

Open letter to Kate Henderson, Chief Executive, National Housing Federation.

10th December 2018

Dear Kate,

I enjoyed reading your article in this month's issue of *Social Housing*. Future Housing Review has been campaigning against the Right to Buy extension since 2015. You do not mention Right to Buy in your article, although, if the extension is implemented, it will have a huge impact on the future of housing associations. Perhaps I might recapitulate on a few major points:

- The extension to the Right to Buy is exclusively a Conservative party policy, which is set out in the party's 2015 manifesto.
- When the policy was first announced, your predecessor, David Orr, was resolutely against. However, within the space of a few months, he changed his position completely and pushed through a vote of your members, led by the larger associations, to go along with the policy.
- This means that in effect the National Housing Federation members are delivering on 2015 manifesto promises exclusively for and on behalf of the Conservative party and, arguably, the only other interested stakeholders, i.e. their tenants who stand to make substantial profits at taxpayers' expense by taking cash to remove their home from social housing stock.
- In 2016 the Public Accounts Committee concluded that that the policy had not been properly costed, that it is open to abuse and may make the housing crisis worse.
- Right to Buy has now been abolished in Scotland and in Wales.
- In 2018, CIH determined in its report *Rethinking Social Housing* that a package of measures to increase housing supply should include suspending the Right to Buy.
- The *2018 UK Housing Review Briefing Paper* (published by CIH) questions the cost of the Right to Buy scheme, concluding that 'Quite apart from the issues about RTB replacements, [the] level of discounts and the losses they involve are hard to square with the notion of a government trying to maximise value for money within tight fiscal constraints.'

Now that the West Midlands pilot is up and running, it is a pivotal moment for the Federation to reconsider its role in the implementation of this policy. I would therefore urge you to consider the following courses of action. Given the change in the social-housing landscape since 2015, the Federation should re-ballot its members to see if they still support a voluntary agreement. If they do, the Federation should press government for an impact assessment, together with funding and risk data for the policy. Once this is available, a full consultation on the policy should be undertaken before the scheme is rolled out nationwide.

That such an important policy has been adopted without legislation is, to my mind, one of the singular failings of social housing policy in recent years. That it impacts adversely upon the supply of social housing is without doubt and I find it unthinkable that your members are blithely going along with the policy, when they could improve supply of social housing at a stroke by withdrawing from the voluntary agreement.

If I might paraphrase comments which you made in the context of the Starter Home policy: 'How will this policy help meet the housing needs of everyone in Britain? How will this policy help all those homeless families currently living in bed and breakfast accommodation? How will this policy help the 1.4 million households currently on the social housing waiting list?' Need I say more?

I hope that you will agree with me that the Right to Buy extension does nothing for social housing and the Federation is in a unique position to do something about a fundamentally flawed policy. In short, if the Federation is to be socially driven and not driven by the Conservative party, it needs to look very carefully before supporting the Government in any plans to roll out the Right to Buy extension and consider how social aims of the sector are best served.

Please feel free to contact me should you wish to discuss any of the above.

Best wishes



Nigel Turner
MBA LLB (Hons) Dip Proj Man RICS Solicitor
Director

cc Luke Cross, *Social Housing*; Pete Apps, *Inside Housing*; Peter Walker, *The Guardian*.

