

Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref P-04-469
Ein cyf/Our ref CS/00883/13

William Powell AM
Chair
Petitions Committee

William.powell@wales.gov.uk

15th May 2013

Dear William

PETITION NUMBER P-04-469 - REMOVAL OF THE REGIONAL PRICE CAP OF THE RIGHT-TO-BUY SCHEME IN WALES

Thank you for your letter of 24 April concerning a 171 signature petition submitted by Mr James Jackson. The petition requests an increase to the Right to Buy maximum discount cash limit in Wales, which has stood at £16,000 since 2003.

The main provisions of the Right to Buy scheme are contained in primary legislation first enacted by the UK Government in 1980. Much of this primary legislation, now contained in the Housing Act 1985, is still applicable to Wales.

The Secretary of State for Wales did, however, have delegated power for secondary legislation in a number of areas, including the Right to Buy maximum discount cash limit. In 1998, the UK Government decided to reduce the maximum discount cash limit from £50,000. They introduced regional limits throughout England, ranging from £24,000 to £38,000. In Wales, the Secretary of State reduced the limit to £24,000 in early 1999.

When the National Assembly for Wales was established later in 1999, it assumed devolved responsibility for secondary legislation in a number of areas, including housing.

In 2003, the UK Government decided to further reduce the discount cash limit to £16,000 in parts of south east England, due to concerns about a shortage of affordable housing available for rent. In Wales, following consultation, Ministers also decided to reduce the discount level further. However, they decided against reductions on a regional basis and opted to set a new limit of £16,000 throughout Wales.

In April 2012, the UK Government increased the discount limit in England to £75,000. It is their intention that homes sold as a result of the higher discount levels will be replaced by

new homes for 'affordable rent' funded, in part, by the additional Right to Buy receipts. There is a specific definition of affordable rent in England.

The Welsh Ministers decided not implement similar changes in Wales. That is because, under the provisions of the Government of Wales Act 2006, the Welsh Government now has full legislative powers in a number of areas, including housing.

Using these powers, it is open to the Welsh Ministers to propose changes to any aspect of the Right to Buy scheme, including those enshrined in primary legislation.

Two years ago, the National Assembly for Wales passed the Housing (Wales) Measure 2011. The Measure allows local authorities to apply to the Welsh Ministers for a direction to suspend the Right to Buy in areas of housing pressure for a period of up to five years.

The Welsh Ministers were concerned that, for many years, there had been no formal provisions to replace social housing stock sold under the Right to Buy scheme. The Housing (Wales) Measure 2011 sought to address this.

Demand for housing in Wales exceeds supply. So, while the Welsh Government recognises the aspiration of many social housing tenants to own their home, we must also have regard to the requirements of people who do not have a home which meets their needs.

We do not intend, therefore, to replicate the UK Government's approach in terms of increasing Right to Buy discounts. Different approaches by different legislatures are, of course, an inevitable result of devolution. We consider that our approach is best suited to the needs of the people of Wales.

A handwritten signature in black ink, appearing to be 'CS', written in a cursive style.

Carl Sargeant AC / AM
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