

ARTB 17

Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru)

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

Ymateb gan: Cyngor Bwrdeistref Sirol Caerffili

Response from: Caerphilly County Borough Council

To the Equality, Local Government and Communities Committee,

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

Caerphilly County Borough Council is a unitary authority that was formed under local government reorganisation on 1st April 1996 and provides a range of services to a population of approximately 180,000 residents. The Council has retained its housing function and has a stock consisting 10,828 properties.

Consultation questions

- 1. The general principles of the Abolition of the Right to Buy and Associated Rights (Wales) Bill and the need for legislation to deliver the stated 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.*

The council wholeheartedly supports the proposed abolition of the Right to Buy and Associated Rights. The Council's reason for supporting the proposal is to ensure that future generations of people living in the borough have access in perpetuity to good quality, affordable housing, something which the council feels it is well placed to provide. As part of the process of producing this response we have consulted with our housing association partners and of those that responded, all are in favour of the proposal.

We note that several local authorities have applied to Welsh ministers to temporarily suspend the Right to Buy in their area. This is something that was considered by the council but has not been progressed to date due to this impending consultation. If for any reason the Bill was not to be progressed or was significantly delayed the Council would progress the preparation of an application to Welsh ministers.

In terms of the local context, since the introduction of the Right to Buy legislation in 1980, approximately 50% of the council's housing stock has been sold. Although, in recent times the numbers of properties sold per annum have been relatively low then have dropped further post implementation of the reduction in the maximum discount to £8,000. The Council recently established a common housing register in partnership with the local housing associations. There are nearly 5,000 households currently on the register waiting for accommodation. We know from the 2015 Local Housing Market Assessment, which indicated a borough-wide shortfall of 526 affordable units per annum, that we have a mismatch between supply and housing needs. In some areas of the County Borough and for certain property types, people could wait in excess of 5 years to be rehoused.

- 2. The provisions of the Bill in relation to:*

- *the restriction on exercising the right to buy and the right to acquire (sections 2 to 5); the abolition of the right to buy and the rights to acquire (section 6);*
- *the removal of the power for Welsh Ministers to make discount grants (section 7); and*
- *the duty to provide tenants and prospective tenants with information,*

The proposal that the Right to Buy and the Right to Acquire will continue to be exercisable in respect of existing social housing stock for a minimum period of one year before abolition appears fair and is supported by the council. In terms of providing certainty and encouragement to developing organisations, the council supports the proposals to end the rights for new social housing two months after the Bill receives Royal Assent. This equates to options 5, page 52 of the Explanatory Memorandum. The council would like to retain the option of selling individual properties for practical and/or financial reasons e.g. where we have a single isolated property within a community or where the cost of refurbishing a property is not financially viable.

The council believes it is important and fair that existing and prospective tenants are provided with information on the abolition of the Right to Buy and Associated Rights including the deadline for tenants to apply to exercise their Right to Buy. The council is pleased to see that Welsh Government has considered and factored into its financial analysis the costs associated with each social landlord having to provide information to existing and prospective tenants.

3. Any potential barriers to the implementation of the Bill's provisions and whether the Bill takes account of them.

No comment.

4. Whether there are any unintended consequences arising from the Bill.

Potentially the socio-economic mix within social housing estates could be altered if tenants are no longer able to exercise the Right to Buy or Right to Acquire. Those tenants currently working and able to afford a mortgage rather than exercising their right to purchase their property may instead purchase in the private sector. Although this property would now be available for someone in housing need, this could in effect add to the residualisation of some social housing estates.

5. The financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum).

As per the comment in the second paragraph regarding the recovery of costs incurred by social landlords through the requirement to inform existing and prospective tenants of the abolition.

The loss of income obtained by the council in the form of a capital receipt from the sale of council houses will have a negative impact on the housing business plan.

End.