

**Week in Westminster
Parliamentary Business from 28 June 2010**

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Westminster Hall: housing need (London)

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Summary

- According to a report in the [Financial Times](#), Communities and Local Government plans to abolish the Tenant Services Authority has been blocked by the Treasury. Chief secretary to the Treasury Danny Alexander has warned ministers that there is “some nervousness among lenders and rating agencies of further change to the regulatory arrangements for the sector, which have only just begun to bed down. A downgrading of housing association credit ratings could have a serious impact on the financial capacity of the sector.”
- The [Finance Bill](#) to enact the measures announced in the emergency Budget was introduced into the Commons this week and will have its second reading on 6 July. There will also be a further bill in the autumn, which will be published in draft later this month, to introduce minor technical measures announced by the previous government.
- Details of the 20 balloted private members’ bills have been published and presented to the House of Commons. Two bills which may be of relevance to the lending industry are listed below. These are positioned at number 16 and 20 in terms of priority, so will have little chance of getting through the parliamentary process.
 - No 16 - Financial Services (Unfair Terms in Consumer Contracts) (Lorely Burt) - bill to ensure that ancillary pricing terms in personal financial services contracts can be assessed for fairness; and for connected purposes.
 - No 20 - Secured Lending Reform (George Eustice) - bill to make provision regarding the rights of secured debtors; to reform the rights of certain creditors to enforce their security; to make other provision regarding secured lending; and for connected purposes.

Debates

29-06-2010 - Budget Debate - Day 4

House of Commons - Commons Debate Summary - House of Commons

http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100628/debtext/100628-0009.htm#stpa_o90

The Budget debate resumed for the fourth day. Iain Duncan Smith, the secretary of state for work and pensions, lead the debate which focussed around welfare benefit reform. He said "the measures will include a restructuring of the tax and welfare system, underpinned by our commitment to fairness and protecting the vulnerable, even when faced with some tough choices".

30-06-2010 - Westminster Hall: Housing Need (London)

House of Commons - Commons Debate Summary - House of Commons

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100629/halltext/100629h0001.htm#1006294000001>

Jeremy Corbyn (Lab, Islington North) said "there is no bigger issue, no greater stress and no greater problem that faces all our constituents than housing".

Corbyn pointed out that the average house price in London was £140,000 higher than that in the rest of the country. He quoted figures which showed that "there are huge waiting lists for social housing and that the number of homeless people is rapidly increasing". And that "the 12,000 London households accepted as homeless represent about a fifth of the total for the whole United Kingdom".

He criticised councils in London for directing potential council tenants to the private rented sector, and accused some of having an "over close relationship with various letting agencies". "As a country, we are therefore pouring billions of pounds in housing benefit every year into the pockets of private landlords who do not give security and often provide inadequate accommodation".

Corbyn said that last weeks Budget announcements on housing benefit were "absolutely devastating". He said that "they will, in effect, start a process of the social cleansing of claimants across London".

Ian Austin, shadow minister for communities and local government, agreed that savings needed to be made but disagreed over the timing of cuts. "That was why housing in London was such a priority in the £1.5 billion housing pledge that we announced last year to get the economy moving".

He asked about the cancellation of the kick-start programme in London. He said Labour had "planned the biggest council house building programme in two decades, but the new Government's announcements have put at risk 194 of those homes on a dozen sites across London for which we had earmarked £15.5 million".

He asked for assurances from the government that those facing eviction or repossession would be protected.

Speaking on homelessness he asked, "what action do the new Government propose to take to help people with multiple needs?" and how they would increase homeless people's access to health.

Andrew Stunell, communities and local government minister, stated that "increasing the supply of housing, including affordable housing, is a priority for the Government". "The fact is that there has been a significant gap between the supply of, and demand for, new homes for decades, and housing supply has failed to keep up with the growing population".

He said the Government planned to create "a framework of incentives for local authorities to deliver sustainable development, and that will commence at the earliest opportunity". The minister said that the government were using £170 million from the £6 billion of savings to reinvest in social rented housing.

He said decisions regarding the allocation of the funds remained, but "something in the order of 40% will be invested in social rented housing in London". He made the point that many of these matters were devolved and would be down to the Mayor. He added that "the Government intend to the give the Mayor responsibility for the Homes and Communities Agency in London".

On homelessness he said "the Government are committed to addressing homelessness head-on". "That is exactly why my right hon. Friend the Minister for Housing announced last week that the Prime Minister had agreed to a cross-departmental approach to tackle the problem of homelessness and rough sleeping". He added that the new ministerial taskforce had met for the first time on 16 June.

He said that one possible way of tackling the shortage of homes in London would be to bring empty homes back into use. "I am leading active work in the Department to make progress on the issue".

On decent homes he said "the money for local authority social housing and decent home programmes for the current year has already been released and is not in doubt." "Money for future years will be considered in the comprehensive spending review".

Written Questions

29-06-2010 - Mortgages: Government Assistance

House of Commons - Commons Written Answers - Communities and Local Government

John Healey: To ask the Secretary of State for Communities and Local Government what plans he has for the future of the (a) Support for Mortgage Scheme, (b) Mortgage Rescue Scheme, (c) Homeowner Mortgage Support Scheme and (d) free national advice line and website. [4448]

Grant Shapps: I am currently conducting a review of the Department's schemes to help homeowners struggling to pay their mortgage and make sure they offer the best deal for homeowners and taxpayers alike. Government have already taken steps at Budget to improve the sustainability and value for money of Support for Mortgage Interest and I will continue work closely with colleagues across Government through the comprehensive spending review (CSR) to ensure support for struggling homeowners is delivered in an effective and sustainable way.

29-06-2010 – Low-Cost Home-Ownership

House of Commons - Commons Written Answers - Communities and Local Government

John Healey: To ask the Secretary of State for Communities and Local Government (1) what steps he intends to take to encourage home ownership among those on low incomes; [4446]

(2) whether he plans to retain Government schemes to assist low and middle income families to enter the housing market. [4447]

Grant Shapps: We are reviewing options in the context of the Spending Review. This Government have committed to support those who aspire to own their own home-including by promoting shared ownership schemes and to helping social tenants and others to own or part-own their home. More broadly, this Government are seeking to return economic stability which will improve the situation for first-time buyers.

The new Government are concerned that home ownership has fallen to its lowest level for nearly 20 years and the number of first-time buyers is at its lowest level since modern records began.

30-06-2010 - Mortgages: Government Assistance

House of Commons - Commons Written Answers - Communities and Local Government

John Healey: To ask the Secretary of State for Communities and Local Government what estimate he has made for the number of people who have received support from the (a) Support for Mortgage scheme, (b) Mortgage Rescue scheme and (c) Homeowner Support scheme in the last (i) three, (ii) six and (iii) 12 months. [4168]

Grant Shapps: [holding answer 24 June 2010]: As at November 2009 the number of people in receipt of Support for Mortgage Interest was 225,000.

Mortgage Rescue Scheme summary monitoring statistics are published on a quarterly basis on the Department's website. Latest figures show as at the end of March 2010 629 households have completed the full process to remain in their homes, in most cases as social tenants. The previous Government's target for the scheme was to help up to 6,000 of the most vulnerable families avoid repossession. (DCLG Press Release, 2 September 2008).

It was announced on 14 June 2010 that since the launch of the Homeowners Mortgage Support Scheme in April 2009, 34 households had been accepted onto the scheme to the end of April 2010. The previous Government's target was to help 15,500 a year over the next two years. (DCLQ 'Impact Assessment of Homeowners Mortgage Support', 21 April 2009, p.10).

01-07-2010 - Housing Finance

House of Commons - Commons Written Answers - Communities and Local Government

John Healey: To ask the Secretary of State for Communities and Local Government pursuant to the Financial Statement of 22 June 2010, Official Report, columns 116-30, how much of the future funding agreed before 24 May 2010 he now plans to allocate to expenditure on housing. [4531]

Grant Shapps: We are clear that having reviewed the overall financial position, the previous Government have left a large funding black hole in their plans for social housing. This Government, as part of their plans to tackle this funding black hole, have chosen to recycle £170 million of the £6.2 billion of efficiency savings announced last month into social housing.

The Emergency Budget on 22 June set out further measures to deal with the budget deficit and give confidence to the economy. With regards to housing budgets we are continuing to review the position with HM Treasury and will be reaching a conclusion soon.

**01-07-2010 - Bank of England
House of Lords - Lords Written Answers - House of Lords**

Lord Myners: To ask Her Majesty's Government whether the intention announced by the Chancellor of the Exchequer on 16 June for the Bank of England "to work against the cycle rather than with it" in setting capital requirements will (a) require the Bank of England to form views on asset values, including house prices, and (b) lead to rationing of credit, including mortgages.[HL566] [HL566]

Lord Sassoon: The Financial Policy Committee that will be created at the Bank of England will have the responsibility to look across the economy at the macroeconomic and financial issues that may threaten stability. It will be given the tools to address the risks it identifies. It will also have the power to require the new Prudential Regulation Authority to implement its directions by taking regulatory action with respect to all firms.

As stated by the Chancellor on 16 June, the Government will consult widely on these issues.

Lord Myners: To ask Her Majesty's Government whether the Financial Policy Committee of the Bank of England will have (a) access to the papers and meetings of the Monetary Policy Committee, and (b) the opportunity to make representations when it believes that changes in the cost or availability of credit are necessary in order to maintain financial stability.[HL708] [HL708]

Lord Sassoon: The Government will set out more detail on the Financial Policy Committee, including its interaction with the Monetary Policy Committee, in a consultation document to be published before the Summer Recess.

Lord Myners: To ask Her Majesty's Government what will be the mechanism for resolving disagreements between the Monetary Policy Committee and the Financial Policy Committee of the Bank of England on the level of interest rates; and whether the Governor of the Bank will have the final say.[HL710] [HL710]

Lord Sassoon: The Chancellor confirmed in the Budget that the Monetary Policy Committee (MPC) will continue to target 2 per cent inflation, as measured by the 12-month increase in the consumer prices index. The MPC will continue to decide the appropriate level of bank rate in order to meet this target. As the Financial Secretary said in his parliamentary Statement on 17 June, the Financial Policy Committee will be given macroprudential tools to address the risks it identifies when looking across the economy at the macroeconomic and financial issues that may threaten financial stability. The Government will conduct a full and comprehensive consultation process and publish a detailed policy document for public consultation before the Summer Recess.

**01-07-10 - Tenant Services Authority
House of Commons – Commons Written Answers – Communities and Local Government**

Roger Williams: To ask the Secretary of State for Communities and Local Government what timetable he has set for the abolition of the Tenant Services Authority. [5680]

Grant Shapps: The Government are reviewing the role and purpose of the Tenant Services Authority and the framework for social housing regulation, in line with our commitment to reduce the number of quangos and cut unnecessary regulation. The review will conclude as quickly as possible.

Forthcoming Business

House of Commons

6 July	Finance Bill – 2 nd reading
12 July	Finance Bill proceedings
13 July	Finance Bill proceedings Treasury questions
15 July	Finance Bill proceedings CLG questions
30 July – 6 September	Summer recess

House of Lords

5 July	First Delegated Legislation Committee – National Assembly for Wales (Legislative Competence) (Housing and Local Government) Order 2010
8 July	Debate on the level of affordable housing (Baroness Ford)
29 July – October (tbc)	House of Lords summer recess

Other dates

18-22 September	Liberal Democrat party conference (Liverpool)
26-30 September	Labour party conference (Manchester)
3-6 October	Conservative party conference (Birmingham)