Briefing Paper

Reinvigoration of 'Right to Buy' – Update

October 2015

Wellington Mills in Lambeth

Introduction

The right to buy was launched in 1980 and since then many millions of council tenants have bought their homes at a discount. However, during the years before 2011 there were relatively few sales for a variety of reasons. In November 2011 the government launched a re-invigorated scheme.

Reinvigorating Right to buy is intended to boost home ownership for social tenants. The Government believe this will support social mobility policy objectives and help aspiration. The government considers that one for one replacement of additional sales with affordable rented units will prevent Right to buy sales depleting the affordable housing stock and would ensure their ability to meet housing need is not impaired.

In the budget of March 2013 the government increased the cap on the right to buy discount in London to £100,000. The Office for Budgetary Responsibility calculated that the increased discounts would cause a £5million loss in 2013/14 and surpluses of £45million in 2014/15 and £40million in 2015/16 and reduced the eligibility criteria from five years to three.

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The Government decided that net receipts from sales (after allowable costs, repayment of housing debt and currently forecast receipts for councils and central government) should be used to replace the additional homes sold as a result of the higher discount levels. That is, all Right to buy sales above previously predicted levels will be replaced by new homes for Affordable Rent funded (in part) by the additional Right to buy receipts. The Department for Communities & Local Government has produced a model for the calculation of the amount of debt to be repaid that is based on the tenanted market value model that has been used for the calculation of opening debt for self-financing.

The receipt needed to fund replacement is only be a fraction of the cost of a new home. This is because most of the funding for new affordable rented homes comes from borrowing by the provider against the future rental income stream and, in many cases, cross-subsidy from the landlord's own resources, including land.

Budgetary Implications

Right to buy receipts include all receipts from tenants under Right to buy legislation. Additionally, the government propose to include receipts arising from voluntary sales at discounts to secure tenants, including some shared ownership sales.

The valuations used in calculating the self-financing settlement payments to end Housing Revenue Account subsidy include a forecast of lost surplus income arising from Right to buy sales under the current Right to buy policy. However, under the new policy to reinvigorate Right to buy, the government expected sales to be substantially higher than the self-financing projections, and they decided that a part of the Right to buy receipt should be used to pay down the housing debt supportable from the lost income from these additional sales.

Sales since 'right to buy' was re-invigorated

According to the government's quarterly statistics published in June 2015, almost 30,000 council homes have been sold in the three years since Right to Buy discounts increased, with an estimated 3,337 replacements started. There were 3,321 sales between January and March 2015 and 710 replacement homes started.

The 3,321 sales is a 2% decrease on the same period last year, and marks the first quarterly fall in sales since discounts were raised in April 2012. It takes total sales since to 29,509.

The figures show 34% of the homes sold were in London – representing the highest proportion of council homes sold in the capital since quarterly records of sales began in 2006. The 710 replacements is the most councils have started in a single quarter, beating the previous best of 414 between October and December 2014.

However, there is still confusion over the exact number of replacements, with the Department for Communities and Local Government admitting the number may need further revision.

In March 2015, the department reduced its figure for replacement homes due to local authorities including starts funded by government grant. The June statistics said:

"It is possible that interpretation of the… return question among local authorities may not be uniform and further revisions may be necessary."

The June 2015 quarter's data includes a further small revision to the replacements figure – with the previously reported 506 homes started between July and September last year revised down to 411. It said:

"The starts on site and acquisitions data are particularly sensitive to reporting error as they are not audited in the way that sales and receipts figures are and there are no comparable statistics collected against which they can be assessed."

The briefing note also confirms that the Department for Communities & Local Government is counting any council homes started without government grant as 'Right to Buy' replacements – not just those funded with sales receipts.

The quarterly sales generated £260million, meaning £930million has been raised since discounts were increased. This figure is split between the Treasury, council general funds and debt repayment before funding replacement housing.

When discounts were increased in April 2012, the coalition government promised any additional homes sold as a result of the increased discounts would be replaced 'one for one'.

More than 12,300 social homes were sold off by councils in England through right-to-buy in 2014/15, official figures show, the highest number in seven years. Over the same period, the number of new social homes started or purchased by local authorities came to 1,903.

Data from the Department for Communities and Local Government showed London boroughs accounted for 34% of sales, with tenants taking advantage of a discount of up to £102,700 on market value. Elsewhere in the country, tenants were able to buy their properties for up to £77,000 less than the market rate.

The figures that only show the number of sales by local authorities and do not include those by other providers, show that the total number of sales during the year rose to 12,304, compared to 11,261 in 2013/14 and the low of 2,375 recorded in 2009/10.

The department said that local authorities in England still owned 1.67million homes, but there had been an increase in the number which had recorded more than five sales per 1,000 dwellings, from one in 2010/11 to 127 in the 12 months to March 2015.

In total, local authorities received £930.2million from the sales, an average of £76,000 for each home sold off. The average rose in the final quarter of the year to £78,000, which is likely to have been driven by the increasing proportion of sales taking place in London.

The figures show that in Lambeth in south London, 100 homes were sold through right-to-buy in the first three months of 2015, followed by nearby Southwark where 92 properties were sold. Over the same period, Southwark started building or acquired 113 new social homes, while in Lambeth the figure was zero. Outside London, 128 sales were made in Birmingham during the first quarter, while in Leeds there were 91 sales.

The housing minister, Brandon Lewis, said more than 36,000 new homeowners had benefited from the government's changes to the scheme in 2012, which increased the discounts available, and this was proof that is was fulfilling the aspirations of hard-working people. He said the figures showed that additional sales due to the changes had all been offset with replacement properties:

"We want to help anyone who works hard and aspires to own their own home to turn their dream into a reality… We are making good on our promise to replace council homes with those sold in the first year of the reinvigorated scheme now being replaced… It really is the benchmark of how a one nation government can help hard-working people realise their ambitions and that is why we want to extend it to housing association tenants, so that they too have the chance to own their own home."

Greg Clark insists the government has stuck to its one-for-one replacement promise on right to buy sales. Speaking at Department for Communities & Local Government question time in the House of Commons, the Communities Secretary said since the policy was reinvigorated in 2012 the government had, in fact, more than delivered on the pledge. Clark told MPs:

"Local authorities have three years from the date of sale of each home to replace the property. In the first year following the reinvigoration of the right to buy, there were 3,053 additional sales. Within two years - by the end of 2014-15 - 3,337 replacements were started or acquired."

Daniel Zeichner, the Labour MP for Cambridge, responded:

"I recall that at the start of the previous parliament one-for-one replacement was promised, but across the country the actual figure has cracked out at one for 10, and in my city it is one for nine. Why should anyone believe these assurances now?"

Greg Clark replied:

"I welcome the hon. gentleman to the House. He must not have listened to my answer, because I said that there were 3,053 additional sales and 3,337 replacements, which is more than one for one."

Response of Shelter

Charities said the failure to replace all existing sales showed that extending the policy to housing association tenants would have a significant impact on the number of affordable homes. The chief executive of the housing charity Shelter, Campbell Robb, told the 'Guardian' that the figures:

"Show in black and white the government's complete failure to keep their promise and replace like-for-like the homes sold through right-to-buy… It's no wonder people struggle to believe their recent claim that each home sold under the new right-to-buy proposals would be replaced as well."

In a policy blog in June 2015 Shelter also said that:

"Across England, there are also large disparities in where stock is being replaced. The North West is looking particularly dry with only two homes started in replacement compared with the 1,264 that have been sold through Right to Buy in the same time."

Henry Gregg, assistant director of communications and campaigns at the National Housing Federation said:

"These figures show that the promise to replace homes sold through right-to-buy, one-for-one, simply isn't happening. At a time when we need to be increasing the overall supply of social housing, it is like trying to fill a bathtub with the plug taken out."

Impact in London

In June 2015, the Labour Party claimed that the Government's Right To Buy policy had 'stolen' £90million of funding for building council housing in London as ministers admitted in a letter that tens of millions of pounds from the receipts of council house sales had not been directed back to the capital but sent to the Treasury. Tom Copley, the party's housing spokesperson at City Hall, argued that the policy of diverting money away from London house building was exacerbating the housing crisis there:

"Despite promising that Right to Buy would result in a new home for each one sold the last Government effectively stole £90million which was meant to be spent on new homes for the capital. As a result many councils are finding it impossible to replace their lost homes… London's housing market is already in crisis, diverting money which was meant to be reinvested in new homes is a total betrayal. You have to wonder whether the policy was intentionally designed this way to reduce the number of council homes in London."

However, there are patches of strong work. The Dolphin Square Foundation, for example, which builds and rents out affordable housing in the area around Westminster, has built or is in the process of building an average of 50 homes a year since it was founded a decade ago. According to Shelter, Westminster Council by comparison replaced on average just 2.5 of the 28.2 homes it sold each year between 2011 and 2015. Working on a local level, there are examples out there where charities seem to have hit on solutions that outperform public bodies.

Impact on Housing Tenure

In August 2015, research by 'Inside Housing' using figures gained from 91 councils under the Freedom of Information Act, revealed that 38% of all council flats sold under the Right to Buy in England are now being rented out privately. The councils revealed they have sold a total of 127,763 leasehold properties, with 47,994 leaseholders living at another address, a strong indication that the home is being sub-let. The research showed more than half the ex-council flats in six areas are now being let privately, with the highest – 69.6% – in Milton Keynes.

Many councils rent back their former properties sold through the Right to Buy at market rates to provide temporary accommodation to homeless families. Some ex-local authority homes in London are advertised on Zoopla for more than four times the average social rent.

Councillor Pat Callaghan (Labour), cabinet member for housing at Camden Borough Council – where 36% of the 8,922 leasehold properties are sub-let – told 'Inside Housing' that:

"Over the years, I have seen many of our estates become virtual honey pots for estate agents and [private] landlords."

Conservative Gary Porter, chair of the Local Government Association, said the research demonstrated why councils should be allowed to keep Right to Buy receipts to build replacement homes.

Tom Copley, Labour's housing spokesman at the London Assembly, has estimated that every other property sold under right-to-buy in Tower Hamlets is now being let out rather than used by the owner who bought it.

In thirteen London boroughs, while 2,877 properties have been sold, not one socially rented house has been built.

Shelter research in April 2015 found that there are no two bedroom homes on the market in Stevenage that a family earning the average income in the town could afford to buy, even if they already have a deposit saved up. So families searching for a home are likely to live in the private rented sector. Often these are ex-council houses that are offered for rent at twice social rent levels and without security of tenure.

It has been calculated that the cost of moving homes from the council to the private rented sector includes:
- £60,000 to subsidise building the low rent home in the first place.
- Plus £77,900 for the discount to the tenant to subsidise the sale under the revitalised Right to Buy.
- Plus £2,920 per year in housing benefit if it's let to a family who qualify for support.

On this basis, fifteen years after the home becomes privately rented, that represents a cost to taxpayers to build, transfer the tenure and then subsidise private rental income for that home of £181,700**.** This is equivalent to the cost of building three new homes for affordable rent.

Valuations

In September 2015 the 'Guardian' reported that 'right to buy' discounts are bigger than those ever envisaged by Margaret Thatcher and amount to almost £4billion. Local authorities have sold off more than 130,000 homes in the last decade at discounts of up to 70% and many at valuations up to seven years out of date.

Between 2012 and 2014, Tower Hamlets Borough Council sold off more than fifty homes using valuations two or more years out of date, costing the public purse thousands of pounds on each transaction, according to data released under the Freedom of Information Act. The east London borough sold one two-bedroom flat in 2012 based on a valuation made seven years earlier, missing out on a 30% price rise in the area over that period. Including discount, the borough sold a one-bedroom flat for £42,000 when it was valued at £142,000. A two-bedroom maisonette was sold for £40,000 when it was worth at least £125,000. The Council has blamed the out-of-date valuations on:

"A backlog of applications due to resourcing issues… (that has now been cleared)… Accordingly the time lag between valuations and completions has reduced."

The Department for Communities & Local Government spokesman defended the policy but said councils must sell properties based on their current value:

"We want to ensure that anyone who works hard and aspires to own their own home, has the opportunity to do so… We expect councils and housing associations to abide by the clear and detailed rules set out in legislation and sell their properties based on open market value."

In the summer of 2015 a two-bedroom former council flat in Kensington & Chelsea sold for 22 times the sum for which it was sold in 1997. The home in Keppel House on the Fulham Road in west London fetched £1million but was sold off by the Council for just £45,600, including a 50% discount. Four years later its former tenants sold it for a £200,000 profit, and it was sold again in 2007 for £418,000, according to Land Registry records.

In August 2014 an ex-council flat sold for £1.2million. The three-bed property near Covent Garden was bought for £130,000 in 1990 and therefore realised a return on investment of more than 800% for the owners.

Private sector rents are up to seven times higher than the average social rent. Home ownership in Britain has collapsed to its lowest point in nearly three decades. There are now eleven million private renters, a number that has jumped dramatically: many are people who would be in a council house in a previous era, but are now expected to pay far more. The number of young private renters has doubled in just a decade. Private renters now spend on average 47% of their disposable income on their rent after housing benefit, compared to just 32% for social renters.

Many commentators consider that 'Right to buy' is a contributory factor to increasing property prices, pricing young people out. Home ownership in the younger generation has plummeted over the past decade. And the often unaffordable private rents mean an exploding housing benefit bill, with up to £24billion spent a year. One in four London households now claims housing benefit; many of them are low-paid workers who cannot afford the rents. Meanwhile social housing waiting lists have increased to five million.

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Sutton Borough Council has revealed in a Freedom of Information Act response that it had sold off several flats at a 70% discount, allowing one tenant to buy a £173,000 home for just £70,000.

Councillor James Murray (Labour), executive member of housing at Islington council said:

"It's absurd… The system has given away huge sums of public assets and replacement homes have not been built. In many cases it has effectively led to social landlords being replaced by private ones."

The Department for Communities said it has received £3.58billion in receipts from 'right to buy' over the last decade, but admitted it was:

"Not possible to set out specifically how the proceeds from the receipts per se are used because they are placed into the general government 'pot'."

One for One Replacement

In September 2015 senior MPs challenged housing ministers over the data supporting the Right to Buy policy. During an exchange at the Commons communities and local government committee, housing minister Brandon Lewis defended his use of data that he claimed showed the housing sector was meeting demands to replace public sector homes being sold to occupiers.

The minister claimed during questioning that local authorities and housing associations had been meeting their obligation to build a house for every property sold under Right to Buy. Brandon Lewis said:

"At the moment the figures show they are on target. In London, they are ahead of that – they are at two for one. So that's working."

Committee member Helen Hayes (Lab) said:

"The figures that you quote on one for one for Right to Buy are not figures that I recognise from anybody in housing associations or published figures that I've seen. I wonder if you would give an undertaking to write to the committee with the source of that data so that we can see the basis on which you are quoting these figures?"

Brandon Lewis said he was confident in the department's figures and agreed to set out a full explanation:

"I can certainly publish to the committee the figures. One of the interesting things is that we've made this point at the despatch box… as well as some months ago."

The minister admitted that even he did not recognise some of the figures that have been published but explained:

"The only thing you can realistically look at, to give you reliably how that reinvigorated scheme is working, is the number of homes sold in year one with those that have been replaced over that three year period."

The department later clarified the numbers to '24Housing.co.uk'.

- Nationally, there has been a more than one for one replacement rate for the first year of additional sales (2012/13). And this has been delivered within two years rather than three.
- There have been 3,337 starts compared with 3,054 additional sales in 2012/-13 – that is, within two years all the additional sales from the first year of the reinvigorated scheme are being replaced.

Brandon Lewis also revealed during the session that the housing bill, due to be published next month, could look at enabling local authorities to spend some of their reserves on building new homes. He said:

"That would be a good use of reserves. There will be some very interesting opportunities."

In September 2015 'Public Finance' reported that Communities secretary Greg Clark has been urged to review the government's housing policies after research found that only one in eight properties sold under the reinvigorated 'right to buy' scheme had been replaced in the last three years.

Figures from the District Councils' Network showed that fewer than 377 new homes were built to replace 3,019 properties sold under Right to Buy from 2012/13 to 2014/15 across 52 member councils. This represents a replacement rate of 12.5%.

In September 2015 the government published 'right to buy' data for April to June 2015. This showed that the number of Right to Buy replacement homes started by councils fell by more than half during that quarter.

Councils sold 2,779 homes during the quarter, down by 16% compared wth 3,321 sold during January to March 2015 and a 2% reduction compared with the same period in 2014.

They started a combined 307 replacements for these homes, a 56% drop on the 710 started in the previous quarter and 61 fewer than the equivalent period the previous year.

The 2,779 sales raised a total of £223.2million between April and June, meaning almost £2.3billion has been raised from the sale of council homes since 2012.

Gavin Smart, deputy chief executive of the Chartered Institute of Housing, said:

"We understand the government's aim to encourage people to become home owners, but we're very concerned about the loss of social rented homes at a time when more and more people are in need of affordable housing… Today's figures make it clear that the number of replacement homes being built is nowhere near the number being sold."

"Our research has shown that most authorities only expect to be able to replace half or fewer of the homes they sell under right to buy. It's always been clear that there would be a lag between homes being sold and homes being built to replace them, but more than three years since right to buy discounts were increased there is mounting evidence that one for one replacement is nowhere near being achieved."

"CIH has called for the government to modify the right to buy scheme to help councils build more homes to replace those sold, such as allowing them to keep all of the receipts rather than handing a proportion over to the Treasury.

"The government is proposing to extend the right to buy to housing association tenants and Gavin Smart said that ministers should consider the evidence of how the current scheme is working. He said: "New sales of housing association properties will be in addition to right to buy sales by local authorities and conversions of homes to affordable rents. And of course high-value council homes will be sold to fund the discounts.

"An alternative option for the new right to buy would be giving tenants portable discounts they could use to buy properties of their own choosing, so that social rented housing could be kept and used to help people unable to afford to buy their own homes."

Right to Buy Fraud

In July 2015 the London Boroughs' Fraud Investigators' Group published a report on 'right to buy' fraud. This showed that there were 300 detected 'right to buy' frauds in the capital in 2014/15, up from 131 in 2013/14. The value of Right to Buy frauds has almost trebled, from £9million to £26.5million, over the same period. The report estimates that around 3% of Right to Buy applications are fraudulent. It said:

"The significant sums involved and the relentless increases in property values, especially in London, have made Right to Buy discounts highly attractive, including to fraudsters… In the two years immediately after the discount increase was implemented, there was a near five-fold increase in the number of Right to Buy frauds detected nationally."

The report also shows that the number of detected housing benefit frauds has dropped 50% from 5,734 in 2013/14 to 2014/15, with the total value dropping from £28.2million to £23.5million over the same period. However the average value of housing benefit frauds detected increased from £4,926 to £8,393, suggesting investigators are focusing more on detecting higher value cases.

Councils in London thwarted attempted frauds worth £73 million last year, amid a "surge" in scams involving Right to Buy, according to a new report. The capital's 33 councils recovered 1,618 properties from fraudsters in 2014-15 - half the total recovered across the entire country.

The report also highlighted a new type of emerging fraud involving people with no recourse to public funds. There were 432 cases of fraud relating to this group in 2014/15 worth more than £7 million.

People with no recourse to public funds are foreign nationals who are subject to specific immigration controls that prevent them from accessing any welfare benefits or public housing. Because these households sometimes seek assistance from local authorities, councils are starting to detect unscrupulous claims using fake documents wrongly claiming an individual has children to obtain benefits, the report said.

According to London Councils, there at least 1,500 households with no recourse to public funds in the capital and with some councils spending at least £5million a year supporting them. It has called on the Government to set out how it expects boroughs to deal with the growing number.

Kevin Campbell-Scott, fraud manager at Southwark Council, said:

"Councils in London are leading the way in the fight against public sector fraud. Councils across the country can learn from our proactive approach to tackling fraud and protecting the public purse at a time when council coffers are stretched more than ever before.

"The sterling work our fraud teams are doing is taking money and council houses back from fraudsters so that they can benefit those in genuine need. However, we can't be complacent. New risks are emerging all the time and we need to stay one step ahead of those who want to cheat the public purse."

Responsibility for investigating housing benefit and council tax benefit fraud is moving in stages to the Department for Work and Pensions, completing in March 2016. The report said:

"Those London boroughs still investigating housing benefit and council tax benefit fraud are focusing on higher value frauds… This is an understandable development, but may indicate that they are generally not investigating lower value housing benefit frauds."

Right to Buy Receipts

Haringey Borough Council announced in September 2015 that it plans to return all of its Right to Buy receipts to the government, claiming constraints make it impossible to build replacement homes.

In response to a question from Councillor Gail Engert (Liberal Democrat) the Council revealed that it had already returned £14.8million of retained 'right to buy' receipts from when discounts went up in 2012 up to the end of 2014/15 to the government, plus an interest charge of £980,000. Councillor Engert said the revelation was 'very disappointing'.

Under 'Right to Buy' rules, councils must spend receipts within three years, or else be required to return them to government, with interest, to be allocated to housing schemes by the Homes and Communities Agency or the Greater London Authority. Receipts returned within the same quarter do not gather interest.

The council has said that it would return to the government all further receipts:

"Until we have a programme which gives us confidence of our ability to spend".

And Councillor Alan Strickland (Labour), cabinet member for housing and regeneration at the Council, told 'Indie Housing' that:

"Being forced to pay it back is something we do with an incredibly heavy heart but we simply can't spend it."

The Council says that it is not able to spend the receipts because it is barred from using receipts to pay for more than 30% of a replacement Right to Buy home, meaning they would have to find the remaining 70% themselves to fund a new property. The Council calculates that this would mean investing £82.5million that would outstrip its available headroom in its Housing Revenue Account.

Councillor Strickland also told 'Inside Housing' that the council tried giving the cash away to local housing associations, but that rules barring the mixing of government grant with Right to Buy receipts had dissuaded landlords from accepting the money.

Exchange Value and Use Value

Some commentators have argued that the housing problem arises from 'exchange-value' being privileged over and above 'use—value': everything is eventually commodified. As David Harvey explains:

"All commodities have to be understood as having a use value and exchange value. If I have a steak the use value is that I can eat it and the exchange value is how much I had to pay for it. But housing is very interesting in this way because as a use value you can understand it as shelter, privacy, a world of affective relations with people, a big list of things you use a house for. But then there is the question of how you get the house. At one time houses were built by people themselves and there was no exchange value at all. Then from the 18th century onwards you got speculative house building – Georgian terraces which were built and sold later on. Then houses became exchange values for consumers in the form of saving. If I buy a house and I pay down the mortgage on it, I can end up owning the house. So I have an asset. I therefore become very concerned about the nature of the asset. This generates interesting politics – 'not in my backyard', 'I don't want people moving in next door who don't look like me'. So you start to get segregation in housing markets because people want to protect the value of their savings.

"Then about thirty years ago people began to use housing as a form of speculative gain. You could get a house and 'flip' it – you buy a house for £200,000, after a year you get £250,000 for it. You earned £50,000, so why not do it? The exchange value took over. And so you get this speculative boom. In 2000 after the collapse of global stock markets the surplus capital started to flow into housing. It's an interesting kind of market. If I buy a house then housing prices go up, and you say 'housing prices are going up, I should buy a house', and then somebody else comes in. You get a housing bubble. People get pulled in and it explodes. Then all of a sudden a lot of people find they can't have the use value of the housing anymore because the exchange value system has destroyed it.

"Which raises the question, is it a good idea to allow use value in housing, which is crucial to people, be delivered by a crazy exchange value system? This is not only a problem with housing but with things like education and healthcare. In many of these we've released the exchange value dynamics in the theory that it's going to provide the use value but frequently what it does is it screws up the use values and people don't end up getting good healthcare, education or housing. This is why I think it's very important to look at that distinction between use and exchange value.

"The United Kingdom, like the US, is a bubble economy; London is its epicentre. Both have been running increasingly large deficits, not to solve the problem of under consumption and unequal income distribution, but to inflate the value of privately own assets, hence the bubbles.

"The next crash, when it comes, will legitimate another round of accumulation by dispossession, i.e., theft of publicly owned goods through privatization. Expect the worst, unless of course you are a member of the already fabulously wealthy financial aristocracy."

Conclusions

Despite the government's protestations that the homes sold during the first year of the re-invigorated 'right to buy' have now been replaced and that it could be expected that it would take three years to replace homes that are sold; most people in the sector now doubt that one-for-one replacement will actually be achieved.

Furthermore, the evidence from research that has been carried out into the effects of 'right to buy' in local authorities is that it is not necessarily succeeding in its declared objective of increasing home ownership. This is because many of the homes sold are ultimately re-sold into the private rented sector. It occurs to me that if a government was really serious about extending home ownership its focus should be on bringing about a significant redistribution of income and wealth in favour of working people thus increasing significantly the number of people who could afford to sustain home-ownership.

Adrian Waite
October 2015

Seminar: Right to Buy Extension, Sale of High Value Council Homes and Rent Reform

November 2015

The Government was elected on a commitment to extend the 'right to buy' to housing association tenants and to fund this through the sale of high value council homes. In its July 2015 budget it also announced new policies for social rents including 1% annual reductions and market rents for tenants with high incomes.

These 'reforms' will have a significant effect on the business plans of both housing associations and local authorities. In particular there is concern about the continued ability of housing associations and local authorities to develop new homes – and even some concern about their continued viability. There is therefore a need for those involved in managing the finances of housing associations and local authority housing services to understand the inter-relationship between these policies.

This seminar will examine the government's proposals in detail, including the provisions of the anticipated Housing Bill and consider all the implications for housing associations and local authorities and the options available for managing those implications.

The seminar will address the following issues:

- Extension of 'Right to Buy' to Housing Associations
- Sale of High Value Council Homes
- Reductions in Social Rents and Market Rents for tenants with high incomes
- The cumulative impact of these changes on Housing Association and Local Authority Housing Business Plans

Who should attend?

All those with an interest in housing association or local authority housing in England, including Managers in Housing Associations, Local Authorities and Arm's Length Management Organisations, Councillors, Housing Association and ALMO Board Members, Housing Accountants and Tenant Representatives.

The session is accompanied by a very useful book entitled: **"Right to Buy Extension, Sale of High Value Council Homes and Rent Reform"**

Venues and Dates:

London: Novotel Hotel, Waterloo – Monday 30th November 2015

For more information or to make a booking please visit: http://www.awics.co.uk/rtb.asp

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Webinars

Social Rent Reforms

This webinar considers the United Kingdom government's proposal to oblige housing associations and local authorities to reduce social and affordable rents by 1% a year over the next four years; and to charge near-market rents to tenants with high incomes.

Date: 2pm on Monday 19th October 2015.

For more information or to make a booking please visit: http://www.awics.co.uk/webinar4.asp

Sale of High Value Council Homes

This webinar considers the United Kingdom government's proposal to oblige local authorities to sell high value council homes to fund the extension of the 'right to buy' to housing association tenants.

Date: 2pm on Tuesday 24th November 2015.

For more information or to make a booking please visit: http://www.awics.co.uk/webinar3.asp

Right to Buy for Housing Association tenants

This webinar considers the United Kingdom government's proposal to extend the 'right to buy' to housing association tenants in England.

Date: 2pm on Thursday 10th December 2015.

For more information or to make a booking please visit: http://www.awics.co.uk/webinar2.asp

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Publications

Our publications include: 'Right to Buy Extension, Sale of High Value Council Homes and Rent Reform' published in September 2015 and running to 100 pages. For further information or to buy a copy please visit http://www.awics.co.uk/publications.asp

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About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly.

Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about us and our services please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk

Services that we offer include:

- Management Consultancy – http://www.awics.co.uk/ManagementConsultancy.asp
- Interim Management – http://www.awics.co.uk/interimmanagement.asp
- Regional Seminars — http://www.awics.co.uk/Seminars2015.asp
- Webinars – http://www.awics.co.uk/webinars.asp
- In-House Training — http://www.awics.co.uk/inHouseCourses.asp
- Independent Residents' Advice — http://www.awics.co.uk/IndependentTenantAdvice.asp
- Technical Books — http://www.awics.co.uk/publications.asp
- Information Service — http://www.awics.co.uk/informationservice.asp