

Equality, Local Government and Communities Committee

Abolition of the Right to Buy and Associated Rights (Wales) Bill

Key statistics

Total number of participants: 33

Location of participants: Pembrokeshire, Carmarthenshire, Ceredigion, Caerphilly, Rhondda Cynon Taf, Swansea, Cardiff, Vale of Glamorgan, Ynys Môn, Conwy, Flintshire, Denbighshire, Wrexham.

TPAS West Wales Tenants Network

Number of participants: 9

Residence of participants: Pembrokeshire (4), Carmarthenshire (3), Ceredigion (1), Observer (1), Staff (2)

What do people know about RTB/RTA?

- What are the positives? (e.g. access to home ownership)
- What are the negatives? (e.g. impact on the wider community, loss of social housing stock, properties ending up in the PRS, better homes in nicer areas have been sold)

The majority of participants felt that rents paid through social housing and HA properties should not be used to subsidise other tenants desire to purchase, when properties could be better utilised for housing those in need (particularly those who are in poverty and those who find themselves homeless): "*social housing should be social housing*". In addition to depleting the housing stock, the subsidisation of the schemes "takes away an opportunity for someone to have somewhere to live".

Participants from **Carmarthenshire** explained that the introduction of the schemes saw the selling of larger 3 – 4 bedroom properties that are still in shortage now. One participant explained how some of these 3 – 4 bedroom properties, although initially



purchased by those eligible to apply for the schemes, are owned by private landlords and can be purchased on the market at +£300,000.

None of the participants had exercised their rights to acquire or buy, but one participant drew on the experiences of neighbours on her estate. All of but one of the properties were still owned by the original tenants – the remainder now in private landlords hands.

The group discussed the initial policy and thought–process behind the introduction of the **schemes**. The theory of proposing to build two new social housing units for each social house purchased or acquired was good – but that it didn't happen in practice. Many local authorities were unable to build further properties, and many participants questions where the funds from these sales were used.

All of the participants acknowledged the squeeze that people now feel in trying to access the housing market and improving the social housing stock. Schemes such as Help to Buy require prospective applicants to be earning a minimum of £15,000 a year to qualify, and "affordable housing" retails at around £165,000. One participant stated: "*Affordable to whom?*". The average annual salary in some areas is less than the minimum to qualify and as such, some of the participants discussed the lack of awareness such schemes have of the communities they're intended to support.

- **Have tenants been consulted sufficiently on these proposals? (Welsh Tenants and TPAS responded to the consultation on the white paper in 2015 and said there hadn't been long enough to properly engage with tenants)**

Participants did not feel that they have been sufficiently consulted on these proposals. All landlords then were required to share the consultation questionnaire with tenants, but many didn't receive it. Participants also explained that, rather than facilitating public meetings on estates etc. the Welsh Government utilised opportunities that had already been planned in the community in order to engage with tenants: "They could have held a tea on the green – it wasn't specific".



Views on suspending the RTB and RTA

- Is the suspension of RTB/RTA preferable to abolition? (will it give councils and housing associations long enough to improve the supply of new homes?)
- Should suspensions be given a chance to have an impact? (the first suspension only happened a couple of years ago)

"*Suspension is better than nothing*" expressed on participant, but many didn't feel that suspension was preferable to abolition, as if it was, (and housing a priority), areas where there had been suspensions would have prioritised and practiced the theory behind the schemes in the first instance: replenishing the housing stock twice over with each purchase. **Carmarthenshire** participants explained that only now has the LA been permitted to build 30 new bungalows, and it was one of the first to suspend and needed Welsh Government permission to do so.

One participant (**Ceredigion**) queried the process of monitoring the impact of suspension now and how successful it has been. **Stock is slowly replenishing but not at the rate that is needed in order to begin having an impact.** Participants expressed that this rate is certainly not quick enough in rural Wales.

Pembrokeshire and **Ceredigion** participants explained that the majority of social housing lost to the PRS were lost to student housing and tourism / holiday rentals for business profit: "*It happens quite often*". These now privately owned properties (sometimes within estates which were wholly LA / HA owned) can be in worse condition aesthetically, and tenants/owners don't have to conform in the same way current LA / HA tenants do.

- **Should tenants in areas where RTB/RTA have been suspended have another chance to buy their home before these schemes are abolished?**

Participants acknowledged that special consideration needed to be paid for those tenants living in areas of suspension.

Carmarthenshire participants explained that when suspension was introduced, tenants were given an opportunity to put forward applications for their Right to Buy / Acquire to sit on a **waiting list** (i.e. in anticipation of the suspension lifting). **They queried what would happen to them, if all other eligible tenants were offered another chance to buy**



their properties? By what degree would this list increase and who would be prioritised? Did any other areas where suspension took place provide the same space for tenants to wait? If all are given their equal rights to exercise, by what extent would stocks deplete?

Some participants discussed a potential "rush" to purchase, and some felt that **restrictive covenants** should be put in place to ensure that selling on to the PRS didn't happen after the five-year timeframe and that the restriction didn't apply for the first sale only. Another participant also expressed her desire to see a primary residence clause included in this.

One participant (**Pembrokeshire**) also expressed the need to change all tenant contracts once the change happens (in line with the Renting Homes Act) so there are no references to the rights in contracts. The participant also went on to explain the need for the Bill to be clearer in illustrating that it would only apply to R2B / R2A properties, not all properties (adapted homes for example).

Abolishing RTB/RTA

- **Should these schemes be abolished and why?**

Eight of the nine participants welcomed the proposals put forward in the draft Bill.

One participant (Ceredigion) expressed their concerns that the abolition of the right to buy and associated rights removed the choice tenants possessed in having the opportunity to own or rent their properties, and it "*helped young families get on the housing market without having to uproot*". They expressed that many tenants in the long-term invest a lot of time and finances in making their properties "home" and the Right to Buy and Acquire Schemes provided them with a choice.

- **How much notice should be given before they are abolished? (there will be 12 months' notice for most tenants)**

Participants felt that 12 months was not enough notice, and explained that more time needed to be spent engaging with tenants meaningfully.



- **Is it appropriate that a shorter notice period applies to newly-let/built housing? (this will take effect two months after Royal Assent)**

One participant felt that this could be slightly longer, but explained that builders of newly built housing provide a **12 month guarantee on the property after handing over** and that HAs have a 10 year guarantee – did this pass on to the tenant who make the purchase? Another participant queried how the direct engagement with tenants and the obligation to share information on the proposed changes would be done in this timeframe.

- **How should tenants be informed of the changes? (are tenants confident that their landlords will convey the information to all tenants)**

Participants were shown the **draft version of the information** document which is intended to be sent to relevant landlords and tenants, if the Bill was to be passed by the Assembly.

One participant noted that **all of the further information available in the document was online** only: "*Why aren't there any campaigns on this going on now on the television or radio?*" Participants expressed their **concerns** of the **closing communal points in the community** (like libraries) and the lack of facilities available for people to begin to search for this information: "*...everything requires access to social media and the net now...anything that happens now quotes a www. resource...people will be uniformed*". Others within the group went on to share their ideas of using community vans and parking up in estates for a few hours in order to have a presence in the community if people needed to discuss.

Of **greater concern** by the participants, was the process by which landlords and LAs / HAs would be require to send the information directly to tenants: "*Some people are too scared to engage with them – people have a genuine fear of them. If you get a letter from the council or a text from the landlord asking to pop-round the first thing you'll think is: Am I being evicted? What have I done wrong? People are afraid*".



One participant expressed how **formal meetings were in decline within the community**, and getting new tenants to join existing networks was a challenge. As such, he proposed the need to test and adopt **different approaches**. The participant also elaborated on a Tenant Profiling Exercise carried out by the Welsh Government a few years ago. Landlords, LAs and HAs were required to send out the profiling questionnaire to tenants. This was done through the post, and received an initial 25% return. Unsatisfied with the return, those tasked were required to send out staff (with one area hiring up to 80 staff) to go out and engage face-to-face with communities. The result saw an 87% return on completed profiling questionnaires: "*There is still only one way to get to tenants... There is still room for one-to-one. You can use social media for the young people as well as traditional media but resources to deliver need to be made available*". To work longer term and for continued engagement, the participant felt that areas or estates should have community champions – from those communities and not employed or run meetings by LA / HA staff.



TPAS South Wales Tenants Network

Number of participants: 12

Residence of participants: Cardiff (4), Caerphilly (3), Vale of Glamorgan (1), Rhondda Cynon Taf (1), Swansea (2), Carmarthenshire (1)

What do people know about RTB/RTA?

- What are the positives? (e.g. access to home ownership)
- What are the negatives? (e.g. impact on the wider community, loss of social housing stock, properties ending up in the PRS, better homes in nicer areas have been sold)

All of the participants who took part in the session **welcomed the Bill**.

In terms of **positives**, participants agreed that on introduction, the rights helped tenants get on the property ladder, but that this was **counteracted** by the fact that the **funds** were then never used to rebuild from the Treasury. This, it was felt, was the cause of so many properties being in the **private rented sector**: *“social housing was set up for working class families. All Right to Buy has done is put it back in the private rented sector, and its housing benefits that pay for it”*.

Some participants felt that because the funds didn't go back into social housing, and properties were sold to the private rented sector, it has created a **“transient population”** within communities: encouraging community dispersal and fragmentation. **This wasn't necessarily a bad thing**, but it was felt that it made community cohesion difficult when some houses on estates are social and others privately-owned and not subject to tenancy rules.

The group discussed the apathy amongst tenants, and that most don't care or **don't know that they even have the rights to exercise**.

One participant explained that he knew of some citizens who had exercised their Rights to Buy, and felt that there wasn't a concerted effort to explain to them that it wasn't always in their best interest to do so: *“It was a great benefit for them to own but they had to make their own maintenance payments. This wasn't explained to people”*.



- **Have tenants been consulted sufficiently on these proposals? (Welsh Tenants and TPAS responded to the consultation on the white paper in 2015 and said there hadn't been long enough to properly engage with tenants)**

Participants felt that if tenants were involved in some way in the tenant movement, they would have at least heard about the proposals. However, for other tenants, they weren't aware whatsoever of the consultation.

Views on suspending the RTB and RTA

- **Is the suspension of RTB/RTA preferable to abolition? (will it give councils and housing associations long enough to improve the supply of new homes?)**
- **Should suspensions be given a chance to have an impact? (the first suspension only happened a couple of years ago)**

"Suspension is good, but a 5 year suspension isn't long enough to improve the supply. From applying for planning to moving-in, you're talking about more than 5 years" expressed one participant. Some participants also felt that suspension should've happened across Wales for **uniformity**, as a way of making Welsh housing policy better.

- **Should tenants in areas where RTB/RTA have been suspended have another chance to buy their home before these schemes are abolished?**

Participants felt that it wasn't fair that those in areas of suspension did not have the same Rights and that this "*divides the country and communities - we need to be uniting communities*". As such, they felt that **everyone should have the same rights, or every local authority should suspend before abolition takes place.**

Abolishing RTB/RTA

- **Should these schemes be abolished and why?**

All participants welcomed the proposals put forward in the draft Bill. One participant noted how the Cabinet Secretary's commitment to building 20,000 new homes over the next five years could see them being sold on faster than they were being built by the grace given in the 12 months' notice to exercise following Royal Assent.



- **How much notice should be given before they are abolished? (there will be 12 months' notice for most tenants)**

Participants felt that 12 months' notice would give rise to a potential “**mad rush**” to buy: “It’s been a tenants right for over 30 years...why now? Just because you were given the Right to Buy doesn’t make it morally right that you can buy social housing and take from another”.

- **Is it appropriate that a shorter notice period applies to newly-let/built housing? (this will take effect two months after Royal Assent)**

The group felt that the less time of notice this properties had the better.

- **How should tenants be informed of the changes? (are tenants confident that their landlords will convey the information to all tenants)**

Participants were shown the **draft version of the information** document which is intended to be sent to relevant landlords and tenants, if the Bill was to be passed by the Assembly.

The group agreed that any concerted effort to engage should be **multi-platform** and **face-to-face** to **mitigate any fear tenants might have in misinterpreting circulars**: “...*people might read and think that they’re losing their homes or being evicted*”. Another participant expressed: “*The Welsh Government is doing this...you need to give people the respect of being spoken to*”.

Participants also felt that social events in the community would also alleviate any concerns.



TPAS North Wales Tenants Network

Number of participants: 12

Residence of participants: Wrexham (2), Flintshire (3), Conwy (3), Anglesey (3), Denbighshire (1)

What do people know about RTB/RTA?

- What are the positives? (e.g. access to home ownership)
- What are the negatives? (e.g. impact on the wider community, loss of social housing stock, properties ending up in the PRS, better homes in nicer areas have been sold)

Eight of the participants **welcomed** the **Bill**. In principle and on introduction, the group thought the policy was a good one, but that it was never monitored.

The **positives** were the access to home ownership, and the prospect of further social housing being built from the funds raised from sales. Of course, this did not happen.

Two participants were vocal about **not welcoming the Bill**, stating that it was: “...*the only option to be able to buy a house*”. Participants felt that long standing tenants with a Right to Buy should be able to retain that right they wished, but also queried why the funds raised weren't used to re-build stock. A second participant **supported the Right to Buy in principle**, and thought it was a “good idea”, but having nearly found themselves homeless, appreciated that social housing should be used for those most in need.

In terms of **negatives**, the **stock depleted** and most properties are now found in the private rented sector. Some participants also felt that Housing Associations should stop providing homes for those who could afford to. The **introduction of the bedroom tax** has also had an impact on the availability of suitable social housing stock. Participants felt that current stock will at least be preserved if the Right to Buy / Acquire was abolished.

Some participants felt that “*Welsh Government needed to change its thinking*” in terms of what they mean by “affordable homes” and “social housing”. One participant elaborated on a 36 home build taking place in Queensferry – ½ are being put up for sale, 1/3 for Housing Associations and just 7 for social housing stock. The group felt



that whilst development was happening, not enough was being used to replenish stock.

- **Have tenants been consulted sufficiently on these proposals? (Welsh Tenants and TPAS responded to the consultation on the white paper in 2015 and said there hadn't been long enough to properly engage with tenants)**

Participants **didn't feel that they had been sufficiently consulted** on these proposals, and that they had not been involved in any discussions.

Views on suspending the RTB and RTA

- **Is the suspension of RTB/RTA preferable to abolition? (will it give councils and housing associations long enough to improve the supply of new homes?)**
- **Should suspensions be given a chance to have an impact? (the first suspension only happened a couple of years ago)**
- **Should tenants in areas where RTB/RTA have been suspended have another chance to buy their home before these schemes are abolished?**

When discussing the **definition of suspension**, and the Bill proposals, **five of the participants changed their minds on their initial views of being pro-abolition**. It was felt that re-instatement of the Right to Buy following a suspension would be preferable to complete abolition – this would enable housing stock to adequately replenish. They were also, however, cautious in stating that if this was the case, funds would have to be used to replenish when the Rights would be reinstated: *"...you'd need to do it right this time"*.

The remaining three participants who remained pro-abolition, they questioned how suspension would be effective in preserving housing stock in the long term.

Participants **generally felt that tenants in areas where RTB/RTA have been suspended should have another chance to buy their home before these schemes are abolished**.



Abolishing RTB/RTA

- Should these schemes be abolished and why?

By this point of the discussions, participants were equally for and against the schemes being abolished.

Some participants didn't have a choice but to enter the private rented sector because of the lack of social housing and their status of "*not being priority*". Another participant stated: "*My conscious wouldn't let me by my social housing home*".

- How much notice should be given before they are abolished? (there will be 12 months' notice for most tenants)

One participant felt that the length of time wasn't long enough for people to decide to exercise their Right to Buy, but would be enough time to protect stock. A second participant felt that 12 months was "too long", whilst others felt that it was sufficient.

- Is it appropriate that a shorter notice period applies to newly-let/built housing? (this will take effect two months after Royal Assent)

The group felt that this time frame could be extended slightly in order to give tenants an opportunity to decide. Participants felt that clauses should be included in contracts to impose restrictive covenants that will ensure that if tenant does buy but wants to move on, that it is sold back to the stock.

- How should tenants be informed of the changes? (are tenants confident that their landlords will convey the information to all tenants)

Participants were shown the draft version of the information document which is intended to be sent to relevant landlords and tenants, if the Bill was to be passed by the Assembly.

Participants agreed that any campaign to inform tenants of the changes should take place offline and online, utilising radio, news and television advertisements. One



participant felt that **no acronyms** should be used in the document, and that everything should be spelt out properly.

Rural participant felt that are neglected in terms of consultation and didn't feel that "they were able to take part". Information about the difference between suspension and abolition in some areas should also be made clearer in the draft document.



Equality, Local Government and Communities Committee

Abolition of the Right to Buy and Associated Rights (Wales) Bill

Ynys Môn County Council Tenant Participation Group

Number of participants: 12

Residence of participants: Ynys Môn / Anglesey

What do people know about RTB/RTA?

- What are the positives? (e.g. access to home ownership)
- What are the negatives? (e.g. impact on the wider community, loss of social housing stock, properties ending up in the PRS, better homes in nicer areas have been sold)

In terms of **positives**, tenants felt that the Right to Buy enabled tenants to purchase properties, but that it inevitably depleted stocks: “*council housing should be for those in need*”.

Participants **agreed with the suspension** to the Right to Buy, but that abolition was better. Initially, tenants blamed the council for the depletion (given the purchase rule to build two extra houses for each sale) but realised that the funds were all given back to the treasury. Tenants felt that the cost of the sale did not equate financially to the building of two extra properties. Many participants were concerned of the effects the policy would have on young people who aren't in a position to buy properties and access council housing as they “won't meet the criteria”: “they have to be tenants for at least five years”. The current programme in place is to build 195 new homes over the next four years but it is still a fraction of what has been sold off.

In terms of **negatives**, participants felt that **social housing was in need now more than ever** when you considered the amount of people on the island that work 0 hour contracts and as such, can't qualify for a mortgage or Help to Buy: “Anglesey has very low wage salaries”. On average, **islanders earn £14,000 a year, which is less than what is needed to access affordable housing.**



All 12 participants as such welcomed the Bill and its proposals.

Of homes purchased under the scheme, the majority of them can now be found in the private rented sector when rents are “*extortionate*”. This also has an effect on accessing supported accommodation.

One tenant expressed their mother’s experience of exercising her Right to Buy, having lived in the property for over 20 years with the intention of leaving the property to her children. They felt that this was a different situation, and in a sense, supported some of their favour for the Right to Buy: “*we would need to be clear that if there’s a chance that house would be sold it would go back to the council, or it would go to the next of kin*”.

Tenants felt that if this **caveat / restrictive covenant** was included in the exercise of the Right to Buy, people would welcome the idea. The policy, it was felt, has become more about “making money” than people want to stay and purchase the home where they live.

- **Have tenants been consulted sufficiently on these proposals? (Welsh Tenants and TPAS responded to the consultation on the white paper in 2015 and said there hadn’t been long enough to properly engage with tenants)**

Participants felt that they had been **consulted** on the island’s proposals to suspend. One participant explained how they had engaged with tenants across the island, including secondary schools.



Views on suspending the RTB and RTA

- Is the suspension of RTB/RTA preferable to abolition? (will it give councils and housing associations long enough to improve the supply of new homes?)
- Should suspensions be given a chance to have an impact? (the first suspension only happened a couple of years ago)
- Should tenants in areas where RTB/RTA have been suspended have another chance to buy their home before these schemes are abolished?

Participants felt that for the length of time the suspension has been in place it has “*worked*” / helped start rebuilding the stock. One participant did suggest **extending the suspension to 10 years** (as opposed to five) but that that was still no guarantee of stock recovery. The Right to Buy has, in some participants views, created “*mixed estates*” of social and private housing that has **impacted community dynamics**.

The group discussed the current **Wylfa B project**. They are already seeing that private landlords are trying to “make money” from workers, and there was serious concern that this would impact social housing. Some participants felt that there was a risk in bringing the Bill now as some tenants might decide to exercise their Right to Buy but simply use the property to then rent out to workers of the Wylfa B project.

All of the participants **agreed with suspension in principle**, but 8 of the 12 participants would welcome the abolition immediately. One participant explained that they were currently in a position to buy, having gained a full-time job, but that the suspension stopped them from purchasing their home and they would want to stay there.



Abolishing RTB/RTA

- Should these schemes be abolished and why?
- How much notice should be given before they are abolished? (there will be 12 months' notice for most tenants)
- Is it appropriate that a shorter notice period applies to newly-let/built housing? (this will take effect two months after Royal Assent)
- How should tenants be informed of the changes? (are tenants confident that their landlords will convey the information to all tenants)

Participants generally felt that the **schemes should be abolished**, but still welcomed the suspension. They felt they were very well supported by the Council, with one participant claiming that in terms of the quality of social housing, they've "*never seen a bad one*", as opposed to the private rented sector where some are in a "terrible state". Council representatives explained how they **wanted to provide more support for young people**, and with changes, develop more social housing suitable for younger people – especially with benefit rights changing. The waiting list for social housing on the island goes up by around 20 people per week.

Participants did feel that they were consulted, but that many people who are elected into public office "*don't understand life on a daily basis*". There is some representation at council level, but this focus group opportunity was the first time they have had engagement with politicians at this level, and they welcomed it.

The **majority of participants felt that the 12 month window of opportunity to exercise the Right to Buy was unnecessary**, and that when the Bill is passed, it should take effect immediately.

