



Religious Society of Friends (Quakers) in Britain

5 February 2016

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.
- 1.6. While guarantees of two for one replacements of housing stock would improve the Bill, it would be insufficient to change Right to Buy into a positive move. The government have not provided analysis to demonstrate that Right to Buy and the forced sale of high-value social housing would cover the cost of replacement. We are also deeply concerned that the amendment regarding two for one replacement refers to only London; this cannot be fair.

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

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. The late amendment in the House of Commons to change the definition of affordable to include starter homes worth up to £450,000 demonstrates that what is affordable is often out of the reach of many.
- 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 amendment to Clause 62^{iv}** 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.

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 62^v** which requires private housing providers selling a dwelling under the right to buy to spend "money equivalent to the market value (disregarding any discount) of the dwelling... on the provision of affordable housing in the same local authority area or London, including at least one new home replacing that sold which is— (a) of the same tenure, and b) located in the same local authority area or London borough, in accordance with assessed local housing need."
- 4.6. **We support the Kennedy-Beecham amendments to Clause 67** which allow for one-for-one local replacement^{vi}, prevent dwellings being defined as 'high value'" if the cost of its replacement on a like-for-like basis in the same local authority area exceeds the receipt of sale^{vii}, limits the proportion of authority properties which can be defined as "high value" to "10% of the total authority properties in the local housing authority area", and removes the power of defining "high value" from the Secretary of State, with local housing authorities in England defining "'high value' in its area' instead^{viii}.

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 supported an amendment in the House of Commons to Clause 57 which would have ensured 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. In the Bill before the House of Lords, this Clause has become Clause 63, and no similar amendment has been suggested. Therefore we support the announcement of Bakewell, Shipley, Greaves and Pinnock's **intention to oppose the Question that Clause 63 stand part of the Bill**
- 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 supported an amendment in the House of Commons to Clause 59^{ix} which would have ensured that homes sold under the right to buy remain as discounted housing in perpetuity. In the Bill before the House of Lords, this Clause has become part of Schedule 4. We therefore would support an amendment which would **insert a new clause after Clause 63** to this effect.
- 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 Beecham-Kennedy amendment to Clause 62^x** which prevents property sold under right to buy from being converted into buy to let dwellings for a period of ten years.

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. Therefore, we support the insertion of **the new Clause after Clause 65** which will ensure that there is a replacement identified for all housing associations dwellings sold under the right to buy^{xi}.

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.

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 supported an amendment in the House of Commons to Clause 58^{xii} 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. In the Bill before the House of Lords, this Clause has become **Clause 64 and we would support a similar amendment being put down.**

7.3. **We support the Kennedy-Beecham amendments to Clause 78** which would enable local authorities and social housing providers to take into account:

- the need to promote and encourage mixture of diverse people with different income levels in their housing stock when setting rent levels^{xiii}
- the need to ensure that rent levels should reflect local affordability^{xiv}
- the need to taper rent increases relating to higher income^{xv}

As well as providing:

- External valuation of high income rents^{xvi}
- a period of notice and transitional protection for those who would be charged a higher rent under high income local authority tenant regulations^{xvii}, and guarantees for those already holding a tenancy agreement that they will not be charged higher rents^{xviii}

7.4. We also **support the Kennedy amendment to Clause 78** which would ensure that: people aged over 65; people who have a registered disability; people on zero hours contracts; people with seasonal contracts of employment; households where one or more members is in receipt of employment and support allowance (ESA); where a household member is in receipt of care; where a member of the household is a carer for another household member; those living in supported housing; and households in receipt of housing benefit would not be charged a higher level of rent if they were classified as “a high income tenant of social housing in England”^{xix}

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 62, page 28, 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 62, Page 28, line 10, at end insert “(i) A grant made under subsection (2) must include a condition that, if the dwelling to which the grant is applied is sold under the right to buy, money equivalent to the market value (disregarding any discount) of the dwelling is spent by the private registered provider on the provision of affordable housing in the same local authority area or London, including at least one new home replacing that sold which is— (a) of the same tenure, and (b) located in the same local authority area or London borough, in accordance with assessed local housing need.”

^{vi} Clause 67, page 29, line 33, at end insert “which shall include— (i) the repayment of capital debt on any high value properties sold; and (ii) the cost of replacing any high value properties sold on a one-for one basis within the same local authority area.”

^{vii} Clause 67, page 30, line 11, at end insert “(10) 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 67, Page 30, line 8, leave out “define “high value”” and insert “require a local housing authority in England to define “high value” in its area” Page 30, line 9, at end insert “and this definition may not apply to more than 10% of the total authority properties in the local housing authority area”

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

^x Clause 62, Page 28, 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} After Clause 65, Insert the following new Clause— “Right to Buy: replacement dwellings A dwelling must not be sold under the right to buy without the housing association having first— (a) identified the dwelling that will become the replacement for the dwelling sold, where— (i) the replacement dwelling may be an existing dwelling or a planned new-build, (ii) the tenure of the replacement property is presumed to be the same as that of the dwelling sold under the right to buy, unless a different tenure can be justified on the basis of local needs, and (iii) the location of the replacement dwelling should be in the same local authority area as the dwelling sold; and (b) communicated the replacement plan to the Regulator.”

^{xii} House of Commons 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”.

^{xiii} Clause 78, page 34, line 14, at end insert—“(d) to take into account the need to promote socially cohesive and mixed communities.”

^{xiv} Clause 78, page 34, line 14, at end insert—“(d) take into account local affordability.”

^{xv} Clause 78, Page 34, line 14, at end insert— “() to be increased on a tapered system relating to income and level of rent charged”

^{xvi} Clause 78, Page 34, line 17, at end insert— “() The Secretary of State must make regulations to provide for the external valuation of high income rents.”

^{xvii} Clause 78, Page 34, line 17, at end insert— “() Any regulations made by the Secretary of State under this section must include provisions for— (a) a notice period of one year before the new rent becomes payable; and (b) transitional protection and arrangements as the tenant moves to the higher rent.”

^{xviii} Clause 78, Page 34, line 22, at end insert— “(6) All provisions in this section shall only apply to new tenancies commenced after 30 April 2017 and where the tenant has been provided with a new tenancy agreement.”

^{xix} Clause 78, page 34, line 10, at end insert— “(1A) Any regulations made by the Secretary of State shall not apply— (a) to people aged over 65; (b) to people who have a registered disability; (c) to people on zero hours contracts; (d) to people with seasonal contracts of employment; (e) to households where one or more members is in receipt of employment and support allowance (ESA); (f) where a household member is in receipt of care; (g) where a member of the household is a carer for another household member; (h) to those living in supported housing; (i) to households in receipt of housing benefit.”