

Committee:	Date:
Corporate Asset Sub-Committee	19 July 2016
Subject: Housing and Planning Act	Public
Report of: Remembrancer	For Information
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Summary

This report advises Members of the enactment of the Housing and Planning Act, the Bill for which was previously reported to the Committee. The Act includes four measures principally intended to encourage land held in the public sector to be made available for housing development. These are a duty for Government departments (and potentially other public authorities) to engage with other public authorities when developing proposals to dispose of land, a duty for public authorities to prepare and publish annual reports about surplus land-holdings, a power to set broader criteria for the Secretary of State to direct the disposal of public sector land, and a duty for local authorities to prepare and publish annual assessments of the sustainability and efficiency of the property estate.

A ministerial statement was secured during the passage of the Bill, confirming that these measures would apply only to land held by the City Corporation in its local authority capacity (*i.e.* City Fund properties). Officials also clarified that the duty to engage would not for the time being apply to local authorities. The duties to prepare and publish surplus land reports and efficiency and sustainability assessments will need to be implemented in relation to City Fund operational properties.

Recommendation

Members are invited to receive this report, and to note in particular:-

- the actions taken to support the City Corporation's interests during the passage of the Bill for the Act (noted at paragraphs 2 and 4 below); and
- the need to implement, in relation to City Fund properties, the new reporting duties in relation to surplus land and the sustainability and efficiency of buildings (noted at paragraphs 5, 6 and 8 below).

Main Report

1. The Housing and Planning Act contains important, and in many cases contentious, measures intended to set the direction of the Government's housing policy and enable it to meet its house-building targets. Clauses in the Bill for the Act concerning public sector land were the subject of a report to the Committee at its meeting of 29th January. These have now passed into

law. They are mainly, although not exclusively, intended to encourage land to be released for house-building.

Application to the City Corporation

2. In the case of the first three measures described below, the relevant clauses were drafted widely and left it to regulations to identify the public authorities which would be affected. It was not therefore self-evident that the measures would be confined to property held by the City Corporation in its local authority capacity (that is to say, City Fund rather than City Estate or Bridge House Estates property). This point was taken up with officials and subsequently with Lord Carrington of Fulham and the Cabinet Office Minister, Lord Bridges of Headley. As a result, Lord Bridges placed the following assurance on the parliamentary record at Report Stage in the House of Lords—"I take this opportunity to reassure the Corporation that our intention is to apply regulations under this part of the Act to the Corporation in its capacity as a local authority only, and that the drafting of the Bill allows for this." The effect of this assurance is to confirm that all of the measures described in this report to be implemented through regulations will, to the extent that they apply to the City Corporation, apply only to City Fund property.

Duty of engagement

3. The Act imposes a new duty on Government departments, and any other public authorities (such as local authorities) which may be specified in regulations, to engage with other interested public authorities when developing proposals for the disposal of land.
4. During discussions with the Department, it was clarified that there was no present intention to extend the duty to local authorities. If this policy were to change in the future, consideration will be given to whether a case should be made to exclude certain types of disposal (something which the Act allows). Such an argument is, however, more likely to relate to investment property than to operational property. The only immediate effect of the provisions on the City Corporation is that the Government will have to engage with the Corporation if it proposes to dispose of any land in the City.

Surplus land reports

5. The Act requires public authorities to prepare and publish annual reports of their surplus land-holdings, *i.e.* buildings or other land which the authority has identified as being surplus to its requirements but in which it continues to own an interest. Reports will only cover land identified as surplus within the previous two years (or six months in the case of land already used for housing). They will have to include an explanation of why the authority has not disposed of its surplus holdings. Further details about the contents of the reports will be set out in regulations, which may also exclude certain sorts of land from the reporting requirement.
6. This requirement will apply to surplus property held in the City Fund. Land will only have to be included in the register once it has formally been declared as

surplus, which will occur after both the Committee has decided that it is no longer required for operational use and the Property Investment Board has decided that it should not be retained for investment purposes.

Power to direct disposal of land

7. The Act provides a new route by which the Secretary of State can direct public authorities to dispose of land held by them. Such a power presently exists, but may only be used where the land is considered by the Secretary of State to be unused or insufficiently used for the purposes of the authority. The Act enables alternative criteria to be set out in regulations. This move has been prompted by the Government's "right to contest" initiative, by which members of the public are encouraged to submit proposals to the Government for the better use of public land. It is not yet clear what alternative criteria the Government will propose. As a result of a concession made in the House of Lords, the criteria will have to be approved by a vote of both Houses of Parliament before they take effect. As noted in paragraph 2 above, if regulations are made they will apply only in relation to City Fund property.

Efficiency and sustainability assessments

8. The Act requires local authorities (including the City Corporation acting in respect of City Fund properties) to prepare annual reports, in respect of each year beginning with 2017, containing a 'buildings efficiency and sustainability assessment'. This is an assessment of the progress made by the authority towards improving the "efficiency and contribution to sustainability" of buildings owned by the authority. In particular, it must include an assessment of progress made in reducing the size of the authority's estate, and in ensuring that buildings newly acquired by the authority fall within the top quartile of energy performance. The reports will have to be published no later than 1st June in the year after that to which they relate. The assessment is based on those which already have to be carried out by central government under climate change legislation. Regulations will be able to exclude certain sorts of land from the assessment, and statutory guidance will be issued about how the assessment is to be approached.

Next steps

9. The City Corporation will, in relation to City Fund operational property, need to comply with the new reporting duties in relation to surplus land and the sustainability and efficiency of buildings. The practical content of these duties will depend to a large extent on regulations and guidance which have yet to be published. Officers will continue to monitor the situation and will report to Members on any developments of interest.
10. The City Surveyor has noted that the new measures will need to be taken into account as part of the current Strategic Asset Management Service-Based Review.

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