

Social Housing Update: Written statement - HCWS614

WS **Ministry of Housing, Communities and Local Government**

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Commons **HCWS614**

Social Housing Update

Nearly 2 million households have been helped to realise aspirations to own their homes through the Right to Buy since 1980. The Right to Buy gives more people the opportunity to own their home, improves social mobility and provides greater financial security. It brings the benefits of home ownership to those who would otherwise not have the opportunity.

In 2012 the Right to Buy scheme was reinvigorated and the maximum discounts were increased to realistic levels. Of the 90,730 sales since April 2010, 83,272 were under the reinvigorated scheme demonstrating there is a continued substantial demand for the Right to Buy.

Our record on the provision of affordable housing is a strong one with over 357,000 affordable homes delivered since 2010. This included 257,000 homes for rent. Whilst 69,000 local authority homes have been sold since 2010, there have been 127,000 new homes provided for social rent during the same period.

The Government is committed to a step change in council house building. However, statistics released today show that while the number of homes available for social rent has increased, some local authorities have not been building enough Right to Buy replacements to match the pace of their sales. It is clear that local authorities need to increase their rate of delivery of new homes.

Helping to support this, the Chancellor announced in the Autumn Budget that we will raise the Housing Revenue Account borrowing cap by a total of up to £1 billion in areas of high affordability pressure for local authorities who are ready to start building new homes. This will offer local authorities in such areas the opportunity to increase council house building to meet the needs of local communities.

Additionally, local authorities are able to bid alongside housing associations, or in partnership with them, for £9 billion Affordable Homes Programme grant funding (2016-21) to deliver a wide range of affordable homes. This includes £2 billion of additional funding announced at Autumn Budget to deliver affordable housing with funding also being made available for social rent in areas of acute affordability pressure. Alongside these programmes, we have also announced that local authorities and housing associations will be able to increase rents by up to CPI +1% from 2020. This will provide a stable investment environment to deliver new affordable homes.

In the Spring Statement we also announced a £1.67bn funding package for London, to build 26,000 more affordable homes that the capital desperately needs. This deal, as part of the government's commitment to actively boost affordable housing supply, will overall see 116,000 more affordable homes in London and bring the total funding for affordable housing in London to £4.8bn. This move is a key part of supporting councils and housing associations in the city to build more homes at rents that are affordable to local people. This additional funding was granted on the condition that some of it will be used to deliver high quality homes for social rent. This will be in addition to continuing to deliver homes for London Affordable Rent, flexible shared ownership and rent to buy. At least two thirds of the homes built with this additional funding must be for rent.

As well as increasing investment in new social housing, we remain committed to the Right to Buy, helping people into home ownership and replacing the homes

sold. This year we will be rolling out a pilot of the Right to Buy for Housing Association tenants in the Midlands. We have engaged with local authorities to get a better understanding of the barriers to delivering new homes. To help councils build more homes, we believe there is a case for greater flexibility on the use of receipts from Right to Buy sales. We will consult further with the sector on providing greater flexibility around how local authorities can use their Right to Buy receipts, and how to ensure that we continue to support local authorities to build more council homes. We will consider social housing issues as part of our work on the forthcoming Green Paper.

This statement has also been made in the House of Lords: **HLWS594**