

Right to Buy Team
Ministry of Housing, Communities and Local Government
3rd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

15th January 2025

Response submitted via email only to: righttobuy.consultation@communities.gov.uk

Dear Sir/Madam,

Re: Reforming the Right to Buy

Introduction

I am writing on behalf of the Land, Planning and Development Federation (LPDF) in response to the open consultation 'Reforming the Right to Buy'. This response provides a brief introduction to the LPDF and what we do and then moves on to answer a select number of the questions set out within this consultation document.

The LPDF welcomes this consultation and the recognition that reforms to the Right to Buy scheme are needed to ensure an appropriate and fair balance in the provision of affordable housing and retention of affordable housing stock. The ability to help people onto the housing ladder through Right to Buy is an important feature of the affordable housing sector, however this needs to be balanced with the need to retain or replace those homes lost through this scheme. The introduction to the consultation document quite rightly acknowledges the important issue of Right to Buy losses and in particular, the negative impact that this has had on the supply of social rented homes. This is an issue which the LPDF have raised previously with government and one that needs to be adequately addressed through reforms to Right to Buy.

The LPDF are supportive of the government's laudable aim to deliver the biggest increase in social and affordable housebuilding in a generation to meet the urgent housing need. We are also supportive of the recognition that this aim will not be achieved if councils are losing homes quicker than they can replace them. Right to Buy reforms are a welcome step in the right direction, but will need to be part of a wide package of reforms and initiatives to help deliver the 1.5 million homes and address the UK's housing crisis.

About the LPDF

The LPDF seeks to represent the UK's leading land promoters, home builders and commercial developers.



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LPDF members support the housebuilding and commercial development sectors by promoting sites through the planning system, providing “shovel ready” land with a planning permission which can facilitate the delivery of infrastructure and serviced land parcels.

The LPDF seeks to actively engage with government on planning, housing and commercial development policy and to educate the wider public on the social, environmental and economic benefits of development through an evidenced based approach.

The LPDF encourages its members to deliver well designed, high quality, sustainable places which deliver a mix of housing types and tenures, commercial spaces and community uses that have a positive social, environmental, and economic impact.

Our key values include:

- Working in a positive and cooperative way with central and local government and key stakeholders, to deliver a planning system capable of supplying the homes and employment space we need.
- Promoting research and an evidence-led approach to policy development.
- Increasing the supply of new homes to meet demand and make home ownership a realistic possibility for all those who aspire to it.
- Ensuring that we build the affordable homes of all types and tenures that this country so desperately needs.
- Delivering new employment space to meet demand from businesses and support economic growth.
- Championing the impact of increased housing delivery on reducing intergenerational unfairness.
- Creating well designed, high quality and sustainable places to live and work.
- Educating and informing about the social, environmental and economic benefits of development.
- Supporting diversity of delivery in the market and championing SME developers.
- Promoting diversity and inclusivity within the sector.

Questions

This response does not provide answers to all questions. It focuses on some key areas within the consultation document which are particularly relevant.

Eligibility

Question 1: How long do you think someone should be required to be a secure tenant before qualifying for the Right to Buy?



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The LPDF supports calls from the Chartered Institute of Housing (CIH) and Local Government Association (LGA) to increase the secure tenancy eligibility requirement for Right to Buy. The LPDF believe that this should be set at a 10 year requirement, rather than the existing 3 years. This would better align with the average tenancy of those buying under the scheme, whilst also supporting Councils' in rebuilding their stock.

This reform is about creating the right balance between helping long standing tenants get onto the housing ladder and ensuring that the Councils / tax payer, are not losing out financially. It is of significant importance that the stock of affordable housing is not reduced as has been the case under the current 3 year secure tenancy requirement.

Question 2: Should someone be prevented from exercising the Right to Buy if they have already benefitted from the Right or Buy or if they own another property?

Yes, it is fundamental that this scheme should be focussed solely on those who do not already own a home, or have not previously benefited from this scheme. It should be purely used as a means of helping those long-standing tenants to make that jump onto the property ladder for the first time.

Discounts

Question 4: What level should the percentage discount for an eligible tenant start at and what level should the maximum percentage discount be?

The LPDF are supportive of the review of Right to Buy discounts. The LPDF supports the CIH and NHF in their view that the minimum percentage should be 0% and the maximum percentage should be 5%. This should apply to flats and houses equally.

Question 5: Do you agree that the same rules governing percentage discounts should apply to flats and houses, and that the discount should increase by 1% for every extra year that an individual has been a public sector tenant, up to the maximum?

Yes, to help ensure simplicity of the Right to Buy scheme, the LPDF agree that the same rules regarding percentage discounts should apply for flats and houses. The LPDF agrees that this would ensure that the scheme is fairer and accessible on the same rules for all eligible tenants.

The LPDF are supportive of the use of discounts based on a percentage of the market value of the property, as this will ensure the discounts reflect local market variations as well as market changes over time.

Exemptions and Restrictions

Question 7: Do you agree that the current exemptions to the Right to Buy scheme should be retained? If yes, please outline any changes that should be made to the exemptions.

Yes, the LPDF agree that the current exemptions to the Right to Buy scheme should be retained.

The LPDF echoes the views of the NHF, welcoming the proposed exemptions to Right to Buy to protect the supply of sheltered housing and housing identified as suitable for older people. This type of



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housing meets a specific targeted need and it is important that stock of this is not reduced through Right to Buy.

In line with the NHF response to this consultation, the LPDF supports the view of the Rural Housing Network that an exemption should be applied in all parishes with populations of 3,000 or fewer and all parishes in National Parks and National Landscapes This would mirror existing provisions for Right to Acquire.

Question 8: Should newly built social housing be exempt from the Right to Buy? If yes, please explain why the existing cost-floor provisions are insufficient.

Whilst the LPDF recognise that the proposals to increase the cost-floor provision from 15-30 years would provide increased confidence for Councils that they would recoup the full build costs, the consultation document itself at paragraph 59 recognises that the cost-floor provision is not always sufficient in itself to protect new builds. Therefore, to ensure that Councils are not disincentivised from building new stock, the LPDF believe that newly built social housing should be exempt from the Right to Buy. The LPDF view is that this should be time limited, to ensure that the costs are capable of being recouped but this does then not exclude the home from the Right to Buy scheme in perpetuity.

Question 10: How can council investment in retrofitting or improving homes to a high standard be protected under the Right to Buy scheme?

The LPDF agree that Council investment in retrofitting and improvements needs some form of temporary protection, so as to ensure that Councils are not put off providing improvements to their existing housing stock. Quality improvements to existing affordable housing are necessary and important. Therefore, there needs to be some form of time limited protection for improvements which meet certain criteria, enabling Councils to continue with these without the fear of losing out financially if they do so.

Replacement Targets

Question 14: Should there be a target for all council homes sold under the Right to Buy to be replaced, as far as possible, with a home of the same size, tenure and/or location as the home sold? Please provide detail to support your answer and indicate which consideration is the most important (tenure, size or location).

Yes, the replacement of stock lost through the Right to Buy scheme is of critical importance and one that needs careful consideration to ensure that the stock of affordable housing and in particular social rented properties does not continue to fall.

Given the scale of the reduction of the social rented stock over the last couple of decades, the LPDF believe the tenure of the replacement dwelling to be an important consideration, however location and size will also be of relevance and will need to as far as possible be reflected in order to meet local needs.

Conclusions

The LPDF welcomes the opportunity to comment on the Right to Buy Reforms. Whilst the majority of our members are more generally focussed on the delivery of market housing or commercial development, the affordable housing sector is directly linked and in order to address the housing crisis facing the country, critical issues such as Right to Buy need to be considered and changes made. A significant amount of affordable housing stock (particularly social rented properties) was lost through Right to Buy over the last few decades which has had a negative impact on the availability of much needed affordable housing. If the government are to achieve their aim of delivering 1.5 million new homes, whilst providing the biggest increase in social and affordable housing in a generation, changes such as those proposed through the Right to Buy reforms will be of critical importance.

We hope that this response to the current consultation is helpful and if you wish to discuss these matters in any further detail, the LPDF would be only happy to assist.

Yours faithfully,



Nicole Burnett

LPDF Senior Policy and Research Manager