

Dear Member of the House of Lords

## **The Housing and Planning Bill – the case for full statutory exemptions from Right to Buy in rural areas**

Following the recent debate in the House of Commons on the Bill you will be aware that the Government and National Housing Federation (NHF) are negotiating a '*Voluntary Agreement*' on the extension of Right to Buy to housing associations. Lincolnshire Rural Housing Association is not supporting this Agreement because it will seriously undermine the provision of truly affordable rented rural housing. We strongly advise that full statutory exemptions from Right to Buy should be applied to rural areas to safeguard the viability of smaller communities. We would be grateful if you would support the case for such exemptions when the Housing and Planning comes to the House of Lords.

The Government's '*Housing and Planning Bill 2015/16 Impact Assessment*' mentions the word '*rural*' just four times, but in none of these cases is the likely overall impact on rural communities considered. The Bill has not been 'rural-proofed', and as a 'rural specialist' this Association has concluded that this poorly drafted Bill will have devastating long-term negative implications for rural communities. In many cases, delicately balanced historical rural communities will be lost should this Bill become legislation in its current form.

The overall negative implications of the Bill are very succinctly outlined in the Parliamentary Briefing to the House of Lords by SHOUT (Social Housing Under Threat). Whilst this document does not extend to the potential plight of rural communities, it is fully supported by the Association and a highlighted copy is attached for your convenience.

### ***The inappropriateness of the voluntary agreement on Right to Buy for rural areas***

The restricted nature of the exemptions that are proposed for rural housing associations is unlikely to reassure the private landowners and local authorities who have made land available for the development of affordable rented homes on the understanding that the status of such homes would remain unchanged in perpetuity and will potentially become available for outright sale. The supply of affordable land available for rural homes is therefore likely to decline unless rural areas are fully exempt from the extension of Right to Buy.

Under the terms of the voluntary agreement on the extension of Right to Buy, it may be possible for housing associations to offer their tenants the opportunity to use their discount to purchase an alternative property from either their own or another association's stock. It would be at the tenant's discretion whether to take up the portable discount offer, or to purchase their existing home. However, the portable discount option is not a realistic one in the rural context, as a housing association is unlikely to have an alternative property in the same invariably small locality in which the tenant wishing to exercise Right to Buy lives. Furthermore, affordable rented properties in rural areas are invariably occupied by tenants who work in the area. So offering an alternative property owned by another housing association is likely to be seen as inappropriate by the tenant in question, as that association is unlikely to have properties in the right locality. The likely outcome of the inability to offer an alternative home will be appeals, and these will not only prove costly to housing associations, but also distract them from their core mission to provide affordable homes. Please note that no estimate of the administrative costs of Right to Buy to housing associations (including the cost of appeals) is included in the government's impact assessment relating to the Housing and Planning Bill, which is a worrying omission for housing associations, particularly ones operating in rural areas, where a housing

association's room for manoeuvre over Right to Buy requests is, as we have shown, very limited.

***The case for full statutory rural exemptions from Right to Buy***

Lincolnshire Rural Housing Association has concluded that the combination of limited rural exemptions to the extension of Right to Buy and the similarly limited discretion not to sell a home to the tenant is likely to lead to some very negative consequences. The law of unintended consequences will lead to a decline of the very rural communities the Chancellor of the Exchequer has vowed to support.

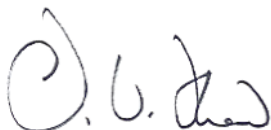
Lincolnshire Rural Housing Association considers it appropriate to legislate for the full exemption from the extension of Right to Buy in the following cases:

- All affordable, rented housing delivered on rural exception sites and on land made available by Community Land Trusts or similar community-led organizations;
- All affordable, rented housing in rural communities with under 3,000 population as at the 2011 Census; and
- All affordable, rented housing in rural housing communities with under 10,000 population as at the 2011 Census in those instances where there is a high level of second-home ownership, a high proportion of holiday lets, a significant disparity between the lower quartile average earnings and lower quartile house prices, and also where the community operates as a rural hub for surrounding settlements.

Lincolnshire Rural Housing Association wishes to draw your attention to a speech given at the 1995 Conservative Party conference by the then Local Government and Housing minister David Curry in which he dealt with the proposal to extend Right to Buy to housing associations. Curry stressed that the Conservative Party did not believe in "identikit" policies that were implemented "without flexibility and imagination". In this connection, being an MP for a rural constituency, he acknowledged how important it was for people to continue to make land available for rural housing. He added that they had the right "to expect that those houses should continue to be available for rent", which is why he said the Conservative Party would exempt rural areas from Right to Buy. Lincolnshire Rural Housing Association recommends this common sense approach to the current Government.

We hope that, as a Member of the House of Lords you will share our concerns about the extension of Right to Buy and other issues in the Bill, particularly the need to exempt rural housing associations from Right to Buy. We would be more than happy to meet you to discuss our proposals if you would welcome further clarification.

Yours sincerely,



Professor David Head  
Chairman



John Howes  
Chief Executive