

Consultation on the Abolition of the Right to Buy and Associated Right (Wales) Bill

About Us

Community Housing Cymru (CHC) is the representative body for housing associations and community mutuels in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales. In 2015/16, our members directly employed 9,109 people and spent nearly £2bn (directly and indirectly) in the economy, with 89% of this spend retained in Wales. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
 - Promote the social housing sector in Wales.
 - Promote the relief of financial hardship through the sector's provision of low cost social housing.
 - Provide services, education, training, information, advice and support to members.
 - Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.
1. CHC welcomes the opportunity to respond to the Equality, Communities and Local Government Committee's inquiry into Abolition of the Right to Buy and Associated Rights (Wales) Bill.
 2. We support **the general principles of the Bill, and the need for legislation to deliver the policy intention i.e. to protect the supply of social housing from further erosion in the face of a high level of demand and a supply shortage.** Since the inception of the policy, 139,233 units of social housing stock have been

sold through Right to Buy and Right to Acquire in Wales¹. This has both reduced the overall quantum of social housing in the country and added an element of uncertainty for social housing providers, with the possibility that the homes they invest in may not be long term assets.

3. For example, since 2007/08, housing associations in Wales have provided an additional 17,864 affordable homes across Wales. Over the same time period, 761 housing association homes and 1906 local authority homes have been sold through Right to Buy and Right to Acquire.
4. Approximately 90,000 households are estimated to be on social housing waiting lists in Wales, and the Public Policy Institute for Wales estimates that housing need in Wales is between 8,700 and 12,000 additional homes per year, of which an estimated 40% should be in the social housing sector².
5. In December, CHC signed a pact with Welsh Government and the Welsh Local Government Association to work towards delivering the Welsh Government's 20,000 homes target, which is a key part of tackling the housing crisis we have described. Ending the Right to Buy and Right to Acquire is a further tool to tackle this crisis, and gives housing associations confidence to invest in building those homes and investing in them for the long term.
6. Alongside the issues that Right to Buy and Right to Acquire have caused with the supply of social housing and investor confidence, there has also been an impact on communities as a result of the policy. A number of housing associations have reported issues whereby tenants who exercise their Right to Buy or Acquire did so and were later unable to afford to maintain them to the same standard as those homes in the same areas which are still managed by the landlord and have benefited from work on their home to bring it up to Welsh Housing Quality Standard (WHQS). In the first instance, the lack of maintenance on the home that has been bought can mean it falls into disrepair, causing problems both for the

¹<https://statswales.gov.wales/Catalogue/Housing/Social-Housing-Sales/totalsocialhousingsales-by-period-providertype>

²<https://sites.cardiff.ac.uk/ppiw/files/2015/11/Future-Need-and-Demand-for-Housing-in-Wales-REVISED.pdf>

community and for the owner's health. Secondly, it can also have a negative impact on the appearance and upkeep of the estate/community.

7. Further to this, where the leasehold on a flat has been bought through Right to Buy or Acquire, this can cause significant issues for the rest of the block of flats in the eventuality of repairs being needed. Often the leaseholder can block, or is unable to afford, the repairs required to be undertaken under the terms of the lease. The social landlord is then faced with either not undertaking the repairs or being forced to subsidise the leaseholder at the expense of its social tenants.
8. Finally, there is evidence that Right to Buy has had an impact on community cohesion. Where previously tenants would live alongside neighbours for a protracted period, forming the relationships key to successful community development, the Right to Buy or Acquire has undermined this, with former social housing tenants selling on properties to let them out privately. A report by *Inside Housing*, based on Freedom of Information requests from 91 councils across the UK, found that nearly 40% of flats and maisonettes sold through Right to Buy are now being privately let.
9. On a similar note, stock that was previously managed by the social landlord now being in private ownership also makes it more difficult for housing associations to effectively manage reports of anti-social behaviour.
10. We note the concerns of some Assembly Members who feel that ending the Right to Buy in Wales will reduce home ownership options for those living in social housing. However, we believe housing associations are well placed to continue to offer affordable options for those who to aspire to own their own home. As of 2015-16, Welsh housing associations had delivered 1,676 homes for shared ownership in Wales, and a further 2,996 homes through Welsh Government's Homebuy scheme.
11. There is appetite and capacity in the sector to deliver more home ownership, and we are currently in discussions with the Welsh Government as a sector about the delivery of a Rent to Own model. The significant advantage of low cost home ownership schemes delivered by housing associations over the current Right to

Buy and Right to Acquire schemes is that funds are re-invested in delivering new affordable homes.

12. We support the **provisions of the Bill in relation to the restriction on exercising the Right to Buy and Right to Acquire (sections 2 to 5), the abolition of the right to buy and the rights to acquire (section 6), and the removal of the power for Welsh Ministers to make discount grants (section 7).** However, further clarity would be welcome on **the duty to provide tenants and prospective tenants with information (section 8).**
13. In particular, the requirement for landlords to share information with a tenant signing a new tenancy after the day on which the section comes into force - section 8 (4) – could be clearer. In the first instance, the requirement to communicate information on the end of Right to Buy ‘as soon as reasonably practicable’ could be clearer, and certainty over how long this requirement will remain in place would be preferable. (i.e. Will landlords still have to communicate that the Right to Buy does not exist a number of years after the policy has ended, or is this a short term measure to deal with those who may not have received the information previously but are starting a new tenancy?) It is our view that it would be more appropriate for this requirement to apply only for a limited period of time.
14. Housing associations are committed to sharing information with qualifying tenants, as set out throughout section 8, and we note the Welsh Government’s submission of its information document to the committee. We broadly welcome the contents of the information document, in particular the emphasis on legal and financial advice that should be sought by those seeking to exercise their Right to Buy in the interim. However, we believe there could be greater emphasis placed on signposting people to other ways they can buy a home. We would also urge Welsh Government to ensure that this information is produced in a number of formats that are accessible for all tenants.
15. We don’t foresee any **barriers to the implementation of the Bill’s provisions** as it is currently drafted.

16. We believe the only **unintended consequence** of the Bill as it is currently drafted is the potential for a spike in Right to Buy and Right to Acquire sales in the interim period between the Bill being enacted and the rights ceasing to exist. Steps to prevent this could include reducing the discount in the interim period, or ensuring that tenants are aware of the other low cost home ownership options available to them, including those offered by housing associations.

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