

# AWICS Housing News

## August 2015



**Islington Town Hall where Islington Borough Council is based. The Council has ‘hit the headlines’ this month because of its policies for affordable housing in new build. The Council often sends representatives to AWICS seminars.**

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### Welcome

Welcome to this newsletter.

We would like to start the August issue of the housing news by introducing you to some exciting developments as we embrace online training. This is in the first article in this edition. There is also an overview of the online training offered during October.

We also cover the implications of the recent budget announcements. There is an article that considers the response of housing associations to some of the recent government policies. The London-based housing association Genesis has been in the news for some controversial changes to their business model. Most of the other articles cover aspects related to the Welfare Reform and Work Bill.

We hope you enjoy reading. For feedback, please share your thoughts by emailing Adrian Waite ([Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk)).

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### **Genesis Housing Association to stop building social and affordable homes**

Following the budget of July 2015, 'Inside Housing' published an interview with the Neil Hadden, Chief Executive of the Genesis Housing Association, based in London. The interview especially gained attention because Neil Hadden announced a new policy whereby the 33,000 home housing association would solely focus on the development of homes for shared ownership, market rent, or outright sale'. It would no longer develop social, affordable or low-cost housing.

The policy comes in response to the series of recent announcements by Government to enforce rent reductions over the next four years and to expand the discounts on affordable housing under the 'Right to Buy' scheme to Housing Associations. Under the 'Right to Buy' scheme, tenants of housing associations could receive discounts of up to £104,000 in London and £77,000 elsewhere in England. The focus of government housing policy is clearly shifting away from housing those in greatest need towards supporting people into home ownership.

The extension of the 'Right to Buy' was amongst the Conservatives' flagship policies in their 2015 election manifesto. The housing associations' sale of properties will be financed by the sale of high value council homes so many variables are at play. This possible cascading chain of property sales, whereby local councils withdraw from providing housing in high value areas and housing associations replace homes sold under 'right to buy' with homes for shared-ownership or market rent is a complex calculation. In high-pressure areas, such as London, it will also depend on the availability of land for new development. Where there is pressure land usually comes at a premium.

In his interview<sup>1</sup>, Neil Hadden of Genesis explained changes to his organisation's business plan to adjust to the series of government announcements. He aims to shift Genesis away from affordable housing building programmes that have traditionally been an essential part of housing associations:

*"We are not able, or being asked, to provide affordable and social rented accommodation to people who should be looking to the market to solve their own problems. I do think [the Budget] is a watershed in all sorts of ways.*

*"Our development programme is configured on the basis that we produce a third social housing or affordable housing, a third intermediate tenure, such as shared ownership, and a third for the market... We've been having discussions in the light of the Budget and we really think that the affordable rented element has gone. We should be looking more at a 50/50 split between intermediate tenures [such as shared ownership] and market rent or outright sale. (We) will look to see how current commitments can be 're-configured'."*

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<sup>1</sup> From the Inside Housing Magazine. "Changing Focus". Published on 30<sup>th</sup> July. Here is a link: [link](#)

So far, Neil Hadden seems to be one of only a few Chief Executives of housing associations to make these comments in public. However, in view of the shape of London's housing markets and ever-increasing land and property prices others are likely to follow suit. Genesis' step reveals the shaken confidence of sector leaders in the sustainability of affordable housing and indicates a rift among housing associations as to how to respond to the financial pressures. Peter Apps for Housing News commented:

*"A seam that has long run down the middle of the sector – separating those who worship at the church of commercial reality from those who prefer the church of social purpose – has now split wide open in a way that just might mark an end for this increasingly uneasy union."*

Many in the sector consider that the government's plans were not fully thought through at the time when they were announced as part of the election campaign. For example, the London Evening Standard has reported that the extension of 'Right to Buy' may do little to ease the housing crisis or to aid newcomers onto the housing ladder citing Government data that shows that discounts would be given to a significant number of high-income earners. Mark Field, Conservative MP for Westminster told the Standard:

*"The whole policy was a rabbit pulled out of the hat. You need to produce those policies at an election, but there had been no consultation whatsoever with any housing associations. We need some time to iron out its obvious iniquities."*

Many housing associations are not prepared to take a similarly stark position to Genesis. Toney Stacey, the Chair of the Placeshapers group of 100 social and affordable housing providers, commented:

*"I would be very, very surprised if any Placeshapers members took that view."*

As there are no 'done deals' and the Bill has yet to be passed, it is to be hoped by some that many of its perceived shortcomings can be addressed and that housing associations will continue to develop social and affordable homes. However, others see that the government has a clear agenda from which it is unlikely to deviate.

Clearly the focus of the government's housing policy is on helping people into home ownership and their budgets are similarly focused on this priority. Providing social housing for people who are homeless or in unsuitable accommodation does not appear to be a priority. In these circumstances it could be expected that many (but not all) housing associations will follow the lead set by Genesis.

However, this does leave two questions:

- If housing associations focus on shared ownership, market rent and market sales, what would be the difference between a housing association and a private landlord?
- Who will provide social housing for people who are homeless or in unsuitable accommodation and who cannot afford market rents?

If housing associations lose their focus on low-income affordable rent, what is the difference between a housing association and a private landlord? A key element of housing associations' motivation to do business has always been the focus on the essential human right of a roof over one's head. Since the Conservative government of the 1980s pushed housing associations into the limelight and emphasised their role in maintaining social housing supply efficiently in place of councils, housing associations have made affordable housing a central element of their business plans. Most housing associations have this charitable focus. Housing associations that leave this understanding behind may remain charities on paper, earning income that would not benefit individual owners, but they may no longer serve the target market that they sought to serve.

The second question assumes that **someone** should provide social housing. However, who should that **someone** be?

It is often assumed that the mission of housing associations should be to provide social housing and that they should respond to the current lack of government funding for social housing by finding other ways of funding their development. But is this correct? There is an alternative argument that housing associations are private organisations and can therefore decide what services to provide and how to fund them. They are therefore not responsible if a gap in service provision emerges. This argument goes on to say that it is government's responsibility to deliver social housing and if it is not delivered then the fault lies with the government and not with housing associations.

However, what happens if the government does not consider that it has such a responsibility?

And where do local authorities stand? They have statutory responsibilities for homelessness and must fulfil these in a situation where the housing market and their finances make it increasingly difficult. Many authorities continue to provide council housing but many do not. Many authorities aspire to build more social housing but they operate within constraints and can they be held responsible if insufficient homes are built?

Could we see housing associations de-mutualising and floating on the stock exchange rather like the building societies did? This seems to be difficult to conceive of at the present time – especially in the case of charitable housing associations. However, 'Places for People' announced some years ago that they would wish to float on the stock exchange. Legislative change would probably be required but the government may be prepared to consider it. Tenant ballots may be required, but, as the ballots on the demutualisation of building societies showed, most people have a short time preference when it comes to money and are prepared to vote away long-term benefits in favour of short-term cash.

We will be considering the changed landscape in housing in our seminars on 'Right to Buy Extension, Sale of High Value Council Homes and Social Rent Reform' during September 2015. Further details are on our website at: <http://www.awics.co.uk/rtb.asp>

We are also holding a webinar on the extension of 'right to buy' to housing association tenants on 8<sup>th</sup> October 2015. For further information or to make a booking please visit our website at: <http://www.awics.co.uk/webinars.asp>

What do you think about the recent developments? Share your thoughts by emailing us at [Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk) and we will include them in our next newsletter.

## **2015 budget — Implications of rent reductions and changes to rents for high income tenants**

Rents in social and affordable housing will be decreased by 1% a year over the next four years starting from April 2016. This is instead of an increase each year of the consumer prices index plus 1% that had been announced as recently as 2014. It is calculated that average rents will be 12% lower in 2020/21 when compared with current forecasts. The government calculates that this will save the taxpayer £4.3billion over five years. It is a step that has surprised many. According to the Homes & Communities Agency, the social rent sector generated an income of £13.1billion in 2013/14. A reduction of 1% would therefore represent a reduction of £130 million in the overall rent income. As oppose to being introduced through guidance, legislation is included in the Welfare Reform and Work Bill.

This proposal surprised many, and given that central government has itself controlled social rents for some time it appears illogical for the government to complain that these rents have increased during recent years. Local authorities and housing associations have business plans that are based on real increases in rents, confirmed by the government only recently at the consumer prices index plus 1% a year. In the case of local authorities, they were recently obliged by the government to accept a significantly increased level of debt as part of the self-financing settlement on the basis that they could afford to because of projected increases in rents. This leaves many in the sector worrying about their ability to continue to develop new homes or even about their continued financial viability.

The reduction in rent may have implications on the level of new build, on regulation, valuations and credit ratings, amongst others. There are the following potential changes:

- **Effect on housing building:** The Office for Budget Responsibility estimates that the policy will reduce house building by 14,000 units over the period. A predicted reduction in home building for 2019/20 of 4,000 units would equate in a 10% reduction compared to today's levels. Several chief executives of housing associations state that they must now revise their development plans. For example, Orbit's plan to build 12,000 homes by 2020 is under question following the announcements.
- **Effect on regulation:** The Chair of the Homes & Communities Agency's Regulations Committee has written a letter to all housing associations requesting fresh financial plans no later than 30<sup>th</sup> October 2015. The letter asks for housing associations to document that they understand the 'scale of changes' and face those with essential planning and stress testing of business plans.
- **Effect on valuations:** As social homes are valued on the basis of the income that they can generate, it is likely that the change could reduce the value of social homes on balance sheets by up to 25%. However, while the value of stock will be reduced due to the reduction in future expected earnings, it may not reduce the value for loan security purposes, which is crucial for the ability to raise debt.
- **Effect on credit ratings:** While the credit rating agency Moody's seemed somewhat more concerned that the effects may have a negative credit outlook, Standard & Poor's saw less of a concern and more confidence that housing associations will be able to compensate for the reduction in rent by reducing development, management, and maintenance costs. There may be an effect on credit ratings where housing associations' profitability is influenced.



- **Effect on the borrowing capacity:** Savills estimated that the ability to raise debt may be reduced by £28 billion by 2020, if housing associations fail to find the necessary efficiencies. As a response to the changes, investors raised the price of bonds of housing associations. A representative of Canaccord Genuity told 'Inside Housing' that new bond issues will have to be complimented with clear details as to how the changes impact on the business model of the housing association.
- **Effects on local authorities:** The Local Government Association and the Chartered Institute of Housing estimate that local authorities will be affected by £2.6 billion in lost revenue. This represents 60% of local government's total housing maintenance budget, and is the equivalent of 19,000 new built homes. Many councils, particularly those close to reaching their housing revenue account borrowing caps, were relying on expected increases in rental income to fund one-for-one replacements for homes sold off under the current 'Right to Buy' policy.

While the government has decided to decrease the rents for affordable housing by 1% a year over the next four years, it will also ask households on higher incomes to pay the regular market rent if they wish to stay on in affordable housing properties of housing associations or local authorities. The government plans to charge tenants on annual incomes exceeding £40,000 in London or £30,000 elsewhere the market or near-market rent. The approach has been referred to as 'Pay to Stay'.

The government expects the move to raise up to £250 million a year by 2018/19. It is thought that this could affect 340,000 households. It has been estimated that 9% of social tenants in England benefit from £3,500 in reduced rent, including 40,000 households on incomes of more than £50,000 and 300,000 on incomes of £30,000 per year.

At face value the proposal that people with reasonable means should not have their rents subsidised by people on lower incomes seems reasonable and is likely to be popular with many voters. However, consideration needs to be given to the probable outcome of the policy. When a tenant with a relatively high income is faced with a choice of paying market rent or buying their council home with a discount of between £70,000 and £100,000 what could they be expected to do? Many will probably buy their homes. This will have two consequences: First, the taxpayer will be giving the person on a relatively high income a subsidy through 'right to buy' rather than through a social rent and second, all the evidence demonstrates that the result of 'right to buy' in the long-term is not usually an increase in owner-occupation but an increase in private landlordism. Consequently the policy is likely to result in the taxpayer providing subsidies for tenants on relatively high incomes and for homes to transfer from social housing to private landlords.

We have prepared a detailed briefing paper on the implications of the July 2015 budget for housing that includes a section on rent reform. Your FREE copy can be downloaded from here: [briefing paper](#).

We will be considering the changed landscape in housing in our seminars on 'Right to Buy Extension, Sale of High Value Council Homes and Social Rent Reform' during September 2015. Further details are on our website at: <http://www.awics.co.uk/rtb.asp>

We are also a webinar on social rent reforms on 19<sup>th</sup> October 2015. For further information or to make a booking please visit our website at: <http://www.awics.co.uk/webinars.asp>

## **Welfare Reform and Work Bill**

On 8<sup>th</sup> July 2015, George Osborne presented his Summer Budget in which he outlined reductions in public expenditure on welfare. The speech finally 'unveiled' details of £12billion of reductions that had already been proposed but not specifically identified. George Osborne argued that demographic changes in the United Kingdom, including the increasing proportion of elderly people, make the current system unsustainable in the long-term. He also highlighted an increase in tax credits associated with the growth in low-income employment, as well as the significant increases in the housing benefits bill resulting from above-inflation growth in social rents (although he did not highlight the even greater increases in private sector rents). It appears that the focus has now shifted to productivity growth, reduction in welfare, and hoped-for increases in private sector salary levels.

The Welfare Reform and Work Bill includes the changes to the welfare system that require legislation. The bill was debated at length in the House of Commons for its potential social impact on low-income households, in particular households with children. After considerable debate, the Bill passed the second reading in the House of Commons on 21<sup>st</sup> July 2015.

The key points within the Welfare Reform and Work Bill include:

- Most working-age benefits will be frozen, including tax credits and Local Housing Allowance<sup>2</sup>, for four years starting in 2016
- Increase in the national minimum wage to £9 by 2020
- There will be a reduced benefit cap of £23,000 per household in London and £20,000 elsewhere
- 18 to 21 year-olds will have to go on apprenticeship training or other work-based skill training program to maintain Universal Credit
- Rents in social housing will be reduced by 1% for four years starting in 2016. Those on higher incomes (£40,000 in London and £30,000 elsewhere) in social housing will have to pay the market rate
- Support for Child Tax Credits will be reduced to two children from April 2017 onwards

Welfare recipients particularly impacted from the proposed reforms likely include larger families and those receiving severe disablement allowances. For example, Joe Halewood (a social housing commentator) has calculated the expected reduction in housing benefits due to the total benefits cap being reduced for different household sizes. He expects that a family household with two children can expect the highest amount of £574 in monthly housing benefits whereas a couple with four children would receive zero housing benefit and as a result would need to find additional income to match the excess of rental payments. Critics have warned that the benefit cap contributes towards child poverty.

The government's proposals to restrict eligibility for housing benefit for 18 to 21-year-olds has been the subject of research by the YMCA that concludes that thousands of vulnerable young people could become homeless. Their report, entitled: 'Uncertain Futures' reveals that those likely to be hardest hit by the changes include young parents, care leavers, young people in supported accommodation and those already homeless.

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<sup>2</sup> The benefit payments include: bereavement allowance, carer's allowance (1.15 million claimants in 2014/15), child benefit, child tax benefit, employment and support allowance (1.61 million claimants in 2014/15), Guardian's allowance, housing benefits, incapacity benefits (137,000 claimants in 2014/15), jobseeker's benefits, maternity cover, sever disablement allowance (166,000 claimants in 2014/15), widowed parent's allowance.

The research also shows that, contrary to the perceptions of many, increasing numbers of young people are now staying at home for longer and opting not to claim benefits, while the small numbers who do move out and claim are increasingly doing so for shorter periods of time.

According to the YMCA the estimated 19,000 18 to 21-year-olds currently claiming unemployment and housing benefit, includes:

- Those who have dependent children to look after (2,100 18 to 21-year-olds claiming Job Seeker's Allowance and housing benefit have at least one dependent child)
- Those who have recently left care (7,200 young care leavers between 19 and 21 years old are currently out of work and would potentially be eligible to claim Job Seeker's Allowance and housing benefit)
- Those who are homeless (last year, between 5,800 and 6,400 18 to 21-year-olds were identified by local authorities as being homeless and in priority need)
- Those in supported accommodation (nearly 1,400 18 to 21-year-olds currently living in YMCA accommodation claim both Job Seeker's Allowance and housing benefit).

Denise Hatton, Chief Executive of YMCA England, told '24 dash' that:

*"As the report we launched today shows, in seeking to tackle those small numbers taking advantage of the system, the government is in real danger of inadvertently taking away support from some of the country's most vulnerable young people."*

*"In removing automatic entitlement to Housing Benefit, young people could face the prospect of losing not only a safety net but also a springboard that helps get them up and get their lives back on track."*

*"Unless firm and clear exemptions are put in place, thousands of young people who don't have the option to go home will be left to face uncertain futures."*

One of the case studies highlighted in the YMCA report focuses on the experience of Sam, from Grimsby. Sam sought help from the YMCA after suffering from mental health issues following the breakup of his parents' marriage. He said:

*"What about the people who have no choice, what about the people who have got nowhere to go but places like YMCA? It's a roof over your head, which for most people, is only payable with the help of housing benefit. Without housing benefit there would be a lot more people on the streets."*

Ministers have said that there will be exemptions to the legislation that will protect vulnerable young people but details have yet to emerge and many in the sector remain concerned.

While there are proposals to devolve some responsibilities for welfare to the Scottish Parliament, welfare remains a responsibility of the United Kingdom government so these policies will have an effect in Northern Ireland, Scotland and Wales as well as in England.

Stuart Ropke, Chief Executive of Community Housing Cymru, a society representing housing associations in Wales, said in response to the welfare cuts in the budget:

*"The proposed changes in today's budget will increase in-work and child poverty and impact on the most vulnerable and poorest in our communities. It's a tough budget for working families and young people, and many will be hit by two or three different changes."*



The finance minister in the Welsh Government, Jane Hutt, said:

*"While we cautiously welcome the National Living Wage and have in fact already delivered it for NHS staff in Wales, it is unlikely to cover the cuts to tax credits for most families"*

In Scotland, the Scottish National Party complained that the budget was taking from the poor and giving to the rich. Deputy First Minister of the Scottish Government, John Swinney said:

*"The reality is this budget is an attack on the low paid, the young and those entering the jobs market. This budget is a series of con tricks to try and hide the fact that individual households will now bear the brunt of austerity cuts."*

*"I support a meaningful living wage paid for by business – one that pays what people need to live, not one that fails to compensate for cuts to valuable tax credits. The Chancellor has not even promised to meet the current living wage of £7.85 and under 25's will face the brunt of cuts but receive no increase in wages."*

*"The Chancellor is cutting from the poor whilst paying out to the rich, he is short changing those on low incomes whilst giving tax breaks to the better off."*

*"There has been no easing up on austerity – he has simply shifted some of the balance from public services to the public themselves. The Scottish Government has faced a 10% cut in our overall budget for the last five years and the Chancellor today said deficit reduction would take place at the same pace in the future. Overall the scale of austerity being imposed by this UK Government remains unchanged."*

*"The reality is that in delivering his emergency budget the Chancellor has simply exacerbated the emergency situation faced by many on low pay and low incomes."*

AWICS is holding two seminars on: 'Welfare Reform, the Implications for Housing and Local Government' that will be held in London and Oldham in October and November 2015. For further information or to make a booking please visit our website at: <http://www.awics.co.uk/welfare15.asp>

We will also hold a webinar on the Welfare Reform and Work Bill on 12<sup>th</sup> November. For further details or to make a booking please visit our website at: <http://www.awics.co.uk/webinars.asp>

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### **Service charges — Land-mark rulings define approach to service charges**

This month we have news on two legal cases that influence how service charges can be applied by landlords.

In the first case, the Court of Appeals overturned a ruling by the High Court that required landlords to consult tenants for improvement work that in combination exceeded £250 per year. The original case, Phillips v Francis, involved Mr. and Mrs. Francis (owners of a 25 hectare site with various chalets) who increased service charges from £1,478 in 2008 to £3,117 in 2009 for a range of improvements.

It was argued that the ruling would be impossible to implement as landlords would have to predict in advance the improvement works for a particular year.

Douglas Rhodes of Trowers & Hamlins solicitors said.

*“The High Court ruling [if not overruled] would have been administratively unworkable and could have forced delays to necessary but routine maintenance work, which would have caused issues for both landlords and tenants. Ultimately, today’s judgment restores common sense to the approach as to what constitutes “qualifying works” to which the £250 consultation limit applies.”*

In a second case, Sheffield City Council v Oliver, Hazel Oliver was arguing for a reduction in her service charges of £9,300. Since part of the improvement works were funded by the energy company NPower under a £2.9million agreement struck<sup>3</sup> in 2011, she argued that the service charges should be reduced in line with the portion that NPower contributed to the agreement struck with the Council. The Upper Tribunal ruling agreed with her case and required the Council to reduce service charges by the amount of £2,000 contributed by NPower. Alex Wyatt, a solicitor at Devonshires, commented on the ruling:

*This is certainly a warning for local authorities or housing associations who like Sheffield have been not applying the funding to leaseholders. There’s already legislation in place that prevents service charge recovery where a specified type of grant has paid for the works, but this falls outside of that because it was funding provided by gas and electricity companies.”*

Adrian Waite will be chairing a session at the National Housing Federation service charges conference on 8<sup>th</sup> September 2015 on the operation of service charges in different forms of tenure with a focus on issues arising with mixed-use developments and the differences of affordable housing aimed at residents with different levels of income.

We will also be providing a webinar on service charges on 3<sup>rd</sup> December 2015. For further information or to make a booking please visit our website at: <http://www.awics.co.uk/webinars.asp>

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### **Islington Borough Council’s policy on affordable homes in new build and regeneration**

In its development plan, Islington Council requires half of all new build to be affordable with a split of 70% for social rent and 30% for intermediate rent. A determining factor for the required numbers of affordable housing allocated to new development are viability assessments. Unfortunately, in many cases the Council found that developers were artificially inflating the land prices that were used in the viability assessments to determine the number of social homes developers could be expected to develop.

Islington Borough Council is therefore preparing planning guidance to prevent developers from using viability assessments as an argument for not building affordable housing. The draft regulation requires the following:

- Planners will only be able to keep information confidential if it is in the public interest to do so. In the past, it has been common practice for developers to be able to maintain the confidentiality of their projects for commercial and competitive reasons.
- There is a process for subsequent updates to the viability assessment while the building is under construction to see if more affordable housing is affordable. The proposed policy states: ‘Pre-implementation and mid-point reviews will typically result in additional on-site affordable housing while advanced stage reviews will generate a financial contribution where a surplus arises’.

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<sup>3</sup> Community Energy Savings Programme

- The document also exposes the way in which viability assessments are often done and encourages the public to scrutinise the information on which a viability assessment is based. For example, the document requires 'details relating to proposed methodology, inputs and a draft viability appraisal at pre-application stage'.

Commenting on the changes, James Murray, the Council's executive member for housing and development, said:

*"Like the rest of London, Islington is facing a housing crisis, with a huge shortage of the affordable housing that everyday Londoners badly need. There is growing evidence some developers use 'viability assessments' to their advantage, such as inflating land costs to say they can't afford to build affordable housing. We're setting out new rules to make sure developers can't game the system. We want to make the system transparent, clear, and fair, to help make sure the affordable housing we badly need is built."*

A few weeks ago, Radio 4 broadcast a programme about the housing crisis. The programme asked whether the current system - where councils do deals with developers to provide cheaper homes - is working. I think it concluded fairly convincingly that it is not. In particular, the system whereby developers can secure planning permission on the basis that they will provide a certain number of affordable homes but then go back later with a 'viability assessment' to get that requirement reduced or removed lacks transparency. These assessments are not generally publically available, are sometimes not even available to councillors and often lead to significant reductions in planned levels of affordable housing. Furthermore, even if councillors refuse to vary the planning permission they can be over-ruled by a government planning inspector.

The programme examined three case studies - the redevelopment schemes at Earl's Court and on the Greenwich Peninsula, as well as a development in rural Suffolk. It asked whether developers are being allowed to duck their obligations to provide affordable homes as a condition of planning permission; and whether councils too under-resourced and under-skilled to negotiate with large development companies. Since 2010, Councils have made larger reductions in their strategic housing budgets than in almost any other service.

The programme can be listened to online at <http://www.bbc.co.uk/programmes/b05vzysp>

A consultation on the content of Islington Borough Council's Supplementary Guidance is open until early September. The consultation on the Supplementary Planning Guidance can be found here: [link](#)

Islington Council and residents of one of its housing estates have also agreed a plan to add 140 new homes to the site while knocking down hardly any of the old ones. The King Square estate, standing at the edge of Islington that borders the City was built in the 1960s. It presently comprises 470 homes, of which 376 stand on its main site between Central Street and Goswell Road. Early next year, work will begin on increasing the latter number by 140.

Unlike other schemes to increase the density of council-owned estates in London that have met opposition and sometimes gone horribly wrong, this one envisages very little demolition of existing homes and enjoys substantial support from estate residents.

Of the 140 additional homes, 42 will be for private sale and will help raise the funds for the wider scheme as well as a new school. Nearly all these will be in one block in one corner of the estate. Five other blocks will include 93 council homes for traditional social rent and, from the 'intermediate' part of the 'affordable' range, five shared ownership properties. One block will be specifically for older and vulnerable people.

The nine single person units that currently make up a small, low-rise section of the estate will be knocked down to make way for 21 of the new ones, but most of the rest will be built on what is presently car parking space that's become surplus to need. Islington residents will be given first choice of the homes for market sale. Under the borough's local lettings scheme, first pick of the new council and other 'affordable' homes will be given to current estate households in need of more space or whose young adult members want to move out of the family home, or to those seeking to downsize. Each existing home vacated will, of course, then become available for someone else on Islington's waiting list. There will also be improved green spaces and a new community centre.

Islington Borough Council often sends representatives to AWICS seminars. We are grateful for their support.

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## **AWICS Webinars**

For some years, AWICS has provided open seminars and in-house training to clients all over the United Kingdom. Since 2006, over 3,000 individuals across England, Scotland, and Wales have attended our seminars and this has enabled them to carry out their roles more effectively.

Our seminars are held in easy-to-reach conference venues around the country. For example, this year we will be holding seminars in London, Oldham, Cardiff, Wrexham and Falkirk. Our training venues are ideal for the small groups and we usually restrict our training seminars to about twenty attendees to allow for the maximum interaction, participation and networking.

However, we are now broadening our training offer and are offering a series of webinars during the autumn and winter of 2015. The Internet has become a medium to which we are all becoming increasingly accustomed and we expect that our webinars will meet the training needs of clients and complement our seminars.

These webinars will look at a range of subjects of interest to clients in local government and housing and will be held between October and December. They will last between 1½ and two hours and will offer participants plenty of opportunities for questions and discussion as well as a presentation on the topic. The cost will be £50 a session plus value added tax.

The webinars will conform to the same standards that clients have come to expect at our seminars and workshops but will offer a different format in which to learn and to exchange information and points of view. Participants in each webinar will also receive a digital copy of the presentation used and a digital copy of a briefing paper on the subject.

The webinars that will be held during the autumn and winter of 2015 are as follows:

### October

|                  |  |
|------------------|--|
| 1 <sup>st</sup>  | Introduction to the Housing Revenue Account  |
| 8 <sup>th</sup>  | Right to Buy for Housing Association tenants |
| 13 <sup>th</sup> | Sale of high value council homes             |
| 19 <sup>th</sup> | Social Rent Reforms                          |

### November

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|------------------|--|
| 5 <sup>th</sup>  | Self-Financing in the Housing Revenue Account    |
| 12 <sup>th</sup> | Welfare Reform and Work Bill                     |
| 16 <sup>th</sup> | Scottish Social Housing Finance                  |
| 24 <sup>th</sup> | Business Planning in the Housing Revenue Account |

December

|                  |                                 |
|------------------|---------------------------------|
| 3 <sup>rd</sup>  | Introduction to Service Charges |
| 10 <sup>th</sup> | Welsh Social Housing Finance    |
| 14 <sup>th</sup> | Universal Credit Roll-out       |

We hope you will find a suitable webinar among our range of online training offers and look forward to see you on one of our interactive online seminars soon.

For further information or to book a place, please go to the AWICS website: [information and booking](#).

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**Seminar: Right to Buy extension, sale of high value council homes and rent reform**

The Government was elected on a commitment to extend the 'right to buy' to housing association tenants and to fund this through the sale of high value council homes. In its July 2015 budget it also announced new policies for social rents including 1% annual reductions and market rents for tenants with high incomes.

These 'reforms' will have a significant effect on the business plans of both housing associations and local authorities. In particular, there is concern about the continued ability of housing associations and local authorities to develop new homes – and even some concern about their continued viability. There is therefore a need for those involved in managing the finances of housing associations and local authority housing services to understand the inter-relationship between these policies.

**The seminar will address the following issues:**

- Extension of 'Right to Buy' to Housing Associations
- Sale of High Value Council Homes
- Reductions in Social Rents and Market Rents for tenants with high incomes
- The cumulative impact of these changes on Housing Association and Local Authority Housing Business Plans

The session is accompanied by a very useful book entitled: **"Right to Buy Extension, Sale of High Value Council Homes and Rent Reform"**.

**Who should attend?**

All those with an interest in housing association or local authority housing in England, including Managers in Housing Associations, Local Authorities and Arm's Length Management Organisations, Councillors, Housing Association and ALMO Board Members, Housing Accountants and Tenant Representatives.

**Venues and Dates:**

- Novotel Hotel, Waterloo – Tuesday 22<sup>nd</sup> September 2015
- Clough Manor Hotel, Oldham – Wednesday 30<sup>th</sup> September 2015

For more information and to book have a look on the AWICS website: [Information and booking](#)



## Other upcoming seminars

The seminars and workshops for 2015 will retain the same high standards for which 'AWICS' is well known and will include some new and topical subjects. The 2015 series of seminars and workshops are as follows.:

| <i>Seminar subject</i>   | <i>Upcoming seminars</i>           | <i>Bookings</i>   |
|--|------------------------------------|---|
| <b>Local Authority Housing Finance</b>   | London — 10th Nov 2015             | <a href="#">Book</a>  |
| <b>Housing Association Finance</b>   | Oldham — 29th Sep 2015             | <a href="#">Book</a>  |
| <b>Extension of the Right to Buy — Implications for housing associations and local government</b>        | London — 22 <sup>nd</sup> Sep 2015 | <a href="#">Book</a>  |
| <b>Cities &amp; Local Government Devolution Bill — the implications for local government and housing</b> | Oldham — 30 <sup>th</sup> Sep 2015 |   |
| <b>Local authority new build — the financial implications</b>  | Oldham — 4 <sup>th</sup> Nov 2015  | <a href="http://www.awics.co.uk/devolution.asp">http://www.awics.co.uk/devolution.asp</a> |
|  | London — 11 <sup>th</sup> Nov 2015 |   |
|  | London — 1 <sup>st</sup> Dec 2015  |   |
|  | Oldham — 8 <sup>th</sup> Dec 2015  |   |

Further information will be posted on our website as it becomes available and can be requested by emailing [enquiries@awics.co.uk](mailto:enquiries@awics.co.uk)

## New books available from AWICS

AWICS publishes books on technical topics useful for those providing public services. We have recently release the following two fully updated books.

| <i>Book title</i>                             | <i>Content</i>   | <i>Buy</i>          |
|---|--|---------------------|
| <b>SERVICE CHARGES IN SOCIAL HOUSING 2015</b> | This book is designed to give an introduction and overview to service charges in social housing and is fully up to date with all developments.<br>Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works. | <a href="#">Buy</a> |
| <b>LOCAL AUTHORITY HOUSING FINANCE 2015</b>   | The 2015 version of 'All You Want to Know about Local Authority Housing Finance' has been fully updated this year and is the latest version of our useful introduction and companion to the complex and important subject of Local Authority Housing Finance. It is published in March 2015 and has 100 pages.   | <a href="#">Buy</a> |

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### Client and reader survey (please give us feedback)

Please consider to give us feedback on how we are doing through our client survey: [link](#).

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### Editorial notes



This edition of the Housing newsletter was edited by Sebastian Weise. Sebastian is a freelancer and PhD student at the Centre for Digital Innovation at Lancaster University. He is knowledgeable about participatory urban planning, local government, government reform, and geospatial services.

The AWICS Housing News is published by 'AWICS' Limited. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed in articles are not necessarily those of 'AWICS' or Adrian Waite unless expressly stated.

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## About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at [www.awics.co.uk](http://www.awics.co.uk) or contact Adrian Waite at [Adrian.waite@awics.co.uk](mailto:Adrian.waite@awics.co.uk). Services that we offer include:

- Management Consultancy – <http://www.awics.co.uk/ManagementConsultancy.asp>
- Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
- Regional Seminars - <http://www.awics.co.uk/seminars2015.asp>
- In-House Training - <http://www.awics.co.uk/inHouseCourses.asp>
- Independent Residents' Advice – <http://www.awics.co.uk/IndependentTenantAdvice.asp>
- Technical Books - <http://www.awics.co.uk/TechnicalBooks.asp>
- Free Information Service - <http://www.awics.co.uk/informationsservice.asp>



**NATIONAL  
HOUSING  
FEDERATION**


## Leaseholder and Tenant Service Charges Conference

Tuesday 8 September 2015  
One Drummond Gate, London

**Key reasons to attend:**

- Find out how to future proof your systems to deal with Universal Credit
- Get a practical guide in relationship building with tenants and leaseholders
- Learn from case studies on post depooling, implementing a service charge module and calculating a sinking fund
- Network and share best practice with peers
- Receive a FREE copy of the Federation's new comprehensive guide to service charges (RRP £60)

Book your place at [www.housing.org.uk/servicecharges](http://www.housing.org.uk/servicecharges)  
Call 020 7067 1066 Email [events@housing.org.uk](mailto:events@housing.org.uk)

 [@natfedevents](https://twitter.com/natfedevents)  
[#ServiceCharges15](https://twitter.com/natfedevents)

For more information or to make a booking please visit the National Housing Federation website at: <https://www.housing.org.uk/events/browse-events/leaseholder-and-tenant-service-charges/>

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