

Briefing Paper

Queen's Speech 2015: The Implications for Housing & Local Government

June 2015



The Houses of Parliament

Summary

This briefing paper contains a summary and analysis of Queen Elizabeth II's 61st opening of Parliament on 27th May 2015. With the first majority Conservative government in eighteen years as well as difficult socio-political and economic circumstances, the programme announced to both chambers of parliament includes many radical and controversial measures with implications for housing and local government.

The Queen's Speech contained announcements for 26 proposed bills, including three separate bills for Wales, Scotland, and Northern Ireland. Here the government outlines an approach for devolution to the nations comprising the United Kingdom. It includes the proposal for an 'English votes for English laws' Bill. At the same time, the Queen's Speech contained a bill that would devolve powers to English Cities to create the Northern Powerhouse announced earlier by George Osborne, the Chancellor of the Exchequer.

Also included is the controversial extension of the Right to Buy to Housing Associations. The bill is controversial because of its effect on charitable and privately-owned housing associations and the selling of high value council owned homes to finance it. However, the Local Government Association is taking a pragmatic approach and approved of the government's programme to encourage local authorities to build more houses.

Budget cuts announced in the United Kingdom budget for 2015/16 will now be implemented. The Queen's Speech contained announcements for the lowering of the benefits cap as part of an effort to achieve a £12billion reduction in welfare expenditure. Measures for further support of apprenticeships and reduction of youth unemployment were also announced and were well received by many.

A copy of our briefing paper on the 2015 United Kingdom budget can be freely downloaded from: <http://www.awics.co.uk/budget2015.asp>

Content of the Queen's Speech

This year's Queen's Speech, included announcements for a total of 26 bills. Some of them will prove controversial and may even be difficult for the new government to enforce without further adaptations.

Controversial bills include an approach to devolution that is focused on 'cities' and that has been criticised in the past as stopping short of comprehensive legislation that would devolve budgets to local authorities in a systematic manner. Further controversial bills include the extension of the Right to buy to housing associations¹. The government will face challenges to pass the proposed abolition of the 1998 Human Rights Act (that was significantly absent from the Queen's Speech) and to renegotiate the relationship with Europe, particularly on access to Welfare. Beyond this, the government is determined to continue the austerity measures at least until the 2019/20 financial year, after which government expenditure is expected to grow with the rate of inflation.

Public Expenditure

The Queen's Speech contained the following statement regarding the government's effort to find additional future savings:

"They will continue the work of bringing the public finances under control and reducing the deficit, so Britain lives within its means."

In March this year, George Osborne announced further austerity measures that included reductions in public expenditure focused on 'unprotected' central government departments, welfare, and introducing measures against tax avoidance. In a previous briefing paper², we summarised these measures as follows:

- **Reductions in public debt:** The Chancellor announced that income from sales of bank shares, lower than expected welfare expenditure, and reduced interest rates on public debt will be used to reduce overall public sector debt. Welfare costs are £3billion lower each year than projected in December 2014. Interest charges are £35billion lower than in the Autumn Statement.
- **End to austerity:** Given the revised figures, the reduction in public spending is now scheduled to end a year earlier than initially planned. In 2019/20, the government plans to increase public spending in line with economic growth.
- **Further public savings:** Until 2017/18, a further £30billion will be identified for further public spending cuts. This includes finding an additional £10billion in efficiency savings. The savings targets will be allocated in the following way:
 - £13billion from central government departments
 - £12billion from welfare savings
 - £5billion from reduced tax avoidance measures and 'aggressive tax planning'

¹ We have reviewed this issue in the May housing news: [link](#)

² AWICS briefing paper on the UK 2015 budget can be downloaded here: [link](#)

Housing

The Queen's Speech contained the following:

"Legislation will be introduced to support home ownership and give housing association tenants the chance to own their own home."

In just twenty words, this announcement has the potential for deep changes that would remake the landscape of housing associations in England. The extension of the right to buy to housing associations would mean that tenants in housing association homes could benefit from substantial discounts on the purchasing price for their own home. Discounts of up to £77,900 outside London and £103,900 inside London are currently available to council tenants and may be possible for housing association tenants. To pay for the scheme, the government plans to raise up to £4.5 billion from the sale of high value council owned homes once they become available.

The plan has faced criticism from the sector including the National Housing Foundation and also the Local Government Association. There are questions as to the legality of the measure under current law as housing associations are privately owned and are often charities. Others argue that selling council properties to benefit a fairly small range of housing association tenants would not be appropriate. The government has also been warned that the scheme could affect the current account balance of public finances. Others have suggested that the wording of the Queen's Speech could be taken to imply that the government's objectives may be achieved through making changes to housing associations' existing 'right to acquire' schemes rather than through introducing the 'right to buy' itself to housing associations.

The new Secretary of State for Communities and Local Government, Greg Clark, confirmed the measure. He told 'Public Finance' that:

"Our Housing Bill will offer over a million people a helping hand onto the housing ladder. That is what a government for working people is about – making sure people have the security they need to build a brighter future for them and their families."

Reductions in Welfare Expenditure

The budget presented by George Osborne in March this year included provision for a further reduction of £12 billion in welfare spending. The Queen's Speech contained the following:

"To give new opportunities to the most disadvantaged, my government will expand the Troubled Families programme and continue to reform welfare, with legislation encouraging employment by capping benefits and requiring young people to earn or learn."

Apart from a tax lock for income tax, VAT, and National Insurance, the government plans to reduce the top level of welfare payments per household. In September 2014, the Chancellor announced that a future Conservative government would reduce the household benefit cap from £26,000 to £23,000 and that any savings would be used to fund an extension of apprenticeships. There would also be a two year freeze on the level of benefits for Job Seeker's Allowance, tax credits, Child Benefit, and Local Housing Allowance rates. George Osborne said:

"Working-age benefits in Britain will have to be frozen for two years. This is the choice Britain needs to take to protect our economic stability and to secure a better future... The fairest way to reduce welfare bills is to make sure that benefits are not rising faster than the wages of the taxpayers who are paying for them. For we will provide a welfare system that is fair to those who need it, and fair to those who pay for it too."

Part of the savings will go towards supporting apprenticeships. It is part of a plan to remove out-of-work and Housing benefits to under 21 year olds, unless they agree to take part in a community project. It would also fund the establishment of three million apprenticeships over the five years legislature period. The plan to remove the entitlement to housing benefit for people aged under 21 has been criticised by many in the sector as revealing a lack of awareness by government of the housing problems that can be faced by young people. The government's proposals appear to assume that all young people have an option of returning to live with their parents but this is not the case. In many cases parents do not have appropriate accommodation, their whereabouts may not be known or relationships may have deteriorated to the point where reconciliation is impossible. The government has conceded that the policy would not apply to young people leaving care or to single parents but it is hoped that the government will widen the definition of those who would be exempt from this policy before it is enacted. If the policy forced more young people into homelessness that would prove more costly for government as well as disastrous for the young people involved.

Devolution of powers to Scotland, Wales, and Northern Ireland

The Queen's Speech contained the following:

"My government will also bring forward legislation to secure a strong and lasting constitutional settlement, devolving wide-ranging powers to Scotland and Wales. Legislation will be taken forward giving effect to the Stormont House Agreement in Northern Ireland."

This is widely seen as the implementation of the recommendations of the Smith Commission that reviewed the powers of the Scottish Parliament in the aftermath of the Scottish Independence Referendum. This includes the retention of income tax. Once implemented, these proposals foresee that two thirds, or around £30billion, of the Scottish Parliament's spending would be from locally-raised taxes. The agreement also includes new borrowing powers for Scotland that will further support the fiscal independence of the Scottish government.

For Northern Ireland, the Stormont House Agreement was reached as part of the United Kingdom budget settlement for 2015/16 period. It was agreed after the Northern Irish government did not implement the welfare reforms and the United Kingdom government reduced payments to the Northern Irish government in line with the expected savings that the measures would have otherwise realised. Arlene Foster (Democratic Unionist Party), the new Finance Minister for Northern Ireland, told 'Public Finance' that:

"The financial package secured as part of the Stormont House Agreement paved the way for executive agreement on the 2015/16 budget. However, in the absence of progress on welfare reform, we simply do not have a workable budget. Delays in implementation will undoubtedly have a significant impact on Departmental budgets and would necessitate further cuts to public services. I will do everything within my power as the Finance Minister to prevent our public services from further unnecessary cuts."

For Wales, the Queen's Speech refers to legislation that will lead on from what's been called the 'St. David's Day devolution package'. The package includes a 'floor' for the funding that the Welsh government receives from the United Kingdom government. Further details of this settlement will be refined in time for the Governments Spending Review later this summer. Beyond the retention of more tax money in Wales, the package further includes ability for the Welsh government to hold a referendum on retaining income taxes and includes control over the conduct of local government elections as well as local government boundaries.

Aside from the devolution of powers at different speeds and in accordance with each nation's specific requirements, the Queen also announced measures related more specifically to the way laws are determined where they relate specifically for England. She said:

"My government will bring forward changes to the standing orders of the House of Commons. These changes will create fairer procedures to ensure that decisions affecting England, or England and Wales, can be taken only with the consent of the majority of Members of Parliament representing constituencies in those parts of our United Kingdom."

Under the concept 'English votes for English laws', the government plans to progress legislation that would change the voting capacities of members of the House of Commons. Under this arrangement, funding decisions deemed to affect only England – or England and Wales – would only be examined by those MPs at committee stage. This arrangement has been proposed, since the devolved Scotland would retain powers over income tax bands. In turn, where income tax bands in England or Wales would be affected, the 'English votes for English laws' approach would require the approval by a committee consisting of only those MPs at the third reading of a bill.

In February 2015, William Hague (Conservative), then Leader of the Commons, said:

"Under a Conservative government, the distribution of spending within England would become an English matter. We Conservatives believe that this principle of English consent, the English veto, should be extended to taxation when the equivalent decisions have been devolved to Scotland, and under a Conservative government it will be."

"How could it possibly be right for the Scottish Parliament for example, to vote for a reduction in Air Passenger Duty in Scotland and then for Scottish MPs to come to Westminster and be able to impose an increase in Air Passenger Duty in England?"

"There would therefore be an English rate of income tax, subject to the democratic approval of the representatives of England. This is a fundamental matter of fairness."

The effect of this is to make the United Kingdom constitution increasingly 'messy'. On the one hand there are different arrangements for devolution to Scotland, Wales and Northern Ireland – and to different parts of England (see below). On the other hand there are going to be different classes of Member of Parliament, entitled to vote on different ranges of subjects with the potential for there to be future governments that will have a majority in the House of Commons on some issues but not on others. For example, there could be a United Kingdom government that did not have a majority on English issues and so could not enact English legislation.

Devolution to English Local Government

The Queen's Speech contained the following:

"My government will work to bring about a balanced economic recovery... Legislation will be introduced to provide for the devolution of powers to cities with elected metro mayors, helping to build a northern powerhouse."

Beyond the settling of devolution deals with Scotland, Wales, and Northern Ireland, another question of devolution relates to reforming the relationship between the United Kingdom government and local government in England. The message in the Queen's Speech is twofold. It is aimed at achieving a 'balanced recovery' in response to the unequal effects of the financial crises and subsequent austerity to the economic recovery across the United Kingdom. In the Conservative manifesto there was much talk about building on the 'Northern Powerhouse' that it is intended to create through the devolution of powers to Greater Manchester and beyond that the continued promise to invest in road and rail links in the area.

Before the announcements in the Queen's Speech, Chancellor George Osborne said:

"This law will pave the way for Greater Manchester – and, importantly, other cities as well – to take greater control and responsibility over all the key things that make a city work, from transport and housing to skills, and key public services like health and social care.

"Other cities can find the mayoral model that works for them. But it has to involve a city-wide elected executive mayor... I'm not interested in any more half-way house deals. We will transfer major powers only to those cities who choose to have a directly elected metro-wide mayor."

These statements highlighted that only local government administrations with an elected mayor will be able to receive additional powers. It is an approach that is geared to the larger, economically-powerful urbanised areas such as Manchester, Birmingham, Newcastle and Liverpool. Criticism of this 'one-size-fits-all' approach that side-lines other local authorities has been voiced by the Local Government Association in the past.

The government's commitment to devolution to local authorities has been generally welcomed in local government. However, there have been some criticisms of the government's approach:

- Devolution is being offered on the basis of individual 'deals' between the government and groups of local authorities (combined authorities) on terms that the government chooses. The government therefore remains in a position to dictate the constitutional arrangements that local authorities must adopt (an elected Mayor) and the powers and budgets that they will have.
- Most of the powers that are being devolved have traditionally been exercised by local authorities and the devolution deals largely involve returning powers to Councils that have been taken away from them by recent centralising United Kingdom governments.
- The level of devolution will differ from place to place. Greater London has had a devolved authority since 1999. Greater Manchester has negotiated the most extensive of the current devolution deals. Core cities like Leeds and Nottingham appear to be negotiating deals that are not as comprehensive as those in London and Manchester. Counties do not appear to be being offered anything significant. Some places will have combined authorities, some will have unitary authorities and some will have two-tier local government – and all will have a different range of powers. All of this makes the constitution even 'messier' than it already is. If the principles of 'English votes for English laws' are applied will this mean for example that, as Transport is devolved in Greater London and Greater Manchester, Members of Parliament from Greater London and Greater Manchester will be barred from voting on Transport legislation that affects other parts of England?

European Union

The Queen's Speech contained the following:

"My government will renegotiate the United Kingdom's relationship with the European Union and pursue reform of the European Union for the benefit of all member states... My government will bring forward proposals for a British Bill of Rights."

The government will introduce a European Union Referendum bill which will call for a referendum by the end of 2017 at the latest. The referendum will follow the General Election franchise for voter eligibility. This means that most European Union nationals in the United Kingdom, except of those from Cyprus, Ireland and Malta, are barred from voting in the referendum; and that the franchise will not be extended to sixteen year olds as it was in Scotland during the independence referendum.

The proposed abolition of the Human Rights Act and its replacement with a British Bill of Rights appears to be somewhat more controversial. Critics of the International Court of Human Rights have argued that the human rights convention undermines the ability of the United Kingdom government to deport criminals and terrorists. However, for moral and practical reasons the abolition of the Act altogether may be too difficult. For example, the Scottish Government vehemently opposes its abolition. Hence, it could be implemented as an English Bill of Rights. However, there are those who see the Human Rights Act and the International Court of Human Rights as protection against potential abuses of human rights by a United Kingdom government.

Reactions from the Sector

National Housing Foundation

The National Housing Federation published a press briefing in response to the Queen's Speech. Commenting on the announcements generally, the statement read:

"The prominence of housing and the Government's commitment to build more homes are both very positive, and we've welcomed them in our response to the media. But we're also explaining in no uncertain terms why we're opposed to the extension of Right to buy, appearing on both ITV and BBC news yesterday to set out housing associations' concerns, as well as highlighting the problem with blanket welfare cuts."

Commenting specifically on the Right to buy for housing association tenants, the statement went on:

"This policy is not a genuine solution to our housing crisis. An extension to the Right to buy would mean that housing associations are working to keep pace with replacements rather than building homes for the millions stuck on waiting lists. At a time when we need to be increasing the overall amount of social housing, it is like trying to fill a bathtub with the plug taken out."

"What's more, forcing housing associations to sell off their properties under the Right to buy sets an extremely dangerous precedent of government interference in independent business."

"We fully support the aspiration of homeownership, but this policy does nothing for the 11 million private renters and three million adult children living at home with their parents. If there is £22.5 billion of public money available for housing, we should use it to build the homes the next generation needs, not just gift it to the lucky few already housed in housing association homes."

In regard to the proposed support of three million apprenticeships, the statement read:

"We are pleased to see the Government's plans to create three million new apprenticeships. Housing associations are ambitious about helping people into work and have taken on over 12,000 apprentices over the last three years and look forward to working with the Government to deliver more."

In regard to the Cities Devolution Bill, the statement said:

"The cities devolution bill has the potential to bring an end to the housing crisis in all its different forms, grow local economies and regenerate communities. Housing associations stand ready to engage with local leaders to help create communities where people want to live and work."

Local Government Association

As expected, the Local Government Association pointed to the limitation of devolution to city administrations. Generally welcoming the proposed support of further devolution, they said:

“The economic benefits of devolution are too significant to ignore. Devolving control of social care and health spending, local transport networks and infrastructure to Greater Manchester is good news for the people who live there and now needs to be replicated for people across the rest of the country.

“Making decisions at a more local level will bring about huge economic and social benefits and with non-metropolitan England responsible for 56 per cent of economic output the case for wider devolution is clear. As recognised in the Bill, we believe the push to decentralise power should be extended to these non-urban areas and are ready to work with the Government to meet this aspiration.

“Where significant new responsibilities are devolved, stronger local governance arrangements may be needed but there is no “one-size-fits-all” solution. Areas need to be able to determine the most appropriate governance and accountability model for their area, rather than having a single model dictated by Whitehall.

“As we have called for, alongside legislative change, funding reform is also required. Meaningful devolution should include multi-year finance settlements, powers to set locally appropriate fees, charges and subsidies and rates and discounts for council tax and business rates.”

As for the policies on housing and the extension of right to buy to housing associations, the Local Government Association took a pragmatic approach saying that all council homes that may be sold off should be balanced by a comprehensive rebuilding programme:

“The Government has rightly promised every home sold under the Right-to-Buy proposals will be replaced on a one-for-one basis, and any new proposals must enable that to happen. We will work with Government on how these proposals could be delivered and funded without any unintended consequences on councils’ ability to invest and ensure communities include a mix of homes. Many councils are ambitious to increase house building across all tenures and support measures to help people into home ownership.

“The current Right-to-Buy system only allows councils to replace half or fewer of homes they have sold. The Government has rightly promised every home sold under the extension of Right-to-Buy will be replaced on a one-for-one basis and any new proposals must enable that to happen.

“Councils are ambitious to increase house building across all tenures and support measures to help people into home ownership. At the same time we still have to deliver affordable housing for future generations and those already on waiting lists.

“Councils understand the need to provide more homes for first-time buyers and are already taking steps to make first-time homes more affordable. New starter homes cannot be built in isolation or without any wider community needs. They must come with the infrastructure needed and include a mix of housing.

“In order to deliver the homes and infrastructure desperately needed, councils must have a lead role in house building. Local authorities could build half a million new homes and transform the lives of hundreds of thousands of families if given greater powers, resources and flexibility.

“We will work with Government on how these proposals could be funded without any unintended consequences on councils’ ability to invest and ensure communities include a mix of homes.”

Regarding the European Union referendum bill, the Local Government Association points to the substantial financial payments received by local government from European Union sources. The Local Government Association therefore called for further consultation on the renegotiation of the relationship with Europe by involving local government representatives:

“Local government also receives significant funding from the European Union, including through the European Structural and Investment Funds. Given the breadth of European Union obligations affecting local authorities, the Local Government Association has repeatedly called for a more robust, closer and structured involvement from the outset with Government Departments on European Union issues involving the sector, including in any renegotiation of powers.”

With regard to the devolution of powers to Scotland and Wales, the Local Government Association said that it works together with appropriate associations in the respective countries. For the settlement with Scotland, the Local Government Association suggested that the Scottish case can be seen as an example for what devolution can achieve. They say:

“Since the Scottish referendum, the call for new settlements for England and Wales has been growing. People in communities across the United Kingdom want more decisions that affect their lives to be taken closer to them. Through our ‘Devo Next’ and Future Funding campaigns, the Local Government Association is calling for the devolution of decision-making powers and funding that has benefited Scotland to be given to English local authorities. This includes multi-year settlements for all budgets for services delivered locally.”

Scotland — Chartered Institute of Housing

The Chartered Institute of Housing for Scotland expressed concerns over the lack of clarity in the Scotland Devolution Bill. On behalf of the Chartered Institute of Housing, Ashley Campbell, its Policy and Practice officer, said:

“We welcome the prospect of extra flexibility to allow the benefit system to be tailored to local needs and to underpin wider political ambitions to increase equality and reduce poverty in Scotland.

“However, the draft clauses published in January have been the subject of much debate and interpretation across the housing sector, leading to questions about whether they actually reflect the intention of the Smith Commission and highlighting the lack of detail on how the clauses would work in practice.

“We have particular concerns about the devolution of powers relating to taxation and the lack of clarity on how the use of such powers would affect Scotland’s block grant. There is a risk that the Scottish Government could be left in a position where it has the power to make policy decisions on welfare but lacks the financial capacity to be able act on these powers.

“We will not know if these issues have been addressed until the Bill has been published.”

In the meantime, while the bill has not been published yet, David Mundell, the Scottish secretary, said:

“Scotland’s future is on a better footing thanks to the government’s ambitious programme with measures to create jobs and support working people at the heart of our plan.

“We are delivering quickly on further devolution by giving the Scottish Parliament wide-ranging new powers. That means Scotland will have a huge amount of flexibility to make its own decisions while keeping the many advantages of being part of the United Kingdom. The Scottish Government must now be clear on how it intends to use both these and its existing powers in the interests of Scotland.”

Wales — Community Housing Cymru

From Wales, Stuart Ropke, the Chief Executive of Community Housing Cymru, commented on the content of the Queen’s Speech. He commented on the welfare cap, the introduction of right to buy to housing associations, and the Wales bill. On the welfare cap he said:

“Welsh housing associations and their tenants continue to be affected by United Kingdom Government policies on welfare. Capping the amount of housing benefit a person receives will not help reduce the welfare bill. It simply targets those who can least afford it and pushes them further into poverty. Families will now face the stark choice of cutting back on essentials such as food and heating or having to move long distances away from their current communities to find a home they can afford. In many parts of Wales, families will not be able to pay high private rents because of the cap and there will be more demand than ever for affordable housing, particularly in Cardiff where the majority of the people affected by the benefit cap live.”

On Right to Buy Stuart Ropke expressed his disapproval with the proposed legislation but pointed out that housing is a devolved matter in Wales:

“The United Kingdom Government’s decision to extend the Right To Buy to housing association homes in England is hugely disappointing. Fortunately housing is a devolved issue in Wales, and any decision about the Right to buy here will be made by the Welsh Government. They have recently consulted on the proposal of scrapping the Right to buy, and the Legislative Competence Order 2009 already allows Welsh Ministers to allow councils to refuse Right to buy requests in areas where there is high demand for affordable housing.

“Since Right to Buy legislation was introduced in 1980, 138,548 homes have been sold off and lost to the social housing sector in Wales. This has had a big impact on the supply of good quality affordable housing in Wales, where there is already a housing supply crisis. It is estimated that an additional 14,200 homes per annum are needed in Wales between now and 2026 if we are to combat this supply crisis, and selling off housing association homes is not the answer. Housing associations in Wales could be impacted if funders revise their view of our sector’s robustness in light of developments in England and this could lead to an increase in the cost of finance for our members.”

On the Wales bill, he commented:

“We welcome the news that the UK Government will create a Wales Bill to bring forward legislation to secure a strong and lasting constitutional settlement for Wales. As the poorest nation in the UK, where GDP remains lower than anywhere else, we will continue to add our voice to the campaign for our fair share of public funding.”

Conclusions

In this review of the Queen’s Speech, we have focused on matters such as housing, local government and national devolution of powers, European Union matters, as well as the continued cuts to public expenditure and in particular welfare. In combination, these matters include legislation that has the capacity to have a significant impact at different levels.

From a governance perspective, the bills for Scotland, Wales, and Northern Ireland represent the continued attempt to achieve settlements with these nations that devolve sufficient legislative power while at the same time strengthening the Union. Under the proposed changes, Scotland will receive greater powers over taxation (such as the level of income tax) until a significant part of the Scottish government's expenditure is funded by locally-raised taxes.

There remain many question marks including what level and how powers may be devolved to Wales, Northern Ireland and England. Most of these negotiations are still underway and no final details are known. However, given the proposed transfer in taxation powers to Scotland, there has also been a call for the 'English votes for English laws' in the House of Commons where laws relate to England only. Together these measures have the capacity for a British approach to federalism. In this, the Conservative government will have to work hard to ensure that its 'one nation' vision is not caught up in the centrifugal forces of diverting expectations.

To make matters even more complex, the government will have to tackle the devolution of powers to local government at the same time. This will be essential in bringing about the 'Northern Powerhouse' that George Osborne has been talking about in his plans for a balanced recovery.

The government has decided to focus on urban areas in the North (and to a lesser extent the Midlands) and requires them to have an elected mayor as a single point of contact before devolving powers. However, non-metropolitan councils will call for their share of devolution. By focusing on cities, it appears that the government follows the famous 'Pareto law' in which 80% of the benefits of economic recovery can be won by focusing on the areas that have 20% of the population. While this may be a simplification of the argument, it is considered that the economic output of urban areas like Liverpool, Manchester, Newcastle, Leeds, or Birmingham may be easier for the government to address by focusing on these cities.

The forthcoming European Union referendum further adds an international dimension. Turning the game of devolution on its literal head, the United Kingdom government itself seeks to reclaim powers on behalf of the nation as a whole. Through plans, such as the right to restrict access to benefits for European Union arrivals for up to four years, the European Union renegotiation plan feeds into the Conservatives wider agenda of cutting welfare and ensuring that it reaches the members of society that need it. Without question, European Union level negotiations will prove complex as they could depend on full approval of 26 member states in the case when a treaty change may be sought. Many details of the government's plans are yet undisclosed or unavailable.

The Queen's Speech emphasised measures for further austerity. The United Kingdom budget of 2015, announced by George Osborne in March 2015, already included provision for a further £30billion of cuts. As expected, the austerity measures address central government departments, local government, sales of government-held company shares, closing of tax loopholes, and certainly also £12billion of cuts to welfare expenditure. For example, the government will introduce a reduction to the Welfare Cap. The measure has been criticised not least in Wales where it could see already deprived households move even further away from schools or work places. The proposal to end housing benefit for people aged under 21 has also been criticised as having insufficient regard to many vulnerable young people who could be made homeless by the measure. On the other hand, the support for up-skilling young unemployed by offering three million more apprenticeships and other training programs has been generally welcomed.

Finally, the measures on housing include the controversial extension of the right to buy to housing association tenants. This is controversial not least because of the private status of housing associations and the sale of high value council-owned homes to fund the scheme. Representatives in Wales, where housing is a devolved matter, expressed their relief to be shielded from the proposed legislation. In England, the National Housing Foundation has strongly criticised the measure while the Local Government Association has made a somewhat more pragmatic response. The Local Government Association seems to approve the government's plan as long as it supports the rebuilding programmes of English local authorities.

Given the challenging political, economic, and socio-political context that the United Kingdom finds itself exposed to these are interesting times. We will continue to provide information for our clients and readers on matters concerning local government, housing and welfare.

Editorial notes



This briefing paper has been authored 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.

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