

Appendices for Affordable Housing
Proof of Evidence of James Stacey
BA (Hons) DipTP MRTPI

Nutfield Green Park, Nutfield, Surrey

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Outline planning permission for the development of the site for new homes (Use Class C3) and Integrated Retirement Community (Use Classes C2, E(e), F2), creation of new access, landscaping and associated works to facilitate the development, in phases which are severable (Outline with all matters reserved, except for Access).

Nutfield Green Park, Nutfield, Surrey

For and on behalf of Nutfield Park (Developments) Ltd

February 2026

PINS REF: APP/M3645/W/25/3374913

LPA REF: TA/2023/1281

OUR REF: M25/1205-01.RPT

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Appendices

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Appendix JS1

Freedom of Information Correspondence (5 August, 21
November 2025, and 24 November 2025)

Freedom of Information Request 00239332

Housing Register

1. The total number of households on the Council's Housing Register on 31 March 2025.
1,956.
2. The average waiting times on 31 March 2025 for the following types of affordable property across the Authority:
Specific information on whether advertised properties were let at affordable rent or social rent is not held by the Council. Therefore, the figures below include properties let at both social and affordable rents.
 - a. 1-bed affordable dwelling;
10% of 1-bed properties let during 2024/25 were allocated to applicants in Band A of the Council's Housing Register. The average waiting time in this band was 484 days.
38% of 1-bed properties let during 2024/25 were allocated to applicants in Band B. The average waiting time in this band was 402 days.
39% of 1-bed properties let during 2024/25 were allocated to applicants in Band C. The average waiting time in this band was 991 days.
2% of 1-bed properties let during 2024/25 were allocated to applicants in Band D. The average waiting time in this band was 660 days.
2% of 1-bed properties let during 2024/25 were allocated to applicants in Band E. The average waiting time in this band was 378 days.
 - b. 2-bed affordable dwelling;
2% of 2-bed properties let during 2024/25 were allocated to applicants in Band A of the Council's Housing Register. The average waiting time in this band was 448 days.
96% of 2-bed properties let during 2024/25 were allocated to applicants in Band B. The average waiting time in this band was 807 days.
2% of 2-bed properties let during 2024/25 were allocated to applicants in Band C. The average waiting time in this band was 237 days.
 - c. 3-bed affordable dwelling; and
5% of 3-bed properties let during 2024/25 were allocated to applicants in Band A of the Council's Housing Register. The average waiting time in this band was 19 days.
95% of 3-bed properties let during 2024/25 were allocated to applicants in Band B. The average waiting time in this band was 1459 days.
 - d. A 4+ bed affordable dwelling.
No 4+ bedroom properties were let during 2024/25.
3. The average waiting times on 31 March 2024 for the following types of affordable property across the Authority:
 - a. 1-bed affordable dwelling;
27% of 1-bed properties let during 2023/24 were allocated to applicants in Band A of the Council's Housing Register. The average waiting time in this band was 193 days. 37% of 1-bed properties let during 2023/24 were allocated to applicants in Band B. The average waiting time in this band was 532 days. 32% of 1-bed properties let during 2023/24 were allocated to

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applicants in Band C. The average waiting time in this band was 969 days. 6% of 1-bed properties let during 2023/24 were allocated to applicants in Band D. The average waiting time in this band was 116 days.

- b. 2-bed affordable dwelling;

3% of 2-bed properties let during 2023/24 were allocated to applicants in Band A of the Council's Housing Register. The average waiting time in this band was 178 days.

96% of 2-bed properties let during 2023/24 were allocated to applicants in Band B. The average waiting time in this band was 794 days.
 - c. 3-bed affordable dwelling; and

100% of 3-bed properties let during 2023/24 were allocated to applicants in Band B. The average waiting time in this band was 1387 days.
 - d. A 4+ bed affordable dwelling.

100% of 4+-bed properties let during 2023/24 were allocated to applicants in Band B. The average waiting time in this band was 1387 days.
4. The total number of households on the Council's Housing Register on 31 March 2025 specifying Nutfield as their preferred choice of location:
 Applicants are not requested to locations in order of preference but are requested to indicate the areas within the district that they would consider.
 However, 115 applicants have indicated that they would consider accommodation in Nutfield.
5. The number of properties advertised, and the average number of bids per property over the 2024/25 monitoring period for the following types of affordable property in the Nutfield area, as set out in the table below:

Type of affordable property	Nutfield	
	Number of properties advertised	Average bids per property
1-bed affordable dwelling	1	130
2-bed affordable dwelling	1	203
3-bed affordable dwelling	1	137
4+ bed affordable dwelling	0	N/A

6. Any changes the Council has made to its Housing Register Allocations Policy since 2022 including:
- a. The date they occurred;

1 April 2023
 - b. What they entailed; and

These changes are detailed in Sections 17, 18 and 21 of the Housing Allocation Scheme Review presented to the Council's Housing Committee on 16 March 2023.
 - c. Copies of the respective documents

Please see attached PDFs.

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Social Housing Stock

7. The total number of social housing dwelling stock on 31 March 2025 in Nutfield:
We can confirm, as of 31 March the Tandridge District Council stock numbers for Nutfield were 63 properties.
The number of Housing Association stock was 53 properties.

Social Housing Lettings

8. The number of social housing lettings in the period between 1 April 2024 and 31 March 2025; and between 1 April 2023 and 31 March 2024 in Nutfield:

Location	Social Housing Lettings	
	1 April 2024 to 31 March 2025	1 April 2023 to 31 March 2024
Nutfield	3	3

Temporary Accommodation

9. The number of households housed in temporary accommodation within and outside the Tandridge authority area on the following dates:

Households in Temporary Accommodation	31 March 2025	31 March 2024
Households Placed within Tandridge	46	47
Households Placed outside Tandridge	7	1
Total Households	53	48

10. The amount of money spent on temporary accommodation per household within the Tandridge authority area over the period 1 April 2024 to 31 March 2025:
Information regarding homelessness applications and invoices are held on separate IT systems. It is not, therefore, possible to extract the requested information from these systems electronically. Consequently, obtaining (and providing) the information would require analysis of each individual application. It is estimated that the work required for this question would be in excess of 25 hours.
11. The amount of money spent on temporary accommodation per household outside the Tandridge authority area over the period 1 April 2024 to 31 March 2025:
Information regarding homelessness applications and Temporary Accommodation invoices are held on separate IT systems. It is not, therefore, possible to extract the requested information from these systems electronically. Consequently, obtaining (and providing) the information would require analysis of each individual application. It is estimated that the work required for this question would be in excess of 25 hours.

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Housing Completions

12. The number of NET housing completions in the Tandridge authority area broken down on a per annum basis for the period between 2006/07 and 2024/25.

Please note, the figure for 2024/25 has not yet been finalised.

Year	Total Per Year	Cumulative Total
April 2006 – March 2007	459	459
April 2007 – March 2008	285	744
April 2008 – March 2009	297	1,041
April 2009 – March 2010	172	1,213
April 2010 – March 2011	132	1,345
April 2011 – March 2012	261	1,606
April 2012 – March 2013	221	1,827
April 2013 – March 2014	256	2,083
April 2014 – March 2015	142	2,225
April 2015 – March 2016	322	2,547
April 2016 – March 2017	228	2,775
April 2017 – March 2018	332	3,107
April 2018 – March 2019	244	3,351
April 2019 – March 2020	262	3,613
April 2020 – March 2021	117	3,730
April 2021 – March 2022	238	3,968
April 2022 – March 2023	303	4,271
April 2023 – March 2024	238	4,509

13. The number of NET affordable housing completions in the Tandridge authority area broken down on a per annum basis for the period between 2006/07 and 2024/25.

Tandridge District Council only have records from 2013/14 onwards. Prior to that the information was not collected or has not been retained.

2013/14 : 57 units
 2014/15 : 60 units
 2015/16: 12 units
 2016/17: 85 units
 2017/18: 76 units
 2018/19: 75 units
 2019/20: 121 units
 2020/21: 31 units
 2021/22: 59 units
 2022/23: 60 units
 2023/24: 77 units
 2024/25: 33 units.

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14. The number of NET housing completions in the Nutfield local area broken down on a per annum basis for the period between 2006/07 and 2024/25.

15. The number of NET affordable housing completions in the Nutfield local area broken down on a per annum basis for the period between 2006/07 and 2024/25.

Data from 2013/14 onwards:

2013 to 2017: 0 units.

2018/2019: 10 units

2019 to 2023: 0 units

2024/25: 1 unit.

Housing Allocation Scheme Review

Housing Committee Thursday, 16 March 2023

Report of: James Devonshire -Head of Housing

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Housing Act 1996 requires every local housing authority to have a scheme for determining priorities, and the procedures to be followed when allocating housing accommodation.

The Council's Housing Allocation Scheme was last reviewed by Committee in 2016. As a result of the Future Tandridge programme, some minor updates need to be made to the Scheme. This report provides an opportunity for members to familiarise themselves with the provisions within the Scheme and to consider the need for some additional amendments, recommended by officers

This report supports the Council's priority of:

- Building a better Council
- Creating the homes, infrastructure and environment we need
- Supporting economic recovery in Tandridge
- Becoming a greener, more sustainable District

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Recommendation to Committee:

That, in accordance with its delegated powers, the Committee agrees that the updated Housing Allocation Schemes should be approved for publication from 1 April 2023.

Reason for recommendation:

To enable the revised Housing Allocation Scheme at Appendix A to be adopted from 1 April 2023

Introduction and background

- 1 The Council is required, by virtue of Part 6 of the Housing Act 1996 to have a scheme for the allocation of social housing. This includes allocating to all vacancies within its own housing stock as well as all nominations to registered providers of housing (housing associations). The Council refers to this scheme as its Housing Allocation Scheme.
- 2 The Council's current Housing Allocation Scheme was last brought to Committee in March 2016 when the current scheme was adopted. Although a number of minor amendments have since been made to the scheme, under powers delegated to officers, it remains largely unchanged.
- 3 An allocation scheme must incorporate the Council's arrangements for determining priorities for social housing between applicants. Although each council is generally free to determine its own system of priorities, any scheme must be framed so as to secure that certain applicants are given a 'reasonable preference'. The classes of people to whom councils must award 'reasonable preference' within its allocation scheme are
 - (a) people who are homeless within the meaning of Part 7 of the Housing Act 1996;
 - (b) people who are owed a duty under various provisions of Part 7 of the Housing Act 1996, or who are occupying accommodation provided to them by a local housing authority under the same part;
 - (c) people who are occupying insanitary or overcrowded housing, or otherwise living in unsatisfactory housing conditions;
 - (d) people who need to move on medical or welfare grounds, including grounds relating to a disability; and
 - (e) people who need to move to a particular locality in the district of the local housing authority, where failure to meet that need would cause hardship to themselves or to others.
- 4 The Scheme is reviewed annually, taking into account any changes in legislation, caselaw and guidance. In this regard, there have been no recent changes that are considered to require any updates to the Allocation Scheme. While current Government guidance encourages councils to consider including a residence requirement as part of their qualification criteria, this Council has elected not to, preferring to use

local connection criteria to prioritise applications rather than as a means of exclusion.

- 5 When designing an effective allocation scheme it's vital to ensure that the scheme is balanced and addresses all the reasonable preference categories, recognising genuine housing need and helping to prevent and relieve homelessness, while ensuring that it doesn't provide a perverse incentive towards becoming homeless.
- 6 Officers consider that the current scheme continues to strike this balance effectively and do not recommend any significant changes. It is, however, recommended that some minor amendments are made to the Scheme, which are detailed in the following sections.

Local Connection

- 7 The main problem that officers have identified with the notion of a residence requirement for qualification is the conflict between this criterion and the various criteria that give rise to a local connection for the purposes of homelessness duties under Part 7 of the Housing Act 1996. These criteria are much less stringent and there are many applicants who would be considered to have a local connection under the homelessness provisions but would not meet a current residency criterion. Officers consider that this is likely to result in the Council having significant difficulties in ending its duties to many applicants that it owes a homelessness duty to.
- 8 Regrettably homelessness is, currently, on the increase nationally and this trend is particularly apparent across Surrey, with many authorities having large numbers of households in bed and breakfast accommodation, thereby incurring considerable expense. Currently this Council has more households in bed and breakfast accommodation than it has for a number of years. It is considered that the Council's Allocation Scheme has a vital role to play in ensuring that the vast majority of households that are owed a homelessness duty by the Council are able to move into permanent social housing within a reasonable period of time. This enables the temporary accommodation that they release to become available for use by new homelessness applicants, reducing the need for the provision of bed and breakfast accommodation.
- 9 The only alternative way for the Council to end its housing duty towards homeless households is via an offer of accommodation in the private sector. In recent times this has become increasingly problematic as access to the sector has become very difficult for households on low income reliant on Housing Benefit assistance with the rent.
- 10 All applicants who are deemed to be ineligible for an allocation of accommodation are entitled to request a review of this decision, which must be undertaken by a senior officer. It is inevitable that if access is

significantly restricted, many affected applicants will exercise this right, creating significant additional work for the service.

- 11 Since guidance was first issued in 2012, there have been a number of successful legal challenges to housing allocation schemes that have an overriding residence requirement. Such requirements have been held to discriminate against particular groups with protected characteristics. There have also been changes to legislation exempting certain applicants from the residence requirement. The consequence of these issues is that policies that include an absolute residence requirement now also need to include multiple exceptions to this requirement in order to be lawful.
- 12 Therefore, officers believe that a policy that includes an absolute requirement for applicants to have been resident in the District for a specified period of time in order to be eligible, is undesirable.
- 13 Legislation and the guidance permit authorities to frame their allocation scheme to take into account factors in determining relative priorities between applicants in the reasonable (or additional) preference categories. Examples of such factors are given in the legislation: financial resources, behaviour and local connection. However, these examples are not exclusive and authorities may take into account other factors instead or as well as these.
- 14 Currently, we give extra priority to people who have a connection with Tandridge so we rehouse very few people without a local connection each year. Where we do offer a home to someone without a local connection, the property is normally for an older person (where someone may need to move for health reasons) and where there is low demand from local households in need. We may also help people move into or out of the area where there are special reasons to do so, through our partnership arrangements with neighbouring Councils. Under our current scheme, applicants get extra priority if they:
 - currently live in the District of Tandridge and have done so for at least one year; or
 - have previously resided in the District for 3 out of the last 5 years, or
 - are Tandridge key workers; or
 - have immediate family (i.e. mother, father, son, daughter) who have lived in the District for 5 or more years and who need to receive support from, or give support to, the applicant; or
 - have been accepted as having another special reason why they need to live in Tandridge.
- 15 It is recommended that, rather than an absolute residence requirement, the current provisions that ensure that priority for housing is only given

to applicants with a clear local connection to the District are largely retained. This would continue to ensure that all social housing available for allocation in the District continues to be offered to applicants with a local connection first.

- 16 The effectiveness of this approach is demonstrated by analysis of housing allocations during 2021-22 and 2022-23, to date, which show that every property with two or more bedrooms was allocated to an applicant in bands A-C. Applicants without an accepted local connection do not qualify for these bands.
- 17 It is, however, recommended that in order to qualify for local connection under the Tandridge key worker category, applicants will need to evidence that they have been employed in their role for more than 16 hours per week for the last two years. This amendment, to section 6.1 of the proposed scheme, should help ensure that the employment is of an enduring nature and local connection isn't acquired based, purely, on casual employment.

Awarding Urgent Housing Need for Additional Under-Occupying Tenants

- 18 Unfortunately, recent years have seen high levels of demand for affordable housing, combined with a relatively low supply of new affordable housing being built in the District. This has led to an increase in the numbers of households in urgent housing need on the Housing Register and a consequential increase in waiting times. This is particularly true for properties with three or more bedrooms.
- 19 The Council recently updated its Transfer Incentive Scheme with the aim of encouraging under-occupying social housing tenants to move to smaller accommodation, thus freeing their property for allocation to a family on the Housing Register. In addition to increasing the incentives for those moving to one-bedroom properties, one of the amendments within the revised policy was the introduction of an incentive of £2,000 to encourage tenants who are under-occupying properties with three or more bedrooms to move to two-bedroom properties, where they are eligible to do so.
- 20 Officers recommend that this policy amendment should be reflected within the Housing Allocation Scheme by introducing a new qualification criterion within Band B of the Housing Register for tenants of the Council or a Registered Social Landlord in the District who are under-occupying properties with three or more bedrooms and are eligible to move to two-bedroom properties. This amendment is shown in section 5.5 of the proposed scheme.

Future Tandridge

- 21 As a result of the changes to the Housing Services Department introduced by the Future Tandridge Programme, the job titles of officers involved within the housing allocation process have changed. Section 14

of the proposed Housing Allocation Scheme has been amended to reflect these changes.

Consultation

As the proposed amendments to the Housing Allocation Scheme do not constitute a major change of policy, consultation is not statutorily required, nor considered necessary.

Key implications

Comments of the Chief Finance Officer

There are no direct financial revenue or capital implications from accepting this report.

Comments of the Head of Legal Services

The allocation of housing accommodation by local authorities is regulated by Part 6 of the Housing Act 1996 (HA 1996). The Council is required to have a scheme for determining priorities and the procedure to be followed in allocating housing accommodation, including all aspects of the allocation process and the persons or description of persons by whom decisions are taken. Generally, a local authority must not allocate housing accommodation except in accordance with its allocation scheme. In formulating or amending their allocation scheme, a Council must have regard to:

- Its current homelessness strategy under section 1 of the Homelessness Act 2002.
- Its tenancy strategy under section 150 of the LA 2011.

The Council must also have regard to guidance issued by the Secretary of State. This is currently Department for Communities and Local Government: Allocation of accommodation: Guidance for local housing authorities in England 2012 (Allocation of Accommodation Guidance) as amended. The Council should also have regard to the Ministry of Housing, Communities and Local Government's Homelessness Code of Guidance for Local Authorities (February 2018).

The Localism Act 2011 restored the power local authorities had between 1997 and 2003 to exclude certain applicants they designate as "non qualifying persons." This allows scope to adopt some restrictive policies around the definition of qualifying persons and exclude or suspend people for unacceptable behaviour (ASB for example) or lack of local connection.

The Council can take account of additional factors when determining priority in reasonable preference categories such as financial resources, behaviour and local connection.

In addressing the issues identified above, the revisions to the existing Housing Allocation Scheme are intended to provide customers in the greatest need with as much choice as possible and to create an allocations scheme that can easily be understood by customers.

Equality

The minor revisions to the existing Housing Allocation Scheme are not assessed as being likely to cause unforeseen negative impacts on any particular groups with protected characteristics in the community.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix 'A' – Proposed Housing Allocation Scheme

Background papers

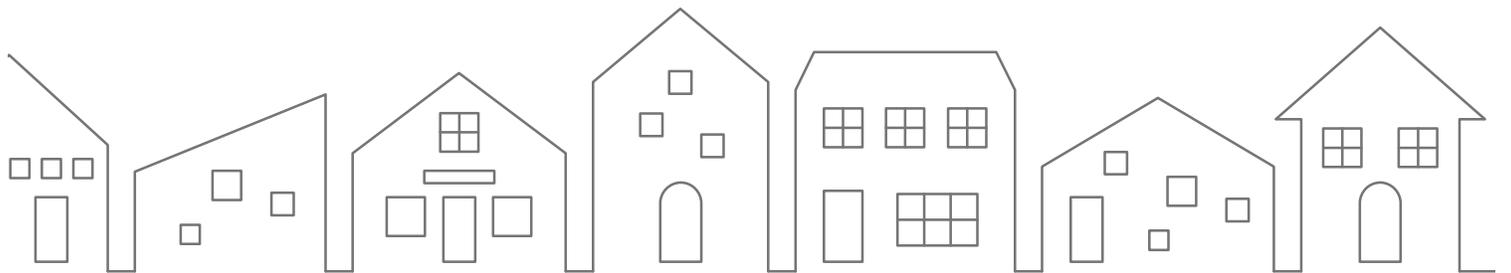
None

----- end of report -----



Housing Allocation Scheme

November 2023



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1. Introduction

The Housing Act 1996 requires every local housing authority to have a scheme for determining priorities, and the procedures to be followed when allocating housing accommodation. Under section 168 of this act, each authority must publish its allocation scheme and make a copy available for inspection by the public.

This document sets out Tandridge District Council's Housing Allocation Scheme. In drawing up this scheme the Council has consulted with all Registered Social Landlords (RSLs) with which the Council has nomination arrangements, local voluntary and statutory agencies, Residents' Forum, housing applicants and tenants on the housing register. The Council has also had regard to the following:

- The Housing Act 1996 as amended by the Homelessness Act 2002, the Localism Act 2011 and other relevant legislation;
- The Code of Guidance on the Allocation of Accommodation published by the Department for Communities and Local Government (DCLG) in June 2012 as subsequently amended;
- The Supplementary Code of guidance "Providing social housing for local people: Statutory guidance on social housing allocations for local authorities in England" published by DCLG in December 2013;
- "Right to Move Statutory guidance on social housing allocations for local housing authorities in England", published by DCLG in March 2015;
- Relevant statutory regulations including SI 1997/483, SI 2002/3264, SI 2006/1294, SI 2012/1869, SI 2012/2989, SI 2015/967;
- The Council's Homelessness Strategy;
- The Council's Tenancy Strategy;
- The Equality Act 2010;
- Existing case law.

The Housing Allocation Scheme is available for inspection at the Housing reception desk on the ground floor of the Council Offices, Station Road East, Oxted.

Copies of this document can be downloaded from the Council's website **www.tandridge.gov.uk**.

Hard copies of the document are also available on request at a charge of £5. However, leaflets summarising the allocation scheme are available free of charge.

2. Aims and Objectives

This policy has been established with a view to meeting the following aim and objectives:

2.1 Aim

To meet the housing needs and, as far as possible, the aspirations of applicants to Tandridge District Council's Housing Register, ensuring the best possible use of the Council's and its partners' housing stock.

2.2 Objectives

To –

- Give priority to people that fall within the Government's "Reasonable Preference Categories", ensuring that priority is given to those in the highest housing need.
- Maintain an appropriate balance between the needs of homeless households and others in housing need.
- Provide accommodation that is affordable and suitable for the needs of an applicant and their household.
- Make best use of the housing stock in the District ensuring -
 - Sustainable and balanced communities are maintained
 - Difficult to let properties are dealt with and re-let times are minimised
 - Under-occupation is reduced
- Offer applicants as much choice as possible within the boundaries of high demand for housing and limited availability of resources.
- Ensure that every application is dealt with fairly and consistently in accordance with the Council's Equality and Diversity Scheme.
- Ensure that priority is given to applicants with an established connection to the District of Tandridge or an identified need to live here.



3. Allocation Scheme Summary

3.1 The Council holds a single list for people in need of affordable housing. This is called the Housing Register and is used by the Council for allocating all housing under Part VI of the Housing Act 1996. This would apply where the Council:

1. Selects someone to be offered a secure (including a flexible or fixed term secure tenancy) or introductory tenancy by the Council
2. Nominates someone to be offered a secure or introductory tenancy by another council (or another body able to grant a secure tenancy);
3. Nominates someone to be offered an assured tenancy from a housing association or other registered social landlord (RSL).

3.2 Not all lettings made by the Council are allocations made under Part VI of the Housing Act 1996. This applies to lettings made in the following circumstances, which will not be covered by this Allocation Scheme:

1. Offers of secure tenancies of their current homes to introductory tenants of the Council;
2. Offers to homeless households of non-secure Council tenancies in discharge of any duty owed under Part VII of the Housing Act 1996;
3. Offers that are made to secure or introductory tenants of the Council at the Council's own instigation, rather than in response to an application from them. This includes an offer of a new Council tenancy (whether of the same or an alternative property) to an existing flexible fixed term tenant on the expiry of the fixed term of their current property;
4. Offers of tied accommodation (service tenancies or licences) made to Council employees;
5. Assignments of Council tenancies;
6. Successions to Council tenancies;
7. Mutual exchanges of Council tenancies, including lettings made in response to a request under section 158 of the Localism Act 2011;
8. Nominations for offers of any tenancy or licence from a private landlord;
9. Offers of suitable alternative accommodation under section 39 of the Land Compensation Act 1973 (duty to re-house residential occupiers);
10. Offers of a secure tenancy under sections 554 and 555 of the Housing Act 1985 (grant of tenancy to former owner-occupier or statutory tenant of defective dwelling-house);
11. An offer of accommodation to a person who occupies accommodation let under a family intervention tenancy i.e. a family intervention tenant who the authority notify is to become a secure tenant.
12. Any other situations, added by the Secretary of State through the making of regulations, in which the allocation scheme will not apply.

4. Eligibility for the Housing Register

All persons aged 16 years or over will be considered eligible for the Housing Register unless they are:

1. An ineligible person from abroad (e.g. those subject to immigration control or not habitually resident in the Common Travel Area, see 4.1 below).
2. In a class of applicants that the Council has decided should be considered non-qualifying applicants. Currently these classes would comprise:
 - a) Those considered to be guilty of unacceptable behaviour (see 4.2 below).
 - b) Those who are property owners who have an asset that could be used to obtain accommodation suitable to their needs.
 - c) Those with an annual household gross income in excess of £60,000 or savings/assets in excess of £75,000.
 - d) Those who have within 5 years of the date of their application, disposed of an asset which they could reasonably have been expected to use to resolve their own housing difficulties, or
 - e) Those who have previously benefitted from the Right to Buy of a social housing property whether in Tandridge or another local authority area. Exceptions may be made on a case by case basis, such as relationship breakdown, where one partner is unable to live in the property and has no legal rights to force sale or release any equity.

In relation to classes b) – e) above, applicants over 65 years of age or, in exceptional circumstances, those otherwise assessed as eligible for sheltered housing will be entitled to join the Housing Register for consideration for sheltered housing. However, they will be subject to reduced preference, as described in section 6 later.

Any applicant regarded by the Council as ineligible to join the Housing Register may request a review of this decision (see Section 12 later).

4.1 Persons from abroad

Persons from abroad who are subject to immigration control within the meaning of the Asylum and Immigration Act 1996 are ineligible to join the Housing Register unless they are -

1. In a category of persons specified by the Secretary of State as being eligible for an allocation of accommodation under Part VI of the Housing Act 1996.
2. An existing secure or introductory tenant of a council (or other housing authority).
3. An existing assured tenant of housing allocated to them by a council (or other housing authority)

Most persons from abroad who are not subject to immigration control (including British Citizens) must also be habitually resident in the Common Travel Area and/or have the right to reside in the Common Travel Area in order to be eligible to join the Housing Register. The Common Travel Area consists of the UK, the Channel Islands, the Isle of Man and the Republic of Ireland.



4.2 Unacceptable behaviour

This will apply where there is evidence that any member of the applicant's household has behaved in such a way that, as a result, the Council considers the applicant to be unsuitable to be a tenant of the Council. Furthermore, that they are still unsuitable to be a tenant of the Council because of that person's behaviour.

Examples of such unacceptable behaviour would include:

- Significant rent arrears or breach of tenancy obligations.
- A conviction for using accommodation or allowing it to be used for immoral or illegal purposes such as drug dealing.
- Serious damage or neglect of a property.
- Anti-social behaviour or criminal activity including (but not limited to) serious nuisance or annoyance to neighbours for example, the granting of an Anti-Social Behaviour Order (or equivalent), or the granting of a Possession Order on the basis of anti-social behaviour or nuisance, threats or use of violence, racial harassment and domestic abuse.
- An unspent conviction (under the Rehabilitation of Offenders Act 1974) for an offence that in the view of the Council, and that of other relevant statutory agencies, would mean that the applicant or a member of the household would pose an unacceptable risk of re-offending in the District.
- Violence or threats of violence towards other residents, an employee of the Council or its representatives, a former landlord, or staff of statutory agencies.
- Where the applicant is held to be seeking to obtain accommodation by making a false or misleading statement or by withholding relevant information or by failing to inform the Council of any material change in circumstances.
- Where the applicant has an unspent conviction (under the Rehabilitation of Offenders Act 1974) for housing or welfare benefit related fraud.
- Where the applicant has previously obtained a tenancy by deception and/or attempted tenancy fraud.

Each application will be considered on its own merits but where the Council is satisfied that these conditions are met, the applicant will be regarded as ineligible for the Housing Register.

However, where the Council has reason to believe that unacceptable behaviour is due to a physical, mental or learning disability, the person will not be determined as ineligible without first considering whether they would be able to maintain a tenancy satisfactorily with appropriate care and support. In such cases the Council will consult as appropriate with any relevant agencies, including Social Services, the Council's independent medical adviser and local providers of support services.

Any applicant regarded by the Council as ineligible to join the Housing Register because of unacceptable behaviour may request a review of this decision (see Section 12 later).

If the review upholds the decision to regard the applicant as ineligible, the applicant may still make a fresh application to the Council at a future date when they believe that they should no longer be regarded as ineligible. The Council will consider this fresh application on its merits. However, unless there has been a considerable lapse of time, it will be necessary for the applicant to show that their behaviour has changed significantly.

4.3 Applicants under 18 years of age

Applicants aged 16 or 17 years old will be accepted onto the Housing Register providing they are not otherwise ineligible. However, a person under the age of 18 cannot be the legal owner of an interest in land, including a tenancy. Therefore, unless there are exceptional reasons, the Council will not allocate a tenancy to a person under the age of 18.

In exceptional circumstances, the Council may grant a tenancy where a trustee has been appointed. The trustee would become the legal owner of the interest in the land and hold it in trust for the young person until they reach the age of 18. Any such case will need to be jointly assessed by the Housing Department and Social Services before an offer of accommodation is made. Furthermore, a suitable guarantor for the tenancy until the applicant reaches the age of 18, would also need to be identified. A person under 16 years of age is not eligible for the Housing Register.

5. Reasonable Preference & Housing Need Assessment

All applicants will have their priority for housing assessed according to the same standard process. This assessment will consider the following factors:

- Eligibility for the Register
- Housing Need / Reasonable Preference Entitlement
- Local Connection
- Financial Assessment

5.1 Priority Banding

Every application for housing will be assessed using a system of priority banding. This is intended to ensure that priority is awarded to all applicants who are entitled to reasonable preference, in accordance with Section 166A(3) of the Housing Act 1996.

The reasonable preference categories are as follows:

- People who are homeless (within the meaning of Part 7 of the 1996 Act); this includes people who are intentionally homeless, and those who are not in priority need;
- People who are owed a duty by any housing authority under section 190(2), 193(2) or 195(2) of the 1996 Act (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any housing authority under section 192(3) of the Housing Act 1996;
- People occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- People who need to move on medical or welfare grounds, including grounds relating to a disability;
- People who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship (to themselves or to others).

5.2 Reasonable preference

Applicants entitled to reasonable preference will then be further assessed according to their degree of local connection with Tandridge District and the financial resources available to them.



5.3 Housing need assessment

All applicants will be assessed to determine whether or not they fall within one of the following five categories -

- Additional Preference (Band A)
- High Preference (Band B)
- Moderate Preference (Band C)
- Low Preference (Band D)
- No Preference (Band E)

5.4 Additional Preference Category (Band A)

Cases that fall into this category will be people who need to move because of either:

- a) an emergency, usually on health or welfare grounds; or
- b) because the Council needs them to move urgently in order to create vacancies within the housing stock for other people in housing need (management moves).

Emergency Cases

Very few cases are likely to be eligible for this category, which will apply where:

- An applicant cannot occupy their property because of a medical problem or disability and the property cannot be adapted e.g. a wheelchair user who lives in a first floor flat with no lift.
- The applicant is a serving or former member of the Armed or Reserve Forces who needs to move because of a serious injury, medical condition or disability which he or she, or a member of their household, has sustained as a result of service in the Armed Forces.
- An existing secure tenant of the Council or an assured tenant of a Registered Provider of Social Housing (RP) in the District* who needs to immediately move because of serious violence or harassment, where this has been substantiated and management action against the perpetrator(s) cannot resolve the situation, or
- Other cases recognised as emergencies but not fitting into the above categories at the discretion of the Head of Housing (see 7.2 later).
- Unless there are exceptional circumstances, in such cases, any alternative property will be offered on a like-for-like basis with the applicant's existing property and will not, necessarily, be based on the property size eligibility rules in this Scheme (see section 10.6 later).

Management Moves

The following applicants will fall into this category:

- Tenants of the Council or an RSL in the District* who:
 - Are under-occupying family properties and are prepared to move to one-bedroom properties.
 - Are in certain supported housing that is needed by other high priority applicants and who, themselves, no longer require the support.

* Such tenants are only eligible to be included in this category where they were nominated by the Council and the Council would have a nomination right to the resultant vacancy, such that a further applicant can be assisted.

- Applicants who are part of a reciprocal arrangement agreed with another local authority or RSL (see 7.3 later).

- Applicants who are key workers (see 7.6 later) with at least 5 years of service who are retiring or being made redundant from accommodation provided for the better performance of their work duties (tied accommodation).
- Other cases recognised as urgent management moves but not fitting into the above categories at the discretion of the **Head of Housing**.

Cases that fall into the above categories will be placed in **Band A**, unless:

- a) they do not have a local connection with Tandridge (see 6.1 later), or
- b) they have a high/moderate income (see 6.2 later),

In the case of a) or b) applicants will be placed in **Band D**.

5.5 High Preference Category (Band B)

The following applicants will fall into this category:

- Households assessed as homeless or threatened with homelessness by the Council and who are in priority need within the meaning of the Housing Act 1996
- Households whose accommodation lacks basic facilities (i.e. a kitchen, bathroom or toilet) and this cannot be provided by the owner at reasonable cost.
- Households whose accommodation is assessed as being in severe disrepair by an Environmental Health Officer and which cannot be repaired at reasonable cost.
- Households with dependent children where the facilities are shared with others who are not members of the applicant's household & the applicant has no rights to occupy the property or to apply for an occupation order.
- Households without enough bedrooms for their need (see 7.4 later).
- Households with an urgent need for alternative accommodation on medical or welfare grounds (see 7.1 and 7.2 later).
- Tenants of the Council or an RSL in the District* who are under-occupying properties with three or more bedrooms and are eligible to move to two-bedroom properties.

* Such tenants are only eligible to be included in this category where they were nominated by the Council and the Council would have a nomination right to the resultant vacancy, such that a further applicant can be assisted.

Cases that fall into the above categories will be placed in **Band B**, unless they are assessed as being subject to reduced preference (see section 6).

If they are assessed as being subject to reduced preference they will be placed in **Band D**.

5.6 Moderate Preference (Band C)

The following applicants will fall into this category:

- Households that are renting accommodation with limited security of tenure (see 7.5 later).
- Other households who are homeless or threatened with homelessness including those who are not in priority need within the meaning of Part VII of the Housing Act 1996.
- Households with no fixed abode who have made a statutory declaration witnessed by a solicitor that they have no accommodation in which they can reside, even temporarily.
- Households containing at least one child under 5 and/or a pregnant woman that are living in accommodation above the ground floor.



- Households whose accommodation is assessed as being in disrepair by an Environmental Health Officer and which cannot be repaired by the owner at reasonable cost.
- Households sharing facilities with others who are not members of the applicant's household but where either:
 - the applicant has rights to occupy the property or to apply for an occupation order to grant this, or
 - their household does not include any dependent children.
- Households with no living room or those sharing a living room with another household.
- Households accepted as Tandridge key workers (see 7.6 later).
- Households with a need for alternative accommodation on medical or welfare grounds (see 7.1 and 7.2 later).

Cases that fall into the above categories will be placed in **Band C**, unless they are assessed as being subject to reduced preference (see section 6).

If they are assessed as being subject to reduced preference they will be placed in **Band D**.

5.7 Low Preference (Band D)

Applicants who have any of the housing needs detailed in Bands A-C but are assessed as being subject to reduced preference (see section 6) will be placed in **Band D**.

5.8 No Preference (Band E)

Applicants who do not have any of the housing needs detailed in Bands A-C will be placed in **Band E**.

6. Reduced Preference

The supply of rented social housing available to the Council is limited and the Council cannot provide rented accommodation to everyone who requests it. Reduced priority for housing will therefore be given to eligible applicants where:

- a) They do not have a local connection with the District of Tandridge.
- b) They have financial resources available to meet their housing costs or where they have had such resources but have unreasonably disposed of them.
- c) Their behaviour or that of a member of their household affects their suitability to be a tenant.
- d) They are the tenant of a housing association (registered provider) property in Tandridge for which the Council does not have nomination rights or are living in temporary accommodation provided by another local housing authority.

A decision to reduce priority on this basis will be made by the Housing Allocations Officer following an individual assessment of each application.

6.1 Local Connection

Applicants will be considered to have a local connection with the District of Tandridge where they:

- Currently live in the District of Tandridge and have done so for at least one year, or
- Have previously resided in the District for 3 out of the last 5 years, or

- Are Tandridge key workers (see section 7.6 later) and they have been employed in this role for more than 16 hours per week for the last two years, or
- Have immediate family (i.e. mother, father, son, daughter) who have lived in the District for 5 or more years and the applicant needs to move to the District in order to receive essential support from, or give essential support to them.
- Have been accepted as having another special reason why they need to live in Tandridge.

Applicants who do not have a local connection will be placed in Band D if they have any of the housing needs detailed in Bands A-C or Band E if they do not.

Applicants with a local connection will have their income/assets assessed before being placed in the appropriate band

6.2 Financial Resources

Less priority for rented units will be given to applicants who have sufficient income, funds or assets to resolve their housing situation in the private sector by purchasing or renting alternative accommodation suitable to their needs, or by using the Council's Shared Ownership Schemes,

Less priority will also be given to applicants accepted as eligible for sheltered housing who are in the following classes of applicant:

- a) Those who have within 5 years of the date of their application, disposed of an asset which they could reasonably have been expected to use to resolve their own housing difficulties, or
- b) Those who are property owners- that have an asset that could be used to obtain accommodation suitable to their needs.
- c) Those who have previously benefitted from the Right to Buy of a social housing property, whether in Tandridge or another local authority area. Exceptions may be made on a case by case basis, such as relationship breakdown, where one partner is unable to live in the property and has no legal rights to force sale or release any equity.

It is generally considered reasonable for a household to use up to 30% of their gross income towards housing costs (i.e. rent/mortgage). This threshold is used when determining whether an applicant has sufficient income to pursue outright purchase or shared ownership options. The table on the following page shows the income levels above which households will be considered to have sufficient income, funds or assets to purchase alternative accommodation suitable to their needs. In this regard, the income of all working adults within the applicant's household will be taken into account.

Applicants that have a higher income or assets (those that fall in a-c above) will be accepted on to the Housing Register but will be placed in either band D or E. Those assessed as being in high/moderate housing need will be placed in band D and those in low housing need in band E. Applicants who have a low income will go on to be considered for bands A-C.

Applicants who have sufficient income to pursue low cost home ownership will be given details of suitable initiatives and vacancies.

Applicants with an annual household income over £60,000 or savings over £75,000 are ineligible to join the Housing Register.



Table 1 Minimum Income Levels for Low Cost home Ownership

Bedroom Need			
	1 bedroom	2 bedroom	3 bedroom
Single income	£30,000	£35,000	£40,000
Joint income	£35,000	£40,000	£45,000

6.3 Behaviour

In accordance with section 166A (5) of the Housing Act 1996, reduced priority will be given where the applicant or a member of their household:

- a) Is a current tenant of a Council or RSL and has rent arrears or has caused nuisance which is subject to ongoing action;
- b) Has arrears from a previous Council or RSL tenancy and is not keeping to satisfactory arrangements to clear the debt. Generally, this arrangement would be expected to have been maintained for at least 6 months;
- c) Is a Council or RSL tenant who has been served with a Notice of Seeking Possession for rent arrears and whose account has not been clear for at least 6 months;
- d) Is a Council or RSL tenant who has been served with a Notice Seeking Possession because of nuisance and a minimum period of 12 months has not yet passed without any further instances of nuisance;
- e) Is a Council or RSL tenant who is required to make good damage to their current property;
- f) Is or was a tenant other than in a) above and the Council is satisfied that they have rent arrears or other housing related debts which they are not making satisfactory arrangements to repay;

Unless there are exceptional circumstances, applicants in the above categories will not be offered accommodation if there are other applicants in bands A to D.

Where there is evidence that an applicant has deliberately arranged their circumstances in order to qualify for higher priority under the scheme, no additional priority will be awarded for 6 months. This would apply where an applicant moves from accommodation that was available for their occupation and was no less suitable for them than the accommodation they have moved to, and which it was reasonable for them to have continued to occupy.

An applicant is entitled to request a review of any decision to reduce their preference in accordance with this section (see Section 12 later).

6.4 Housing Association Tenants

Less priority will be given to an applicant who is the tenant of a housing association (registered provider) property in Tandridge for which the Council does not have nomination rights. In such circumstances, the applicant would be expected to make arrangements with their landlord to transfer to more suitable accommodation.

Exceptions may be made on a case by case basis, particularly, for those needing to move on from supported housing. However, move on would normally be expected to be provided by the borough/district where the client lived prior to referral to the supported housing and not by Tandridge District Council.

Applicants who fall into this category will be placed in Band D if they have any of the housing needs detailed in Bands A-C or Band E if they do not.

6.5 Temporary Accommodation provided by Another Local Authority

Less priority will be given to an applicant who is occupying accommodation provided by another housing authority in discharge of its duties under section 188, section 190(2) or section 193(2) of the Housing Act 1996 (temporary accommodation). Such applicants are owed a duty by the placing local housing authority to be provided with suitable accommodation until that duty is lawfully ended.

Applicants who fall into this category will be placed in Band D if they have any of the housing needs detailed in Bands A-C or Band E if they do not.

6.6 Refusal of a reasonable offer

Any person that refuses two offers of accommodation that fully meet their expressed choices will be entitled to remain on the Housing Register but will have their priority reduced. Their degree of preference (banding) will continue to be determined by their housing need assessment but their date of registration will be amended to be the date of refusal of the second offer, thus reducing their priority within the band.

Applicants who have been awarded urgent priority but have not made any applications for accommodation within any 12-month period since receiving this priority will be written to and requested to provide confirmation of their current circumstances and their reasons for not making any applications for housing. Applicants will not be considered for an allocation of accommodation until the necessary information has been received and assessed. Where it is considered appropriate to do so, the Council may consider reducing an applicant's priority.

7. Definitions

7.1 Medical Assessment

An applicant can apply to have medical priority awarded to their case. They will need to complete a self-assessment medical form. Where appropriate, the Council will seek specialist opinion from its Medical Advisor. The Council will then decide whether or not the application should be given one of the following:

Emergency Medical Priority

In very exceptional circumstances an applicant may be assessed as requiring an emergency move on medical grounds. This level of priority may only be awarded by the Housing Needs Manager following a recommendation from the Medical Advisor. An example of such a situation is where:

- An applicant cannot occupy their property because of a medical problem or disability and the property cannot be adapted e.g. a wheelchair user who lives in a first floor flat with no lift.

Urgent Medical Priority

This will be awarded where an applicant's health, or that of a member of his/her household, is likely to decline very rapidly and lead to a life-threatening situation if they are not moved from their current accommodation within the next 6 months. Examples might include:

- An elderly applicant who lives above ground floor without a lift and who has had a series of heart problems, or
- Where an applicant's continued occupation of their current home is likely to cause a marked deterioration in their health e.g. severe depression or mental illness



Medical Priority

This level of priority will be awarded where the applicant's health is being affected by their current accommodation but their health is unlikely to deteriorate significantly within a short period of time.

Any award of medical priority will only be applicable to properties that the Council considers to be suitable for the applicant's needs, whether on medical grounds or otherwise.

No Medical Priority

Where:

- rehousing is unlikely to improve the applicant's health; or
- the accommodation in itself is not affecting the illness; or
- full recovery is likely within one year,

Then no medical need will exist and no priority will be given on this basis.

7.2 Welfare Assessment

Additional priority on this basis may be awarded to an application where there are particular welfare or social factors, or exceptional circumstances not covered elsewhere. These will usually need to be substantiated by other agencies e.g. the Police, Social Services, Leaving Care Team, etc. The award of priority on this basis is rare and is made by the Head of Housing, following a detailed review by the Housing Needs Manager.

Priority may also be awarded in the following circumstances:

- a) Where an applicant is a relative or partner of a Tandridge District Council tenant who has died, they were residing with them for at least 12 months immediately prior to their death, and they would have had the right to succeed to the tenancy in accordance with the Council's Succession Policy had there not been a previous succession. In these cases, additional priority for the allocation of suitable accommodation will usually be awarded if the applicant does not have sufficient income, funds or assets to purchase alternative accommodation suitable to their needs privately or by using the Council's Shared Ownership Schemes.
- b) Where an applicant has had to give up an existing Council or RSL tenancy to receive long-term treatment or rehabilitation. Priority may be awarded following confirmation that the applicant has completed the treatment and is in housing need.
- c) Where an application is received to make an existing Tandridge District Council (TDC) secure tenancy a joint tenancy with another eligible person and it is considered appropriate in the circumstances to do so. Furthermore, that there are no adverse implications from the joint tenancy for the good use of the housing stock and the Council's ability to continue to provide for housing need.
- d) Where one party to a joint TDC secure or introductory tenancy formally terminates the tenancy and it is considered appropriate to allocate the tenancy of this property or another property to the remaining tenant. Furthermore, that in doing so, there are no adverse implications for the good use of the housing stock and the Council's ability to continue to provide for housing need.
- e) Where a person needs to move to a different locality in order to give or receive care, to access specialist medical treatment, or to take up or maintain particular employment or training. Furthermore, that hardship would be caused to themselves or others if they were unable to do so. This would include applicants who are existing social housing tenants, considered eligible under the Right to Move regulations, who may also be considered to have a local connection with the District under the category of other special reason (see section 10.8 later);

- f) Where the cumulative needs of an applicant and their household warrant additional priority. During the assessment of an application, applicants who have a range of needs, that would, when considered independently of each other, qualify them for the same band, will be identified. These cases will be further assessed to identify those applicants whose needs, when considered cumulatively, are considered to be sufficient to warrant them being placed in a higher band.
- g) Where an applicant has a particular special need that causes them to be considered vulnerable, other than on medical grounds. Examples of such applicants include those with a learning disability, a care-leaver aged 18-21, etc. Priority will normally be awarded following assessment of an applicant's case at a Multi-Agency Special Needs Panel or similar meeting.
- h) Where the Council has accepted a duty to use its best endeavours to provide suitable accommodation under Section 28 of the Rent (Agriculture) Act 1976.
- i) Where a former TDC introductory or secure tenant has become a tolerated trespasser and the breach of tenancy has been fully remedied so that eviction would not normally be considered. Furthermore, that it is considered appropriate in the circumstances to grant them a further introductory tenancy of the same, or an alternative, property.
- j) Where a member of the armed forces is leaving service accommodation and:
- Immediately prior to enlistment, one partner had lived at a fixed address within the District for three out of the five years immediately before moving to Forces accommodation; and
 - The applicant has been on the Housing Register for at least six months prior to discharge: and
 - The serving partner has fulfilled the terms of his/her engagement in the forces and has served at least three years; and
 - The household would be in priority need and have a local connection should homelessness arise (as defined in the Housing Act 1996 Part VII section 189).
- k) Where the applicant is a bereaved spouse or civil partner of a member of the Armed Forces who is leaving Services' Family Accommodation following the death of their spouse or partner. Furthermore, that they are entitled to reasonable preference in accordance with Section 166A(3) of the Housing Act 1996 and are considered to have urgent housing needs.
- l) Where the applicant is a former member of the armed forces, who is entitled to reasonable preference in accordance with Section 166A(3) of the Housing Act 1996 and is considered to have urgent housing needs.
- m) Where a review of the Council's stock results in the re-designation of certain properties and, as a result, a TDC secure tenant of such a property requests a move to alternative accommodation. The applicant's current property must previously have been designated as sheltered (or age-restricted) accommodation at the time that the applicant was granted the tenancy but has since been subject to a re-designation to general needs accommodation or to a significantly lower age restriction. Priority may be awarded where the applicant wishes to move to a new property that has the same (or a very similar) age-restriction as that which applied when they were granted their tenancy.
- n) Where an applicant would be approved for foster caring but cannot be approved for a placement because they lack sufficient bedrooms to accommodate a foster child. Priority on this basis will be restricted to a maximum quota of 2 applications per year.



If additional priority is regarded as appropriate the Head of Housing will decide which of the following awards should be given:

Emergency Welfare Priority

In very exceptional circumstances an applicant may be assessed as requiring an emergency move on welfare grounds. Examples of such situations are where:

- An applicant's life would be in immediate danger if they continued to live in their current accommodation and the Council has third party evidence that supports this, or
- An existing Council tenant or assured tenant of a Registered Social Landlord in the District who needs to immediately move because of violence or harassment.

Urgent Welfare Priority

This will be awarded where an applicant has an urgent need to move on welfare grounds or needs to move urgently to a particular locality to avoid hardship to themselves or others and written support for this has been received from an appropriate agency.

Welfare Priority

This will be awarded where an applicant has a less urgent need to move on welfare grounds or needs to move to a particular locality to avoid hardship to themselves or others.

7.3 Reciprocals

A reciprocal is where one Council re-houses an applicant from another Council on the understanding that the Council who has given up a property will, at some stage, be offered a property for someone from their housing lists.

Tandridge District Council will consider a reciprocal in the following circumstances:

- Where the applicant is fleeing violence, including domestic violence.
- Where special needs accommodation is vacant and there is no one on the Tandridge Housing Register in need of the type of accommodation in question.
- Where there are exceptional management reasons requiring a move e.g. when a tenant from another authority is to be a witness in criminal proceedings and needs to be moved for their own protection.
- Where a request for assistance is made through the mobility scheme for the re-housing of victims of violence in accordance with the current procedure agreed by the Surrey District Housing Authorities.
- Where a request for assistance is made through the mobility scheme for the re-housing of offenders in accordance with the current protocol agreed by the Surrey District Housing Authorities and other partner agencies.

Before any agreement is given to a reciprocal, a full written report of the circumstances is required from the other Authority. The decision whether or not to accept a reciprocal will be made by the Housing Needs Manager, who may also need to be satisfied that an applicant in housing need from Tandridge can be housed by the other Authority within a reasonable time. A written commitment to the granting of a property in return for re-housing is also required from the other Council.

7.4 Overcrowding

Households will be regarded as overcrowded when they are assessed as needing at least one more bedroom than their current accommodation has. This will be decided according to the following principles:

- A separate bedroom is required for each member of the household over the age of 18 (with the exception of partners and same sex siblings).
- No more than 2 children should have to share a bedroom.
- 2 children of opposite sex should not have to share a bedroom where one of them is over 10 years of age.
- A room with a floor area of less than 50 square feet shall not be considered to constitute a bedroom.

In exceptional circumstances the Council may regard other households as overcrowded usually on the advice of the Council's Medical Adviser.

7.5 Limited Security of tenure

This will apply where the Council is satisfied that an applicant is occupying their current accommodation on insecure terms and can be legally evicted without the need for a ground for possession being proved in Court. Such circumstances will include occupancy on an Assured Shorthold Tenancy, a non-secure tenancy or licence. It will also apply where the nature of the applicant's occupancy automatically excludes them from the terms of the Protection from Eviction Act 1977, e.g. sharing accommodation with a resident landlord or a member of their family, unauthorised occupancy, etc.

7.6 Key Workers

The council's current Key Worker Policy defines Tandridge key workers as those who:

- Provide essential public services such as health and personal care, education, police and emergency services, social services and other local authority staff; and/or
- Contribute to the infrastructure and economic viability of the area, such as transport providers, postal service workers, domiciliary support, refuse collectors, certain shop workers. This is not an exhaustive list but gives an example of how private sector services contribute to the overall well-being and sustainability of an area; for example, providing housing opportunities for shop workers might keep a village shop open.

8. Operation of the Housing Register

8.1 Initial Application

To register an application an applicant must complete an online application through **Tandridge-homechoice.org.uk**. The application should be submitted, and documents uploaded to verify proof of ID and proof of income for household members.

Once a completed form has been submitted, the Housing Needs Team will then undertake an assessment against this Policy. In some cases, the Housing Needs Case Officers will request further information from applicants to verify their application.



Providing the applicant is eligible for the Housing Register and the form has been completed and verification documents uploaded the application will become active on the Housing Register. A letter will be sent to the applicant confirming their application reference number and their banding within 10 working days.

If an applicant is considered to have the income to pursue low cost home ownership they will also be sent details of the affordable home ownership schemes currently available through the Help to Buy Zone Agent.

If the applicant is considered to be ineligible for the Housing Register, they will be sent a letter confirming this and the reason for this decision.

8.2 Re-registration of applications

Applicants will be asked to renew their application annually on the anniversary of their application on their Home Choice Account and they must confirm the current details held on their application and resubmit their application for renewal online.

Any applicant who does not renew their application within 28 days of receiving the invitation to do so will be assumed to no longer require housing and their application will be cancelled accordingly.

8.3 Changes of Circumstance

Applicants who move to a new address or whose circumstances change after they have been accepted onto the Housing Register (e.g. - someone joining or leaving their household, or a change in income or employment, etc.) should update their details on their online Home Choice application so their application can be reassessed.

Where the Council becomes aware that an applicant's circumstances have changed, they will, where possible, contact the client to request they update their application online. Applicants will not be considered for an allocation of accommodation until the necessary information has been received and assessed.

8.4 Verification

The Council will verify all information provided by the applicant that is relevant to their eligibility and / or priority for an allocation of accommodation. Further verification, which may include inviting the applicant for an interview or completing a home visit, will be required at the time an applicant is allocated a property and the Council may check information with other sources as allowed by the law, including credit referencing agencies.

Where practicable, applicants will be visited at home to verify their circumstances prior to any offer of accommodation being made. Applicants will be expected to provide documentary evidence that all persons included on the application are resident at the address applied from. Applicants will also be required to provide any additional proof considered appropriate to confirm the applicant's circumstances

8.5 Removal / Cancellation of applications

If information is obtained that gives reason to believe that an applicant who has already been accepted onto the Housing Register is, in fact, ineligible to be on the Register, the applicant will be informed in writing. The applicant will be given 28 days to provide information to show that they are eligible. If they do not reply within this period, or if they reply but the Council still believes them to be ineligible, they will be removed from the Housing Register.

Unless the Council decides that there are exceptional circumstances, an applicant that accepts an allocation of accommodation made by the Council will have their application cancelled.

9. Applicant Choice

9.1 Free Choice

The Council wishes to ensure that choice is extended as widely as possible to all applicants. Most applicants are therefore able to choose specific accommodation that they wish to be considered for. Exceptions to this are described in section 9.2 later.

Tandridge District Council operates a Choice Based Lettings scheme known as Tandridge Home Choice. The Council will advertise its own vacancies (and housing association vacancies to which it has negotiated nomination rights) in its offices, on the internet, on a dedicated telephone line and, for vulnerable clients, by newsletter. Applicants on the Housing Register are invited to express an interest in, or bid for, the properties advertised.

All applicants can also express their preference for the type and location of property required when completing a Housing Needs Register application form. They can also contact the Council at any time to change their preferences. However, there are certain preferences that will not be recognised, such as where an applicant asks for a property which is larger than they need. The type and size of a property an applicant will be considered eligible to bid for will depend on the applicant's household composition, age and eligibility. Applicants will be registered for and thus able to bid for only for the size and type of property they are entitled to, as described in 10.5 and 10.6 below.

Applicants may make a total of 3 bids in any one advertising cycle for properties advertised through Tandridge Home Choice and properties that are advertised for cross-boundary mobility moves (see section 10.3.1).

Bids must be made before the deadline shown in the advertisement otherwise the bid will not count.

9.2 Restricted Choice

Because some households need to move very urgently, it will not always be possible to meet all of their preferences for particular types of property or areas of the District. Restricted choice will therefore apply to the following groups of applicants:

1. Emergency Cases
2. Statutorily homeless households

Arrangements for implementing restricted choice for each of these groups are detailed below.

Emergency cases

These applicants will be placed in Band A and made one suitable offer of accommodation within the District. When determining suitability, in addition to the size standards specified in 10.6 later, consideration will be given to the following:

- Location of employment.
- Schooling.
- Support networks that the household has.
- Mobility and transport issues.
- Any medical needs that the household has.
- Any substantiated issues of violence or harassment.
- Any other specific factors, considered by the Council to be relevant.



If the applicant refuses a suitable offer of accommodation, their emergency priority will be withdrawn. Their application will be assessed in accordance with the normal procedure and they will be entitled to free choice. Applicants who were awarded emergency priority on medical grounds will have their priority reduced to an urgent level.

Statutorily homeless households

In accordance with its powers and its duties to homeless applicants, under Part VII of the Housing Act 1996, the Council is able to provide accommodation in its own stock or that of a Registered Housing Provider in a number of situations. These include:

- **Section 195(2)** - The power to provide accommodation to prevent homelessness where a household is considered to be threatened with homelessness within 56 days.
- **Section 189B(2)** - During the period that the Council owes the applicant a relief duty, the power to provide accommodation to relieve an applicant's homelessness
- **Section 193(2)** - Following expiry of the relief duty, the duty to provide accommodation where an applicant is considered to be unintentionally homeless and in priority need, This is usually referred to as the 'main housing duty'.

Such arrangements are outside the scope of the Allocation Scheme and properties provided on this basis are usually only available for a maximum term of 2 years.

In line with good practice, the Council wishes to give homeless applicants as much choice as possible about where they live. However, if applicants were able to remain in this temporary accommodation until their ideal property was available this would lead to problems with the supply of temporary accommodation for other homeless people.

Households that have been placed in temporary accommodation by the Council will therefore be allowed to freely choose their preferred landlord, property type and area for a period of 6 months only. If the applicant has not made a successful bid during this period, they may then be made a suitable offer by the Council of a vacant property anywhere within the District.

10. Allocation Procedure

All vacancies that are available to the Council in the circumstances described in Section 3.1 earlier will be allocated from the Housing Register in accordance with the procedures in this section.

10.1 Standard Selection Process

- Details of vacant properties available for allocation will be advertised weekly on the Home Choice website.
- Applicants on the Housing Register are invited to express an interest in, or bid for, the properties advertised. The Council may make bids at an applicant's request or, for households with restricted choice, where it considers it appropriate to do so.
- Each bidding round will commence on Friday at midnight and close on Wednesday at one minute to midnight in every week of the year. Exceptions may be made for Bank Holidays.
- Following the close of the bidding round, the eligible bids for each property will be prioritised in band and date order and a shortlist of applicants to be considered for the offer of the tenancy will be created.

- Properties will be offered to qualifying applicants in band order, starting with Band A. If there are no households in Band A that match against the vacant property, then the process of allocation will move on to Band B and so on in order through the bands.
- The property will be offered first to the eligible applicant with the highest priority, and if refused, to the applicant with the next highest priority and so on until the offer is accepted.
- If more than one household within a band matches against the property, priority will be determined in date order from the date of registration on the list, with the earliest application having the highest priority.
- If an applicant moves up a band or a property size category their effective application date will be the mid-point between their date of application and the date that they moved into that band. This date will be referred to as the priority date; for example, an applicant who was registered in Band C for one year and now qualifies for Band B, will have a priority date of six months before the date that they were eligible for Band B. The earliest priority date that an applicant can qualify for will not be more than one year before they became eligible for the higher band or property size category. This ensures that applicants gaining a higher level of priority do not automatically overtake all applicants who have had that higher level of priority for longer. Where an applicant subsequently moves up a band or a property size category again their new priority date will be the mid-point between their previous priority date and the date that they moved into that band.
- If an applicant moves down a band or a property size category their effective application date will be the date that applied when they were previously in that band or any earlier date when they were in a higher band.
- Eligibility for different sized properties is determined according to the Council's matching criteria shown in Section 10.6 later.
- Not all applicants are eligible for certain types of properties. Specific eligibility criteria that apply to these properties are shown in Section 10.5.

10.2 Affordability Assessment

Recent welfare reforms have had a significant effect on the ability of some non-working households, particularly larger households, to afford reasonable rents in the private sector and, to a lesser extent, housing association properties let at affordable rents.

Key amongst these reforms has been the reduction in the overall benefit cap, outside London, for non-working households, to £20,000 a year.

Where a household's total benefit income (including their Housing Benefit or housing element of Universal Credit) exceeds the total cap, the actual benefits they receive will be reduced to the level of the cap. Where a household is in receipt of Housing Benefit or the housing element of UC, this is the first benefit that will be reduced.

In order for an applicant to be allocated a particular property, the Council will need to be satisfied that the specific rent for the property is affordable for the individual household. The household's ability to pay the rent from their available income will be assessed. In determining available income, consideration will be given to any benefits that the household is in receipt of, including their entitlement to Housing Benefit or the housing element of UC. For any income to be taken into account, the applicant must be able to demonstrate that this income will be received on an ongoing basis.

Determinations of affordability will, primarily, be based on an assessment of the household's eligibility for Housing Benefit, under existing regulations.

A household that is not eligible for Housing Benefit or the housing element of UC will need to have an income that (in accordance with the benefit regulations) is sufficient so that they would not be eligible for Housing Benefit even if the full rent for the property were eligible for Housing Benefit.



Where an applicant is unable to meet the rent for the property without assistance from Housing Benefit, the property will not be considered affordable where the shortfall between the rent due for the property and the rent that the applicant is eligible to receive Housing Benefit for exceeds £5 per week. In order to be allocated the property, the household will need to demonstrate that their ability to meet the rent is sustainable for the foreseeable future.

10.3 Exceptions to the standard selection process

10.3.1 In certain circumstances it may not be appropriate to offer a property to the applicant with the highest priority. Examples of such situations are where:

- The applicant does not yet have sufficient support to live independently.
- The applicant is not suited to, or is not eligible for, the vacant property (see 10.5 below under sheltered housing, age-restricted housing, supported housing and key worker housing).
- Allocation is likely to result in serious estate management difficulties.
- A mix of applicants is needed to establish a balanced community e.g. - supported housing where a mix of people with different levels of support needs is required.
- The vacancy is subject to a local allocation policy (see Section 10.7).
- The applicant has pets and the property is not suitable for certain pets or pets are not permitted.
- On further investigation, the applicant is found to be ineligible for an allocation of accommodation under Section 4.1 or 4.2 of this scheme.
- On further investigation, the applicant is found to be liable for reduced preference in accordance with Sections 6.1 – 6.4 of this scheme.
- The applicant has been awarded medical or welfare priority for the allocation of particular type/ types of accommodation and the property is not one of these. Furthermore, the applicant would not otherwise have sufficient priority to be allocated the property.
- The applicant has failed to respond to in a timely manner to reasonable attempts by the Council to contact them regarding verification of their application as described in section 8.5 of this scheme
- To do so would conflict with the Council's objectives to make the best use of its stock and to address housing need. For example, where an applicant is at the top of the list for more than one property, the Council may consider it appropriate to offer the property which best enable it to meet these objectives, taking into account the needs of other households. This provision particularly applies to applicants with restricted choice.

Allocations made under one of the above exceptions must be approved by the Housing Allocations Manager and the reasons recorded.

10.3.2 Nominations to Housing Association vacancies will generally be made in accordance with the same criteria as that used for the selection of tenants for the Council's own dwellings. However, on some occasions the Housing Association may themselves have eligibility criteria that they wish the Council to take into account when selecting a suitable applicant for a vacancy or have grounds why they consider a particular nomination to be unsuitable. Where the Council considers that these criteria or grounds are reasonable, it will take them into account in deciding whether an applicant is eligible for nomination to the specific vacancy. Furthermore, in this regard, a nomination previously made by the Council may be withdrawn where the Council is satisfied that there are reasonable grounds for doing so. An applicant who is unhappy with a decision made on this basis has the right to request a review of the Council's decision.

10.3.3 On rare occasions, the Council may decide to remove properties from Choice Based Lettings and make a direct allocation in the following circumstances:

- A sensitive allocation is necessary or a local allocation policy is in operation.
- A property is purpose built or significantly adapted for a person with a disability.
- A RSL has requested a direct nomination to a property at their discretion.

The procedure for allocating such properties is described in section 10.4 below

10.4 Direct Allocation Process

- When a property becomes available the Council will use a computer application to generate a specific list of eligible applicants from the Council's Housing Register. This list will only include applicants who need that landlord, size, type and area of property.
- Applicants with free choice will only appear on the list if they have chosen to consider properties with this landlord of this type and in this area.
- Applicants with restricted choice will appear on the list if they have chosen to consider properties with this landlord of this type and in this area, or if the Council considers the type of property and area to be suitable for the applicant's needs.

10.5 Eligibility for Certain Vacancies

Houses

Priority for houses will be given to households with at least one dependent child under 16 years of age. Therefore, an applicant without a dependent child will not be offered the tenancy of a house if there are other applicants for the property, within the same priority band, with a dependent child.

Ground floor flats

Priority for ground floor flats will be given to applicants who have been awarded priority for, or otherwise require, this type of property on medical grounds, unless there is no suitable applicant with medical need.

Adapted Properties

Priority for adapted properties will be given to applicants who have been awarded priority for, or otherwise assessed as requiring, this type of property on medical grounds, unless there is no suitable applicant with this medical need.

Priority for adapted houses will be given to households with at least one dependent child under 16 years of age. Therefore, an applicant without a dependent child will not be offered the tenancy of an adapted house if there are other applicants for the property, with a medical need for this type of property, in the same priority band, with a dependent child.

Sheltered housing

Applicants for sheltered housing must normally be aged 65 or over, unless a younger applicant has proven support needs, which could genuinely be met by the sheltered housing service. Before an applicant is offered sheltered housing, an assessment will also be undertaken to determine the applicant's suitability for sheltered housing and whether they are likely to benefit from the support available.



Age-Restricted Housing

Some properties are designated for people aged 60 and over, or 40 and over. Allocations of these properties will only be made to people who meet the age criteria.

Supported Housing

Before an allocation of a supported housing unit is made, consideration will be given to each applicant's housing need, their need for support and their suitability for the particular vacancy. Allocations will then be made in accordance with an agreed priority order, in discussion with the supported housing provider and relevant agencies, as appropriate.

Key Worker Housing

Some units of accommodation are designated as key worker housing. Usually funding for these units is provided on the basis that they are allocated only to key workers. Allocations to key worker housing will be made in priority order but only to applicants who meet the definition in paragraph 7.6 or any amended definition that is required by Government regulations or may be approved at the time by the Chairman of the Housing Committee.

10.6 Property size eligibility

The number of bedrooms an applicant can be considered for is decided by looking at the size and structure of the household. The size of property that a typical household will normally be allocated is shown below:

Single applicant	-	bedsit or 1 bedroom property
Couple	-	1 bedroom property
Household with 1 child	-	2 bedroom property
Household with 2 children	-	2 or 3 bedroom property
Household with 3 children	-	3 bedroom property
Household with 4 children	-	3 or 4 bedroom property
Household with 5+ children	-	4 bedroom property

A child is a son or daughter of the applicant or their partner, of any age, or any other household member under 18 years of age that is dependent on them.

Children will not usually be expected to share a bedroom where they are of opposite sex and at least one of them is over 10 years old.

Any other adult members of a household (with the exception of partners and same sex siblings) will also be regarded as needing their own bedroom.

Any person wishing to be included as part of an applicant's household must satisfy the Council that they are a permanent member of the applicant's household and show that it is reasonable to expect them to reside with the applicant on a continuing basis. In the case of children where residence is shared between parents, it would not normally be considered reasonable for a child who has a suitable home with one parent to be taken into account when considering the housing needs of the other under this scheme.

Because of the shortage of larger properties, applicants who are eligible for 4 bedroom properties may also be offered large 3 bedroom properties on occasions.

In exceptional circumstances, the Council will consider allocating properties of alternative sizes to applicants. Such decisions will only be authorised by the Housing Needs Manager, usually following advice from the Council's Medical Adviser or support from other statutory agencies.

10.7 Local allocation policies

On new estates there is often a need to ensure that there is a mixed and balanced community. This is difficult to achieve if all the allocations are made to people in high need. The possibility of adopting a local lettings plan/policy for initial lettings on new estates will therefore be considered during the development of new housing schemes of 10 properties or more.

Rural exception sites require affordable dwellings to meet the needs identified within the rural area in question. There may also be other rural sites, where it is considered preferable to allocate to meet the needs of the rural community. Local letting policies negate the need for complex cascade arrangements within planning agreements. A planning agreement would just need to reference that dwellings should be let in accordance with the local letting policy. The possibility of adopting a local lettings plan/policy for initial lettings will therefore be considered during the development of all new rural housing schemes regardless of size.

The above are examples of situations where it is likely that local letting policies will be adopted. However, there may also be other situations where it is considered appropriate to adopt a local allocations plan /policy for new housing schemes of 10 properties or less

The Head of Housing would be required to agree any proposed policy following discussion with the Chairman of the Housing Committee, prior to allocation of the units.

10.8 Right to Move

In March 2015, the Government issued regulations and published statutory guidance regarding increasing mobility for social tenants to enable them to meet their aspirations, and to support them into work. The stated aim was to ensure that tenants are not prevented from taking up an employment opportunity because they cannot find a suitable place to live. This policy is referred to as the Right to Move.

The Council does not require an applicant to have a local connection with its District in order to qualify for the Housing Register. Social housing tenants living outside the District, wishing to move on this basis, are therefore eligible to join the Housing Register unless they are, otherwise, ineligible.

The Council has made provision for giving reasonable preference (priority) to applicants that qualify under the Right to Move, within the category of hardship reasonable preference, on welfare grounds, at section 7.2e of this Policy. The number of applications that are made on this basis will be monitored annually to ensure that such applicants are receiving appropriate priority for the allocation of properties in the District.

At this time the Council has not set a quota of properties that it expects to allocate each year to transferring tenants who need to move into the District for work related reasons. This is because the Council is not, yet, aware of any such need, having not received any legitimate applications on this basis. Nevertheless, the number of such applications that are received and are considered eligible for priority will be monitored and the need for a quota reviewed annually.



11. Performance monitoring and amendments

11.1 Monitoring of the Allocation Scheme

This scheme will be reviewed annually to determine if the policy is meeting the aims and objectives that are set out in section 2, and to consider whether these need amending.

11.2 Monitoring of allocations

The Housing Needs Manager is responsible for ensuring that allocations are made in accordance with the agreed policy. He/she will make random checks to confirm that allocations are being made appropriately and will take immediate corrective action should this be found not to be the case.

11.3 Ethnic monitoring

The breakdown of allocations according to ethnic origin will be monitored annually.

11.4 Local Performance Indicators

The success of this allocation scheme will be judged against the following indicators:

- The time taken to re-house applicants in 'Band A – additional preference' and 'Band B - high preference'.
- The proportion of black and ethnic minority applicants housed in relation to the proportion of such groups within the population.
- The average re-let time for vacancies.
- The number of tenants housed each year who were under-occupying family homes.

Performance against each of the above indicators will be assessed annually as part of the review of this policy.

11.5 Minor changes to the Allocation Scheme

The Head of Housing is authorised to make minor changes to this allocations policy. However, these changes should not significantly affect large numbers of applicants. The reasons for making any changes must also be documented and available to the public. Significant changes to the policy are to be approved by the Housing Committee.

12. Rights to Information and Reviews

12.1 Right to Information

Every applicant has the following rights regarding the provision of information:

- The right to request general information that will enable them to assess how their application will be treated including whether they are likely to be eligible for reasonable preference.
- The right to request general information that will enable them to assess whether housing appropriate to their needs is likely to be made available and if so how long it is likely to be before such accommodation becomes available.

- The right to be informed of any decision about the facts of their case which is likely to be taken into account in considering whether to allocate housing to them.
- The right to be informed of any decision that they are unsuitable to be a tenant which is likely to be taken into account in considering whether to allocate housing to them.

12.2 Rights to a Review

All applicants have a right to ask for a review in the following circumstances:

- Where they have been refused entry to the Housing Register (due to their immigration status or because they are in one of the non-qualifying classes).
- Where their application has been cancelled.
- Where their application has been given reduced preference in accordance with Section 6 of this Scheme.
- Where having been advised of the facts of their case which are likely to be, or have been taken into account, in considering whether to allocate housing, they wish to dispute the decision that the Council has made in relation to these facts, or they disagree with the facts themselves.

A request for a review may be submitted in person by an applicant or by an authorised representative acting on their behalf.

A senior officer who was not involved in making the original decision will carry out these reviews. The following procedure applies:

- A request for a review must be made in writing to the Council within 21 days from the day on which the applicant is notified of the authority's decision and the reasons for it. The Council has discretion to extend the time limit if it considers this would be reasonable
- An applicant may provide any additional information that they think the Council should take into account when reviewing its decision. This must be in writing and provided within 14 days from the date the Council notifies the applicant that it is carrying out a review. The applicant will be advised of the outcome of the review and of the reasons for it within eight weeks unless the applicant has agreed to an extension of time.
- There is no right to request a further review.

Reviews of decisions made under Part VII of the Housing Act 1996 (Homelessness) are outside the scope of this Policy.

12.3 Data Protection

Information regarding a person's application for housing will not be disclosed to any third party or member of the public without the applicant's express consent unless the Council is required to do so legally. By signing the housing application form an applicant gives consent for Tandridge District Council to make relevant enquiries with regard to their housing need and their potential ability to manage a future tenancy. The declaration also gives express consent to share such information with partner RSLs or other social housing providers when nominating applicants to be tenants of their properties.

12.4 Access to Personal Information

In accordance with the Data Protection Act 1998, the Community Services Department believes that people have a right to see what information is kept about them on written records. As far as possible we



will make this available, subject to certain restrictions. If you wish to view your records, please contact the Council's Data Protection Officer:

The Data Protection Officer
Tandridge District Council
Council Offices
8 Station Road East
Oxted
Surrey
RH8 0BT

dpo@tandridge.gov.uk

13. Equal Opportunities

The Council aims to:

- Ensure that all members of the community have fair and equal access to the Council's services.
- Ensure that no service user, employer or job applicant is treated less favourably on the grounds of disability, age, gender, marital status, sexual orientation, race, faith, colour, nationality or ethnic origin.
- Ensure that no service user, employer or job applicant is disadvantaged by conditions, requirements or practices which cannot be shown to be just and fair.
- Work towards providing a model of good equal opportunities practices for other organisations within the District and encourage a commitment to equal opportunities in the community at large.
- Value and support diversity throughout the local community and the Council's workforce.
- Establish effective consultative mechanisms to ensure that the needs of the Tandridge community are adequately represented.
- Pursue the Local Government Equality Standard.
- Integrate equality principles into the Council's policies and strategies.
- Promote a culture of fairness and respect to all employees.

In addition, Housing Services will ensure that equal opportunities operate in practice, in particular by:

- Taking steps to identify any unfair discrimination, including monitoring equal opportunities at each stage of the allocation process.
- Taking positive action to improve performance in relation to equal opportunities; ensuring that tenants are aware of their right under equal opportunities legislation to lodge complaints of discrimination in the County Court.
- Allocating properties sensitively, particularly when racial harassment may be an issue. Where a property is offered to a black or minority applicant, they will be advised of any previous history of harassment and, if they decide to accept the offer, offered appropriate support.

The Council subscribes to a language translation service. This service will be used to ensure that the process of applying for housing and the main details within this policy are available to those from different ethnic backgrounds.

In providing its housing service, the Council also has regard to the Commission for Racial Equality Code of Practice in Rented Housing.

14. Officers Involved in the Allocation Process

A number of different council officers are involved at various stages of the allocation process. Details of these officers and the decisions that they are responsible for are shown below. Whenever an officer is named, the decision can be taken by a more senior officer in their management line:

Housing Needs Case Officer

- Registering applications for housing.
- Initial assessment of Priority under the Allocation Scheme.
- Notifying applicants of their registration date and level of priority.
- Advising applicants when their application is due for re-registration.
- Cancelling applicants who do not re-register their applications.

Housing Allocations Officer

- Decisions regarding eligibility for the Register.
- Decisions to reduce or suspend applications in accordance with the Allocation Scheme.
- Verification of an applicant's level of priority.
- Decisions to award priority or urgent priority on medical grounds.
- Identification of applications to be considered for additional priority on medical / welfare grounds.
- Offers of accommodation to applicants in accordance with the Allocation Scheme.

Housing Allocations Manager

- Recommendation for the award of additional priority on welfare grounds.
- Approval of additional priority on medical grounds (following recommendation by the Council's Medical Adviser).
- Approval of additional priority on the grounds of threatened homelessness.

Housing Needs Manager

- Reviews of decisions on eligibility, suitability of accommodation, etc.
- Approval of exceptions to the standard selection process.

Head of Housing

- Award of additional priority on welfare grounds.
- Minor amendments to the Allocation Scheme.



Appendix A: Priority Scheme Summary

Each application will be placed within one of the following bands:

Band A – Additional Preference

Low income households with a local connection with Tandridge that are:

- Emergency cases

Low income households with a local connection with Tandridge that are:

- Council or RSL tenants under-occupying family properties and requiring one-bedroom properties,
- No longer in need of supported housing,
- Reciprocals,
- Long-serving key workers whose property is needed to house another such person.

Band B – High Preference

Low income households with a local connection with Tandridge that are :

- Homeless / threatened with homelessness and in priority need,
- Overcrowded households,
- High medical or welfare cases,
- Families with children sharing facilities where the applicant has no legal rights to occupy the property or apply for an occupation order,
- In accommodation that lacks facilities or is in severe disrepair.
- Council or RSL tenants under-occupying family properties and requiring two-bedroom properties.

Band C – Moderate Preference

Low income households with a local connection with Tandridge that are-

- homeless but not in priority need,
- medical or welfare cases,
- private tenants with limited security of tenure,
- sharing facilities,
- sharing / lacking living room,
- key workers,
- families with young children living above the ground floor,
- in accommodation that is in disrepair.

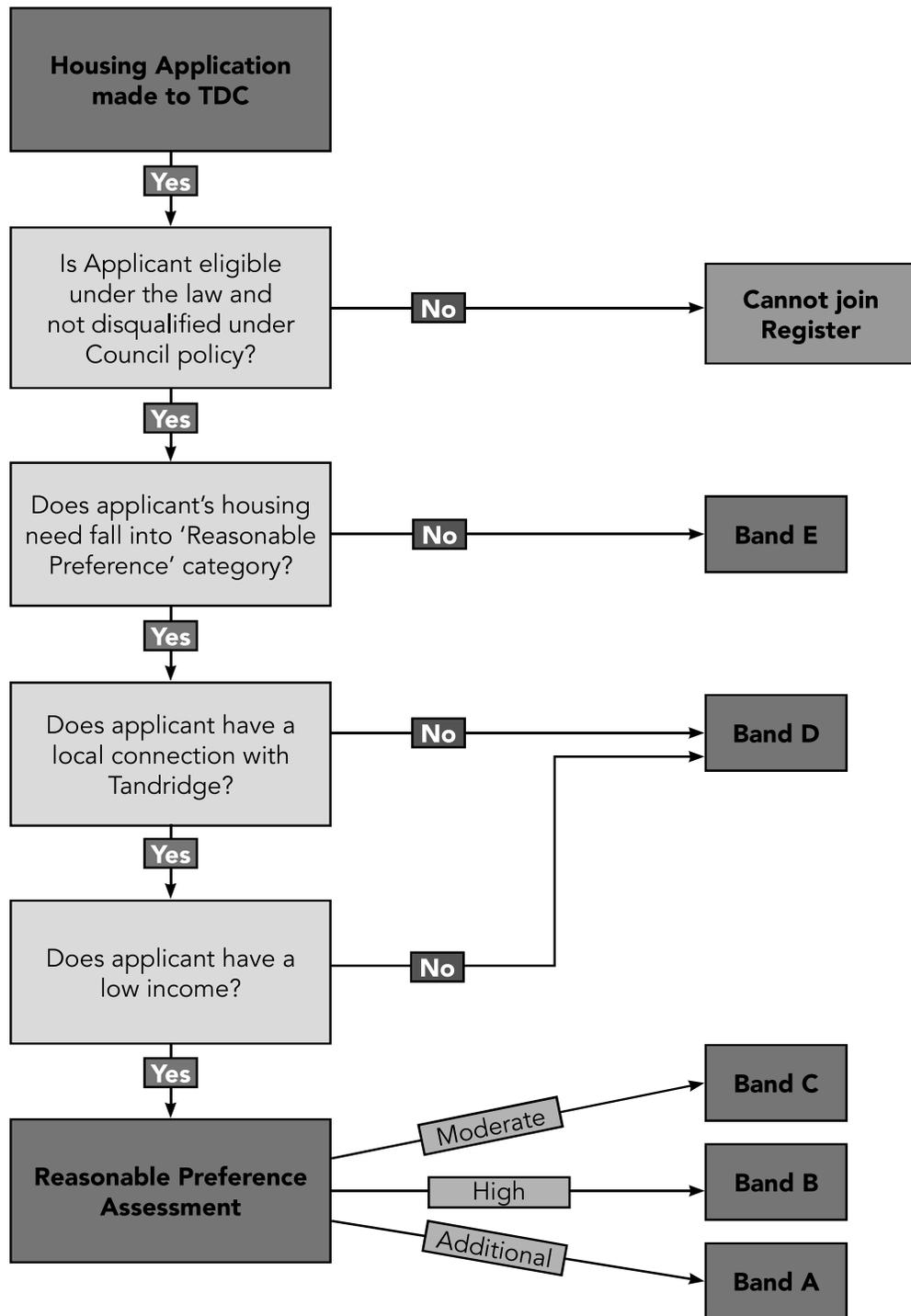
Band D – Low Preference

- Households in housing need but with higher income,
- Households in housing need but with no local connection.

Band E – No Preference

- Households in low housing need.

Appendix B: Allocations Scheme Assessment Flowchart





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Surrey RH8 0BT

www.tandridge.gov.uk

customerservices@tandridge.gov.uk

01883 722000

Appendix JS2

Planning Practice Guidance, relevant extracts (March 2014, ongoing updates)



Extracts from Planning Practice Guidance

Appendix JS2

Section	Paragraph	Commentary
Housing and Economic Needs Assessment	006 Reference ID: 2a-006-20241212	<p>This section sets out that assessments of housing need should include considerations of and be adjusted to address affordability.</p> <p>This paragraph sets out that <i>“an affordability adjustment is applied as housing stock on its own is insufficient as an indicator of future housing need.”</i></p> <p>This is because:</p> <ul style="list-style-type: none"> <i>housing stock represents existing patterns of housing and means that all areas contribute to meeting housing needs. The affordability adjustment directs more homes to where they are most needed</i> <i>people may want to live in an area in which they do not reside currently, for example to be near to work, but be unable to find appropriate accommodation that they can afford.</i> <p><i>“The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.”</i></p>
Housing and Economic Needs Assessment	018 Reference ID 2a-01820190220	<p>Sets out that <i>“all households whose needs are not met by the market can be considered in affordable housing need. The definition of affordable housing is set out in Annex 2 of the National Planning Policy Framework”</i>.</p>
Housing and Economic Needs Assessment	019 Reference ID 2a-01920190220	<p>States that <i>“strategic policy making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments)”</i>.</p>
Housing and Economic Needs Assessment	020 Reference ID 2a-02020190220	<p>The paragraph sets out that in order to calculate gross need for affordable housing, <i>“strategic policy-making authorities can establish the unmet (gross) need for affordable housing by assessing past trends and current estimates of:</i></p> <ul style="list-style-type: none"> <i>the number of homeless households;</i>

		<ul style="list-style-type: none"> • <i>the number of those in priority need who are currently housed in temporary accommodation;</i> • <i>the number of households in over-crowded housing;</i> • <i>the number of concealed households;</i> • <i>the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and</i> • <i>the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.”</i>
Housing and Economic Needs Assessment	024 Reference ID 2a-02420190220	<p>The paragraph states that <i>“the total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period”</i>.</p> <p>It also details that:</p> <p><i>“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”</i></p>
Housing Supply and Delivery	022 Reference ID: 68-031-20190722	<p>With regard to how past shortfalls in housing completions against planned requirements should be addressed, the paragraph states:</p> <p><i>“The level of deficit or shortfall will need to be calculated from the base date of the adopted plan and should be added to the plan requirements for the next 5 year period (the Sedgefield approach)...”</i></p>
Housing Needs of Different Groups	001 Reference ID: 67-001-20190722	<p>Sets out the relationship between affordable housing need and overall housing need:</p> <p><i>“This need [for specific groups of people] may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method.”</i></p>

Appendix JS3

Extract: 2020 Darlington SHMA

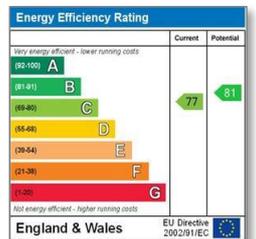




Darlington Strategic Housing Market Assessment 2020

Report of Findings

December 2020





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1. Introducing the Study

Background to the project

Introduction

- 1.1 Opinion Research Services (ORS) was commissioned by Darlington Borough Council in 2015 to prepare a Strategic Housing Market Assessment, which was subsequently published as Part 1 Objectively Assessed Needs including affordable housing and Part 2 which considered the housing needs of particular groups.
- 1.2 An update to Part 1 was published in 2017 to reconsider the overall housing need for Darlington and this found an annual need for 459 dwellings. plus the equivalent of 33 more dwellings to provide for Class C2 needs. However, the need for affordable housing and the needs of particular groups were not reassessed in that study.
- 1.3 Since 2015, the National Planning Policy Framework and Planning Practice Guidance for housing needs has been updated and the date range for the proposed Darlington Local Plan has been changed from 2011-36 to 2016-36. Therefore, the evidence to be found in both Parts 1 and 2 of the SHMA 2015 is now over 5 years old and references policies and guidance which is now out of date.
- 1.4 This current study utilises with the 2017 updated overall housing need figure of 459 dwellings annum plus the 33 dwellings to provide for Class C2 needs, but provides up to date information on affordable housing needs and the needs of particular groups in line with current policy requirements. It also includes information from the SHMA 2015, such as the section on Housing Market Areas, to ensure that with the 2017 update it can be read without further need to reference the SHMA 2015.

Government Policy

- 1.5 The Government published the National Policy Planning Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.6 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *“should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries”*.
- 1.7 A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 1.8 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *“strategic policies should be informed by a local housing need*

assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach". This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

- 1.9 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities now have to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the Revised NPPF, Paragraph 60 identifies that *"any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].
- 1.10 The Revised NPPF has also introduced a new definition for affordable housing. Whilst the Original NPPF identified (in the Glossary at Annex 2) that affordable housing should be provided for households *"whose needs are not met by the market"*, the Revised NPPF adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need.
- 1.11 Under the Original NPPF, affordable housing need was based on those who could not afford to buy or rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

Covid 19

- 1.12 Queries have been raised across the country about the impact of Covid 19 on population projections. However, unless Covid 19 becomes an recurring event the impact on population projections over a plan period is likely to be minimal. Similarly, any movement away from major cities to rural locations cannot yet be taken as a long-term trend. Therefore, we have made no adjustments within this study in light of the impact of Covid 19.

Brexit

- 1.13 It is important to recognise that at this stage there is still great uncertainty as to the nature of any future trade relationship with the EU and therefore the potential short, medium, and long-term implications of Brexit on the UK economy. As a result, there is little clarity on what that will mean for the economy or housing needs, so it is difficult to specifically account for at this stage and again we have made no specific adjustments to the report.

3. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

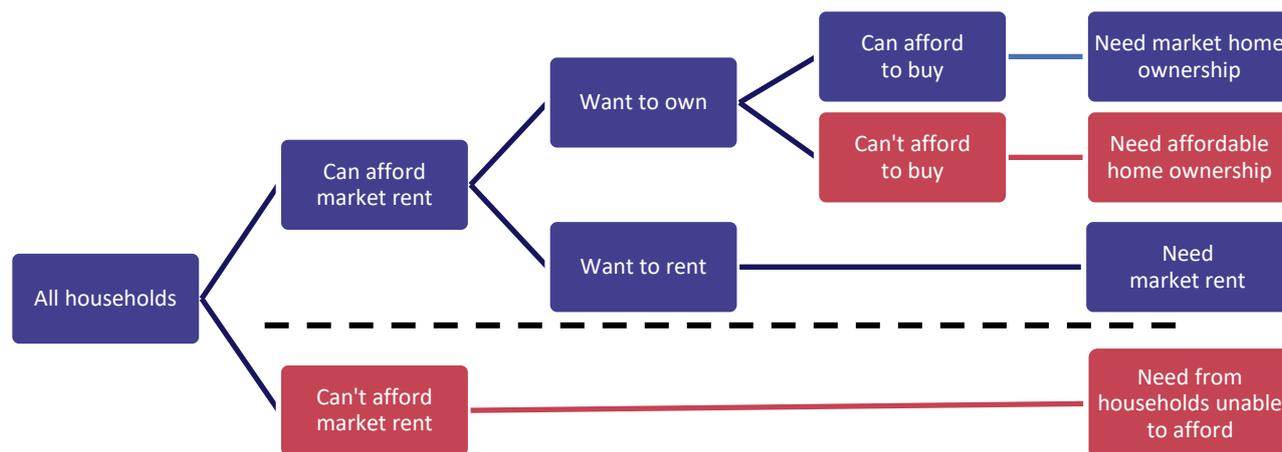
- 3.1 This section represents an update of the analysis in the SHMA 2015 to include new data and the impact of policy changes. It represents a technical exercise to comply with the requirements of the NPPF and the PPG. We would note that all figures in this section relate to households, not dwellings, until Figure 21 where the results are converted in to the need for dwellings.
- 3.2 The definition of affordable housing was changed by the new National Planning Policy Framework (2018), with a specific emphasis now placed on affordable homeownership. Annex 2 of the Framework now defines affordable housing as being:

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)

National Planning Policy Framework 2018, Annex 2

- 3.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [PPG ID 2a-020-20190220].
- 3.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy.

Figure 6: Establishing the need for market and affordable housing



- 3.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

- 3.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 3.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 3.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 3.9 The affordability percentages in Figure 7 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 7: Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	24%	13%	35%	37%	40%	34%
Couple family with no dependent children	21%	7%	10%	7%	8%	13%
Couple family with 1 or more dependent children	39%	24%	13%	7%	12%	20%
Lone parent family with 1 or more dependent children	82%	64%	47%	37%	43%	55%
Other household type	53%	59%	39%	22%	20%	13%

Current Unmet Needs of Households Unable to Afford

- 3.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*

- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (February 2019), ID 2a-020-20190220

- 3.11 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 3.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2016.
- 3.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Darlington.
- 3.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).
- 3.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 3.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

3.17 Figure 8 sets out the assessment of current affordable housing need for Darlington:

Figure 8: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2016]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	3		3	3
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0		0	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	1	1	0	
Households accepted as homeless but without temporary accommodation provided	6		6	6
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	63		63	63
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	247		247	
Households living in overcrowded social rented housing	273	273	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2016]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	222	11	211	
People who need to move to a particular locality in the authority, where failure to meet that need would cause hardship (to themselves or to others)	27	1	26	
TOTAL	842	286	556	72

3.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 842 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

3.19 Of these households, 286 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

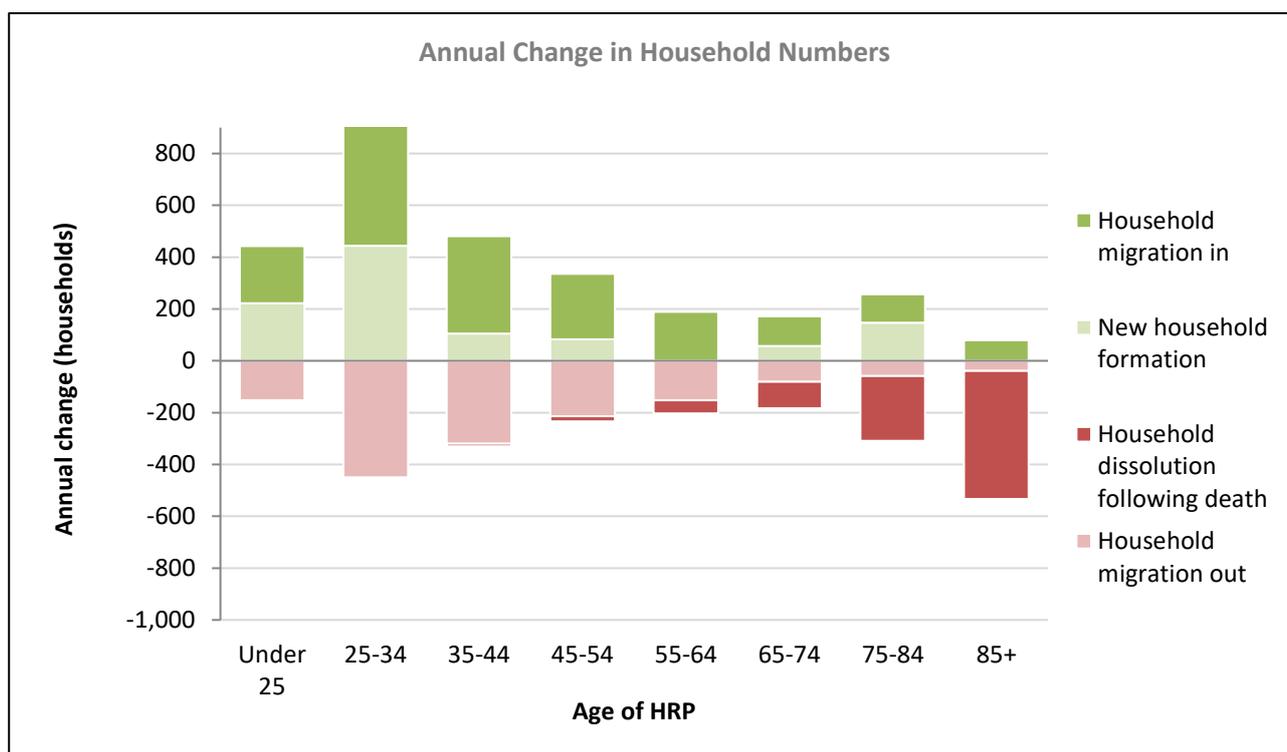
3.20 There is, therefore, a net affordable housing need of 556 households (842 less 286 = 556). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.

3.21 Providing the net affordable housing need for 556 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 484 households (556 less the 72 households which are homeless or concealed and thus do not release dwellings).

Projected Future Need of Households Unable to Afford

- 3.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “gross annual estimate” (ID 2a-021) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-024).
- 3.23 Figure 9 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 9: Annual change in household numbers in each age cohort by age of HRP in Darlington (Source: ORS Housing Model)



- 3.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables looks at the impact of different types of household.

Figure 10: Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	977	657	320	33%
Households migrating into the area	1,858	1,341	517	28%
All new households	+2,835	+1,998	+837	30%

- 3.25 The ORS Model identifies 977 new households projected to form in Darlington each year, of which 33% will be unable to afford their housing costs. This amounts to 320 households each year.

3.26 The model also considers new households migrating to the area. The projection is for 1,858 households per annum of which 28% (517 households) will be unable to afford their housing costs.

3.27 **This results in a total of 837 new households in need of affordable housing** (Figure 10).

Figure 11: Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	931	691	240	26%
Households migrating <u>out</u> of the area	1,468	1,062	406	28%
All households no longer present	+2,399	+1,754	+645	27%

3.28 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022).

3.29 The model identifies 931 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 240 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.

3.30 In addition, some households that are unable to afford housing are will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 1,468 households will migrate out of the area each year, including 406 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

3.31 **Altogether, there are 645 households who will vacate affordable dwellings or will no longer be waiting for a home** (Figure 11).

Figure 12: Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-203	+203	100%
Existing households climbing out of need	-	+264	-264	0%
Change in existing households	-	+61	-61	-

3.32 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in Darlington will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 203 established households will fall into need in Darlington each year.

- 3.33 However, established households' circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 3.34 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 264 households will improve such that they become able to afford their housing costs having previously being unable to afford.
- 3.35 Therefore, considering the changing needs of existing households overall, **there is a net decrease of 61 existing households needing affordable housing each year** (Figure 12).
- 3.36 The following table (Figure 13) summarises the overall impact of
- » new households adding to housing need,
 - » the households no longer present reducing housing need and
 - » the changes in circumstances impacting existing households.

Figure 13: Annual components of Household Growth 2016-36 (Source: ORS Housing Model)

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		2,835	1,998	837
All households no longer present		2,399	1,754	645
Change in existing households		-	+61	-61
Future affordable housing need 2016-36	Annual average	+436	+305	+131
	20-year Total	+8,716	+6,103	+2,612

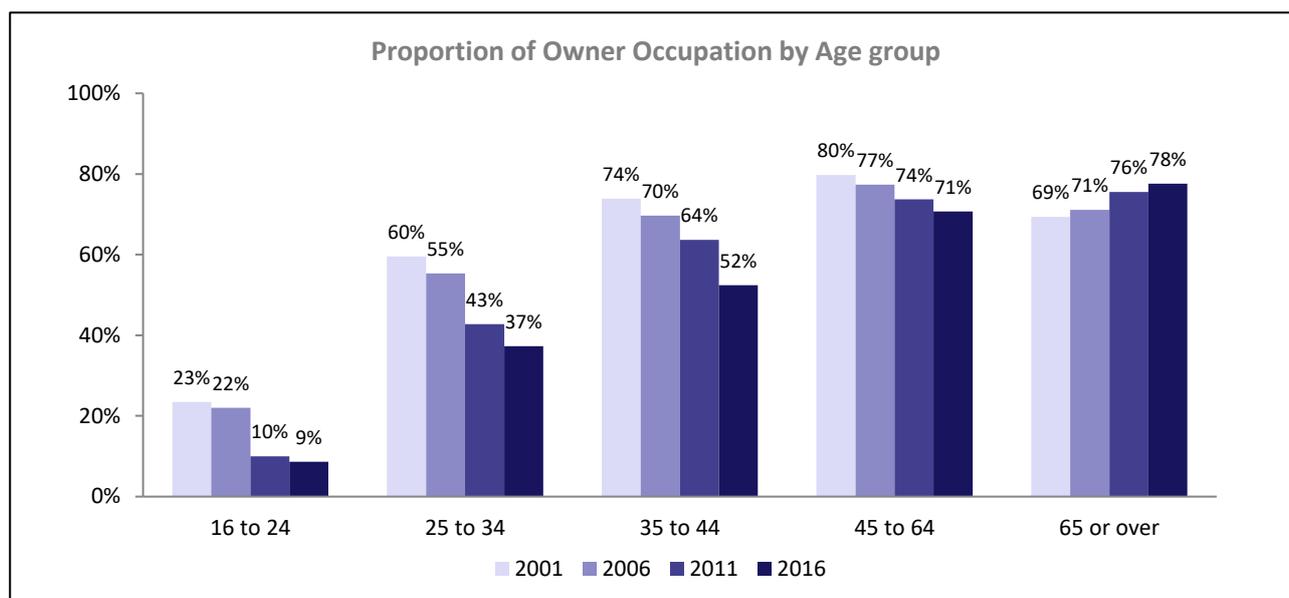
- 3.37 Overall reviewing the contribution of each element amounts **to an additional 2,612 households needing affordable housing over the 20-year period 2016-36.**

Needs of Households Aspiring to Homeownership

Home Ownership Trends

- 3.38 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
- 3.39 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 14).

Figure 14: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)



Establishing the number of households aspiring to home ownership

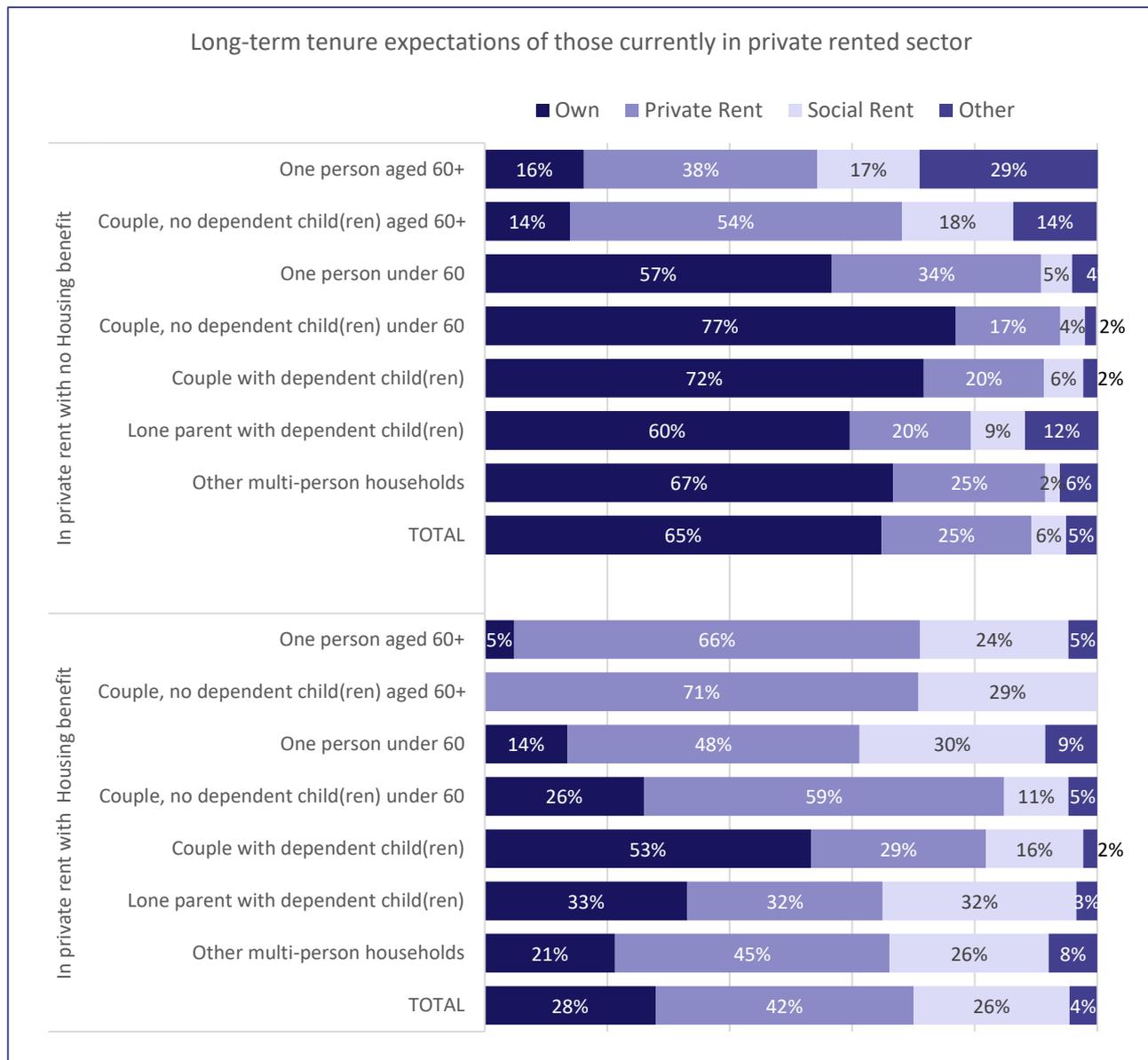
- 3.40 English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 15: Long-term aspirations (Source: English Housing Survey 2013/4)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

- 3.41 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.
- 3.42 The following chart (Figure 16) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.
- 3.43 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 3.44 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 16: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
 (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



Additional Need for Affordable Homeownership

- 3.45 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 17 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 17: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership
(Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative						TOTAL
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	200	541	234	106	16	24	1,122
Couple without children	71	347	80	109	78	23	708
Families with child(ren)	99	466	320	92	0	0	977
Other households	34	0	9	17	27	0	87
Total	404	1,354	643	325	121	47	2,894
<i>Percentage of households</i>	14%	47%	22%	11%	4%	2%	100%

- 3.46 Based on this analysis, we can estimate that there is a total of around 2,894 households currently resident in Darlington who cannot afford to own their own home but would aspire to do so. 61% of these households are aged 15-34 with the substantial majority (83%) aged under 45.
- 3.47 In addition to the current need, it is also important to consider new households that are projected to form over the period 2016-2036. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 2,116 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 5,010 households who aspire to homeownership but who cannot afford to buy their own home over the period 2016-36, a net annual need of 251 per year.**
- 3.48 When identifying the need for Affordable Home Ownership (AHO) including First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

- 3.49 Figure 18 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2016-36. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 18: Assessing total need for affordable housing 2016-2036 (Source: ORS Housing Model)

	Affordable Housing Need		Overall Affordable Housing Need
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2016	556	2,894	3,450
Future housing need 2016-36	2,612	2,116	4,728
TOTAL HOUSING NEED	3,168	5,010	8,178

3.50 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 8,176 households over the 20-year period 2016-2036, equivalent to an average of 409 per annum.

3.51 This represents a substantial proportion of the annual need of 459 dwellings. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

3.52 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 states:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.

Planning Practice Guidance, ID 2a-017-20190220

3.53 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.

3.54 It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 3,168 households.

3.55 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new

build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.

- 3.56 Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.⁶ While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.
- 3.57 Given this context, Figure 19 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.
- 3.58 Of the 5,010 households who can afford to rent but who aspire to homeownership and cannot afford to buy, there would be 1,130 where the household had insufficient income to have a realistic prospect of being able to afford at 60% of open market values (Figure 19). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,523 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in the local area.

Figure 19: Affordable homeownership housing mix by household affordability to 2016-2036 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	516	104	412	252	160
2 bedrooms	2,678	603	2,075	1,316	758
3 bedrooms	1,592	336	1,256	881	375
4+ bedrooms	223	86	137	73	65
TOTAL	5,010	1,130	3,880	2,523	1,358

- 3.59 On this basis, only 1,358 dwellings are needed for households that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold.

⁶ Developers will typically receive 50-60% of open market value when delivering Affordable Rented units

- 3.60 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 1,358 households likely to form an effective demand (i.e. those able to afford the various products that will be available) in addition to the 3,168 households unable to afford. Figure 20 provides a breakdown of the planned affordable housing on this basis.

Figure 20: Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need		Planned Affordable Housing
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	437	160	596
2 bedrooms	1,218	758	1,976
3 bedrooms	1,267	375	1,642
4+ bedrooms	246	65	311
TOTAL HOUSING NEED	3,168	1,358	4,526

- 3.61 The LHNA identifies an overall affordable housing need from 4,526 households over the 20-year period 2016-36 (226 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.
- 3.62 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

Size and Tenure Mix based Upon LHN

- 3.63 All data from this point onwards of the report now reference dwellings, not households. Therefore, we have taken the results from Figure 20 and applied a vacancy and second rate to them which allows us to calculate the number of dwellings required in Darlington. The totals therefore now match the annual need figure 459 dwellings per annum plus the equivalent of 33 dwellings for Class C2 per annum.
- 3.64 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will be available).
- 3.65 It would therefore seem appropriate for the local authority to plan to provide 1,394 dwellings for households aspiring to homeownership in addition to the 3,252 dwellings for households unable to afford. Figure 21 provides a breakdown of the Local Housing Need of 9,840 dwellings between market and affordable housing on this basis. In summary, there is a need for:

Social rented housing = 2,175 dwellings (22.1%) for households unable to afford affordable rent;

Affordable Rent = 1,077 dwellings (10.9%) for households that can afford affordable rent but unable to afford market rent;

Affordable home ownership = 1,394 dwellings (14.2%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;

Market housing = 5,194 dwellings (52.8%); and

Market housing includes an allowance for C2 provision within the total housing need of 9,840= equivalent to 660 dwellings that would be counted against the minimum LHN target.

Figure 21 Planned overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Dwellings Unable to afford		Aspiring to Home Ownership			
	Social rent	Affordable Rent				
1 bedroom	384	64	164	612	-6	606
2 bedrooms	828	423	779	2,029	884	2,913
3 bedrooms	806	495	385	1,686	2,901	4,587
4+ bedrooms	157	95	67	319	754	1,073
DWELLINGS	2,175	1,077	1,394	4,646	4,534	9,180
C2 Dwellings	-	-	-	-	660	660
LHN	2,175	1,077	1,394	4,646	5,194	9,840
Percentage Split	22.1%	10.9%	14.2%	47.2%	52.8%	100.0%

^{3.66} The data indicates a split between affordable to rent and affordable to own of almost exactly 70:30. However, this must be placed in the context of local viability and policy considerations. In particular, the overall level of affordable housing need of 4,646 units is unlikely to be met, so Darlington will need to assess the relative priority given to different housing needs when setting policy targets.

Delivery 2016-2020

^{3.67} Figure 22 shows that in the past 4 years, Darlington has achieved an average dwelling delivery of 452 per annum, which sits within the draft Local Plan dwelling requirement of 422-492 per annum. Affordable housing completions have been around 110 per annum, below the need figures set out in Figure 21. However, the delivery of affordable housing has been around 24% of the total dwelling delivery and is as high as could be expected given the levels of viability in Darlington.

Figure 22: Housing Delivery in Darlington 2016-2020 (Source: Darlington Borough Council. Note: Includes 49 Park Homes in the market total have been counted as 25 two bed and 24 three bed properties)

	Market Housing	Affordable Housing	TOTAL
1 bedroom	85	15	100
2 bedrooms	289	279	568
3 bedrooms	480	128	608
4+ bedrooms	515	19	534
TOTAL	1,369	441	1,810

Comparison with the 2015 SHMA Update

- 3.68 It is possible to compare Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed Needs with the figures set out above. Figure 53 of the SHMA 2015 (reproduced here as Figure 23) set out the size and tenure mix for the period 2011-36 for Darlington.

Figure 23: Housing mix of OAN for market and affordable housing 2011-36 (Source: Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed, Figure 53. Note: Figures may not sum exactly due to arithmetic rounding)

		Dwellings
MARKET HOUSING		
Flat	1 bedroom	28
	2+ bedrooms	265
House	2 bedrooms	1,915
	3 bedrooms	3,960
	4 bedrooms	870
	5+ bedrooms	89
Total Market Housing		7,127
AFFORDABLE HOUSING		
Flat	1 bedroom	796
	2+ bedrooms	301
House	2 bedrooms	1,355
	3 bedrooms	1,368
	4+ bedrooms	214
Total Affordable Housing		4,033
TOTAL		11,160

- 3.69 The SHMA 2015 assumed an overall annual housing growth rate of 446 dwellings per annum, with annual affordable housing need of 161 dwellings per annum which covered the need for affordable to rent and shared ownership properties. This represents 36% of the overall need. This current study has an affordable housing need to rent figure of 163 dwellings per annum which is 33% of the overall need.
- 3.70 These figures are comparable because they are both based upon households unable to afford the cost of market housing. However, this current study also includes the additional need from those who aspire to own, but who can afford to meet their own private rents. This amounts to a further 70 dwellings per annum which result from the need to consider private renters who aspire to own. Therefore, the additional affordable housing need contained in this study comes directly from the change in definition for affordable housing set out in Annex 2 of the NPPF 2018.

Appendix JS4

Report from the New Economics Foundation (May 2024)



REFORMING RIGHT TO BUY

OPTIONS FOR PRESERVING AND DELIVERING NEW COUNCIL HOMES FOR THE TWENTY-FIRST CENTURY

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EXECUTIVE SUMMARY

Over almost four and a half decades since its introduction in 1980, the right-to-buy scheme has had a transformative impact on our homes and our lives. Over two million homes have been sold to around 4.5m sitting tenants, allowing them to own their own homes and access wealth to which they had hitherto been denied.¹ For those who have benefitted from the scheme and for those who one day hope they might, right to buy offers a clear path to gaining financial security for them and their children, with greater control over their future as a result.

There is a clear tension, however, between right to buy's enduring appeal on the one hand, and its role in reducing the number of homes for social rent, which lies at the heart of our housing crisis. Right to buy has come at the huge cost of emaciating what had been one of the UK's greatest national assets: its social housing stock.

The strings attached to right to buy have bound councils' hands, preventing them from replacing sold homes. Moreover, it has triggered a seismic loss of confidence and ability on the part of local authorities to build new homes. Partly because of the impact of right to buy, councils went from being at the vanguard of developing new homes in the decades immediately following the Second World War, to being bit-part players thereafter.

The task for policymakers is to navigate a path that recognises the role that right to buy has played in providing low-cost home ownership while reforming the policy to strike a better balance. The goal of these reforms should be to reform right to buy so that, instead of contributing to this current housing crisis, it can become part of the solution to it.

This report outlines a package of reforms underpinned by a suite of powers that should be devolved from Westminster to local government. These would give councillors the ability to make decisions regarding the future of their council housing stock and give them greater control over the tenure balance of homes in their area. England's current one-size-fits-all approach to right to buy has exacerbated affordable housing shortages in high-demand areas. Devolving right to buy to councils, however, would place more decision-making powers and accountability in the hands of local politicians, who know their areas best. It would also help them to capture the multiple benefits of devolution. Crucially, by reforming right to buy so that one of the key barriers to council housebuilding is removed, councils can deliver local economic growth while better

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addressing local housing needs. Powers should therefore be devolved to allow councils, if local circumstances demand, to:

- suspend right to buy where it can be demonstrated that the policy is contributing to affordable housing shortages;
- end right to buy in respect of newly built or acquired homes;
- prevent sold homes from being let in the private rented sector (PRS); and
- reduce discounts and extend qualifying periods beyond the pre-2012 levels, which should be returned to as a new baseline across the country.

Furthermore, Treasury rules should be amended to allow councils to use receipts to better provide replacement stock:

- The Treasury Share should be abolished.
- The cap on the use of receipts should be abolished.
- Councils should be allowed to combine receipts with other forms of grant funding.
- Councils should be permitted to transfer receipts to Arms Length Management Organisations (ALMOs) and housing companies.
- The cap on using receipts to acquire homes on the open market should be lifted.

Underpinning the Treasury's justification for imposing restrictions on the use of receipts is a scepticism that, left to their own devices, councils will fail to replace sold homes.² The risk of councils misusing these additional powers is minimal. Crucially, it is the current rules themselves that are preventing councils from replacing sold homes.

This report highlights a wide range of reform options for the government so that right to buy is fit for purpose in the current housing crisis. Devolving right-to-buy powers will help councils tailor it to local circumstances while giving them the confidence to get building again. It should therefore be a pre-requisite and priority for any government seeking to rapidly upscale social housing delivery and provide a path out of the housing crisis.

1. INTRODUCTION

Right to buy is both loved and loathed. To the 4.5m former tenants who the policy helped to fulfil their dream of home ownership, as well as to those who one day hope they may benefit from it, it is immensely popular.^{a,3} It has provided one of the few means by which working-class families can accumulate wealth and pass this down to their children. Right to buy offers financial security to many for whom this has proved elusive, giving tenants greater choice and control over where they live. It typified Margaret Thatcher's government's brand of free-market populism and continues to shape our housing system to this day. One of its principal architects, Michael Heseltine, was correct when he predicted it would lay "the foundations for one of the most important social revolutions of this century".⁴ Over 2m social homes have been sold so far across its nearly 44-year duration,⁵ with the proportion of social renters almost halving from 31% of English households in 1980 to 16% by 2022/23.⁶

But to its critics, it has fundamentally undermined one of the nation's most prized assets: our social housing stock. As these homes became let in the PRS, right to buy instead propelled us towards the expanding quagmire of rising rents and poor standards in our current PRS. At the same time, it fatally undermined council housing, which had been the safe, secure, and affordable foundation on which millions of working-class families had built their lives. Homeownership is a vital means to gain access to security of tenure, which right to buy has of course supported. But through the rising private letting of former right-to-buy homes, the policy has replaced millions of homes of secure tenure and affordable rent with insecure tenure and unaffordable rent, driving rising housing need and higher housing benefit costs for taxpayers. New research from the New Economics Foundation (NEF) shows that 41% of homes sold under right to buy are now let on the private market, equating to around 820,000 homes, a rise of over 100,000 since 2015. This transfer to the PRS costs taxpayers millions more in additional housing benefit costs.

Each year, England's pool of social housing shrinks, as the new social homes we build are outnumbered by the existing homes we sell. It is both inadequate supply *and* right to buy that explains this. Furthermore, right to buy has downgraded the status of social rent; arguably there has been no policy that has contributed more to the stigmatisation of social housing.⁷

^a 56% support extending full Right to Buy to housing associations, which has increased from 46% in 2019

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Right to buy's most damaging consequence, however, has been the impact it has had on local authorities' ability and motivation to build new council homes. Even if they can overcome the myriad financial and practical challenges to building new homes, why would councils do so when the home could be sold at a substantial discount at any moment?

In conjunction with the Homes for Us alliance of grassroots organisations and campaigners, NEF is developing policies to fix England's broken housing system. Balancing the tension between the policy's popularity on the one hand, and its damaging impact on our housing system on the other, we have identified several vital reforms to right to buy that would enable it to become part of the solution to the housing crisis.

At the heart of these reforms lies part of a suite of devolved powers, which would grant local authorities options to reform right to buy in the area, if local circumstances demand it. This would mean that decisions regarding the treatment of council assets could be taken by local politicians who know their areas best. This would also enhance local authorities' ability to exercise greater control over their assets and the tenure balance of the homes in their communities. It would allow them to coordinate housing policies across a range of other policy areas, foster place-based policymaking, and, by encouraging councils to get building again, help deliver local economic growth. This report outlines a menu of options for reform, including suspension, ending the right for newly built or acquired homes, preventing homes from ending up in the PRS, as well as expanding powers regarding discounts and qualifying periods.

Empowering local authorities to pursue these options – some of which are of course mutually exclusive – would allow them to tailor their right-to-buy policies to suit local circumstances. For example, a council with high rates of homelessness and demand for social housing could encourage (or even guarantee) retention of the ownership of their homes; those who wanted to prevent the growth of the PRS could take a firmer approach to prevent the private letting of sold homes; those with low demand for social rent homes but high demand for low cost home ownership could adopt fewer (or none) of these measures.

Alongside this package of devolved powers, debilitating Treasury rules around receipts should be significantly recalibrated to enable councils to better replace sold stock. Removing these restrictions would allow councils to be in a far better position to undertake the task that the central government asks of them: to build replacement homes. Alongside this, councils should be provided with first buyer rights for all homes

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previously sold under the right-to-buy scheme, no matter how long it has been since the home was sold.

There is growing appetite to reform right to buy so that it can be part of the package of solutions to the housing crisis.^{8,9,10,11,12} This report highlights the wider range of reform options for the government, which will be a pre-requisite for ministers seeking to deliver an ambitious programme of new genuinely affordable housing supply. Without reforming right to buy, we cannot resolve the housing crisis.

2. THE LEGACY OF RIGHT TO BUY

Social tenants' ability to buy their homes did not originate with right to buy in 1980. Late nineteenth-century housing legislation required that council-built dwellings in redevelopment areas should be sold within 10 years of completion.¹³ Following the Housing Act 1936, local authorities were permitted to sell their housing stock to sitting tenants with ministerial consent. The House Purchase and Housing Act 1959 removed the requirement for ministerial consent, yet tenants remained unable to purchase their homes without agreement from the local authority.¹⁴ But none of these measures resulted in significant numbers of homes being sold. Between 1957 and 1964, fewer than 3,000 homes were sold on average per year. The number of sales rose in the late 1960s and 70s, however, reaching 46,000 by 1972.¹⁵ But Thatcher's 1980 reforms were transformative:

- They gave all council tenants of at least three years the right to buy their home, without requiring ministerial or local authority approval.
- They extended discounts to tenants subject to the length of their tenancy, the minimum of which was 33%, increasing by 1% for every year of the tenancy above three years, with the discount capped at £50,000 (the equivalent to £200,000 in 2022 prices). The discount had to be repaid if the home was re-sold within five years.
- They gave tenants the right to access a local authority mortgage.

Sales soared as pent-up demand was satisfied: In the first full decade following the introduction of right to buy in October 1980, an average of over 107,500 homes were sold per year. In the years following, adjustments were made by the Thatcher and Major governments to increase discounts, reduce qualifying periods, and relax any repayments further to the advantage of buyers. Housing association tenants were granted the Right to Acquire their homes in 1996, but its limited discounts meant this has not been taken up on a comparable scale.^{b,16,17,18} Council tenants who lived in homes that were transferred to housing associations retain a preserved right to buy, which has accounted for 16% of the total right-to-buy sales since data began being collected in 1996/97.¹⁹

But by then, the heyday of right to buy was already over. The Labour government reduced discounts in 1999 and 2003 to a maximum of £16,000 (up to £38,000 in the higher value areas within London and the South East), and qualifying periods were increased to five years in 2004. Alongside this, sharp house price rises meant the

^b Wholesale extension of Right to Buy to housing association tenants has been mooted by Conservative governments since, but to little avail.

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reduced discounts on offer became of even less value as a proportion of the purchase price. As Figure 1 shows, this resulted in the number of tenants exercising their right to buy falling dramatically from the 1990s to an average of 39,000 per year in the two decades leading up to 2012.

The coalition government introduced reforms in 2012 designed to increase the scheme's uptake, raising the maximum discount to £75,000 (£100,000 in London) and reversing the qualifying tenancy period back to three years.²⁰ This resulted in a moderate uptick in the number of homes sold. As outlined in Figure 1, in the decade following the 2012 reforms, over 14,000 homes on average per year were sold, compared to an average of little more than 3,500 per year in the four years between the global financial crisis and the 2012 reforms.

Figure 1: Right-to-buy sales soared in the 1980s, before falling sharply in the 1990s and early 2000s, rising moderately following the coalition's reforms.

Right-to-buy sales, local authorities and housing associations, England, 1980/81 to 2022/23



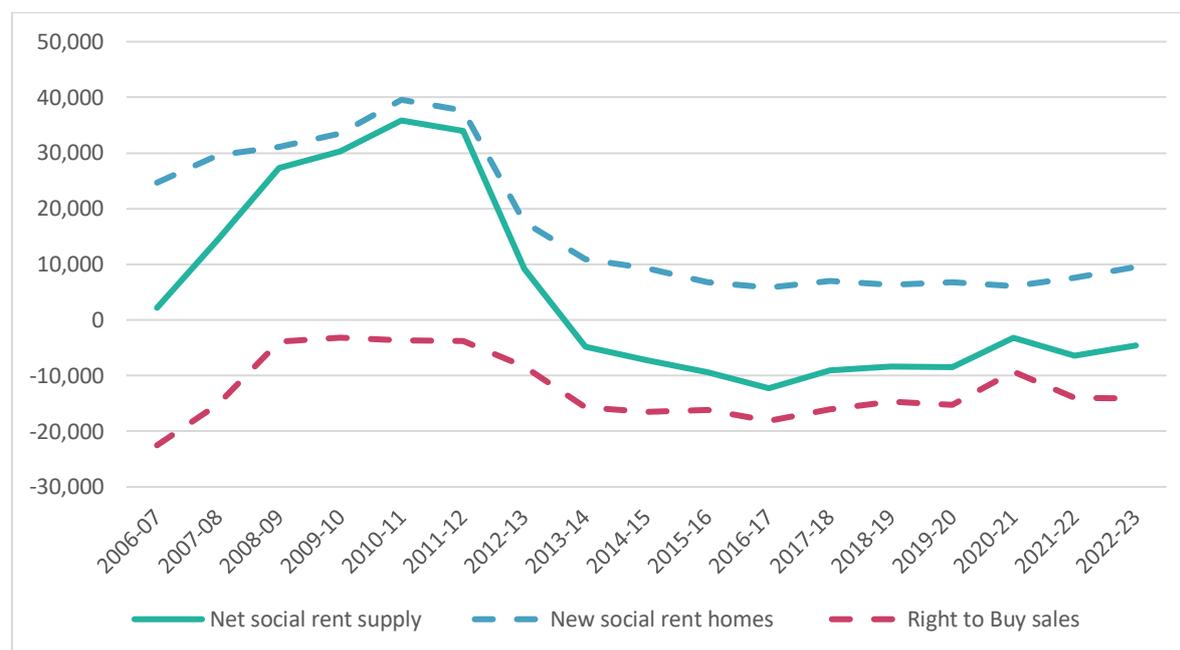
Source: Department for Levelling Up, Housing and Communities, *Table 678: annual social housing sales by scheme for England*

The moderate rise in sales since 2012 has combined with a catastrophic fall in the supply of new social homes following the coalition's devastating cut to grants for affordable housebuilding and their pivot away from using central government grant funding to build social rent homes.²¹ As a result, the total volume of social homes has been decreasing each year since 2013/14 (Figure 2).

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Figure 2: There has been a net negative supply of homes for social rent since 2013/14

Net social housing supply, England, 2006/07 to 2022/23



Source: Department for Levelling Up, Housing and Communities, *Affordable housing supply*, table 1000, and *Right to Buy sales and replacements, England 2022 to 2023*, table 691 (note: does not contain demolitions or other types of sales)

The era of mass right-to-buy sales may be over, but its impact is not. Between 1980 and 1997, 1.3m council homes were sold under right to buy, contributing significantly – alongside the introduction of mortgage subsidies and liberal mortgage finance – to a rise in owner occupation from 9.7m households (57%) to 13.6m (69%) over that period. In later years, as increasing numbers of former council homes became let – aided by the introduction of buy-to-let mortgages – right to buy contributed to the PRS almost doubling in proportionate size between 1996 and 2022/23.^{22,23} It has therefore played an instrumental role in shifting tenures away from social homes to the PRS, driving rising housing need in England over recent decades.²⁴ The starkest illustration of the shortage of social homes is the 105,750 households, including almost 140,000 children, who currently reside in temporary accommodation (TA) awaiting a permanent home.²⁵

Some councils are even forced to rent homes previously sold under right to buy to provide TA, because of the lack of available social homes into which to place households – circumstances which are of course driven partly by right to buy itself. It costs London local authorities alone £22m a year to rent properties they previously owned.^{26,27} Instead of hamstringing local authorities and worsening their ability to respond to the housing

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crisis, the time has come to devolve right-to-buy powers to councils so they can amend the policy to become part of the solution.

3. EMPOWERING COUNCILS: DEVOLVING REFORMS TO RIGHT TO BUY

Devolving right-to-buy powers would empower local politicians to adapt their policies to local housing circumstances. Local authorities should have more control over the type of homes – including in relation to tenure – that exist in their area.^{c,28} As well as being able to better tailor local affordable housing supply to demand, devolving these powers would also better allow councils to coordinate housing policies alongside those regarding transport, school and early years provision, green spaces, and other amenities, engendering a more place-based approach. It would cultivate leadership within councils, and encourage innovation and fresh thinking. Allowing councils to tailor their right-to-buy policies would therefore help them to capture these multiple benefits of the devolution agenda. Crucially, as the following section of the report outlines, these devolved powers can encourage councils to get building again, delivering much-needed council housing and local economic growth.²⁹

A menu of reform options should therefore be devolved to local authorities to exercise in accordance with local housing conditions.

3.1 SUSPENDING RIGHT TO BUY

Between 2011 and 2019, Welsh local authorities could apply to the Welsh government to the Welsh government to suspend right to buy within their council area.^{d,30} For an application to be granted, the local authority had to demonstrate to the Welsh government the acute housing pressure it faced and explain its plan to reduce this.³¹ Identical provisions had been in place in Scotland from 2001 to 2010. But between 2010 and 2016, however, Scottish local authorities were given powers to make, amend, and revoke ‘pressured area designations’, within which councils themselves could choose to suspend right to buy for up to 10 years. To make such a designation, councillors were required to demonstrate the existence of an imbalance between supply and demand in such areas, and that right to buy was exacerbating housing shortages. In Aberdeen, for instance, the council suspended right to buy in 2012 on the back of 18,000 homes having

^c For example, some analysts have suggested introducing ‘housing pressure zones’ to achieve this.

^d This was the policy of the Welsh government from 2011 until right to buy’s abolition there in 2019, during which it was suspended in Anglesey, Carmarthenshire, Denbighshire, Flintshire, Powys, Swansea and Cardiff.

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been sold since 1980, contrasted with an annual average of 5,500 new social housing applicants.³²

Local authorities know their areas best and should be trusted to design housing policies that best meet local circumstances. For that reason, local authorities in England should be granted similar powers to those in Scotland between 2010 and 2016, and given the ability to suspend right to buy.^{e,33} These powers should be subject to clearly drafted statutory guidance that outlines the lawful application of such designations only in high-pressurised areas in which right to buy is exacerbating housing shortages.

Given the breadth and depth of the housing crisis, there will of course be many local authorities in which such a threshold could be cleared, and where it can be demonstrated that right to buy has worsened the imbalance between affordable housing demand and supply. In Southwark, for instance, over 21,000 homes have been sold since 1980 (over 550 of which were sold in the last five years), while almost 1,600 households were assessed as being owed a homeless relief duty in 2022/23, a rate of almost 12 households out of every 1,000. In Manchester, almost 4,200 households were assessed as homeless last year (more than 19 out of every 1,000), while almost 25,800 homes have been sold under right to buy (almost 850 in the last five years). Doncaster has sold almost 20,400 homes (almost 600 in the last five years), and last year assessed almost 1,400 households as homeless (over 10 out of every 1,000).^{34,35} Such councils would be able to present a robust case that right-to-buy sales continue to exacerbate the already stretched affordable housing supply in their area.

In other local authorities, however, establishing this link would prove more challenging. In East Suffolk, for instance, there have been just 68 sales since 1980, with almost 400 homeless households in 2022/23 (around 3.5 out of every 1,000).^{36,37} These geographical discrepancies highlight why the powers to suspend right to buy ought to be devolved to local authorities. Just as Scottish local authorities had been empowered to, if English councils can evidence that right to buy is contributing to a lack of affordable housing supply in the face of significant demand, they should, pursuant to statutory guidance, be permitted to do so.

^e The Mayor of London has argued that he should be given powers to suspend Right to Buy

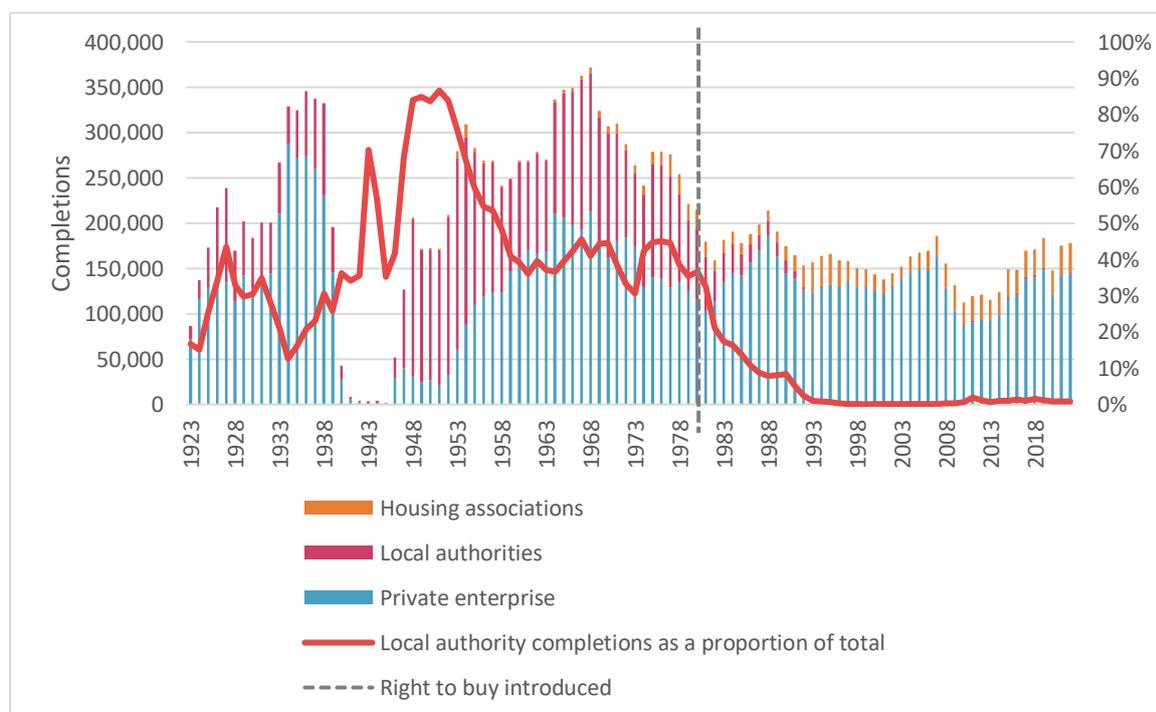
3.2 REBUILDING CONFIDENCE: ENDING RIGHT TO BUY FOR NEW BUILDS

Beyond suspension, a range of other measures should be made available to councils. Local authorities were once powerhouses of housing development. Often alongside municipal development corporations, councils spearheaded the post-war golden era of housebuilding, constructing almost 4.5m homes between the end of the Second World War and the Housing Act 1980, almost half of the 9.1m built in that period.

Local authority housebuilding may have peaked in the mid-1950s, but it was not until right to buy that it fell off a cliff edge. As detailed in Figure 3, in the 44 years since right to buy was introduced, local authorities have built little more than 300,000 new homes, just 4.5% of the total 6.75m built. This has fed through into councils' capacity to plan, develop, and build homes, shedding skills and expertise over decades.^{f38} By 1976, 49% of architects were employed directly by councils; now only 1% are.³⁹ Recent austerity has accelerated these trends: The number of public sector planners fell by 25% between 2013 and 2020, and 82% of local authorities have difficulties recruiting planning staff.⁴⁰

Figure 3: Local authorities built almost half of the new homes in the post-war period until right to buy, falling to less than 5% in the more than four decades since.

Housing completions by developer type, England & Wales, 1923-2022



Source: House of Commons Library, *Tackling the under-supply of housing in England* (19 May 2023)

^f It is this that led to Homes England establishing the Local Government Capacity Centre

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Other policies introduced alongside right to buy also undermined local authority housebuilding. In the decade following the Housing Act 1980, central government support for council housebuilding and maintenance fell by 43% from £2.1bn to £1.2bn.⁴¹ Councils' borrowing powers were also severely restricted, requiring them to use right-to-buy receipts to pay down debt, rather than borrow for construction.^{42,43} Many of those borrowing restrictions were removed in 2018, but there has been nothing more than only a very moderate rise in local authority housebuilding since.⁴⁴

But right to buy itself has also contributed significantly to the slump in council housebuilding. Arguably its most important lasting impact has been to reduce local authorities' confidence and willingness to build new homes. Why would councils go to the trouble and expense of building new homes only to be forced to sell them at a sizeable discount, and to thereafter forego the rental income? Analysts have described the continuation of right to buy as "the main disincentive to councils in reopening their Housing Revenue Accounts",⁴⁵ and as something that means councils are "put off" from building new homes.⁴⁶

Current cost floor rules are intended to offer some financial protection to local authorities. These prevent the discount on new homes from reducing the sale price below the amount that has been spent on building or buying the home within the first 15 years. Given that it often takes a 30-year or longer period for the costs of building a new social home to be recouped, the current 15-year cost floor ceiling is insufficient.⁴⁷

Extending the cost floor up to 30 years would therefore give a degree of greater confidence to local authorities that any homes built would not be sold at a loss for most, if not all of the period in which they are financed. This would better protect the financial position of local authorities. However, it would still leave the question of why they would go to great effort to build new council homes in the first place, given they could still be sold off at any point. It is no wonder that 66% of councils are concerned about right to buy damaging their ability to deliver new homes.⁴⁸

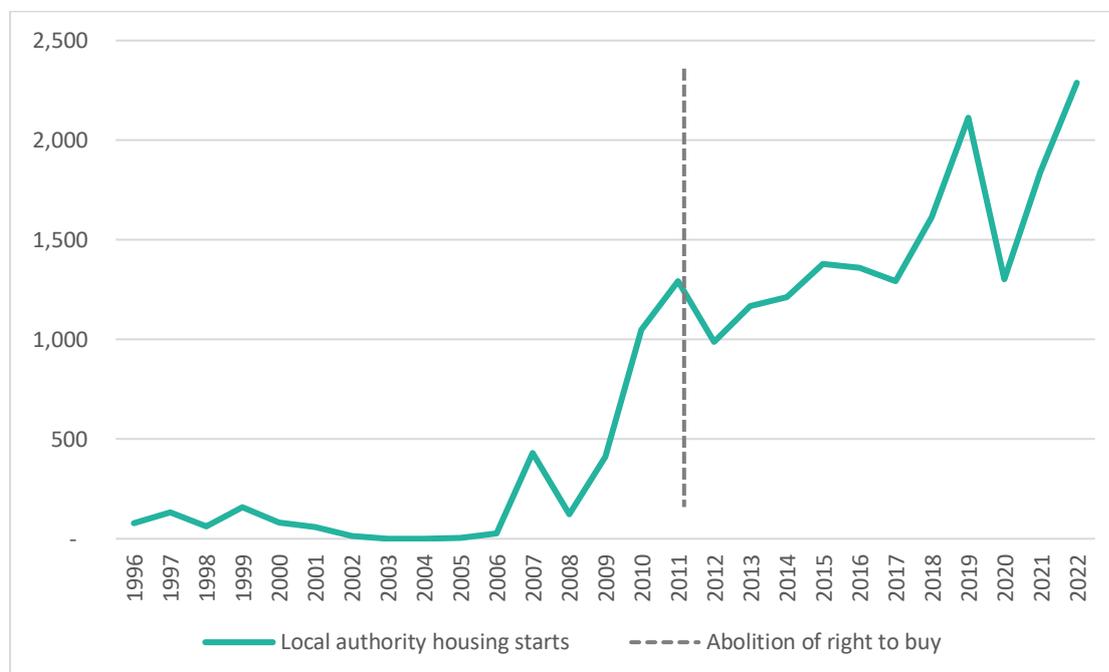
For that reason, giving councils the ability to end right to buy for newly built or acquired social homes would be an effective way to ensure they remained within the ownership of the local authority for as long as they saw fit. It would do so without removing the right to buy for tenants of existing properties. The Scottish government previously undertook this step, abolishing right to buy for newly built or acquired homes in 2011 (before ending the right in its entirety in 2016). Alongside increased grant funding, this helped deliver a renaissance of council housebuilding in Scotland.⁴⁹ As Figure 4 shows, in the 12 years prior to abolishing the right to buy for new builds, Scottish local authorities were averaging just 113 new council homes per year (including two years in

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which none at all were built). Since then, the average number of homes started by councils has risen more than ten-fold to almost 1,500 per year.

Figure 4: Scottish council housebuilding continued to rise after the abolition of right to buy

Local authority housing starts, 1996-2022, Scotland



Source: Scottish government - *Housing statistics quarterly update: new housebuilding and affordable housing supply* (19 September 2023)

The head of housing from the Fife partnership of local authorities, John Mills, described the role of removing the barrier of right to buy as:

“Pure economics. There was little point in our investing over £125,000 in a property and after a period of time having to sell at a significant discount. You are not able to get the rental income you need over a 30-year mortgage, for example, if you are having to sell at a right-to-buy discount. The rest of the tenants and the Housing Revenue Account have to pick up the tab.”⁵⁰

Giving English councils this degree of confidence is essential if we are to revitalise the local authority housebuilding rates last seen in the post-war golden era.

3.3 PREVENTING RIGHT-TO-BUY HOMES ENDING UP IN THE PRS

Right to buy’s enduring appeal lies principally in its widening of access to low-cost home ownership to working-class families. This involves the home moving from one form of secure tenure (social renting) to another (home ownership). Putting aside the

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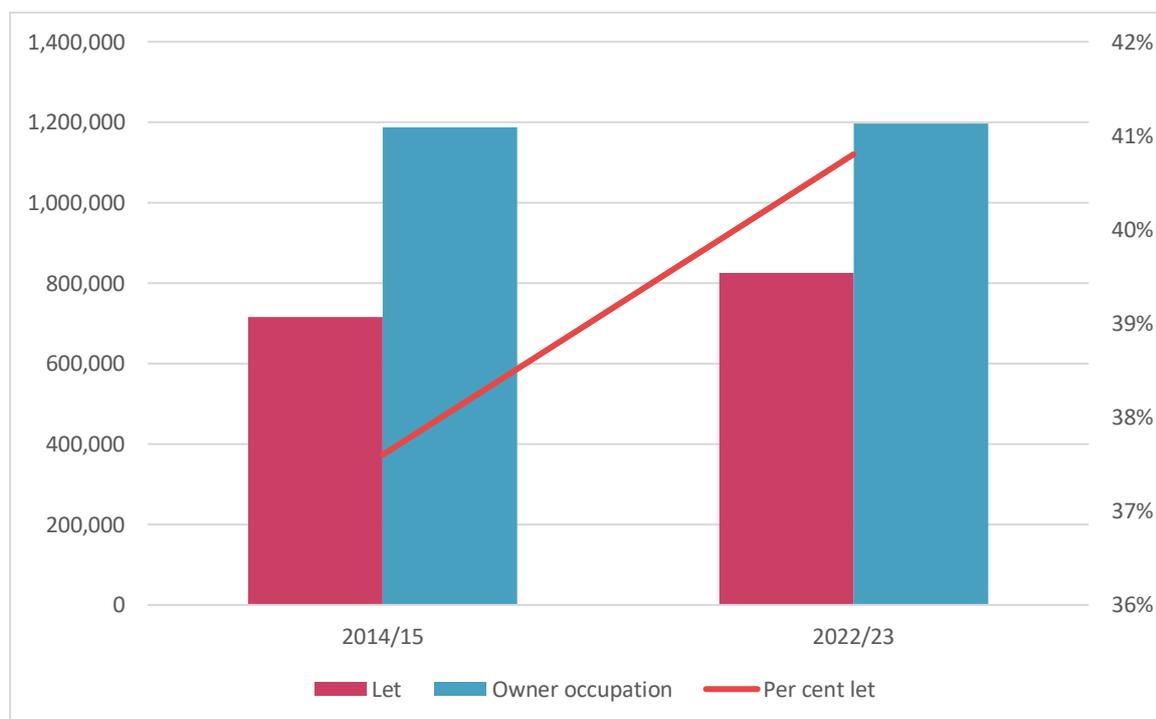
impact this has had on local government's capacity to build new social homes and replace those lost, swapping one form of secure tenure for another need not necessarily lead to deteriorating outcomes across our housing system. One of the key problems with right to buy, however, is that, as more sold homes have become privately let, it has increasingly contributed to the rise of the PRS, which has increased in actual size by 125% and by 60% in proportionate size since 1980.⁵¹

New research from NEF based on a series of Freedom of Information Act (FOI) requests shows that 40.8% of homes sold under right to buy are now being let on the private market, compared to 37.6% in 2014/15, a 3.2 percentage point increase.⁵² As shown in Figure 5, extrapolating this to the 2m homes we know have been sold to 2022/23 would mean approximately 824,000 of these sold homes are now being privately let, a rise of 109,000 homes since 2014/15.

This means that between 2014/15 and 2022/23, an additional approximate 119,000 homes were sold under right to buy. Given the purported aim of the policy is to increase home ownership it is noteworthy that this figure is only slightly higher than the additional number of homes that are now being let. In short, right to buy is increasingly failing to deliver on its stated guiding principle: to increase home ownership.

Figure 5: The number of right to buy homes being let over the last eight years is almost as great as the additional number of sold homes being privately let

Total number of sold right to buy homes being let and owner occupied, 2014/15 and 2022/23



Source: Inside Housing FOI research, NEF FOI research, DLUHC right to buy sales statistics

These figures are almost certainly an underestimate,[§] but they demonstrate how, as a direct consequence of right to buy, affordable, secure homes have been replaced by unaffordable, insecure homes. In Brighton, the local authority with the highest proportion of sold homes being privately rented, 86% are now being let privately, while in Milton Keynes the figure is 72%. In both Southwark and Westminster, almost 5,000 sold homes are now in the PRS.

All this places additional financial burdens on taxpayers because of the higher housing benefit costs arising from the transfer of what been a socially rented property into one being privately let. Because PRS rents are far higher than social rents, the private letting of former council homes costs taxpayers an additional £50m per year in housing benefit in the 15 London boroughs who responded to our FOI requests. These higher housing benefit costs are most acute in local authorities in which there are higher proportions of former council stock now being privately let. Housing benefit expenditure in Brighton and Hove, for example, is over £1m more per year because of this stock transfer.

Councils should have the option of preventing homes sold under right to buy from being let privately. Consideration should be given to whether policies could be introduced to impose restrictive covenants on the sale of any former council homes to that effect.⁵³ Comparable restrictions have been imposed on homes bought using government Help-to-Buy equity loans, which are not ordinarily permitted to be sublet until the loan has been repaid in full.⁵⁴

If necessary, the government should legislate to clarify that restrictive covenants can be used to prevent letting of former right-to-buy homes.⁵⁵ Allowing councils to do this would be a proportionate step, if demanded by local circumstances, to help them preserve homes of secure tenure and prevent the growth of the PRS.

3.4 PRESERVING STOCK: REDUCING DISCOUNTS AND EXTENDING QUALIFYING PERIODS

Alongside the *right* of the sitting tenants to buy their property, the generous size of the discount has been the other key distinguishing feature of the 1980 reforms that have underpinned the popularity of the policy.

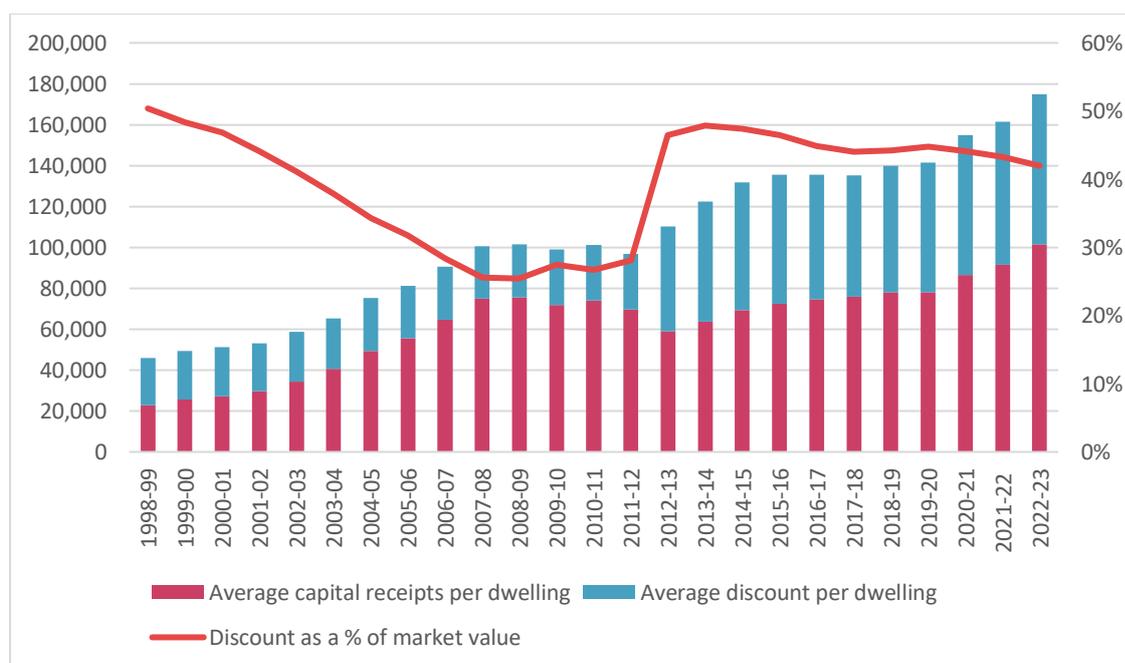
[§] These figures are almost certainly underestimates, as they only record homes for which the buyer bought only the leasehold, rather than both the leasehold and the freehold. They also do not include those homes whose owners let the property without the permission of the local authority (where the council remains the freeholder).

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Between the then Labour government’s reductions to the discounts in 1999 and the coalition government’s increases in 2012, the average market value of a home sold under right to buy increased by 120%. Accordingly, alongside reductions to the discount itself, rising house prices meant that average discounts as a proportion of the market value of the homes sold fell from 50% to 27% over the same period. This significantly reduced the take up of right to buy. Since the coalition’s 2012 reforms, however, discounts have constituted 45% of the value of all homes sold (Figure 6). When the Treasury Share – the substantial cut of the capital receipt claimed by the Treasury – is included, this means that local authorities have on average foregone over half the value of their asset once sold.

Figure 6: Since 2012, right-to-buy discounts have constituted 45% of the value of all homes sold.

Average right-to-buy capital receipts and discounts per dwelling sold, local authorities and housing associations, 1998/99 to 2022/23



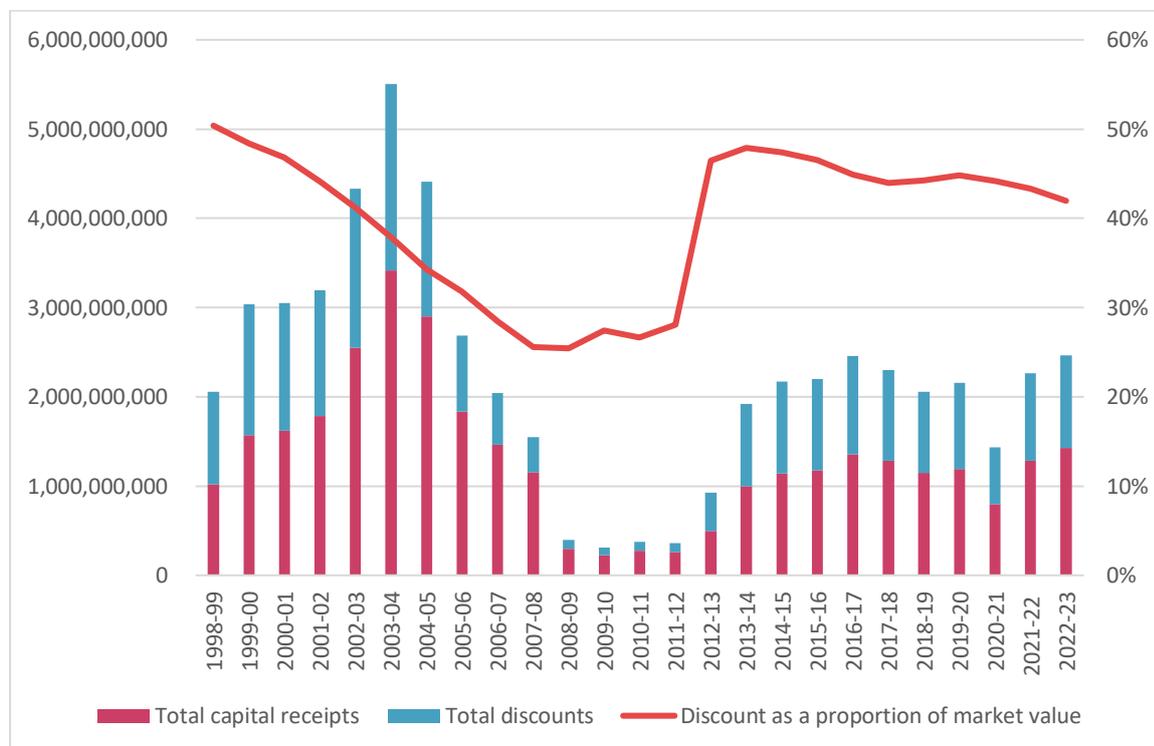
Source: Department for Levelling Up, Housing and Communities, *table 682: financial data on Right to Buy sales for England*

In cash terms, the volume of capital foregone by local authorities is also eye-watering. As outlined in Figure 7, since 1998/99, total right-to-buy discounts have cost local authorities over £17.5bn in lost assets.

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Figure 7: Right-to-buy discounts have been worth £17.5bn since 1998.

Total right-to-buy capital receipts and discounts, local authorities and housing associations, 1998/99 to 2021-22



Source: Department for Levelling Up, Housing and Communities, *table 682: financial data on right-to-buy sales for England*

Reductions to the discounts available to tenants and extensions to qualifying periods offer a straightforward way to mitigating the damaging impact of right to buy by protecting local authority assets, reducing its attractiveness to prospective buyers, and preserving existing social housing stocks. In 2003, the last Labour government reduced maximum discounts to £16,000 (£38,000 in the highest-value areas of London and the South East). This reduced annual sales from almost 70,000 in 2003/04 to fewer than 3,000 by the time of the 2008 global financial crisis. Labour has recently discussed reducing the discounts to those that existed before 2012.⁵⁶

Such reductions would be a positive step forward. As a baseline, discounts should be reduced to the pre-2012 rates across the board. The urgency of the current housing crisis

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means there is a strong case for councils to be empowered to go further if they wish, including abolishing the discount if necessary.^{h,57}

Reducing discounts will not only limit the take-up of the scheme but will also ensure that capital receipts obtained are far higher than they are currently. Combined with the reforms described below to enhance local authorities' flexibilities in their use of receipts, this will considerably improve councils' ability to deliver sufficient numbers of like-for-like replacements.

As well as reducing discounts, extending the qualification period from its current level of three years also provides a straightforward way to retain social housing stock. This was a step taken by the last Labour government in 2004 when it increased the period from two to five years. As with discounts, the qualifying period should be reversed to pre-2012 levels – five years – as a minimum, with councils empowered to extend this further if local circumstances require it.

In short, discounts and qualifying periods should be reformed to pre-2012 levels across the board, with local authorities being able to reduce discounts and extend qualification periods further if they deem local circumstances warrant this. Without this, local authorities will struggle to mitigate the outflow of social homes to the extent necessitated by the current housing crisis and the shortage of social homes.

^h Some analysts have suggested that instead of providing discounts on the purchase price, those exercising their Right to Buy could instead have the costs of the move (conveyancing and other costs) met by the local authority

4. DELIVERING REPLACEMENTS: REFORMING TREASURY RECEIPT RULES

Alongside this package of devolved powers, Treasury rules around local authorities' use of receipts should be reformed. To accompany the larger discounts announced in 2012, ministers committed to replace every additional home sold due to the higher discounts.⁵⁸ Indeed, former housing minister, Gavin Barwell, said that failure to do so would mean that right to buy was not “politically justifiable”.⁵⁹ Yet the policy has only achieved the 1:1 target in one year out of the 11 – when following the COVID pandemic, both sales and replacements fell dramatically - since the introduction of the reforms. Since 2012/13, the number of sales has outstripped replacement homes by a factor of 2.6:1 (Figure 8).

Figure 8: Right-to-buy sales have significantly outstripped right-to-buy replacement homes since 2012.

Right-to-buy sales and replacements, 2012/13 to 2022/23



Source: Department for Levelling Up, Housing and Communities, *Right to Buy sales and replacements, 2022-23*, Figures 1 and 6

Almost as many councils say that the government’s reforms to receipts policy do not support them to deliver more housing (32%) as say that they do (36%).⁶⁰ Attempts to replace sold homes have failed because debilitating restrictions have prevented local

authorities from recycling receipts to build new homes. Ministers loosened some restrictions in 2021, 2023 and in the recent spring budget,⁶¹ recognising that their replacement policy had failed and that local authorities would be assisted in developing replacement homes if empowered with greater flexibility to do so.⁶² However, there are still significant areas of potential reform, which would greatly enhance local authorities' ability to deliver replacement homes.

4.1 ABOLISHING THE TREASURY SHARE

From right to buy's introduction until only recently, the Treasury has claimed significant amounts of the right-to-buy receipts obtained by local authorities. This has been known as the Treasury Share. In total, since 1980, the Treasury Share has recouped over £47bn to the Exchequer.⁶³ The original rationale for the Treasury Share was that this money would be reinvested in new social homes, but it is impossible to know with certainty how much of this money has been used in this way. Regardless, in recognition of its role in blocking replacement homes, the government suspended the Treasury Share for 2022/23 and 2023/24, allowing local authorities to keep 100% of receipts for those years.⁶⁴ However, councils still had to return any receipts to the Treasury if not spent within five years, with interest payable at the Bank of England base rate plus 4%, compounded annually.⁶⁵

However, the chancellor recently decided to reinstate the Treasury Share in its entirety from 2024/25, costing councils £200m of proceeds to invest in replacement homes.⁶⁶ The Treasury Share represents an unjustifiable transfer of local authority capital from councils to Whitehall. While the previous suspension of the Treasury Share had been welcome, its reintroduction marks a significant backward step. It should instead be permanently abolished, enabling local authorities to reinvest all receipts into new replacement homes.

4.2 LOOSENING RECEIPT RESTRICTIONS AND COMBINING RECEIPTS WITH GRANT FUNDING

Because of their lower rental income stream, homes for social rent typically require a grant of at least 50% of the total build cost, more than the lower grant needed to build a so-called affordable home (which can be let for as much as 80% of market rent).⁶⁷ In line with the coalition government's objectives to prioritise new 'affordable' homes at the expense of those for social rent, it was on this basis that ministers in 2012 capped the use of net right-to-buy receipts that councils could use to fund replacement stock at 30% (this has since been raised to 50%).⁶⁸

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The data collected by the government on replacement homes, including those cited in Figure 8, includes all types of so-called affordable housing. But replacing a sold social home with a home for ‘affordable’ rent is not a like-for-like replacement and delivers replacement homes that are not actually affordable for most tenants requiring a social tenancy.⁶⁹ In short, local authorities have only been able to replace sold social homes with a grossly inadequate number of vastly inferior ‘affordable’ and often insecure tenures, largely because of these burdensome restrictions.

While the current 50% cap offers local authorities greater flexibility than the previous 30% or 40% caps, it still renders the building of like-for-like replacement social homes extremely difficult.⁷⁰ This is particularly the case given that receipts cannot be combined with other sources of grant, such as those issued by Homes England or the Greater London Authority (GLA) under the Affordable Homes Programme, purportedly to ensure that receipts are used to “lever in new money”.⁷²

As outlined, any receipts that go unspent after five years must be returned to the Treasury at an interest rate of the base rate plus 4%, compounded annually over five years. Councils therefore face a grim choice: Do they attempt to spend receipts on replacing homes and run the serious financial risk of failing to do so, incurring significant financial penalties when returning any unspent money to the Treasury? Or do they simply return receipts to the Treasury as soon as the home is sold to preclude incurring these costs? In either scenario, the consequence is that red tape is preventing councils from using receipts to fund replacement homes, contrary to the stated objectives of the right-to-buy receipt policy.⁷³

The 50% cap on receipts should therefore be abolished, as well as the excessive interest rates to which receipts are subject, to allow councils the flexibility to build the homes the government is asking them to. Given the urgency of replacing sold social homes on a like-for-like basis, councils should also be allowed to combine receipts with other sources of funding to enhance their ability to build social homes to replace them. Finally, given the limited current capacity of some local authorities to build new homes, they should be allowed to transfer receipts to ALMOs and local authority housing companies to use the receipts to build replacement homes instead. All this would make it far easier for local authorities to replace a sold social home with a new social home in a way that the current restrictions render near impossible.

4.3 LIFTING THE ACQUISITIONS CAP

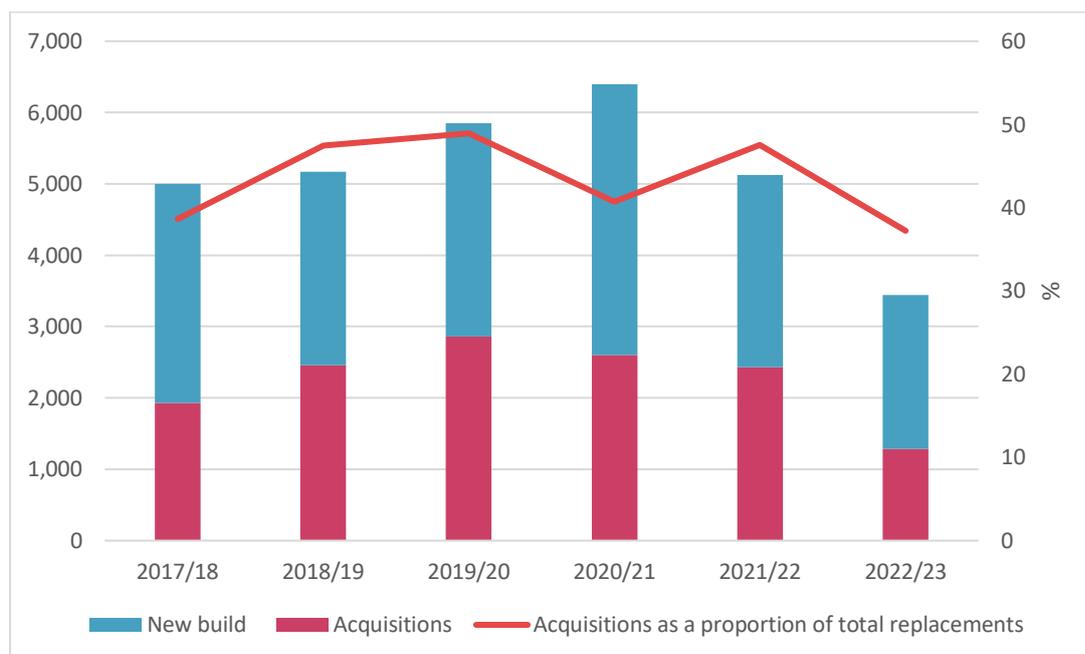
Current Treasury rules state that no more than 50% of replacement homes can be delivered as acquisitions. This cap will reduce to 40% in 2025/26 and to 30% from

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2026/27 onwards.ⁱ Since 2017/18, an average of 43% of replacement homes have been delivered through acquisitions, reaching as much as 48% in 2019/20 and 2021/22 (Figure 9). The planned reduction of the cap to 40% and then 30% will therefore curb local authorities' ability to acquire the homes they need to use their receipts efficiently.

Figure 9: Just under half of replacement homes have been delivered by acquisitions in recent years.

Replacement homes delivered through acquisitions and new builds, England, 2017/18 to 2022/23



Source: Department for Levelling Up, Housing and Communities, *Replacements of Right to Buy Sales of Local Authority Stock, live tables 693c.1 and 693c.2*

As we have argued concerning Affordable Homes Programme grant-making in general, Homes England's restrictions on the use of funds for acquisitions should be relaxed across the board.^{74,75,j} This would allow local authorities to act flexibly and expeditiously to buy homes for social rent or to use as TA. At a time in which rising rents and the continued presence of 'no fault' evictions are driving rising homelessness, it is pragmatic to also enable local authorities to reinvest right-to-buy receipts to acquire homes quickly, given the years it can take to develop and build new replacement homes.⁷⁶

ⁱ The 50% cap was intended to be reduced to 30% by 2024/25 onwards, but has instead been frozen for two years.

^j Labour have proposed raising the 10% cap on acquisitions as part of Affordable Homes Programme grantmaking through Homes England. The GLA currently exercises a higher 30% in London.

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The five-year period within which councils must spend receipts is an extension of the three years to which they had previously been subject.⁷⁷ It is prudent to retain a time limit within which local authorities must spend receipts, to ensure replacement homes are delivered in a reasonable timeframe. If Treasury restrictions are reformed in the way described above, retaining the five-year time limit should, on most occasions, allow councils sufficient time to use their receipts to construct new replacement homes. However, if for whatever reason they are unable to, then lifting the cap on acquisitions will allow councils to use all hitherto unused receipts to buy homes instead and replenish stock through acquisitions.⁷⁸

Summary: flexibilities around receipts

Ministers have already loosened a limited number of the restrictions in place on local authorities, out of recognition that the previous rules were too burdensome and have hampered councils' ability to deliver replacement homes. However, these restrictions have not been abolished in their entirety due to Whitehall's concerns that giving local authorities complete freedom to use receipts as they wish will result in councils failing to develop sufficient replacement homes in a reasonable timeframe.⁷⁹

Such concerns are overstated. Allowing local authorities to take advantage of these flexibilities would be welcomed enthusiastically by many councils, where there is a clear appetite to deliver replacement homes and address rising local homelessness.^{80,81,82} Indeed, it is the restrictions themselves that are suffocating councils' ability to provide replacement homes.

5. EMPOWERING COUNCILS TO BUY BACK SOLD HOMES

Current rules dictate that those who sell their home within 10 years of purchasing it under right to buy must offer the local authority first refusal to buy it back. These homes must be sold at market value. Discounts must be repaid to the local authority if sold within the first five years on a sliding scale.

NEF has previously argued for local authorities, alongside other social landlords and community-led housing groups, to be given pre-emptive first buyer rights – a community right to buy – to encourage social housing acquisitions.⁸³ Homes previously sold under right to buy are often most advantageous for councils to buy, given they are often already situated in council-owned blocks or on council land. This reduces the likelihood of complex freehold/leasehold arrangements with third parties and delivers economies of scale to reduce subsequent management costs: 54% of councils are currently buying back former right-to-buy properties, up from 40% in 2019.⁸⁴

To allow councils to prioritise buying back homes previously sold, first buyer rights should be extended to all homes previously sold under right to buy, irrespective of whether the home was previously bought by the tenant within the prior decade. Moreover, councils should be given further financial incentives to do so. Councils outside London often rely on Affordable Homes Programme grants to undertake social housing acquisitions, which are subject to a 10% cap (a higher 30% cap is in place in London). Labour has pledged to review these if it forms the next government and raise the 10% cap to a currently unspecified limit.⁸⁵

The GLA's Right to Buy Back scheme has provided funding and enabled London's councils to act with agility, acquiring over 1,500 (mostly) former council homes, with plans to deliver an additional 10,000 homes over the next decade.^{86,87} As other NEF research has demonstrated, a ten-year acquisition programme in London will save councils and taxpayers a combined £2.2bn over the next two decades, as well as helping tackle homelessness.⁸⁸ Councils across England should be granted similar flexibilities to ensure they can buy back the homes they need in the most efficient way possible.

6. CONCLUSION AND RECOMMENDATIONS

This report is intended to draw attention to the range of options available to policymakers seeking to reform right to buy, and the importance of doing so. The package of devolved powers described above offers Westminster politicians the opportunity to modernise right to buy, help preserve vital social housing assets, advance the devolution agenda while allowing right to buy to continue to operate in areas in which low-cost home ownership should be prioritised. The proposed reforms to Treasury rules would also allow councils to better deliver on the government's current stated objectives of replacing sold homes. Above all, these reforms would help give councils confidence to get building again and play a leading role in upscaling new genuinely affordable supply that is the principal route out of the housing crisis.

We therefore recommend the following:

1. Right-to-buy powers be devolved from Westminster to local authorities, giving them the option of:
 - a. suspending right to buy if it can be demonstrated, pursuant to statutory guidelines, that the policy was contributing to housing shortages in areas of greatest demand for affordable housing;
 - b. ending right to buy for newly built or acquired council homes;
 - c. preventing sold homes from being let privately; and
 - d. extending qualifying periods and reducing discounts further than a pre-2012 baseline, which should be introduced across England.
2. Treasury rules are reformed so that:
 - a. the Treasury Share is permanently abolished;
 - b. the 50% cap on the use of receipts is abolished, alongside the excessive interest rates to which retained receipts are subject;
 - c. receipts can be combined with other sources of grant funding;
 - d. receipts can be transferred to ALMOs and local authority housing companies; and
 - e. the acquisitions cap pertaining to receipts is lifted.
3. First buyer rights should be extended to all homes previously sold under right to buy, not just those sold within the first 10 years.

APPENDIX 1: SUMMARY OF FREEDOM OF INFORMATION ACT RESPONSES ON SOLD PRIVATELY LET HOMES^k

Local Authority	Properties Sold under Right to Buy	Number now let	Percentage now let
Arun	465	165	35.5%
Ashfield	196	90	45.9%
Ashford	227	85	37.4%
Barnsley	294	117	39.8%
Bassetlaw	193	81	42.0%
Blackpool	400	187	46.8%
Bournemouth and Poole	603	306	50.7%
Brentwood	453	140	30.9%
Brighton and Hove	1,143	988	86.4%
Broxtowe	309	114	36.9%
Bury	161	36	22.4%
Cambridge	1,170	553	47.3%
Camden	9,182	4,121	44.9%
Cannock Chase	296	170	57.4%
Canterbury	391	200	51.2%
Castle Point	159	81	50.9%
Central Bedfordshire	352	118	33.5%
Cheshire West and Cheshire	331	188	56.8%

^k Out of 213 stock-owning local authorities, we received responses to our request from 87 councils.

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Chesterfield	293	127	43.3%
City of London	983	298	30.3%
Colchester	995	408	41.0%
Cornwall	418	158	37.8%
Crawley	2,493	675	27.1%
Croydon	2,482	935	37.7%
Darlington	96	35	36.5%
Doncaster	294	115	39.1%
Dover	268	159	59.3%
Dudley	1,189	444	37.3%
Ealing	4,508	2,184	48.0%
East Riding of Yorkshire	223	79	35.4%
East Suffolk	125	47	37.6%
Eastbourne	618	258	41.7%
Epping Forest	1,092	540	49.5%
Exeter	1,069	451	42.2%
Fareham	474	151	31.9%
Gateshead	970	392	40.4%
Gravesham	470	204	43.4%
Guildford	607	182	30.0%
Hackney	9,544	3,742	39.2%
Haringey	5,360	1,788	33.4%
Harlow	2,600	1,259	48.4%
Havering	2,506	1,001	39.9%
Hounslow	3,065	1,288	42.0%
Islington	13,509	4,044	29.9%
Kensington and Chelsea	2,549	1,104	43.3%

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Kingston-upon-Thames	1,679	846	50.4%
Kirklees	1,212	442	36.5%
Lewes	281	135	48.0%
Lincoln	326	140	42.9%
Manchester	530	151	28.5%
Medway	552	117	21.2%
Melton	31	10	32.3%
Milton Keynes	1,585	1,149	72.5%
New Forest	120	42	35.0%
Newark and Sherwood	172	65	37.8%
North Tyneside	972	388	39.9%
North Warwickshire	81	31	38.3%
Norwich	4,958	1,698	34.2%
Nottingham	1,470	593	40.3%
Nuneaton and Bedworth	470	239	50.9%
Oadby and Wigston	80	19	23.8%
Oldham	13	6	46.2%
Oxford	696	279	40.1%
Portsmouth	1,682	683	40.6%
Reading	2,515	1,137	45.2%
Redbridge	370	163	44.1%
Rotherham	616	250	40.6%
Rugby	54	19	35.2%
Sandwell	1,326	444	33.5%
Sheffield	2,927	1,085	37.1%
Southampton	1,923	1,109	57.7%
Southwark	15,308	4,966	32.0%

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Stevenage	1,406	764	54.3%
Stoke-on-Trent	435	190	43.7%
Tandridge	731	126	17.2%
Tendring	442	178	40.3%
Tower Hamlets	10,376	4,454	43.0%
Warwick	645	248	38.4%
Wealden	203	60	29.6%
Welwyn Hatfield	1,356	630	46.5%
West Lancashire	495	192	38.8%
Westminster	8,894	4,856	54.6%
West Northamptonshire	1,029	420	40.8%
Winchester	420	199	47.4%
Woking	435	171	39.3%
York	615	288	46.8%
TOTAL	146,810	59,857	40.8%

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Appendix JS5

Affordable Housing as a Separate Material Consideration



Affordable Housing as a Separate Material Consideration

Appendix JS5

- 5.1 Regarding the weight to be attached to the proposed affordable housing benefits at the appeal site, as I set out in my Affordable Housing Hearing Statement, the need is acute, the benefits are considerable, and the weight in the planning balance should be **very substantial**. Affordable housing is a material benefit and should therefore be awarded its own weight in the planning balance.
- 5.2 Many appeal decisions issued by Inspectors and the Secretary of State (“SoS”) have recognised affordable housing as an individual benefit and have specifically awarded affordable housing provision its own weight in the planning balance. Some examples are summarised below.

Appeal Ref.	Site Name	Decision Type	Decision	Date	Para Ref.	Weight to Affordable Housing	Paragraph Text
APP/R3650/W/23/3332590	Land at Coombebury Cottage, Dunsfold Common Road, Dunsfold	Inspector	Allowed	08-May-24	48	Significant	<i>"I note that the Inspector in the 'Knowle Lane appeal' appears to have combined the benefits of market and affordable housing delivery when making his decision. Nonetheless, based on the evidence before me, the benefit of providing affordable homes is clearly different from that of providing market housing as they each respond to related yet discrete needs. Accordingly, the proposed provision of affordable housing also carries its own significant weight in favour of the appeal development."</i>
APP/F2360/W/22/3295498 and APP/F2360/W/22/3295502	Pickering's Farm Site, Flag Lane, Penwortham, Lancashire	SoS	Allowed	20-Nov-23	25	Significant	<i>"For the reasons given at IR343 the Secretary of State agrees that the delivery of a total of some 1,100 homes in a mix of sizes is a significant benefit, to which he gives significant weight. <u>He further agrees that the delivery of affordable housing would be a benefit carrying significant weight.</u>"</i>
APP/C2741/W/21/3282598	Land to the East of New Lane, Huntington, York	SoS	Allowed	17-Oct-23	44	Very significant	<i>"He further agrees that <u>the provision of 30% affordable housing, of a tenure and size to be agreed, would also be a very significant benefit of the scheme (IR380).</u>"</i>
APP/Q3115/W/22/3296251	Land off Papist Way, Cholsey, Oxfordshire	SoS	Dismissed	10-Oct-23	26	Significant	<i>"For the reasons given at IR359 and IR390, the Secretary of State agrees that <u>the benefits of affordable housing which the proposal would provide would comply with SOLP policy H9 and should be afforded significant weight.</u>"</i>
APP/C1570/W/21/3289755	Land East of Highwood Quarry, Park Road, Little Easton, Dunmow	SoS	Allowed	11-Sep-23	34	Great	<i>"For the reasons given at IR535 he agrees that <u>the delivery of affordable housing is a benefit of great weight.</u>"</i>

APP/L5240/W/22/3296317	103-111a High Street, Croydon	SoS	Dismissed	06-Apr-23	25	Significant	"For the reasons given at IR153 and IR168, the Secretary of State agrees with the Inspector that affordable housing delivery is a priority, and like the Inspector, <u>he affords the provision of affordable dwellings significant beneficial weight (IR153).</u> "
APP/C2741/W/21/3282969	Site to the West of The A1237 and South of North Lane, Huntington, York	SoS	Allowed	14-Dec-22	27	Significant	"For the reasons given at IR178 and IR196, the Secretary of State agrees that <u>delivery of 30% affordable housing would be a further social and economic benefit to which significant weight should be attached.</u> "
APP/M0655/W/17/3178530	Land at Peel Hall, Warrington	SoS	Allowed	09-Nov-21	24	Very substantial	" He further agrees (IR524) that <u>the provision of affordable housing attracts very substantial weight, for the reasons given.</u> "
APP/A2280/W/20/3259868	Land off Pump Lane, Rainham, Kent	SoS	Dismissed	03-Nov-21	33	Substantial	"...The Secretary of State considers that the weight to be afforded to the delivery of housing in the light of the housing land supply shortfall is substantial (all IR12.201). Similarly, the Secretary of State agrees at IR12.202 that for the reasons given there is an acute need for affordable housing and in light of that, <u>the delivery of at least 25% of the residential units as affordable accommodation attracts substantial weight.</u> "
APP/W1850/W/20/3244410	Land North of Viaduct adj. Orchard Business Park, Ledbury	SoS	Allowed	15-Mar-21	27	Substantial	"For the reasons given in IR16.122-16.123, the <u>Secretary of State also gives substantial weight to the delivery of affordable housing.</u> "
APP/Y0435/W/17/3169314	Newport Road and Cranfield Road	SoS	Dismissed	25-Jun-20	32	Significant	"Weighing in favour of the proposal, the Secretary of State affords the provision of <u>affordable housing significant weight</u> and also affords the provision of market housing significant weight."
APP/E5330/W/19/3233519	Land at Love Lane, Woolwich	SoS	Dismissed	03-Jun-20	28	Substantial	"The Secretary of State considers that, in terms of benefits, <u>the provision of housing benefits and affordable housing benefits each carry substantial weight.</u> "
APP/Q3115/W/19/3230827	Oxford Brooks University, Wheatley Campus	SoS	Allowed	23-Apr-20	35	Very substantial	35 "...Given the seriousness of the affordable housing shortage in South Oxfordshire, described as "acute" by the Council, he agrees with the Inspector at IR13.111, <u>that the delivery of up to 500 houses, 173 of which would be affordable, are considerations that carry very substantial weight.</u> " IR 13.111 " <u>The Framework attaches great importance to housing delivery that meets the needs of groups with specific housing requirements. In that context and given the seriousness of the affordable housing shortage in South Oxfordshire, described as "acute" by the Council, the delivery of up to 500 houses, 173 of which would be affordable, has to be afforded very substantial weight irrespective of the fact that the Council can demonstrate a 3/5YHLS.</u> "
APP/G1630/W/18/3210903	Land at Fiddington, Ashchurch near Tewkesbury	SoS	Allowed	22-Jan-20	20	Substantial	"...The Secretary of State agrees with the Inspector, and further considers that the <u>provision of affordable housing in an area with a serious shortfall would be of significant benefit and attracts substantial weight in favour of the proposal.</u> "

APP/A0665/W/14/2212671	Darnhall School Lane	SoS	Dismissed	04-Nov-19	28	Substantial	<i>"The Secretary of State agrees that the social benefits of <u>the provision of affordable housing should be given substantial weight</u>, for the reasons set out at IR408-411."</i>
APP/P4605/W/18/3192918	Former North Worcestershire Golf Club, Hanging Land, Birmingham	SoS	Allowed	24-Jul-19	33	Significant	<i>30 "<u>Weighing in favour the Secretary of State considers that the 800 family homes, including up to 280 affordable homes is a benefit of significant weight.</u>"</i>
APP/E2001/W/18/3207411	Hutton Cranswick	Inspector	Dismissed	05-Jun-19	39	Significant	<i>"However, <u>aside from the provision of affordable housing (to which I attach significant weight)</u>, the provisions are essentially intended to mitigate the effect of the development-although they could be of some benefit to the wider public, and I have therefore given them very limited weight."</i>
APP/P0119/W/17/3191477	Coalpit Heath, South Gloucestershire	Inspector	Allowed	06-Sep-18	61	Substantial	<i>"There are three different components of the housing that would be delivered: market housing, affordable housing (AH) and custom-build housing(CBH). <u>They are all important and substantial weight should be attached to each component</u> for the reasons raised in evidence by the appellants, which was not substantively challenged by the Council, albeit they all form part of the overall housing requirement and supply. <u>The fact that the much needed AH and CBH are elements that are no more than that required by policy is irrelevant –they would still comprise significant social benefits that merit substantial weight.</u>"</i>
APP/L3815/W/16/3165228	Land at the Corner of Oving Road and A27, Chichester	Inspector	Allowed	18-Aug-17	63	Substantial	<i>"Moreover, the provision of 30% policy compliant affordable houses carries weight where the Council acknowledges that affordable housing delivery has fallen short of meeting the total assessed affordable housing need, notwithstanding a recent increase in delivery. With some 1,910 households on the Housing Register in need of affordable housing, in spite of stricter eligibility criteria being introduced in 2013 there is a considerable degree of unmet need for affordable housing in the District. <u>Consequently I attach substantial weight to this element of the proposal.</u>"</i>
APP/P1425/W/15/3119171	Mitchelswood Farm, Newick, Lewes	SoS	Allowed	23-Nov-16	18	Significant	<i>"For the reasons given at IR196-201 the Secretary of State agrees that <u>the provision of 20 affordable homes is a tangible benefit of significant weight.</u>"</i>
APP/G1630/W/14/3001706	Cornerways, High Street, Twynning	Inspector	Allowed	13-Jul-15	63	Very substantial	<i>"...Table 7.16 of the Strategic Housing Market Assessment [SHMA] Update [CDA17] identifies that the net annual need for affordable housing in Tewkesbury is 587 dwellings. This is more than twice the equivalent figure for the neighbouring District of Wychavon, despite the fact that Tewkesbury's population is little more than two thirds of that in Wychavon. <u>The Inspector in the Wychavon appeal found that the provision of affordable housing in that case: "...is a clear material consideration of significant weight that mitigates in favour of the site being granted planning permission"; the Secretary of State agreed.</u> Given the much larger quantum of identified need in Tewkesbury and the magnitude of the accumulated shortfall in affordable housing delivery, <u>it would be appropriate to attribute very substantial weight to this important benefit of the proposal.</u>"</i>
APP/E2001/A/13/2200981 and	Brickyard Lane, Melton Park, East Riding	SoS	Dismissed	25-Jun-15	11	Substantial	<i>"However, he also agrees with the Inspector's conclusion that <u>substantial weight should attach to the proposals in proportion to the contribution they would make to the supply of affordable housing.</u>"</i>

APP/E2001/A/ 14/221394							
APP/K2420/A/ 13/2208318	Land surrounding Sketchley House, Watling Street, Burbage, Leicestershire	SoS	Allowed	18-Nov-14	13 / IR 6.19	Substantial	<p>13. "For the reasons given at IR11.20-IR11.23, the Secretary of State agrees with the Inspector's findings in relation to affordable housing, and with his conclusion at IR11.23 that the need for affordable housing is acute and warrants the provision offered by the appeal proposal."</p> <p>IR 6.19 "In those circumstances, there is no reason to depart from the statutory basis to providing for affordable housing set out in policy 15 of the Core Strategy. The policy takes account of the needs identified in the SHMA (2008) and was found to be sound by the Core Strategy Inspector. Hence, although <u>substantial weight should be given to the affordable housing</u> offered, that weight should not be overwhelming."</p>
APP/H1840/A/ 13/2199085 and APP/H1840/A/ 13/2199426	Pulley Lane, Droitwich Spa	SoS	Allowed	02-Jul-14	23 / IR 8.126	Very significant	<p>23. "For the reasons given at IR8.112-8.126, the Secretary of State agrees with the Inspector's conclusion at IR8.127 that the Council does not have a 5-year supply of housing land and the appeal scheme is necessary to meet the housing needs of the district, including the need for affordable housing."</p> <p>IR 8.126 "It seems to me that the Council has largely ignored the affordable housing need in its evidence. The poor delivery record of the Council has also been largely overlooked. The Council's planning balance is struck without any apparent consideration being given to one of the most important reasons why housing in Droitwich Spa is needed. <u>From all evidence that is before me the provision of affordable housing must attract very significant weight in any proper exercise of the planning balance.</u>[4.47]"</p>

Appendix JS6

Relevant appeal decisions



Relevant Secretary of State and Appeal Decisions

Appendix JS6

- 6.1 Brief summaries of appeal decisions relevant to the appeal, are summarised below. The full decisions are included as Core Documents.

Appeal Decision: Land to the west of Langton Road, Norton (22 July 2016) – CD10.34

- 6.2 In their decision to allow the appeal the Inspector considered the benefits of policy compliant affordable housing provision where the Council could, in contrast to Tandridge District Council, show a five-year housing land supply.
- 6.3 The weight to be ascribed to policy compliant affordable housing provision is considered in paragraphs 66 and 67 of the decision.

'66. In relation to affordable housing, the position is agreed. Annual affordable housing requirements have not been delivered in full in Ryedale in each year of the plan period to date. The 2016 SHMA's redefinition of the threshold for affordable housing does not and cannot rewrite the repeated complaints in the Local Plan Strategy to the effect that the lack of affordable housing is the main imbalance in Ryedale's housing market, that Ryedale has an acute need for affordable housing and that increasing the supply of new affordable homes is a priority.

67. Policy SP3 seeks the provision of 35% of new dwellings as affordable housing on site for developments of more than 5 dwellings or on sites of 0.2ha or more. The appellant's uncontroverted evidence shows that over a ten-year period, Ryedale achieved 25%, increasing to 31% in a more recent five-year period but in the three years of the Local Plan Strategy's existence has delivered 60, 47 and 67 affordable dwellings against a target of 79 each year. It follows that the offer of 35% in the submitted Unilateral Undertakings, although no more than complying with policy, should be regarded as a considerable benefit (my emphasis).'

- 6.4 Paragraph 72 brings these points together and considers the purpose of affordable housing policies.

'72. On the other hand, in the light of the Council's track record, the proposals' full compliance with policy on the supply of affordable housing would be beneficial. Some might say that if all it is doing is complying with policy, it should not be counted as a benefit but the policy is designed to produce a benefit, not ward off a harm and so, in my view, compliance with policy is beneficial and full compliance as here, when others have only achieved partial compliance, would be a considerable benefit (my emphasis).'

Appeal Decision: Land off Aviation Lane, Burton-upon-Trent (October 2020) – CD10.37

6.5 This appeal considered the weight to be afforded to 128 affordable dwellings in the context of a shortfall in delivery against identified affordable housing need and an uncertain future supply.

6.6 Paragraph 5 states:

"5. The annual requirement for new affordable housing contained within the East Staffordshire Borough Council Local Plan 2015 (Local Plan) is 112 units. This is based on the findings of the Strategic Housing Market Assessment 2013, updated 2014 (SHMA). It is agreed within the Affordable Housing Statement of Common Ground (AHSOCG) that since the start of the plan period, 638 affordable dwellings have been completed, equating to 80 dwellings per annum, leaving a shortfall of 258 dwellings.

6. As well as the current shortfall, I understand that there are some 2,166 households on the Council's Housing Register. While the Council advised that not all are in priority need, which would relate to those with medical conditions, or homeless persons, all meet the relevant qualification criteria."

6.7 The Inspector goes on to state in paragraph 8 *"... In my view, the extent of the shortfall and the number of households on the Council's Housing Register combine to demonstrate a significant pressing need for affordable housing now. As such, I consider that, the aim should be to meet the shortfall as soon as possible."*

*18. In coming to a view on this, I am mindful of the importance attached to the provision of housing and the requirement within paragraph 59 of the Framework to ensure that the needs of groups with specific housing requirements are addressed. **In view of the significant number of households on the Council's Housing Register (which demonstrates a significant pressing need now) the current shortfall in affordable housing provision and the***

worsening affordability factors, I consider that the development proposal would be a significant benefit in terms of helping to address the shortfall in the supply of affordable housing in the Borough in the short term that, based on the evidence before me, there is no certainty will be met from existing or future planning permissions.

...

52. ... Indeed, the SOCG sets out agreement that the weight to be afforded to the provision of affordable housing is at least significant. On a straightforward development plan balance, **I am firmly of the view that the provision of the affordable housing proposed is a significant material consideration which, in this instance, outweighs the development plan conflict** (emphasis mine).”

Appeal Decision: Maitland Lodge, Billericay (November 2022) – CD10.44.

6.8 A Green Belt site proposal for 47 dwellings, including 21 (45%) affordable housing units at Maitland Lodge, Billericay was allowed at appeal in November 2022.

6.9 Giving evidence at the appeal I demonstrated a shortfall of almost 2,500 homes and a net delivery of affordable housing of just five dwellings per annum over the past seven years. The Inspector described affordable housing delivery in Basildon as “*abysmal*” with an “*acute and persistent*” shortfall. The Inspector recognised that the delivery shortfall represents a significant conflict with the NPPF, specifying that:

“Each of the 2,494 affordable homes that should have been built, but have not, represent a missed opportunity to help alleviate the housing concerns of individuals and families. The situation represents a significant conflict with the economic and social overarching objectives set out in paragraph 8 of the Framework.”

6.10 The Inspector went on to place very substantial weight on the delivery of the proposed affordable housing at the site, stating:

“The proposed provision of 45% of total units, at 21 homes, is in excess of the policy requirements. However, given the critical situation regarding affordable housing delivery in the Borough, I place very substantial positive weight on all of the proposed affordable homes, not just those over and above policy requirements.” (my emphasis)

Appeal Decision: Land at Witney Road, Ducklington (January 2023) – CD10.43

6.11 At this appeal in Oxfordshire delivering 40% policy-compliant affordable housing (up to 48 affordable homes), the Inspector considered the role of open market-led housing development in delivering affordable homes in West Oxfordshire.

6.12 At paragraph 102 at page 14 of the decision, the Inspector noted that:

“The Council acknowledged that it relies upon the delivery of market housing to provide affordable homes. Such delivery is being impaired by the inadequate housing land supply provision and as I found earlier is unlikely to be remedied in the near future”.

6.13 The Inspector went on to consider evidence of past shortfalls of affordable housing delivery, alongside affordability indicators including long waits for allocation and lengthy Housing Register figures. Paragraph 103 at page 14 states that:

*“When assessed against the 2014 SHMA target there is 6 years of under delivery and 2 years of surplus but an overall significant shortfall. According to the Council’s own most recent figures, **there are 2,985 applicants on the Council’s housing register. Waiting times are between 721 days and 1,027 days according to the size of the dwelling. I find the affordable housing shortfall is substantial** (emphasis mine)”.*

6.14 At paragraph 103, the Inspector noted the real-world impact of these affordability problems, explaining that:

“These figures represent people lacking suitable housing everyday of their lives, resulting in impaired quality of life and challenges for health and wellbeing.”

6.15 At paragraph 105, the Inspector reaches a conclusion on weight and in doing so, supported the evidence of the Appellant, setting out that *“I therefore conclude that the **proposal should be afforded the substantial weight suggested by the appellant** (my emphasis).”*

Appeal Decision: Land at Sondes Place Farm, Westcott Road, Dorking (December 2023) – CD10.28

6.16 A recent appeal decision in Mole Valley District concluded that very substantial weight should be given to the provision of affordable housing in paragraphs 88 and 89:

*“88. The consequences of not providing enough affordable homes affect people. Being able to access good housing has a bearing upon everyday life and there are socio-economic effects such as financial security and stability, physical and mental health, decreased social mobility and adverse effects on children’s education and development. **In Mole Valley the number of people on the housing register has risen, there are increasing affordability ratios and people are paying significantly over 30% of their income on rent.**”*

*89. The proposal would deliver up to 72 affordable homes with a suitable tenure split, which exceeds the 40% on site provision that Core Strategy Policy CS 4 requires. The s106 agreement secures the provision and tenure split. **The affordable homes would make a sizeable contribution to addressing the acute and long-established shortfall which will not be fully addressed in the short term. I give the affordable housing provision very substantial positive weight** (my emphasis).”*

Appeal Decision: Land South of Shenley Road, Radlett (January 2024) – CD10.38

6.17 The appeal was refused on grounds other than affordable housing, the Inspector agreed with the submissions I made in relation to affordable housing and the weight to be attached to the delivery of affordable housing on a site located within the Green Belt.

6.18 The Inspector addresses affordable housing in paragraphs 61 to 65 of their decision:

*“64. I accept that **such a serious shortfall to provide AH units has serious real-world effects, which impact by definition on the poorest and neediest families in the Borough. The effect of poor housing on children has a serious effect on their educational attainment, which in turn perpetuates the cycle of built-in poverty and poor life prospects.**”*

*65. Accordingly, and in the context of net annual delivery figures of only 54 AH units over the last ten years in HBC, **I give very substantial weight to this benefit** (my emphasis).”*

Appeal Decision: Land at Coombebury Cottage, Dunsfold Common Road, Dunsfold (May 2024) – CD10.35

6.19 The Inspector considers the weight to be given to affordable housing as separate material benefit in paragraphs 47 and 48 of their decision.

‘47. The appeal scheme would also deliver 16 affordable homes at the site. The evidence indicates that there is substantial unmet need for affordable housing in the Borough.’

48. I note that the Inspector in the ‘Knowle Lane appeal’ appears to have combined the benefits of market and affordable housing delivery when making his decision. Nonetheless, based on the evidence before me, the benefit of providing affordable homes is clearly different from that of providing market housing as they each respond to related yet discrete needs. Accordingly, the proposed provision of affordable housing also carries its own significant weight in favour of the appeal development (my emphasis).’

Secretary of State Decision: Land adjacent to Turnden, Hartley Road, Cranbrook (November 2024) – CD10.45

- 6.20 Application reference 20/00815/FULL was called in by the previous Secretary of State on 12 April 2021 and dismissed on 6 April 2023. That decision was subsequently quashed by the High Court in an order dated 6 October 2023. The therefore fell to be redetermined by the Secretary of State and the decision to grant planning permission was issued in November 2024.
- 6.21 In paragraph 42 of the decision housing need and delivery were considered along with the change in conditions since the previous decision was made. The relevance of paragraph 42, and the decision as whole, being that Tandridge District Council is similarly an authority where land and sites are restricted principally by landscape designations.

*‘42. In reaching her conclusions on housing need and delivery, the Secretary of State has taken into the account the effect of paragraph 226 of the Framework, which means that TWBC can now demonstrate a Framework-compliant housing land supply, and the progress of the eLP since the previous decision. As a result, she considers that some elements of the Inspector’s conclusions at IR801-810 in respect of housing need and delivery are now out of date. **However, it is undoubtedly still the case that the ability to respond to the need for housing is heavily constrained (IR803), and on the basis of the evidence now before her, in particular the significant weight which she attaches to policy STR/CRS 1 and draft allocation AL/CRS3 of the eLP, she agrees with the Inspector at IR810 that it is reasonable to conclude that there is a compelling case for the need for development of this type and in Cranbrook. She further agrees that there are considerable benefits***

*associated with delivering market and affordable housing (IR810). In reaching this conclusion she has taken into account paragraph 60 of the Framework which sets out the Government's objective of significantly boosting the supply of homes. **The Secretary of State considers that the delivery of 165 homes (40% affordable housing) carries significant weight** (emphasis mine).'*

Appeal Decision: Land at The Old Cottage, Station Road, Lingfield RH7 6PG (October 2023) – CD10.46

6.22 In a dismissed appeal on a Green Belt site in Tandridge the Inspector considered the need for affordable housing in Tandridge. Paragraph 89 of the Inspector's decision summarises the evidence of affordable housing need and delivery with reference to the Council's Housing Strategy, Housing Register, and Authority Monitoring Reports concluding that *'it is unsurprising that there is a significant need for affordable housing.'*

6.23 The Inspector comments on the Council's efforts to increase the supply of affordable housing in paragraph 90:

*'I was referred to the District Council's **commendable efforts to increase the supply of affordable housing through amongst other things its own land assets, the scale of what is being envisaged would make relatively little inroads into the substantial scale of need identified.** Particularly, when on closer scrutiny some of the schemes referred to are already accounted for in the housing trajectory in the AMR. Overall, there remains a pressing and acute need for affordable housing within the District (my emphasis).'*

6.24 Notably, at paragraph 107, the Inspector considered the weight to be ascribed to affordable housing provision in the context of the likely timeframe for the adoption of the emerging Local Plan, the now withdrawn Tandridge Local Plan 'Our Local Plan: 2033'.

*'In relation to general housing and affordable housing delivery I have arrived at a different conclusion of **very significant weight (as opposed to significant weight)** mainly because of the situation with the eTLP examination and the ramifications that there will now be a further hiatus before there is any plan-led grip on meeting the housing requirement in Tandridge.'*

Appeal Decision: Land at Chichele Road, Oxted, RH8 0NZ (December 2024) – CD10.47

6.25 The appeal concerned a site located within the Green Belt outside the settlement boundary of Oxted, Tandridge. In paragraph 77 of their decision the Inspector agreed with the appellant that ‘... *it will still be several years until a new Local Plan is adopted*’ and therefore the prospect of a new Local Plan does not alleviate ‘...*the problems associated with an under supply of housing (including difficulties with accessing housing, increased house prices, worsening affordability...)*.’

6.26 The Inspector highlighted the need for affordable housing in Tandridge in paragraph 79 and 80 of their decision.

*‘The presented evidence also clearly demonstrates that there is an acute shortage of affordable housing within the District. Again, **I acknowledge the efforts engaged by the Council to provide additional affordable homes but, these are unlikely to suffice on their own to address the scale of the shortfall** (my emphasis).’*

6.27 The Inspector went on in paragraph 80 to ascribe ‘*very significant weight*’ to the provision of market and affordable housing in light of the ‘*critical housing supply and delivery issues faced by the Council...*’

Appeal Decision: Land West of Limpsfield Road, Warlingham CR6 9RD (April 2023) – CD10.40

6.28 In allowing an appeal against Tandridge District Council’s non-determination of an outline application on a Green Belt Site the Inspector considered the need for and delivery of affordable housing in the District. The appeal scheme proposed up-to 100 dwellings of which 40% would be affordable housing.

6.29 The Inspector highlights the status of the Interim Policy Statement for the Housing Delivery (‘IPSHD’) in paragraphs 60 to 62 of their decision, noting that:

‘61. The IPSHD sets out that applications will be invited to come forward in certain circumstances including housing sites included in the emerging Local Plan where the examiner did not raise concerns. The Council’s evidence at the Inquiry stated that the appeal site would meet the criteria in the IPSHD.

62. However, the IPSHD does not form part of the development plan nor is a supplementary planning document, that has been subject to public consultation. Therefore, whilst it is matter to which I can only give limited weight, given its non-statutory status, it is nonetheless a matter which weighs in favour of the proposal.’

- 6.30 Affordable housing is considered in paragraphs 68 to 72 of the decision. The Inspector acknowledged '*uncontested affordable housing evidence from the appellant which demonstrates **an enormous shortfall in delivery of homes over the next 5-year period equating to about 53 affordable homes per annum*** (my emphasis).'
- 6.31 Paragraph 70 of the decision states that the provision of affordable housing in excess of the requirements of Policy CSP4 was agreed by the parties to carry significant weight in favour of the scheme. Notably, the Inspector affords '*substantial weight*' to the housing benefits of the appeal scheme in paragraph 95 of the decision; the only other material consideration ascribed substantial weight in the decision was the harm to the Green Belt.
- 6.32 The Inspector concludes in paragraph 72 that:
*'In summary, the evidence before me demonstrates an **ongoing acute and continuing extremely bleak outlook for local affordable housing provision**. The capability of the appeal proposal to contribute significantly to addressing the existing and predicted **very serious affordable housing shortfall within the next 5 years attracts significant weight in favour of this appeal*** (my emphasis).'
- Appeal Decision: Land West of Chapel Road, Smallfield, Surrey RH6 9JH (June 2025) – CD10.2**
- 6.33 The Inspector allowed an appeal against Tandridge District Council's refusal to grant planning permission for up to 270 dwellings, including 49% to be provided as affordable housing, on a site within the Green Belt.
- 6.34 Paragraph 58 provides that '*Given the need for affordable housing in Smallfield, and in Tandridge generally, the Council and the appellant agree that significant weight should be attached to the delivery of affordable housing. I agree.*'
- 6.35 In paragraph 71 the Inspector recognised the appeal scheme complied with the 'Golden Rules' and that they '*have given significant weight to affordable housing*'. Paragraph 94 clarifies that the Inspector ascribed significant positive weight to the provision of affordable housing as a separate and distinct benefit, with significant weight being the greatest weight given to any of the material considerations identified in their decision.

Appeal Decision: Land at Grove End, Bagshot (March 2025) – CD10.41

6.36 In an appeal for 135 dwellings in the Green Belt the Inspector considered the benefits of affordable housing provision in excess of policy requirements. In reaching their decision the Inspector considered the indicators of affordable housing need.

6.37 Paragraph 32 of the decision notes *‘Of the total number (409), around 215 have expressed a preference to live in the Bagshot area, indicating that it is a popular place to seek to live.’* Paragraphs 33 and 34 continue:

‘33. On the point of stock numbers overall, the losses through Right to Buy appear only modest, but I agree with the separate point about needing to avoid an overreliance on the private rental sector to address affordable housing needs. The affordability ratios are also emphasised, with the Surrey Heath area having a substantially above national median affordability ratio, also still significantly higher than the South East median.

34. All the above factors point towards an identifiable need for affordable housing, and though the Council dispute the severity of the need, the basic point about there being a need for affordable housing is a point which both parties at least agree. I reach the same view that an affordable housing for a range of tenures exists.’

6.38 The weight to be ascribed to affordable housing and compliance with the Golden Rules is considered in paragraph 57 of the decision.

‘The significant weight to be attached to the compliance with the Golden Rules prescribed by the Framework recognises the minimum 50% contribution of affordable housing, which in this case exceeds the 40% existing policy requirement. There is demand for affordable homes in the area which such a provision would help to meet.’

Overview of Secretary of State and Appeal Decisions

6.39 The decisions above emphasise the great weight which the Secretary of State has, on various occasions, attached to the provision of affordable housing in the consideration of planning applications. Inspectors have agreed that affordable housing is a significant benefit in its own right. Some of the key points I would highlight from these examples are that:

- Affordable housing is an important material consideration;
- The importance of unmet need for affordable housing being met immediately;
- Planning Inspectors and the Secretary of State has attached State have attached **very substantial weight** to the provision of affordable housing; and

- Even where there is a five-year housing land supply material benefits of the scheme can weigh in favour of development.

Appendix JS7

Regulatory Judgement of the Regulator of Social Housing

(17 September 2025)



Tandridge District Council (43UK) Regulatory Judgement: 17 September 2025

Grade/Judgement	Change	Date of assessment
C4 Our judgement is that there are very serious failings in the Consumer landlord delivering the outcomes of the consumer standards. The landlord must make fundamental changes so that improved outcomes are delivered.	First grading	September 2025

Reason for publication

We are publishing a regulatory judgement for Tandridge District Council ([Tandridge DC](#)) following an inspection completed in September 2025.

The regulatory judgement confirms a consumer grade of C4. This is the first time we have issued a consumer grading in relation to this landlord.

Summary of the decision

From the evidence and assurance gained during the inspection, we have concluded that there are very serious failings in [Tandridge DC](#)'s delivery of the outcomes of the consumer standards and it must make fundamental changes so that improved outcomes are delivered for tenants, specifically in relation to the Safety and Quality Standard, the Neighbourhood and Community Standard and the Transparency, Influence and Accountability Standard.

Although [Tandridge DC](#) has indicated a willingness to address these failings, we have not yet seen evidence to sufficiently assure us that it understands the potential risks to tenants and of its ability to put matters right, including taking prompt action to gain assurance that tenants are safe. Based on our assessment of the seriousness of the failures and the changes needed to improve outcomes for tenants, we have concluded a C4 grade for [Tandridge DC](#).

How we reached our judgement

We inspected [Tandridge DC](#) as part of our planned regulatory inspection programme. We considered all four of the consumer standards: Neighbourhood and Community Standard, Safety and Quality Standard, Tenancy Standard, and the Transparency, Influence and Accountability Standard.

During the inspection we observed a Housing Committee meeting and a Residents' Forum meeting. We met with tenants, officers, the leader of the council and the chair of the Housing Committee. We also reviewed a wide range of documents provided by [Tandridge DC](#).

Our regulatory judgement is based on all the relevant information obtained during the inspection as well as analysis of information received through routine regulatory returns and other regulatory engagement activity.

Summary of findings

Consumer – C4 – September 2025

We have found very serious failings in how Tandridge DC is delivering the outcomes of the consumer standards, and evidence that this has had a significant impact on service outcomes for tenants. Our judgement is based on the scale and breadth of the issues identified during the inspection and the significant impact or potential impact on Tandridge DC's tenants. The very serious failings include a lack of assurance that the council is meeting legal health and safety requirements including completing all necessary checks and remedial actions, and a lack of accurate and up to date information on the quality of tenants' homes, including any potential hazards in homes. Tandridge DC has demonstrated an understanding of the failings and a willingness to resolve these issues, though we have seen limited evidence that it fully understands the scale and breadth of the issues and has the capability to do so. Fundamental changes are required to the service to improve outcomes for tenants.

The Safety and Quality Standard requires landlords to identify and meet all legal requirements that relate to the health and safety of tenants in their homes and communal areas and ensure that all actions arising from required health and safety assessments are conducted within appropriate timescales. Through our inspection we found very serious failings in Tandridge DC delivering this required outcome. Overall, we do not have assurance as to the integrity and accuracy of information across all areas of health and safety. We consider these to be very serious failings, and Tandridge DC must make fundamental changes to ensure tenants are safe.

In respect of fire safety, Tandridge DC could not demonstrate that it is adequately managing and mitigating fire safety risks to tenants. At the time of the inspection, over 1,000 fire risk assessment remedial actions were overdue. Although Tandridge DC reported that none of the actions were high risk, we did not see plans around how it will address outstanding work or evidence of how it is mitigating fire safety risks to tenants.

In relation to electrical safety, at the time of inspection nearly 400 homes did not have an electrical safety condition check. Tandridge DC self-referred this matter to us before the inspection and has made progress in addressing the outstanding works, but further work is required by Tandridge DC to ensure that it holds accurate information.

Alongside the requirements in relation to health and safety, the Safety and Quality Standard also requires landlords to have an accurate, up to date and evidenced understanding of the condition of their homes that reliably informs their provision of good quality, well maintained and safe homes for tenants, and to ensure that their tenants' homes meet the requirements of the Decent Homes Standard (DHS). We found very serious failings in Tandridge DC meeting these outcomes as it does not have an up to date and accurate understanding of its homes and it has not used the Housing Health and Safety Rating System to assess potential hazards in tenants' homes. Stock condition surveys were last carried out in 2016, but Tandridge DC does not hold records from this work and information has not been updated since then. As a result, we do not have assurance that Tandridge DC's homes are safe, well-maintained, and meet the DHS.

The Safety and Quality Standard also requires Tandridge DC to provide an effective, efficient, and timely repairs and maintenance and planned improvements service for its tenants. There are significant issues with the quality and accuracy of the repairs performance information. An internal audit found that repairs management information was not sufficiently reliable to enable monitoring and reporting on delivery and performance. Tandridge DC has identified weaknesses in the way information is provided and managed by its repairs contractors, and there is no repairs policy in place. We found this to be a serious failing.

Taking into account the significance of the issues across a number of health and safety areas, the lack of assurance that Tandridge DC has appropriate mitigations in place to ensure the safety of tenants, gaps in the information on the condition of homes and issues with the quality and accuracy of the information regarding repairs and maintenance service, we have concluded there are very serious failings in Tandridge DC delivering the outcomes of the Safety and Quality Standard, and that it must make fundamental changes so that improved outcomes are delivered for tenants. Tandridge DC has not yet provided evidence to assure us of its ability to put these

matters right. We will work with Tandridge DC to ensure that any relevant risks to tenants are effectively managed and mitigated as a priority, while it undertakes the improvements required.

The Transparency, Influence and Accountability Standard sets out the outcomes landlords must deliver about being open with tenants and treating them with fairness and respect so that tenants can access services, raise complaints, influence decision making and hold their landlord to account. Through our inspection, we found very serious failings in Tandridge DC delivering some of the required outcomes in this area. We were provided with assurance that Tandridge DC treats its tenants and prospective tenants with fairness and respect, but Tandridge DC does not have an accurate understanding of the diverse needs of its tenants and could not evidence that its landlord services are accessible. There are limited meaningful opportunities for tenants to become involved in scrutinising landlord services, and we do not have assurance that Tandridge DC takes tenants' views into account in its decision making about how landlord services are delivered. We consider all of these issues to be serious failings. In regard to complaints handling, the council cannot evidence that all complaints made by tenants are being dealt with fairly, effectively, and promptly, which we consider to be a very serious failing.

The Neighbourhood and Community Standard requires landlords to work in partnership with appropriate local authority departments, the police, and other relevant organisations to deter and tackle anti-social behaviour and hate incidents in the neighbourhoods where they provide social housing. We identified serious failings in Tandridge DC meeting these outcomes as it was unable to provide sufficient evidence that it was working to deter and tackle hate incidents in its neighbourhoods.

The Neighbourhood and Community Standard also requires landlords to work co-operatively with tenants, other landlords and relevant organisations to take all reasonable steps to ensure the safety of internal and external shared spaces. We saw that estate cleaning performance is falling below expected standards and there is insufficient evidence that issues raised are actioned.

In relation to the Tenancy Standard, we found reasonable assurance that Tandridge DC offers tenancies or terms of occupation that are compatible with the purpose of its accommodation, the needs of individual households, the sustainability of the community, and the efficient use of its housing stock. However, we have identified weaknesses in relation to its tenancy audit programme and in the monitoring of the outcomes from these audits.

Tandridge DC has been engaging constructively with us. It needs to develop a better understanding of the issues it must address and take action to rectify the failings identified. We expect it to urgently develop a comprehensive improvement plan that demonstrates an understanding of the scale and breadth of the issues, that will drive fundamental change across all of the areas identified, and to share that with tenants. Our engagement will be intensive, and we will seek assurance that Tandridge DC is making sufficient progress, including ongoing monitoring of how it delivers its improvement plan.

Our priority will be that risks to tenants are adequately managed and mitigated. We are not proposing to use our enforcement powers at this stage but will keep this under review as Tandridge DC seeks to resolve these issues.

Background to the judgement

About the landlord

Tandridge DC is located in East Surrey and owns around 2,600 social housing homes.

Our role and regulatory approach

We regulate for a viable, efficient, and well governed social housing sector able to deliver quality homes and services for current and future tenants.

We regulate at the landlord level to drive improvement in how landlords operate. By landlord we mean a registered provider of social housing. These can either be local authorities, or private registered providers (other organisations registered with us such as non-profit housing associations, co-operatives, or profit-making organisations).

We set standards which state outcomes that landlords must deliver. The outcomes of our standards include both the required outcomes and specific expectations we set. Where we find there are significant failures in landlords which we consider to be material to the landlord's delivery of those outcomes, we hold them to account. Ultimately this provides protection for tenants' homes and services and achieves better outcomes for current and future tenants. It also contributes to a sustainable sector which can attract strong investment.

We have a different role for regulating local authorities than for other landlords. This is because we have a narrower role for local authorities and the Governance and Financial Viability Standard, and Value for Money Standard do not apply. Further detail on which standards apply to different landlords can be found on our [standards page](#).

We assess the performance of landlords through inspections and by reviewing data that landlords are required to submit to us. In Depth Assessments (IDAs) were one of our previous assessment processes, which are now replaced by our new inspections programme from 1 April 2024. We also respond where there is an issue or a potential issue that may be material to a landlord's delivery of the outcomes of our standards. We publish regulatory judgements that describe our view of landlords' performance with our standards. We also publish grades for landlords with more than 1,000 social housing homes.

The Housing Ombudsman deals with individual complaints. When individual complaints are referred to us, we investigate if we consider that the issue may be material to a landlord's delivery of the outcomes of our standards.

For more information about our approach to regulation, please see [Regulating the standards](#).

Further information

- [Regulating the standards](#)
- [Regulatory standards for landlords](#)
- [Decent Homes Standard](#)

Appendix JS8

Housing Revenue Account 2026/27 Proposed Budget

(January 2026)



HOUSING REVENUE ACCOUNT 2026/27 PROPOSED BUDGET

Housing Committee – 22nd January 2026

Report of: Jane Rochelle – Head of Housing
Rona Leitch – Chief Finance Officer (Section 151)
Mike Fitch – Finance Business Partner

Purpose: For Decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The purpose of this report is to present the proposed budget for 2026/27 for the Housing Revenue Account ('HRA'), including the annual review of rents, capital programme and revenue budget.

Recommendation to Committee:

That the following be agreed:

- A) **The proposed revenue budget for 2026/27** with a net contribution to reserves and future capital financing costs of £3.313m, as shown at Appendix A, subject to approval by Strategy & Resources Committee and Full Council.
- B) **The proposed Capital Programme for 2026/27** in the sum of £29.865m, as shown at Appendix B, subject to approval by Strategy & Resources and Full Council.
- C) **Social Rents (excluding service charges) and Affordable Rents (including service charges) for 2026/27** be increased by 4.8% in accordance with government social rent policy guidance.
- D) **The rent for garages** to be increased by 4.8% for 2026/27 to produce a standard weekly rent of £16.80 to tenants, or £20.16 (including VAT) for let to private tenants.
- E) **Service charges** to be increased by 4.8% for 2026/27 to produce an average weekly charge of £10.72.

F) **Sheltered and Older Persons Service** Charges to be increased by 4.87% for 2026/27 to £17.77 and £3.89 respectively.

G) That the **PWLB HRA Loan of £3.950m** due for repayment in 2026/27 be re-financed and programmed funding of **£14.633m to finance the capital programme be financed** by either internal and / or PWLB borrowing.

Reason for recommendation:

Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. It is a legal obligation that the Council sets a balanced budget for 2026/27. This report accords with that legislation by enabling Members to review their budget for the forthcoming year.

This report supports the Council's priority of:

- Protecting and enhancing our environment.
- Delivering affordable housing for local people.
- Financial prudence and sustainability.
- Putting residents at the heart of what we do.
- A safe, healthy and caring community supporting those most in need.
- A thriving economy.

Contact officers Rona Leitch, Chief Finance Officer (S151) rleitch@tandridge.gov.uk
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1. Introduction and background

- 1.1. The Housing Revenue Account (HRA) is a separate, ring-fenced account, paid for entirely from tenants' rents and service charges. The HRA is governed by a different regime to the rest of the Council's budgets, which is based on the national Housing Revenue Account system of Self-Financing which came into force on 28th March 2012.
- 1.2. This annual budget feeds into the 30-year HRA business plan. The financial aspects of this are updated annually and/or with any major changes in government policy or economic factors.
- 1.3. 2026/27 will be a challenging year with ongoing uncertainty relating to inflation and cost of living, along with emerging pressures linked to Government policy as set out in sections 2 and 8.
- 1.4. For this Committee, the areas now under consideration in the HRA are the annual review of rents and service charges and capital spending plans for 2026/27.
- 1.5. For the purposes of budget setting, pressures and savings are generic terms used to identify changes (increases or decreases) to budgeted income and expenditure. For example, pressures could include costs due to contract inflation or

increases in demand for services. Savings could include increasing existing sources of income or delivering services in an improved/more efficient way to provide better value for money. Refer to the Glossary of Terms in Appendix C.

2. Committee overview

2.1 This section provides a high-level overview of the activities, challenges and opportunities for this Committee. It is intended to provide brief context to the budget pressures and savings set out in the draft budget, for the benefit of external readers who may be unfamiliar with the Committees' work.

2.2 The Housing Committee is responsible for formulating and reviewing the Council's policies for the management including repair, maintenance, improvements, sale, acquisition, allocation and control of all the Council's housing stock. In addition, the Housing Committee has the vital role of looking at the private sector housing conditions including standards of condition and the provision of a housing needs service to prevent homelessness within the district.

2.3 Key initiatives for the Committee are:

- Voids/Housing repairs:

The Voids & Housing Repairs project was paused from July 2025 whilst the team concentrated on responses to the regulatory inspection and immediate actions required to get a grip and control of data and reporting. The focus has rightly been on supporting better performance and reporting on compliance, health and safety. This has involved updating current data systems, purchasing new modules to hold data and agreeing format of what data we need, how and where to store it, and how we are able to extract and use it to inform improved service delivery. The previous Project Initiation Document to identify scope, resources and begin writing system specifications will be reviewed and it is hoped the current project team working on the main housing system improvements will continue to work together to progress the responsive repairs and void programmes next as a matter of urgency. Authority to procure a Voids contract was granted at the March 2024 meeting of the Housing Committee, this action was stalled but is being progressed now through the introduction of a procurement partner to progress several contracts through the procurement process and mobilisation. Currently void management is being undertaken via a range of small, local contractors supported by our own labour force, this is having an impact on void turn-around times. Along with properties being returned in a very poor condition, and whilst all voids are having major works completed such as asbestos removal, new kitchen or bathroom if required and a good standard of decoration throughout to complete the home ready for occupation. It is hoped to have a new contractor procured and mobilised within the next 4 months.

- Cleaning of estates, depots, public conveniences and the Council Offices:

Due to feedback from residents and un-satisfactory service standards the cleaning contract is going out to tender again in the next two months. Authority to procure a contract was sought and approved during the March 2024 meeting of the Housing Committee. Following the appointment of an experienced and qualified contract manager in October 2025, a further review has been undertaken and the different requirements for the service are being separated into lots so that contractors can elect to cover all or some of our

requirements. Meanwhile, monthly contractor meetings are being held, minutes recorded, complaints and KPIs discussed and where appropriate evidence of actions taken, or not, shared via photographs and CCTV footage. The procurement of this contract is one of 12 going through the process utilising V4S, the new contract manager in housing and our corporate procurement officer. The successful contractor will be effective from April 2026.

- Health and Safety Compliance:

An internal audit of Asset Management Health and Safety Compliance was undertaken in 2024. The audit highlighted several high priorities in relation to the management of the Councils assets. Failure to address the audit recommendations fully and in a timely manner has contributed to the regulatory judgement of C4. The Housing Committee has increased compliance budgets within the Housing Revenue Account to ensure the actions required are taken. In addition to the audit, budget increases have been made to ensure we respond to the regulator and work towards compliance with all the Consumer Standards but immediately address the safety and quality standard which covers all aspects of health, safety and compliance with various legislation for managing properties and residents. Last year several contracts were procured for electrical testing, asbestos removal, and the completion of water risk assessments. The increased budget for the remainder of this financial year and 2026/27 will allow for the asset investment strategy due in early 2026 to take account of the stock condition information currently being collated, the up-to-date Energy Performance Certificates and the compliance of our property portfolio with the consumer standards.

- Housing / Tenancy Management & Resident Involvement:

Failure to meet the requirements of the consumer standards in the Neighbourhood standard and Transparency, Influence and Accountability standards has raised the opportunity to look at how our resources are configured and consider what we spend our time doing for residents, and how well the services we provide meet the demands of our residents, primarily tenants and leaseholders. The Housing Committee have approved the additional resources to create a refreshed Resident Involvement Team, and their focus is currently on responding the regulatory judgement, increasing activity and engagement with tenants and leaseholders, ensuring tenants are involved in decision making and arranging estate improvement initiatives. The housing management team is about to undergo a change in team leaders and has also been enabled to recruit additional resources to meet the demand of every home having a tenancy audit visit over the next 18 months. There is much work to do but the additional resources and new ways of working, the introduction of standard operating procedures, more stringent and meaningful key performance indicators that matter to our residents, as well as the executive management team, Housing Committee and Scrutiny Committee will ensure the focus remains on addressing the fundamental changes required to meet regulatory compliance.

3. Revenue Budget

- 3.1. The main influences on the HRA revenue budget are the expected level of rental and other income streams, the revenue costs of the capital programme and revenue spending pressures.

Income

- 3.2. The 2026/27 budget has been adjusted for increased income in line with the Government social rent policy, details of which are set out in section 3 and 4. This, together with new properties scheduled for handover, means that overall income will increase by £0.52m, after an allowance for voids loss. The increase is ringfenced to the HRA and will be applied to essential revenue pressures and capital spending set out elsewhere in this report.

Revenue costs of Capital

- 3.3. One of the key influences on the revenue budget is the capital programme, which impacts on revenue through interest costs, depreciation and the extent to which revenue surpluses are required to supplement capital programme funding.
- 3.4. The 2026/27 budget and HRA business plan is currently being updated to take account of the revenue costs of borrowing to meet the 2026/27 HRA budget and capital programme.
- 3.5. It is proposed that a scheduled £3.950m loan repayment for 2026/27 be refinanced to allow sufficient resources to fund the HRA's Council house building programme. This amount is included in the current business plan and the revenue impact on interest built into the revenue budget. A further £14.633m is required to be borrowed to fund the net 2026/27 capital budget after utilising HRA internal resources.
- 3.6. At the year ended 31st March 2025 the HRA actual borrowing was £67.4m. For the year 2025/26 the forecasted additional borrowing is expected to be £9.1m.
- 3.7. It is expected that all or part of the internal borrowing will be converted to Public Works Loan Board (PWLB) loan in 2025/26 and following years due to the ability of long-term Council cashflows to support internal borrowing. It has been assumed that this and the loan noted in 3.5 will be met from PWLB as a maturity loan, at an interest rate of 4.56% less discount 0.6% (normal HRA PWLB borrowing discount). Interest rates are volatile, and this assumption will need to be reviewed.

Other Matters

- 3.8. The Council is continuing to monitor the allocations for recharges between the General Fund and the HRA to ensure an equitable distribution is maintained.
- 3.9. A working balance is maintained to cover HRA day to day cash needs and to allow for unexpected expenditure. A prudent minimum balance for this is c£0.8m which remains unchanged from previous years and is considered sufficient to allow for any unforeseen costs throughout 2026/27.
- 3.10. Any surplus generated by the HRA in the year will be apportioned between the New Build and Repairs Reserve on the previously agreed two/one third basis. These

reserves are used to fund the HRA capital schemes with borrowing making up any shortfall. Reserves will be used for unavoidable investment in decarbonisation as well as increasing the availability of housing.

Summary

- 3.11. The draft budget for the HRA is a net operating surplus of £3,313k before allowing for revenue contributions to capital expenditure and interest charges, as shown at **Appendix A** and summarised in the table below.

Service Area	Original Budget 2025/26	Approved Virements	Revised Budget 2025/26	Draft Budget 2026/27	Budget Movement
	£'000s	£'000s	£'000s	£'000s	£'000s
Providing People with Homes	382	0	382	350	(32)
Improving the Quality of Housing	5,631	325	5,956	6,195	239
Managing the Services Effectively (Including *Depreciation)	7,408	179	7,587	8,654	1,067
Community Services	409	23	432	578	146
Rent Income & Service Charge (less Voids)	(18,574)	0	(18,574)	(19,090)	(516)
Net Interest receivable & Payable & Surplus Transfer to Reserve	4,744	(527)	4,217	3,313	(904)
Total	0	0	0	0	0

*Depreciation is a proper charge to the HRA budget, a key difference by comparison to the General Fund.

- 3.12. A number of financial pressures and savings have been included within the Draft Budget. These are as follows:

This statement summarises the variation between the revised estimate for 2025/26 and the draft 2026/27 budget

<u>Pressures</u>	£
Salaries inflation, increments and NI net savings & growth	401,200
ICT Direct Recharge	227,000
Housing Improvement Programme - Consultancy Fees (one off costs for 2026/27 only)	220,000
Net increase in Repairs and Maintenance (including Damp and Mould and compliance works)	130,000
Voids - Increase in cost of Building Materials and subcontractors	101,000
Increase in Utility costs	78,000
Increase in Insurance Premiums	61,400
Cleaning	35,500
Consultancy Fees	29,700
Legal and Compensation Payments	24,100
Valuers & Agents Fees & Land Registry Fees	24,000
Share of Pension	16,000
Warm Homes 3.0 Audit Fees	11,000
Decant Costs	10,000
Diesel Costs	10,000
Other Miscellaneous increase in expenditure	17,900
Voids loss of Income	208,500
Garage Rent - loss of Income	66,700
Misc loss of Income (Admin recovered and court costs awarded)	20,800
Increase in Depreciation Charges	357,000
Total Pressures	2,049,800
<u>Savings</u>	£
Additional Rent from Dwellings by 4.8% increase	(773,200)
Additional Service Charges by 4.8% increase	(63,200)
Decrease in Interest Payable	(220,000)
Increase in Property Maintenance recharges	(100,000)
Increase Notional Interest Receivable as Interest rates Increased	(142,500)
Support Services Recharges reduction	(31,800)
Customer Services Recharges reduction	(48,300)
Share of Democratic Services reduction	(75,000)
Reduction in Assisted Purchase Scheme	(25,000)
Other miscellaneous savings	(30,000)
Reduced transfer to HRA reserves and Capital Financing	(540,800)
Total Savings	(2,049,800)
Net total changes	0

4. Review of Fees and Charges

- 4.1. The HRA's prime source of income is generated through rent and service charges relating to the Council's housing stock.
- 4.2. The introduction of Self-Financing on 28th March 2012 led to the HRA taking on £70.2m of debt. It is forecasted that the HRA debt by the end of 2025/26 will be £77m. To be able to service this debt and maintain the quality of the housing stock, meet legislative requirements and fund new provisions, it is important that rents and charges are reviewed each year and set at an appropriate level.
- 4.3. The Government's previous Social Rent Policy of 1% rent reductions between 2016/17 and 2019/20 came to end in 2019/20. The Government's Rent Policy Statement and Rent Standard, limits rent increase to CPI plus 1% for the 5 years (2020/21 to 2025/26). The increase in 2024/25 was capped at 7.7% by the Government otherwise using the normal rules the rent increase would have been 10.1%. Therefore, this foregone rent income for this period has put additional pressure on the HRA. The Council's rent for 2025/26 was set at 2.7% (being September CPI 1.7% plus 1%). For 2026/27 it is proposed to adopt the normal HRA rental rules where September CPI rate of 3.8% plus 1% being 4.8% the maximum rent increase the Council can apply. It is proposed that the 4.8% increase is applied across all revenue streams.
- 4.4. The increase is necessary to meet immediate and long-term costs relating to new consumer standards and statutory net zero carbon targets, as well as meeting the costs of providing new homes. This is set out more fully in section 8, below. Not increasing by the maximum will impact the HRA by £8.3m for every 1% reduction over the 30-Year business plan. This would impede the business plan's ability to provide new homes and decarbonise existing stock, as well as maintaining standards in the current stock. All increase are ringfenced to the HRA and ultimately used for the benefit of tenants.
- 4.5. Officers are recommending that garage rents be increased by 4.8% from April 2026, making a charge of £16.80 per week for Tenants and £20.16 per week for Private. A review of Garages is being currently undertaken. Potential outcomes may include consideration of the possibility of introducing variable rents that reflect location, condition, and demand.
- 4.6. In summary, the main proposals regarding charges for this Committee are:
 - Social Rents (excluding service charges) and Affordable Rents (including service charges) for 2026/27 be increased by 4.8%.
 - Garage rents to increase by 4.8%.
 - Service charges to increase by 4.8% to an average weekly charge of £10.72.
- 4.7. It should be noted that circa 65% of our tenants receive some form of housing related support through Universal Credit or Housing Benefit. The Government has announced that Universal Credit be increased by 6.1% with housing benefit expected to increase at around 3.8%.
- 4.8. The proposed rate is comparable to increase being imposed by other Surrey stock holding authorities and local Housing Associations.

5. Detailed Rent Setting

- 5.1. From April 2026, the rent for both social and affordable rented dwellings will increase 4.8%.
- 5.2. The impact of these increases on different sizes of properties is set out in the table below:

Social Rents:

Property Size	No. of Properties	Average Weekly Rent 2025/26 £	Average Weekly Rent 2026/27 £	Average % Increase / (Decrease) %
Bedsit	82	£92.48	£96.91	4.8%
1 Bedroom	856	£104.84	£109.87	4.8%
2 Bedroom	658	£122.34	£128.21	4.8%
3 Bedroom	745	£148.09	£155.20	4.8%
4 Bedroom	41	£156.55	£164.06	4.8%
5 Bedroom	3	£168.99	£177.09	4.8%
All Dwellings	2,385	£123.72	£129.66	4.8%

Affordable Rents

Property Size	No. of Properties	Average Weekly Rent (including Service Charge) 2025/26 £	Average Weekly Rent (including Service Charge) 2026/27 £	Average % Increase / (Decrease) %
1 Bedroom	45	£196.28	£205.70	4.8%
2 Bedroom	68	£234.34	£245.59	4.8%
3 Bedroom	32	£270.02	£282.98	4.8%
4 Bedroom	1	£329.41	£345.22	4.8%
5 Bedroom	1	£433.44	£454.25	4.8%
All Dwellings	145	£235.66	£246.98	4.8%

- 5.3. In addition to the above rents the Council operates 51 temporary housing dwellings and a 15-bed hostel which are used for housing homeless people. As with the social and affordable rented dwellings the rents for these properties are scheduled to increase by 4.8%.

Temporary Accommodation and Hostels Rents

Category	No. of Properties	Average Weekly Rent 2025/26 £	Average Weekly Rent 2026/27 £	Average % Increase / (Decrease) %
Temporary Accommodation	51	£125.72	£131.75	4.8%
Hostel	15	£108.48	£113.69	4.8%
Total	66	£121.80	£127.65	4.80%

6. Service Charges

6.1. As a result of previous government policy on Rent Restructuring, service charges were introduced with effect from 4th October 2004 for those tenants who are recipients of the following services:

- Administration & Overhead;
- Grounds Maintenance;
- Estate Cleaning;
- Communal estate lighting and electricity; and
- Communal television aerials in sheltered schemes.

6.2. Previously these charges had been met from the rental income from all tenants. Under the legislation on setting service charges, service charges are not governed by the same factors as rent, except Affordable rents where service charges are included in the rent cap. However, authorities should endeavour to keep increases in service charges within limit on rent change of 4.8%, to keep charges affordable.

6.3. The legislation on setting service charges seeks that the amount charged should be no more than the costs incurred so there should be no seeking to make a return on service charges.

6.4. Officers are recommending an increase of 4.8% this year to cover increases in costs, in line with rentals.

6.5. The average service charge being paid by the recipients of the above services in 2025/26 is £10.23 per week and will be £10.72 for 2026/27. The service charges will be reviewed as part of the officers' planned review of the HRA Income streams.

7. Housing Related Support

7.1. Tenants in sheltered and older persons designated housing are charged an additional charge in respect of the housing related support services provided in this type of accommodation, such as the warden call alarm and the scheme coordinator service.

7.2. Prior to April 2018 these costs were charged as a support charge linked to the rent account. This was funded for tenants in receipt of housing benefit via Surrey County Council's Housing Related Support Grant. Tenants who were not entitled to housing benefit, but who had been a tenant since before April 2003 had this charge funded

via a discretionary allowance funded by the HRA. The Council continues to fund sheltered and other persons service charge for 9 tenants whose tenancies commenced before April 2003. People whose tenancy commenced after April 2003 who are not entitled to housing benefit were responsible for payment of this charge along with the rent and service charges for their property.

- 7.3. The current sheltered and older persons housing service charge is £16.96 per week for the full sheltered housing service and £3.71 per week for the designated elderly accommodation service. It is proposed to increase the sheltered and older persons service charge for 2026/27 by 4.8%.

Support Charge	2025/26 Weekly Charge £	2026/27 Weekly Charge £
Sheltered Service	£16.96	£17.77
Older Persons Housing (PTSC)*	£3.71	£3.89
Total	£20.67	£21.66

*Peripatetic Service Charges

8. HRA Debt

- 8.1. On 28th March 2012 the HRA took on £70.2m in debt as a result of HRA Self-Financing. The structure of the loans that were taken out result in different repayments from year to year to align with the anticipated resources available within the HRA (when the loans were taken out in 2012) in accordance with the 30-year business plan. On the 1st April 2026 the HRA will have £76.5m of debt outstanding being loans with PWLB of £45.7m and internal borrowing from the General Fund of £30.8m. In the Budget 2026/27 the borrowing will increase by a further £14.6m. The total debt outstanding will be £91.1m. As noted above Treasury Officers, external advisors are to consider the correct balance of borrowing between internal and external loans after considering the Councils future cash-flows and commitments.
- 8.2. A £3.95m loan is scheduled to be repaid (on 28th March 2027). This loan has a fixed interest rate of 3.0%. The new PWLB rate for this rolled over loan is budgeted to be (after discounts) 3.96%.
- 8.3. To maintain HRA balances whilst supporting a programme of new build, approval is being sought in this paper to refinance this loan. When refinancing the £3.96m loan we will consider both internal and PWLB borrowing, choosing to borrow at the lowest interest rate at that time and with reference to the Councils future cash-flows and commitments.

9. Capital Programme

- 9.1. The proposed Capital Programme, including a narrative description of each scheme for this Committee is shown at Appendix B. In the context of Local Government

Reform, this Draft Budget sets out capital investment proposals for the 2026/27 financial year only. Appendix B includes indicative figures for future years to reflect ongoing programmes, but these are for information rather than decision making.

- 9.2. From 2027/28 onwards, responsibility for approving capital investment will rest with the new unitary authorities. All schemes included in the 2026/27 Capital Programme will be monitored throughout the year to ensure costs are controlled, delivery remains achievable, and budget estimates continue to be robust
- 9.3 Funding net-zero carbon (NZC) pressures, ensuring the housing stock is compliant to latest regulations and alongside meeting the growing need for housing, will require any surplus funding in the HRA to be reinvested into the capital programme. Taking anything less than the maximum 4.8% increase available would reduce the HRA's capital programme by approximately £8.2m for every 1% reduction.
- 9.4. The 2026/27 Capital Programme incorporate future provisions for £29.9m capital expenditure. Of the £29.9m, Council House Building provisions accounts for £18.5m and the balance of £11.4m capital provisions is for enhancements including condition surveys, upgrading properties re decarbonisation, heating systems, roofing, new kitchens, bathrooms and adaptations for disabled.
- 9.5. The Council House Building programme reflects the Council's ambitions to complete 40 homes per year and allows the programme to catch up with years where this has not been achieved due to Covid followed by high inflation and pressure on the construction industry. This also contributes to addressing the shortage of new housing and significantly outstrips the projected loss of social housing through Right To Buy, estimated to be at 6 dwellings per year.
- 9.6. In respect of capital resources available to support the 1 year capital programme £29.9m, it is budgeted there will be available HRA reserves of £5.5m, capital receipts of £1m and retained Right To Buy (RTB) 1-4-1 receipts of £0.8m, Homes England grants of £2m, Warm Homes Grants of £1.2m and performance bonds of £1.1m. The programme has been discounted by 20% to reflect the programme slippage which is based on historical data this equates to £3.7m slippage. The balance of £14.6m over the 1-year period will be met by loans either from PWLB and / or internal borrowing at an assumed interest rate of 3.96%.
- 9.7. The Council House Building programme represents the largest share of the capital spend. RTB receipts are a finite resource and, whilst provision is included for future receipts based on projected RTB sales, these will be small in comparison to the size of the programme. To supplement these, the Council can use its Investment Partner status with Home England which provides the Council with access to social housing capital grant. However, currently there is a pause of Homes England bidding for grant due to the Council's C4 Status. Since joining the scheme in September 2023, the Council has been successful in achieving £6.49m of funding to date.

9.8. The below table shows analysis of Housing Development New Units.

Scheme	Total New units	Units demolished
LAHF 1 & 2 & 3	21	
Featherstone	16	16
Buybacks	5	
Hollow Lane	5	
Wolfs wood	12	12
Warren Lane	22	
Pelham	10	12
Sea Cadets	16	
Stanstead rd	4	8
Dormers	20	
Methodist Church	16	
Kentwyns	21	31
Identified scheme	19	
Unidentified scheme	10	
Unidentified scheme	10	
Unidentified scheme	5	
LAHF - 4 - expression of Interest	20	
Total	232	79

9.9. The current demand for affordable housing for rent remains high. Options have been modelled in the HRA business plan that includes the current programme and the LAHF programme.

9.10. Not all the Council House Building capital schemes have been approved yet. The below table shows the monetary number of approved schemes and unapproved schemes which are in the pipeline (pipeline being known schemes where feasibility work may have already been started or highly likely to go to build and complete).

Council House Building			
Year	Approved schemes	Pipeline - unapproved schemes	Total
2026-27	19,297,611	1,773,746	21,071,357
2027-28	18,053,233	7,061,091	25,114,324
2028-29	3,443,746	8,175,089	11,618,835
Total	40,794,590	17,009,926	57,804,516

10. Other options considered

- 10.1 The HRA is a ringfenced account and must set a balanced budget for 2026/27. In the long-term, lower rental increase in 2026/27 would not support the level of capital investment required.

11. Consultation

- 11.1 In the January 2026 Councils newsletters, residents and business have been asked for their comments on the Draft Budget approved by Strategy & Resources Committee on the 27th November 2025. Any comments received will be incorporate into the final budget presented to Full Council on the 12th February 2026.

Key implications

Implications	Officer	Comments
<i>Financial Implications</i>	<i>Chief Finance Officer (Section 151)</i>	The HRA, as a separately ringfenced Account, is required to set a balanced budget for 2026/27 and the proposals in this report achieve that objective. If any proposals are amended, offsetting changes will need to be identified to compensate for these and keep the budget in balance.
<i>Legal Implications</i>	<i>Head of Legal and Monitoring Officer</i>	<p>The Council is required to maintain a Housing Revenue Account (HRA) under Part VI of the Local Government and Housing Act 1989, as it holds more than 200 units of housing stock. The HRA is a ring-fenced account, and the Council has no general discretion to transfer resources into or out of it. Section 76 of the 1989 Act requires the Council, during January and February each year, to prepare proposals relating to HRA income and expenditure and to ensure that the HRA does not show a deficit for the forthcoming financial year. The proposals must be based on the best information and estimates available at the time.</p> <p>In relation to rent and service charge increases, Section 103 of the Housing Act 1985 permits the variation of secure periodic tenancies by notice. The requirement to issue a preliminary notice inviting tenant comments does not apply to variations of rent or payments for services or facilities. Section 105 of the Housing Act 1985, which sets out the Council's duties to consult tenants on matters of housing management, does not apply to rent levels or service charges. While there is no statutory requirement to consult tenants on the proposed increases, it remains good practice to do so.</p>

		The Council must nevertheless act reasonably in setting rent and service charge levels. Members should be satisfied that the proposals are lawful, reasonable, and justified, and that the Council has complied with all relevant statutory duties in preparing the HRA budget for 2026/27.
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Other implications

There are no human resources, property, risk management, ward, climate emergency and sustainability, value for money implications arising from this report

Equality and Diversity Implications:

Please indicate:

P = Positive impact; 0 = Neutral; N = Negative; Enter “X”

	Positive	Neutral	Negative
Age		X	
Disability		X	
Gender reassignment		X	
Marriage & civil partnership		X	
Pregnancy & maternity		X	
Race/ethnicity		X	
Religion or belief		X	
Sex/gender		X	
Sexual orientation		X	

The proposed rent and service charge increases apply consistently to all secure tenants and do not create differential treatment for any protected group under the Equality Act 2010. While some households on lower incomes may be more affected by rising housing costs, support remains available through Housing Benefit and Universal Credit for eligible tenants. The proposals are considered reasonable and proportionate in the context of maintaining a balanced Housing Revenue Account.

Appendices

Appendix A – HRA Proposed Revenue Budget for 2026/27

Appendix B – HRA Proposed Capital Programme 2026/27

Appendix C – Glossary

Background papers

None

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