

Submission to the Housing and Planning Bill Public Bill Committee

Quakers in Britain 8 December 2015

1. Summary

- 1.1. Housing and housing policy do not exist in a vacuum. They are part of the whole social and economic life of the nation: housing is one of the few areas that affects everyone all the time.
- 1.2. Housing should always be adequate, appropriate and affordable, whatever that might mean at each stage in our lives. People's value is not dictated by their wealth or their housing, and pushing people into one form of tenure over another is narrowing their range of choices.
- 1.3. Home ownership is not always right for everyone, nor at every stage of our lives. Social housing – whether solely for rent or as part of housing association shared ownership schemes – is an important option for secure housing in the choices available to everyone.
- 1.4. Our primary focus in this Bill is on the proposals for right to buy. It is good that the Bill offers ways of extending options, including self-build and home-ownership. We have no antipathy towards home-ownership: we are concerned about the possible negative effect upon social housing for rent. Even with the experience of right to buy for council housing to draw upon, the effects of extending it to housing associations are unpredictable.
- 1.5. We fear that housing wealth from the sale of social housing will not be invested back into housing. We also fear that housing associations will be inhibited from performing their role adequately, particularly those in rural areas with few options for creating more housing stock, or those which are very small.

2. About Quakers in Britain

- 2.1. This submission comes from Quakers in Britain.ⁱ It is informed by our belief that everyone is equal in the eyes of God and by the experience of members of the Quaker community. Quakers' concern about housing has been tested, and response has evolved, over many decades, rooted in our faith.
- 2.2. Quakers have been actively engaged in promoting social housing for over a hundred years. We were early supporters of the new 'garden cities', and are long-term advocates of good quality and affordable housing for all. In 1967 we created our own charity, Quaker Housing Trust (QHT), to channel Quaker money into the creation of social housing – homes – for people in housing need.
- 2.3. QHTⁱⁱ funds practical elements of housing projects through grants and interest free loans, and offer grants relating to four specific areas relating to good practice and development.

Our concerns regarding Right to Buy

3. Addressing housing inequality

- 3.1. Housing is a resource for the whole community, and we therefore all share responsibility for how the resource is shared. Inequality in housing is a highly visible and damaging symptom of injustice in our society
- 3.2. The Housing and Planning Bill could be an opportunity to reduce inequality in the housing system, but we feel it will increase the inequality between those people who are home-owners and those who are not.
- 3.3. Although research may show that a majority of households aspire to own a home, for a substantial group within our society buying their own home is simply not viable. Even with help through government schemes, not everyone is able to save or borrow money in order to buy housing.
- 3.4. Many of the social housing providers that Quakers in Britain support through QHT are meeting the needs of people who are particularly vulnerable in their attempts to find appropriate and genuinely affordable housing. We also work with partners such as the Faith in Affordable Housing project of Housing Justiceⁱⁱⁱ and Scottish Churches Housing Action to help in the creation of new homes in geographical areas of particular need.
- 3.5. **We support the amendments to Clause 56** to exclude certain categories of housing from being subject to the right to buy provisions of the bill, such as supported housing for people with physical and/or mental health needs, homes created for solely charitable purposes, and homes created to meet a specific local need.^{iv}

4. Replacing social rented housing stock

- 4.1. We fear that extending right to buy to housing association properties may decrease the availability of housing available at genuinely affordable rent for those people unable to buy a home. With no certainty that the properties can be replaced at similar rents and in similar locations, the stock will be depleted and the housing options reduced.
- 4.2. We welcome the government's undertaking that properties sold under right to buy will be replaced on a 'one-for-one' basis, but wonder how effective that replacement will be. For example, we are concerned that there will be a hiatus between sale and replacement through new-build, and that in some locations there may be insufficient land available for new housing.
- 4.3. QHT encourages projects who are turning old properties into new homes through refurbishment and conversion. We hope the government can give assurances that whether the replacement social housing is through new-build or renovation, the new homes will be to a high standard. Similarly, we seek assurances that the replacement housing will indeed be on a like-for-like basis, providing the same number of bedrooms, and wherever possible, within the same area with access to schools etc.

- 4.4. We are deeply concerned that the Bill does not include an explicit commitment to replace social housing sold under right to buy. As mentioned above, we ask for a commitment for like-for-like replacements to social housing lost through right to buy.
- 4.5. **We support the amendment to Clause 56** which would “require housing associations offering the right to buy to their tenants to re-invest all the money received as a result of the sale in replacement local affordable housing, including a guaranteed like-for-like home in the same area”^v.
- 4.6. **We support the amendments to Clause 62** which would allow for one-for-one local replacement^{vi}, prevent dwellings being defined as ‘high value’^{vii} if the cost of its replacement on a like-for-like basis in the same local authority area exceeds the receipt of sale^{vii}, and allow community-led organisations to keep right to buy and high values sales income, conditional on the income being re-invested in new homes^{viii}.

5. Ways of reinvesting housing wealth

- 5.1. Quakers wish to see the government reinvest housing wealth from the sale of council houses in affordable rented housing. Promoting innovative housing models gives people more opportunities to have the home they really need.
- 5.2. **We urge Parliament to consider** how innovative housing models could be promoted.
- 5.3. Right to buy does not guarantee an increase in properties within owner-occupation. We note that housing from earlier right to buy policies has been ‘recycled’ into the private rented sector. Thus public money is subsidising private profit through both the discounted sale price and, in many instances, through local authorities renting private housing to meet their responsibilities as well as through Housing Benefit.
- 5.4. We would like to see income from the sale of council housing reinvested not only in replacement social housing for rent, but also contributing to the local authorities’ ability to meet their responsibilities for housing people who would otherwise be homeless and need somewhere to give stability to their lives.
- 5.5. **We support the amendment to Clause 57** which would ensure that the reimbursement received by a local authority having sold a property at a discount under right to buy is of the full market value, to ensure the property could be replaced on a like-for-like basis.
- 5.6. Although the proceeds from selling housing association rented housing will be invested in new social housing that too will be housing for sale and therefore not maintaining the stock of social housing for rent.
- 5.7. **We support the amendment to Clause 59** which would ensure that homes sold under the right to buy remain as discounted housing in perpetuity^{ix}.
- 5.8. We question the legitimacy of requiring the sale of assets owned by not-for-profit housing providers, particularly where the forced disposal of a charity’s housing assets would go against the trust deed of the charity. It is a real concern to Quakers that the benefit of money channelled through QHT and other charitable funders into stable homes might pass into private hands as housing profit.

- 5.9. **We support the amendment to Clause 56** which would prevent property sold under right to buy from being converted into buy to let dwellings for a period of ten years^x.

6. Allowing housing associations a degree of flexibility

- 6.1. We want to see housing associations retain flexibility in deciding what combination of right to buy and rented works best for them in meeting their objectives as social housing providers. For example, many housing associations are already managing mixed-tenure properties, but not all have the management capacity to take this on, nor to do it well. In many areas, housing associations are not able to replace their housing stock. If there is no land for sale then it is impossible for them to build houses to replace ones sold.
- 6.2. We fear there may be a risk to the financial viability of housing associations if their assets are reduced through right to buy, affecting their rental income, long-term planning, and ability to borrow in order to expand their provision. Housing associations need to have full control over their assets, which includes having a choice over whether (and when) to sell properties to tenants.
- 6.3. We are pleased to see that the Bill does not include a legislative obligation for housing associations to sell their properties and urge Parliament to maintain this position.
- 6.4. **We ask the government to continue** to give housing associations flexibility in how they function, based on at least the three factors of: scale, location, charitable status.

7. Diverse and stable communities

- 7.1. Housing policy is not just about bricks and mortar, but about creating stable homes and communities. It needs to offer protection to vulnerable people in our society.
- 7.2. **We support the amendment to Clause 58** which would ensure anyone subsequently buying a former housing association property sold under the right to buy would have to have lived or worked in the housing authority area where the property is located for three years or more prior to purchase^{xi}.
- 7.3. **We support the amendments to Clause 74** which would enable local authorities and social housing providers to take into account:
- the need to promote and encourage a degree of diversity in their communities^{xii} and
 - the need to promote and encourage mixture of people with different income levels in their housing stock when setting rent levels^{xiii} and
 - the need to ensure that rent levels should reflect local affordability^{xiv}

8. Contact

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ⁱ Formally known as the Religious Society of Friends (Quakers) in Britain. Registered with charity number 1127633. Around 23,000 people attend 478 Quaker meetings in Britain.

ⁱⁱ www.qht.org.uk

ⁱⁱⁱ Housing Justice is the national voice of Christian action on housing and homelessness. www.housingjustice.org.uk

^{iv} Clause 56, page 24, line 8, at end insert “with the exclusion of— (a) supported housing for older people; (b) supported housing units (including self-contained homes where floating support is provided for vulnerable people); (c) key worker housing (which includes self-contained flats subject to nomination agreements with 3rd parties); (d) units that form part of major regeneration schemes planned or already under way; (e) rural settlements; (f) homes built for charitable purposes without Government grant and homes provided through Section 106 agreements requiring stock to be kept as social housing in perpetuity; (g) cooperative housing; (h) Almos, and (i) almshouses.”

^v Clause 56, page 24, line 10, at end insert—“(2A) The conditions at subsection (2) must include a condition that money equivalent to the market value (disregarding any discount) of a dwelling sold under right to buy and to which the grant applies is spent by the private registered provider on the provision of affordable housing in the same county, including at least one new home replacing that sold which is—(a) of the same tenure, (b) located in the same local authority area, and(c) in accordance with assessed local housing need.”

^{vi} Clause 62, page 26, line 11, at end insert—“(2B) The costs and deductions referred to in section 62(2)(b) must include an estimate of the cost of replacing each high value dwelling sold with a dwelling with the same number of bedrooms in the same local authority area.”

^{vii} Clause 62, page 26, line 25, at end insert—“() Regulations under subsection (8) may not define a dwelling as “high value” if its sale value is less than the cost of rebuilding it and providing a replacement dwelling with the same number of bedrooms in the same local authority area.”

^{viii} Clause 62, page 26, line 25, at end insert—“(10) Existing Tenant Management Organisations (as defined by The Housing (Right to Manage) Regulations 1994), that also fulfil the definition of a community-led organisation as defined at Schedule ([New Schedule 1: community-led housing schemes]), will retain the benefit of right to buy and high value sales, provided it is invested in new housing.”

^{ix} Clause.59, .page.25, line.8, .at end insert—“() .The discount should remain in perpetuity.”

^x Clause.56, page.24, line.13, .at end insert—“(4) .Grants must not be payable on properties bought and turned into buy to let dwellings within ten years”.

^{xi} Clause.58,.page.24, line.22, .at end insert “which will include the use of local occupancy clauses as defined by section 157 of the 1985 Housing Act”

^{xii} Clause.74, page.30, line.10, at end insert—“(d) to take into account the need to promote socially cohesive communities.”

^{xiii} Clause 74, page.30, line.10, .at end insert—“(d) to take into account the need to promote mixed communities.”

^{xiv} Clause.74, page.30, line.10, .at end insert—“(d) take into account local affordability.”