

Annex B: Consultation response proforma

If you are responding by email or in writing, please reply using this questionnaire proforma, which should be read alongside the consultation document. If you are completing the form online you are able to expand the comments box should you need more space.

Your Details (Required fields are indicated with an asterix(*))

Family Name (Surname)*	
First Name*	
Title	
Address	
City/Town*	
Postal Code*	
Telephone Number	
Email Address*	

Are the views expressed on this consultation your own personal views or an official response from an organisation you represent?* (please tick as appropriate)

Personal View

Organisational Response

Name of Organisation (if applicable)

SOLIHULL COUNCIL

If you are responding on behalf of an organisation, please tick the box which best describes your organisation.

Local Authority (including National Parks, Broads Authority, the Greater London Authority and London Boroughs)

Neighbourhood Planning Body/Parish or Town Council

Private Sector organisation (including housebuilders, housing associations, businesses, consultants)

Trade Association /Interest Group/Voluntary or Charitable organisation

Other (Please specify)

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Options for reforming the rules around the use of Right to Buy receipts

Timeframe for spending Right to Buy receipts

Question 1:

We would welcome your views on extending the time limit for spending Right to Buy receipts from three years to five years for existing receipts but keeping the three year deadline for future receipts.

Please enter your comments here

Solihull has an agreed plan for using its existing Right to Buy receipts within the three year timescale so this proposal does not significantly affect us. In general however the proposed extension to five years for existing receipts is welcome.

The Council is supportive of retaining the three year deadline. The wider flexibility in the use of receipts should mean that they are not left unspent.

Cap on expenditure per replacement unit

Question 2:

We would welcome your views on allowing flexibility around the 30% cap in the circumstances set out in the consultation paper, and whether there are any additional circumstances where flexibility should be considered.

Please enter your comments here

Solihull welcomes both the increase to 50% and the ability to combine this with Homes England capital grant. This can be a significant help in devising capital budgets for new housing.

With regard to paragraph 16 b) clarity should be provided as to what is expected of authorities to ‘..demonstrate a need for social rent..’

Use of receipts for acquisition

Question 3:

We would welcome your views on restricting the use of Right to Buy receipts on the acquisition of property and whether this should be implemented through a price cap per unit based on average build costs.

Please enter your comments here

It is unclear in the consultation whether 'acquisition' is the purchase price only or if it includes costs to bring the property to a Decent Homes Standard (or other suitable standard). This needs clarification.

Solihull is a comparatively high value area in the Homes England operating area. Option a) is therefore likely to adversely affect our ability to do acquisitions which are a small but important component of our overall approach.

The Council's preference is not to restrict the use of receipts for acquisition. Such an approach is more in keeping with the overall approach of this consultation. In making acquisitions now, authorities have to satisfy their own value for money tests and be accountable for these. The Council's judgement is that the flexibility proposals elsewhere in the consultation will in any case result in fewer acquisitions being made.

Tenure of replacement home

Question 4:

We would welcome your views on allowing local authorities to use Right to Buy receipts for shared ownership units as well as units for affordable and social rent.

Please enter your comments here

This flexibility is welcome in principal. Solihull's acute housing needs is likely to mean that Right to Buy receipts will be used to reprovide social rented housing, however they may be circumstances where authorities find it beneficial to have this flexibility. This can then be a matter for individual local authority decision and accountability.

If receipts are to be allowed for shared ownership, the final rules should make it clear on whether an authority can acquire an existing property to then reprovide it on shared ownership terms.

Changing the way the cost of land is treated

Question 5A:

We would welcome your views on allowing the transfer of land from a local authority's General Fund to their Housing Revenue Account at zero cost.

Please enter your comments here

The Council does not support the concept of allowing a transfer of land from the General Fund to the Housing Revenue Account at zero cost. This would result in Council Tax funders subsidising Housing Rent payers and have a material impact on the ring-fencing concept that is currently in place. The Council believes it is only right and proper for the General Fund to be compensated for any loss incurred.

A preferred option would be for the value of the transfer to not count against the HRA borrowing cap or for the borrowing cap to be increased by the value of the transfer. This would mean that the General Fund would be appropriately compensated but within the HRA, the transfer would not reduce the capacity to borrow to fund other HRA capital spend. We are happy for the HRA to pay its fair share of costs. It is more borrowing capacity that we need.

Question 5B:

We would also welcome your views on how many years land should have been held by the local authority before it can be transferred at zero cost, and whether this should apply to land with derelict buildings as well as vacant land.

Please enter your comments here

Please see response to Question 5A.

Transferring receipts to a Housing Company or Arm's-Length Management Organisation (ALMO)**Question 6:**

We would welcome your views on whether there are any circumstances where housing companies or Arm's-Length Management Organisations should be allowed to use Right to Buy receipts.

Please enter your comments here

The Council has an Arms Length Management Organisation. It does not have, nor does it intend to establish, a housing company.

We do not think that it should be possible to transfer receipts outside of the HRA nor do we see any circumstances where this would be appropriate.

Temporary suspension of interest payments

Question 7:

We would welcome your views on allowing a short period of time (three months) during which local authorities could return receipts without added interest.

Please enter your comments here

This flexibility is welcome but not significant for Solihull.

The additional flexibility offered, most notably in Question 2, should mean that authorities do not require such a safety net.

Other comments

Question 8:

Do you have any other comments to make on the use of Right to Buy receipts and ways to make it easier for local authorities to deliver replacement housing?

Please enter your comments here

Right to Buy receipts should be seen as one source of local authority capital to enable the provision of affordable (and social rented in particular) housing.

Solihull would therefore like to see it being used with the maximum flexibility with all other HRA capital, 'section 106' and Homes England grant. The emphasis must be on maximising flexibilities for delivery over existing concerns relating to such things as 'double counting'.

Receipts should be able to be used to assist with land purchase where this enables new affordable development to come forward and to help toward the purchase of affordable housing secured through section 106 agreement.

Reforming the replacement commitment

Question 9:

Should the Government focus be on a wider measurement of the net increase in the supply of all social and affordable housing instead of the current measurement of additional homes sold and replaced under the Right to Buy? If the target were to change, we would welcome your views on what is the best alternative way to measure the effects of Government policies on the stock of affordable housing.

Please enter your comments here

The Council thinks that the target should be wider to look at the net increase in social and affordable supply and this would be consistent with the response to Question 8.

In any new measurement it is important to separately distinguish between social rented, affordable rented and shared ownership provision.

Consideration should be given to measuring the size of replacement supply (in terms of the number of bedrooms) but the cost might outweigh the benefit.