

ARTB 12

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

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

Ymateb gan: Etholiadau Cyngor Sir Ynys Môn

Response from: Isle of Anglesey County Council

To consider —

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.

- a) When properties are sold via the RTB the LA loses an element of control of their housing estate:

In terms of achieving the Welsh Housing Quality Environmental standards, money spent on the estate must provide 'value for money' and benefit tenants; the balance of LA and private stock may affect initiatives carried out on the estate.

- b) The Bill will reduce housing inequalities:

As documented in the explanatory memorandum there is evidence to suggest a high percentage of ex RTB properties are available to rent in the private rented sector (PRS). The rent and condition of these properties may differ to LA properties and as a result create inequalities between tenants living on the same estate. For example, LA stock is subject to the WHQS and rent is determined by WG policy. Properties in the PRS may have higher rent and are not subject to the same housing standards. All ex RTB properties, which Anglesey have purchased have undergone refurbishment work in order to reach the WHQS. The cost of refurbishment varies; looking at the last 7 properties purchased the average cost of refurbishment per house is £15,000.

- c) Future Generations (Wales) Act 2015

The effects of the RTB are medium to long term; safeguarding the present stock will ensure we protect the supply of housing for the future generation. When Anglesey consulted tenants re suspending the RTB in January 2016; 79% of tenants (who responded to the consultation) agreed with the proposal *because they felt the stock should be available for the next generation.*

- d) Rural housing stock

Anglesey is recognised as a rural LA, more than half of the stock sold has been from rural locations rather than the main 'urban' towns. It can be difficult to replace this stock due to land availability and planning restrictions.

This may have an effect on the Welsh language, as local people are not able to access affordable housing.

e) First time buyer initiatives

When Anglesey consulted tenants re the proposed suspension to the RTB 24% of tenants who responded did not agree with the suspension; 64% of those tenants did not agree because they feel this is the only way young people can get on to the property ladder. There are a number of first time buyer initiatives, which may be more attractive to some tenants. The cost of purchasing a property via the RTB is not as attractive as it once was because house prices have increased and the discount has reduced to a maximum of £8,000. House prices have increased partly due to the improvement work carried out on the properties to achieve the WG's WHQS and changes within the local housing market. This would suggest that first time buyer initiatives need more promotion and detailed information re RTB should be available.

Anglesey allocates housing using priority bands; band status depends on local connection and housing need. Properties are allocated according to a tenant's housing need therefore, a tenant who may not be allocated what they want rather what they need. Aspirations and needs may change over time and it is questionable how long a tenant will remain in the property before it is either sold on or rented out.

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);**

Only 13% of the tenants who responded to Anglesey's RTB consultation were eligible and planned to buy their home via the RTB.

72% of the tenants who responded to Anglesey's RTB consultation believe suspending the RTB is a positive step in increasing the number of affordable rented accommodation on Anglesey.

45% of the tenants who responded to Anglesey's RTB consultation believe suspending the RTB would save the Council money in the long term.

- **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,**

a) It is important to provide tenants with additional information such as eligibility criteria and information on possible other options such as HomeBuy.

See chart 1 in section 3 below; in the last 5 years 16 applications were declined 14/16 of the tenants were not eligible to buy their property; 2/16 the joint tenant did not agree with the sale.

As mentioned previously, when Anglesey consulted tenants re the proposed suspension to the RTB 24% of tenants who responded did not agree with the suspension; 64% of those tenants did not agree because they feel this is the only way young people can get on to the property ladder.

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

- **whether there are any unintended consequences arising from the Bill, and**

a) Potentially lose stock within the notice period

The chart below shows Anglesey's RTB sales within the last 5 years. In December 2015, tenants were informed of Anglesey's proposal to suspend tenants RTB and the consultation began in January 2016. As evidenced in the chart below the RTB sales in 2015/16 and 2016/17 to date, increased. It is difficult to prove whether or not this was because of the proposed suspension, as the number of application received each year has remained consistent, averaging at 23 applications per year. However, Anglesey did receive an above average number of applications in 2015/16 and fewer people withdrew their application.

Chart 1:

Year	Apps received	Sold	Withdrawn	Declined
2011/12	21	3	10	1
2012/13	19	2	22	2
2013/14	26	3	16	4
2014/15	21	5	12	4
2015/16	31	10	8	5
2016/17	0	9	10	0

Unfortunately, Anglesey does not keep a record of why applications were withdrawn; this may be for a number of reasons such as 'changed their mind' or 'unable to obtain a mortgage'.

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

See 2 (a) – include additional information when informing tenants.