

(b) a new tenancy of the same dwelling-house arises by virtue of this subsection for a fixed term of 5 years.

(4) The parties and terms of a tenancy arising by virtue of subsection (3) are the same as those of the tenancy that it replaces, except that the terms—

(a) are confined to those which are compatible with a tenancy for a fixed term of 5 years[, and

(b) do not include any provision for re-entry or forfeiture.]

(5) Where a demoted tenancy comes to an end and a new tenancy arises by virtue of subsection (3), as from that time the

demotion order is to be treated for all purposes as it had been made in relation to the new tenancy (and the demotion period remains the same).”

11 (1) Section 143H (succession to demoted tenancy) is amended as follows.

(2) At the heading insert “: Wales”.

(3) In subsection (1), after “tenancy” insert “of a dwelling-house in Wales”.

12 In section 143I (no successor tenant: termination), after “section” insert “143GA or”.

13 (1) Section 143J of the Housing Act 1996 (demoted tenancies: successor tenants) is amended as follows.

(2) After subsection (3) insert—

“(3A) The tenancy arose by virtue of section 89(2A) of the Housing Act 1985.”

(3) For subsection (7) substitute—

“(7) A person is the successor to a demoted tenancy if—

(a) the tenancy vests in the person by virtue of section 143GB(2) or 143H(4) or (5), or

(b) the tenancy arose by virtue of section 143GB(3).”

Localism Act 2011 (c. 20)

14 In section 160 of the Localism Act 2011 (succession to secure tenancies), omit subsection (6).

Savings

15 The amendments made by this Schedule do not apply in relation to cases where the tenant under a secure tenancy dies before it comes into force.

16 The amendments made by paragraphs 7 and 8 do not apply in relation to an introductory tenancy granted before the day on which this Schedule comes into force.

17 The amendments made by paragraphs 10 to 13 do not apply in relation to cases where the tenant under a demoted tenancy dies before this Schedule comes into force.”—(*Mr Marcus Jones.*)

See Member’s explanatory statement for NC33.

Brought up, read the First and Second time, and added to the Bill.

The Chair: The final question I must put to the Committee, after what has been a long and exciting deliberation of the Bill, is that I do report the Bill, as amended, to the House.

Brandon Lewis: On a point of order, Mr Gray. If you will indulge me for a few moments, I want to thank Members of all parties for a constructive debate over the past few weeks. This has been a good opportunity, as we head into Christmas, to get to know each other that little bit better, which in almost all cases has been a good thing. Some of us may have moved our views from time to time in order to make the passage of the Bill work. I genuinely appreciate that hon. Members have made some very powerful speeches, and we have seen strong contributions from both sides of the Committee by Members working to ensure that we end up with a Bill of which we can all hopefully be very proud and that delivers more housing across this country. I thank all Members, both Opposition Members and my hon. Friends, for their part in that.

I thank both Whips for helping us all to take the Bill through Committee in a timely manner, and I particularly thank my brilliant Government Whip. I also thank my colleague, the Under-Secretary of State, who has been a fantastic Minister to work with throughout the passage of the Bill. It would be inappropriate not to thank my hon. Friend the Member for Burton for keeping us inspired from time to time, and other Members have,

[Brandon Lewis]

too. I thank all hon. Members for their contributions and for the manner in which this debate has been held. I thank the Opposition Front-Bench Members for a constructive and useful debate.

I also want to thank the Clerks, Glenn McKee and the team, for the way in which they have worked with us to make sure that we have had everything we need. Mr Chairman, I thank you and your colleague, Sir Alan, for your work in getting through these sessions, not only on the days we finished early but on the days we finished late, to make sure that we were able to get the Bill through in a good, strong manner. I thank the Chair and the team of Clerks.

I thank the Doorkeepers, who have managed to keep us safe and secure when we vote and more generally, for their perseverance over the past few weeks. I also thank the team from *Hansard*, who have had the unenviable job of ensuring that all our words look as eloquent as possible on the page when it is published a short while after we finish. I am sure that is less of a challenge in some cases than in others, but I thank them for that.

Penultimately, I thank all my officials and our Department's team who have worked so closely on the policy and the Bill. I thank the preparation team, the lawyers and parliamentary counsel, my private office and the Under-Secretary of State's private office. They have all persevered and worked for many months to get the Bill to this stage. I thank everybody who has in any way played a part, large or small, in getting us here—finishing early on our final day.

Finally, I thank everybody who gave evidence, both written and oral, and who took the time to put forward their views and to contribute to the Bill. I am sure we will see each other on Monday for oral questions, which we will all be looking forward to, and excited about, over the weekend. With that in mind, I wish everybody a very happy Christmas and a very exciting 2016. I look forward to taking this debate further on Report.

Dr Blackman-Woods: Further to that point of order, Mr Gray, I wonder whether the Minister is inviting me to speak for another 12 minutes so that we do not finish early. I, too, want to start by thanking you, Mr Gray, and Sir Alan Meale for chairing this Committee fairly and graciously, which is much appreciated. I also thank the Clerks for their excellent service in getting amendments in the right order and in the right place so that we could debate them.

I marvel that the Doorkeepers sit here through hours and hours of deliberation with such good humour to keep us safe and secure, but mostly they prevent us from

dying of dehydration, which is much appreciated. I thank *Hansard* for turning around a great deal of material in such a short space of time. I thank the many organisations that have sent detailed evidence into the Committee or that have turned up to give oral evidence. I assure them that, at least on the Opposition side of the Committee, we have read all their evidence and taken it on board in our comments. It is excellent that they take such time to engage with our democracy in that way.

I thank my fellow shadow Minister for her input into the Bill, and I thank our Whip for always maintaining good humour whatever the circumstances. I thank members of the Committee, on both sides, who gave excellent speeches, with much passion at times. I highlight the interventions by Opposition Members, particularly by my hon. Friend the Member for Harrow West, who challenged Government Members on everything from the nature of their lunch and their lunch arrangements to how to improve their chances of being elected in future. As always in such Committees, Members emerged who keep us entertained, and this time it was the hon. Member for South Norfolk for the Conservative party and my hon. Friend the Member for Harrow West on the Opposition side. We should commend them for keeping us amused at key points in our debate.

We know that some of the Bills we debate in Committee have a great deal of consensus, but that is not always the case. We have strong differences on this Bill, but I think we have managed to proceed with a great deal of civility on both sides of the Committee at all times, despite—I say this gently, having been in this place for nearly 11 years—now knowing what it is like to experience a hyperactive Whip. I am not sure that I want to experience it ever again, so I hope the hon. Member for Skipton and Ripon has a really, really chilled Christmas and comes back with a degree of levity to our proceedings in the main Chamber on Report.

I, too, thank the Ministers for their helpful responses at times and for disagreeing with us so civilly. I wish everyone a merry Christmas and a happy new year.

The Chair: I am most grateful to both hon. Members for their kind remarks. On behalf of Sir Alan Meale, I add our warm thanks to the Clerks. It may appear that we know the finer points of procedure, but we do not; we merely read out what they tell us. We are extremely grateful to you for all your hard work. I thank the Committee for being extremely courteous and largely in order. These proceedings have been very worth while.

Bill, as amended, to be reported.

4.52 pm

Committee rose.

Written evidence reported to the House

- HPB 113 East London Housing Partnership
- HPB 114 Camden Association of Street Properties
- HPB 115 Longlife Housing Co-operative Limited
- HPB 116 The City of London Law Society
- HPB 117 Legal Services, Birmingham City Council
- HPB 118 London Borough of Camden Council
- HPB 119 Lewes Price, Ex Health and Safety consultant on fire prevention
- HPB 120 Leila Allen
- HPB 121 London Borough of Barnet Council
- HPB 122 Northern Housing Consortium
- HPB 123 Rescue (The British Archaeological Trust)
- HPB 124 Architects for Social Housing (ASH)
- HPB 125 Peabody
- HPB 126 Quakers in Britain
- HPB 127 South Norfolk Council
- HPB 128 Jack Straw, Chair of the Surrey Planning Working Group
- HPB 129 Royal Institute of British Architects (RIBA)
- HPB 130 The City of London Law Society - further submission
- HPB 131 Sandra Wheen (this individual wishes to remain anonymous)
- HPB 132 Councillors Duffin and Hannaford, Cabinet Members of Cornwall Council
- HPB 133 Councillor Gary Suttle, Leader of Purbeck District Council
- HPB 134 Herbert Smith Freehills LLP
- HPB 135 Greater Manchester Combined Authority
- HPB 136 DCLG - application of Standing Order 83L to the Housing and Planning Act as amended
- HPB 137 Durham County Council
- HPB 138 igloo Regeneration
- HPB 139 Cllr Armored J Carlyon, Truro City Council
- HPB 140 Levitt Bernstein
- HPB 141 Unit Eleven Housing Co-operative
- HPB 142 Fowzia Hoosain
- HPB 143 Tristan Mackie, Gweek Parish Councillor, and Steering Group Member for Cornwall for Change
- HPB 144 Councillor Saima Ashraf, Deputy Leader and Cabinet Member for Housing, Barking and Dagenham Council
- HPB 145 Places for People
- HPB 146 The Theatres Trust
- HPB 147 Core Cities
- HPB 148 Generation Rent
- HPB 149 The Intergenerational Foundation
- HPB 150 North East Chamber of Commerce
- HPB 151 London Borough of Islington Council
- HPB 152 Southwark Group of Tenants Organisations
- HPB 153 Federation of Small Businesses
- HPB 154 Councillor Philip Glanville, Cabinet Member for Housing, Hackney Council - further submission

