

# **Report to Communities Select Committee**

**Date of meeting: 24 September 2018**



**Portfolio:** Housing (Councillor S. Stavrou)

**Subject:** Consultation Documents – Social Housing Green Paper & Use of Receipts from Right to Buy Sales

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## **Recommendations:**

**That the proposed response (to follow) to each of the following consultation papers recently issued by the Ministry of Housing Communities and Local Government, be agreed:**

- (a) Social Housing Green Paper; and**
- (b) Use of receipts from Right to Buy sales.**

## **Introduction**

1. Two important consultation papers have recently been published by the Ministry of Housing Communities and Local Government (MHCLG) which are felt to be sufficiently important to warrant a response from the Council. The consultation papers are on:
  - Social Housing Green Paper; and
  - Use of receipts from Right to Buy sales.
2. Under the Council's protocol for responding to consultation papers, it is the responsibility of the relevant Select Committee to agree the response. Since both consultation papers are housing-related, it is the responsibility of this Select Committee to agree the response.
3. The Council is a member of the Association of Retained Council Housing, who have produced summaries of the two consultation papers, which are attached as Appendix 1 (Social Housing Green Paper) and Appendix 2 (Use of receipts from Right to Buy sales) to this agenda.
4. At the time of the publication of this agenda, the proposed responses to the consultation papers were still being drafted. These will therefore be circulated as a supplementary agenda in advance of the meeting.

## **Social Housing Green Paper**

5. On 14 August 2018, the Government published its Social Housing Green Paper proposing a "rebalancing of the relationship between residents and landlords",

promising a “fairer deal for social housing residents”. The Green Paper comes after a year of consultation by ministers and officials with residents following the Grenfell Tower fire, and consequently has a strong focus on empowering residents.

6. The Green Paper is focused around five themes:

- ensuring safe and decent homes;
- effective and faster complaint resolutions;
- empowering residents and strengthening the Regulator;
- tackling stigma and celebrating thriving communities; and
- expanding supply and supporting home ownership.

7. The key proposals of the Green Paper are as follows:

- The potential introduction of performance indicators and league tables for councils and housing associations, which could be linked to how grants for new housebuilding are distributed;
- a quicker process for tenants’ complaints and more tenant support to access redress;
- strengthening the Regulator of Social Housing, so that it can focus on issues that matter most to tenants and has “sharper teeth” to intervene when needed;
- the cessation of the Government’s proposed policy to introduce mandatory fixed-term tenancies for councils and housing associations, and continuation of the current policy to give housing providers choice around using fixed term tenancies – as members will know, this Council has adopted the use of 10-year fixed term tenancies for a number of years;
- support of new home ownership options, e.g. opportunities for shared ownership residents to staircase in smaller increments; and
- the cessation of the Government’s proposed policy to require councils to sell “higher value homes” as they became vacant, which was originally proposed to fund the extension of the Right to Buy for housing associations.

8. The consultation on the Green Paper is open until 6 November 2018. A copy of the full document can be found at:

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

### **Use of receipts from Right to Buy sales**

9. MHCLG is also consulting on the reform of the arrangements for the use of receipts from Right to Buy sales, which was also published on 14 August 2018.

10. The consultation paper proposes:

- to allow local authorities to hold receipts they currently retain for up to 5 years; future receipts would continue to have to be used within 3 years;
- to increase the cap on the use of receipts from 30% to 50% of build costs for homes for social rent in “high demand” areas;
- to allow local authorities to “top-up” insufficient Right to Buy receipts with funding from the Affordable Homes Programme of up to 30% of build costs for affordable rent or, in “high demand” areas, 50% of build costs for social rent;
- to set an upper limit based on average build costs on the price of dwellings acquired using receipts;
- to allow authorities to use receipts to provide homes for shared ownership;
- to allow authorities to gift General Fund land to the HRA for use for new housing provided it has been held in the General Fund for a number of years;

- to allow a short window of three months during which local authorities could return receipts without incurring interest; and
- to replace the current target of one-for-one replacement of “additional” homes sold under the Right to Buy with a wider measure covering net additions to the social housing stock held by both local authorities and housing associations.

11. The consultation is open until 9 October 2018. A copy of the full document can be found at:

<https://www.gov.uk/government/consultations/use-of-receipts-from-right-to-buy-sales>