

Response ID ANON-A579-X253-R

Submitted to Consultation on Reforms to the Right to Buy
Submitted on 2025-01-15 09:27:40

Respondent Information

What is your name?

Name:
Nadine Trout

What is your email address?

Email:
nadine.trout@sparse.gov.uk

If you are responding as an individual, are you a tenant of social housing?

Not Answered

If you are responding as an organisation, are you:

Type of Organisation :
Another organisation not listed

What is the name of your organisation (if applicable)?

Organisation Name:
Rural Services Network

What is your position in the organisation (if applicable)?

Organisation Position:
Assistant Chief Executive

Eligibility

1 How long do you think someone should be required to be a secure tenant before qualifying for the Right to Buy?

More than 10 years

2 Should someone be prevented from exercising the Right to Buy if they have already benefitted from the Right or Buy or if they own another property?

Yes

3 Do you have any other views on criteria to determine eligibility for the Right to Buy?

Primary:
No response.

Discounts as a percentage of the property value

4 What level should the percentage discount for an eligible tenant start at and what level should the maximum percentage discount be?

1 percent

5 percent

5 Do you agree that the same rules governing percentage discounts should apply to flats and houses, and that the discount should increase by 1% for every extra year that an individual has been a public sector tenant, up to the maximum?

Yes

If you answered "No", please explain:

6 Do you agree that cash caps should be retained alongside discounts capped at a percentage of the market value of the home?

Yes

Exemptions

7 Do you agree that the current exemptions to the Right to Buy scheme should be retained? If yes, please outline any changes that should be made to the exemptions.

Yes (Please outline if you also think there should be changes or additions)

Please outline any changes that should be made to the current exemptions:

The RSN's long stated position in relation to the right to buy in the rural context is that there should be an exemption from the right to buy in all parishes of less than 3000 population and all parishes in National Parks and AONBs - ideally in all rural areas as defined in the urban and rural definitions of government.

The RSN's rationale for its position, as we say in relation to Q1 above, is that In the rural context the supply of social housing stock has been decimated by the right to buy provisions – especially in parishes of 3,000 residents or less (and all parishes in National Parks and AONBs) -and replacement of the stock has very rarely happened in the communities where the stock was lost.

The 2021 census shows that 9% of the housing stock in rural communities with populations of 3,000 or fewer was in the form of social housing. This compares with 17% in urban areas. Consistently, new delivery has failed to meet need, the number of completions has fallen, and delivery has become focused in a small number of local authorities

Newly Built and Refurbished Social Housing

8 Should newly built social housing be exempt from the Right to Buy? If yes, please explain why the existing cost-floor provisions are insufficient.

Yes

If you answered "Yes", please outline why existing cost-floor provisions are insufficient:

In the rural context – but the exemption should be in respect of all additions to the stock from the date the provisions set out in this consultation operate from and not the narrower phrase “newly built social housing”.

9 If yes, how long after construction should newly built social housing be exempt from the Right to Buy?

Permanently

10 How can council investment in retrofitting or improving homes to a high standard be protected under the Right to Buy scheme?

Other

Please explain your answer :

Exemption for at least 30 years for homes that have been retrofitted or improved to a high standard.
Excluding homes for market rent.

Excluding homes for market rent

11 If answering on behalf of a council, would exemptions to market rent homes have a significant impact in allowing more cross-subsidy for the building of affordable housing?

Not Answered

Restrictions on properties after sale

12 Should the time period in which the council has the right to ask on the sale of the property for repayment of all or part of the discount received be increased from five years to ten years?

Yes

If you answered "No", please explain:

In addition, there should be a Right of Pre-emption so that the Council (or a nominated RP) has the right (but not an obligation) to purchase the property on re-sale.

Moreover, we consider that the Section 157 provisions should apply to all parishes with a population of 3,000 or less and all parishes in National Parks and AONB's (but for preference in all rural areas as defined in the urban and rural definitions of government should be exempted from the right to buy).

We note the Government's views on the option of requiring the discount to be passed on in perpetuity upon resale of the property but nevertheless feel that it should apply in the rural context.

13 Do you have any other views on restrictions that might apply to a property following its sale under the Right to Buy?

What other restrictions might apply?:

All defined rural areas - especially those parishes with populations of 3,000 or less- should be designated under the provisions of Section 157 of the Housing Act 1985 (prospective purchasers of former council houses must have lived or worked in the local area (as defined) for three-years immediately prior to the purchase) without having to make application to the Secretary of State.

Replacement Targets

14 Should there be a target for all council homes sold under the Right to Buy to be replaced, as far as possible, with a home of the same size, tenure and/or location as the home sold?

Yes

If you answered "Yes" or "No", please provide detail to support your answer and indicate which consideration is the most important (tenure, size or location). :

It is essential that replacement is on a like-for-like basis in the community from which the social housing dwelling was lost – unless the council, at its absolute discretion decides otherwise in respect of size, type tenure or location, based on its assessment of present and future housing need in that local area,

Simply basing a one-for-one replacement policy on the numbers for the country as a whole is completely inappropriate has and always and will always disadvantage rural areas in its application due to the costs involved and lengthy timescales as referred to in our response to Q6 above.

Right to Buy Receipts

15 If answering on behalf of a council, do you have any evidence to demonstrate the impact of increased flexibilities around spending of Right to Buy receipts in accelerating and boosting replacement homes?

[Free text box]:

Combining receipts with other forms of grant funding

16 Do you have any evidence to demonstrate that combining receipts with grant would accelerate and boost delivery of affordable housing and how the risk of double subsidy would be mitigated?

[Free text box]:

Although we do not have any evidence per se we consider that combining receipts with Section 106 contributions and/or Homes England Grant (including for Rural Exception Site Schemes) would increase the financial viability of many rural schemes. See response to Q6 above regarding higher rural development costs. The Homes England Grant should only be used to 'fill the gap' where the land price is within the expected benchmark as we should avoid the risk of grant simply inflating land values.

To boost delivery of rural affordable housing we call on the Government to develop and closely monitor the programme to return social housing to rural communities which have lost most, more likely all, of the former social housing stock through the right to buy processes. In that respect the following measures are appropriate:

1. Set two national rural targets for Homes England

- A minimum of 10% of Affordable Homes Programme (AHP) completions are delivered in parishes with populations of 3,000 or fewer
- A minimum of 10% of all Homes England's investment programmes are spent in parishes with populations of 3,000 or fewer.

2. Provide a Rural Multiplier targeted at schemes on small rural developments of less than 15 dwellings in parishes with a population fewer than 3,000 to cover the higher costs of small rural developments. It would ensure Homes England could meet its 10% rural delivery target and contribute to the move to Net Zero and ensure Registered Providers (RPs) can meet Bio-diversity Net gain requirements on their rural schemes.

3. Introduce three-year funding programmes for Rural Exception Site schemes developed by individual or consortia of non-Strategic Partner RPs, using the principles of Strategic Partnership funding. Targeted at parishes with a population of 3,000 or fewer. It would extend Homes England's 'place' based approach to rural areas and bring the advantages of a programme approach to planning, funding and delivery of rural affordable housing.

4. Homes England to publish and use their Rural Exception Site viability spreadsheet and RPs to adopt an open book approach to grant negotiations with Homes England. This would provide transparency and consistency in the grant decision-making process, including clarity on where grant has been needed and awarded to respond to local site circumstances.

5. Homes England to publish a publicly available annual report on the outcomes and outputs of Homes England's programmes in rural communities with

a population of 3,000 or fewer, which delivers its Rural Strategy.

6. Appoint a rural champion on to the Homes England Board and member of the Senior Executive team with responsibility for reporting on progress in delivering its rural strategy.

7. Remove the need for waivers from restrictions on levels of equity that shared owners can buy in Designated Protected Areas and maintain long term supply and affordability by:

- Working with lenders to extend the practice they have adopted for First Homes to provide mortgages for shared ownership and discounted sale housing in rural areas where the future sales prices are restricted

8. Continue the funding for Rural Housing Enablers (RHEs) beyond March 2025 to provide three-years' tapered funding for a network of RHEs across the country. This will:

- Provide a targeted rural enabling resource that complements that of local authorities and provides the intensive, time demanding 'legwork' involved on Rural Exception Sites. This would encourage more RPs to engage in rural delivery
- Act as a catalyst for and support strong community and parish council engagement.

9. Homes England to run and expand its programme to share good practice and build local authority capacity to enable the delivery of rural affordable housing.

10. Ensure through the review of the Local Government funding formula that rural councils have the capacity and funding necessary to support the provision of all essential local services to meet the needs of their communities, and businesses – including affordable rural housing.

Time Period for spending replacement receipts

17 How long should councils have to spend their one-for-one receipts?

10 years

18 Should unspent replacement receipts be returned to the relevant Mayoral Combined Authority as happens currently with London Boroughs and the GLA?

No

If you answered "Yes" or "No", please explain your answer:

Any grant returned to Homes England from rural areas after the 10 years referred to in answer to Q17 above should be ringfenced to delivery in parishes of 3,000 population or less.

Local Authority share of receipts and Buy-back allowance

19 Should the local authority share and buy-back allowance be incorporated within replacement receipts?

No

Simplifying the calculation of attributable debt

20 Do you agree that the total attributable debt should be calculated by multiplying the average attributable debt of each authority's housing stock?

Yes

Abolishing the return of 75% of mortgage repayments that relate to pre-2012 sales

21 Should the requirement to return 75% of mortgage repayments that relate to pre-2012 sales be ended?

Yes

Proposal to introduce a power to set the rules governing the use of receipts by general determination

22 Should the Secretary of State be provided with a power to set the rules governing the use of Right to Buy receipts by general determination?

Yes

Allowing Right to Buy receipts to be passed to Arms-Length Organisations

23 Should Arm's Length Management Organisations (ALMOs) be permitted to use Right to Buy receipts to deliver new affordable housing?

Yes

24 Do you have any other views on the rules governing Right to Buy receipts that have not been covered by the questions above?

[Free text box]:

No.

Public Sector Equality Duty

25 Do you believe any of the proposals set out in this consultation document could negatively or positively impact individuals who have a protected characteristic? Please explain your rationale, and evidence your thinking where possible.

If you selected a characteristic, please explain your answer:

About this consultation