

HIGH PEAK BOROUGH COUNCIL

Report to Economy and Growth Select Committee

27 September 2018

TITLE:	Government consultation relating to the use of right to buy receipts
PORTFOLIO HOLDER:	Councillor Tony Ashton – Leader
OFFICER:	Sarah Porru – Interim Regeneration Manager
WARDS INVOLVED:	All Wards

Appendix 1 – Council’s consultation response on right to buy receipts

1 Reason for the Report

- 1.1 To consider the Council’s response to the Government’s consultation on the use of right to buy receipts. This consultation response forms part of the wider consultation on the social housing green paper.

2 Recommendations

- 2.1 To note the contents of the report and to recommend approval of the Council’s consultation response as set out in appendix 1.

3 Executive summary

- 3.1 The Government is currently consulting on the future of social housing in England (social housing green paper). This is accompanied by a separate consultation on the use by local authorities of right to buy receipts.
- 3.2 Statistics released in March 2018 showed that nationally, Local Authorities have not been building/supporting enough right to buy replacement dwellings. The Government is aware that current restrictions around the use of the receipts are a barrier to delivery and there needs to be a greater flexibility of use.

4. **How this report links to Corporate Priorities**

- 4.1 Will support the priority outcome of 'good quality social housing provision' through corporate aim 1 - To help create a safer and healthier environment for our residents to live and work.
- 4.2 Will support in the delivery of corporate aim 3 to 'support economic development and regeneration'.

5. **Options and Analysis**

- 5.1 **Option 1 (recommended)** – respond to the consultation as recommended in this report and subject to any further suggestion by Councillors. This option would ensure that Council concerns and responses are considered by Government and inform the outcome.
- 5.2 **Option 2 (not recommended)** – do not respond to the consultation. This option would not enable the Council to inform the Government's conclusions.

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

No direct implications.

6.2 Workforce

No implications.

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

There are no financial considerations for the Council relating to the recommendations of this report.

6.5 Legal

The Council has powers under the Housing Acts in relating to the provision of affordable housing. A power of general competence is also available under section 1 of the Localism Act 2011, the exercise of which is subject to any prohibitions or restrictions that may exist.

Right to buy receipts must be applied in accordance with relevant legislation and guidance and particularly the Local Authority (Capital Finance and Accounting) (England) Regulations 2003 (as amended) and the terms of any agreement reached under the Local Government Act 2003 modifying the applicability of the regulations.

6.6 Sustainability

Properties built with Right to Buy funding would meet the appropriate HCA design standards and would be compliant with building regulations

6.7 Internal and External Consultation

In preparing the consultation response housing and finance officers have been consulted. Subject to approval, the Council's response to the consultation will be submitted to the Ministry of Housing, Communities and Local Government by the deadline date of the 9th October 2018.

7. **Background and Detail**

7.1 In 2012 the Council entered into a legal agreement with central Government that allowed the local authority to retain part of the receipts through the sale of council housing. These receipts are used to fund the provision of additional affordable housing (rented) at a maximum of 30% grants. If these receipts are not **spent** within a 3 year time period, they must be returned to central Government together with interest.

7.2 In 2016, Members approved that, in order to increase spending the receipts, the Council would work proactively with registered housing providers (RPs) to deliver the additional affordable units for rent. These would be over and above what are normally secured through Section 106 agreements and funding through the HE (Homes England). The grant agreement also allows an RP to use the 30% grant to purchase existing/new housing stock for affordable rent.

7.3 To date High peak have spent £478,904 of their receipts as follows:

- Octavia Gardens, Chapel - £58,665 1 additional unit purchased by Peaks and Plains.
- Thomas Fields Brown Edge Road, Buxton - £420,439 10 units of rented extra care accommodation.

7.4 The Council's right to buy receipt, as of June 2018 is £1,301.188. In order to spend this at a 30% grant, a capital spend of £4,337,293 by an RP is required.

7.5 A grant cap at 30% and enhanced level of funding through Homes England has made it difficult to spend the grant within the 3 year time period. The government consultation offers greater flexibility in level of funding, eligibility and repayment period.

Dai Lerner
Executive Director - Place

**Web Links and
Background Papers**

Location

Contact details

[Use of receipts from Right to Buy
sales – Consultation](#)

Electronic

Joanne Brooks

Electronic Regeneration files