



## Current policy positions 2015

**Introduction** – the CCH has been asked by some housing co-op members, particularly in London, what our *position* is regarding the Housing and Planning Bill, currently making its way through Parliament. This paper sets out the CCH’s current position.

**CCH membership consultation** – first and foremost, the CCH is a membership organisation, and so we set our *positions* and activities in accordance with what our membership tells us. The CCH currently has 160 member organisations – the vast majority of these members are Registered Provider<sup>1</sup> housing co-ops and most of these are from either London or Liverpool – the two areas of the country where most housing co-ops exist. Our membership also includes some other types of housing co-ops and we have to ensure that we include consideration of their needs. There are about 220 Registered Provider housing co-ops in England, and the vast majority of them are in CCH membership.

We have had extensive dialogue with our membership on the elements that make up the Housing and Planning Bill since March 2015, when we held a member meeting in London (which primarily concluded that our London members did not want us to set up a separate grouping in London). There was then wide debate on Housing and Planning Bill issues at the CCH annual conference in July 2015, which then led to us conducting a survey amongst our membership, and then a membership meeting in Liverpool in October 2015.

The results of this consultation have been circulated to our membership and are available in the membership area of our website. We welcome housing co-ops that are not CCH members. By becoming a member, CCH members can participate in dialogue with other CCH members to influence how we operate. Membership application information is available on our website.

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<sup>1</sup> Registered Provider means that a housing co-op received public funding to build their homes and that it is registered with the Government regulator, the Homes and Communities Agency. These are the co-ops that will be particularly affected by the changes proposed in the Housing and Planning Bill.

**The CCH's policy activity** – the CCH is constitutionally a non-party political organisation. Our role is to work with our membership to get the best for our member organisations. We do this in a number of ways, including through seeking to work with the Government of the day. We base our engagement with Government on what our membership tells us they want us to do. We seek to get changes to Government policies as best we can that will benefit our members.

**The Housing and Planning Bill** – the Housing and Planning Bill is primarily enabling legislation that will enable the Government to implement its various proposals. In our task to seek changes to benefit our members, our primary challenge relates to how to influence the subsequent regulations and determinations made by Ministers to implement the Housing and Planning Bill. We are hopefully setting up the means to do that.

Having said that, the CCH has engaged extensively with the Housing and Planning Bill Committee, through Labour Co-op MP Gareth Wright MP, who has raised a number of issues on our behalf within the committee. The issues he has raised have led to a number of potential opportunities for the CCH to be able to have dialogue with Ministers and Civil Servants implementing regulations with the Bill.

The Housing and Planning Bill now moves to the House of Lords. The CCH is currently arranging to attend a briefing session on the Bill with Labour Co-op Lords and we will keep our members advised on progress.

With regards the specific issues encompassed within the Housing and Planning Bill, the CCH's activities are as follows:

**The Right to Buy** – of all the proposed policies, CCH member organisations expressed most concern about a Right to Buy being imposed on our sector because this would have potentially threatened the existence of co-ops the most. As it has transpired, the Right to Buy is not part of the Housing and Planning Bill, although the means to pay for Right to Buy discounts for a *Voluntary Right to Buy* for housing association tenants is. Our understanding is that our dialogue with Government has resulted in us successfully ensuring that housing co-ops (and community land trusts) have the discretion not to sell their homes to their members, although we are still awaiting formal confirmation of this with Government.

This is to be welcomed. However, we are aware that the largest survey of tenants in the social housing sector resulted in approximately half of the housing association tenants who responded saying that they welcomed the Right to Buy policy, and that a small number of respondents to our survey of our members did as well. We are concerned that many housing co-op members will be concerned when they discover that they are the only social housing tenants who will not get the Government support to buy a home that other housing association tenants are getting.

We are therefore seeking from Government an assurance that housing co-op members can access the proposed *portable discounts* to enable them to buy homes elsewhere.

**Pay to Stay** – the proposed Pay to Stay was the second most important issue raised by respondents to the CCH membership survey. Our members particularly identified to us that Pay to Stay would create considerable burdens of bureaucracy for housing co-ops, would conflict with the co-operative ethos, and would result in unfair rents, particularly for co-op members in London. The CCH passed these and other concerns on to Government in our response to the recent DCLG consultation on Pay to Stay. This consultation was on how Pay to Stay should be implemented rather than whether it should happen at all. Our response is in our member only area of our website. Clearly the introduction of market rents would be very unfair for housing co-op members in areas with dysfunctional rents such as London. However, at the same time it is difficult to argue against the principle that those who earn more should pay more, and so the CCH argued that Pay to Stay, if it is introduced, should be based on a fair formula of an increase of 1% rent for every £1K earned above the thresholds.

We have particularly liaised with Gareth Thomas MP regarding this matter, and his view is that Ministers may be minded to grant flexibility to housing co-ops on Pay to Stay, but they are seeking more information from housing co-ops about how Pay to Stay would affect them. To this end, the CCH is about to communicate with the relevant Minister and will encourage our membership to also write to the Minister concerned.

**Lifetime tenancies** – the Government's intentions to stop new council housing tenants having lifetime tenancies was a last minute amendment to the

Housing and Planning Bill. At this time, this proposal will only affect CCH member organisations who are managing council homes, but there are some suggestions that the Government may introduce the same requirement in regulations for other Registered Providers. If this happens, the CCH will explore methods to ensure that co-ops are protected in relation to a proposal that could have legal implications on the nature of housing co-ops' fully mutual memberships.

We would speculate that, as a last minute amendment to the Bill, this matter will attract debate in the House of Lords (which may mean that it will be changed), and clearly we will use our political links to debate the matter as necessary as it proceeds.

**Self-Build and Custom Build** – the Housing and Planning Bill also contains useful measures to encourage the growth of self-build and *custom build* (an uncomfortable term that means housing that is developed by communities and groups, including housing co-ops). This will include requiring local authorities to hold registers of individuals who wish to set up community-led housing organisations, and to facilitate that process if there are significant numbers of people who wish to meet their housing needs in this way. Through Gareth Thomas MP, we ensured that the Government clarified that it is intended that these provisions will also apply to people wishing to set up housing co-ops. The highlighting of housing co-ops means that Ministers may now be interested in discussing the practicalities of developing new housing co-ops which the CCH will be following up.

**Rent reductions** – the Government's intended rent reductions are not a part of the Housing and Planning Bill. But we have included reference to them here because they are pertinent to the changes that the Government is introducing. Our discussions with housing co-ops have suggested that the vast majority of our membership will be able to manage the 1% rent reductions. However, we are aware of a small number of housing co-ops that may have difficulties. In some cases, this is because the co-ops concerned had not implemented the rent setting framework that had been established by the Labour Government in the early 2000s, and so their rents are now extremely low (and in some cases were so low as to create long term viability problems regardless of the forthcoming rent reductions). The CCH has been advising such co-ops where we are aware of them.

The CCH membership agreed that it would be wise that the housing co-op movement should keep a low profile on the issue of rent reductions. The official advice being received from the Homes and Communities Agency on rent reductions is that Registered Providers will only be given a waiver to rent reductions if they can show they have considered all options – including the possibility of merging with another Registered Provider. Housing co-ops that draw attention to possible viability concerns as a result of rent reductions could find themselves being pushed towards merging with a housing association. We have suggested that it is particularly unwise for housing co-ops to draw attention to themselves where they have not been complying with the former Labour Government's rent setting framework. If any co-ops do have viability concerns, we would suggest that they contact the CCH as a matter of urgency and we will assist where we can.

**Further opportunities for debate** – in general, the CCH has adopted a many pronged approach to the Government changes, including working with the National Tenant Organisations where appropriate and there is every reason to believe that our careful behind the scenes work with various politicians, Ministers and civil servants will result in some successes in relation to the challenging issues set out above.

We have been sending monthly updates on progress on all these matters to our membership over the last six months (updates are included in the membership only area of our website), and we intend to keep doing so.

As well as this, the CCH welcomes the opportunities to have further informal dialogue with our members and housing co-ops who are not yet our members, and we are willing to discuss the above matters as appropriate.

Issues arising from the above matters will also be debated in our forthcoming formal membership consultation meetings as follows:

- **CCH annual conference – 13<sup>th</sup> to 15<sup>th</sup> May 2016**
- **CCH Member Policy Forum London – 17<sup>th</sup> March 2016**
- **CCH Member Policy Forum Liverpool – 15<sup>th</sup> September 2016**

These dates are provisional and will need to be confirmed.

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