

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

DEREGULATION BILL

Eighth Sitting

Thursday 6 March 2014

(Afternoon)

CONTENTS

CLAUSE 21 agreed to.

Adjourned till Tuesday 11 March at five minutes to Nine o'clock.

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The Committee consisted of the following Members:

Chairs: MR JIM HOOD, †MR CHRISTOPHER CHOPE

- | | |
|---|---|
| † Barwell, Gavin (<i>Croydon Central</i>) (Con) | † Maynard, Paul (<i>Blackpool North and Cleveleys</i>) (Con) |
| † Bingham, Andrew (<i>High Peak</i>) (Con) | † Nokes, Caroline (<i>Romsey and Southampton North</i>) (Con) |
| † Brake, Tom (<i>Parliamentary Secretary, Office of the Leader of the House of Commons</i>) | Onwurah, Chi (<i>Newcastle upon Tyne Central</i>) (Lab) |
| † Bridgen, Andrew (<i>North West Leicestershire</i>) (Con) | † Perkins, Toby (<i>Chesterfield</i>) (Lab) |
| Cryer, John (<i>Leyton and Wanstead</i>) (Lab) | † Rutley, David (<i>Macclesfield</i>) (Con) |
| † Docherty, Thomas (<i>Dunfermline and West Fife</i>) (Lab) | Shannon, Jim (<i>Strangford</i>) (DUP) |
| † Duddridge, James (<i>Rochford and Southend East</i>) (Con) | † Turner, Karl (<i>Kingston upon Hull East</i>) (Lab) |
| † Heald, Oliver (<i>Solicitor-General</i>) | † Williamson, Chris (<i>Derby North</i>) (Lab) |
| Hemming, John (<i>Birmingham, Yardley</i>) (LD) | Fergus Reid, David Slater, <i>Committee Clerks</i> |
| † Hopkins, Kelvin (<i>Luton North</i>) (Lab) | |
| Johnson, Gareth (<i>Dartford</i>) (Con) | † attended the Committee |

Public Bill Committee

Thursday 6 March 2014

(Afternoon)

[MR CHRISTOPHER CHOPE *in the Chair*]

Deregulation Bill

Clause 21

REDUCTION OF QUALIFYING PERIOD FOR RIGHT TO BUY

2 pm

James Duddridge (Rochford and Southend East) (Con): I beg to move amendment 5, in clause 21, page 17, line 28, leave out ‘three’ and insert ‘two’.

The Chair: With this it will be convenient to discuss the following:

Amendment 8, in clause 21, page 17, line 31, at end add—

‘(5) Within one year of this Act receiving Royal Assent, the Secretary of State shall lay before each House of Parliament a report setting out the effect of the Government’s policy of reducing the qualification period for right to buy on the number of council houses which have been replaced on a like for like basis.’

Clause stand part.

James Duddridge: It is a pleasure to serve under your chairmanship, Mr Chope, on an issue about which I know you care deeply. You are obviously in a different role today, and when chairing sittings, you do so impartially.

I shall start by disagreeing with my right hon. Friend the Secretary of State for Communities and Local Government and end by complimenting him. At the outset, I should tell the Government Whip that amendment 5 is a probing amendment, rather than something I intend to push to the vote. Since tabling the amendment, however, I have received a number of pieces of correspondence that suggest that it is supported more widely than I had thought. I am not really suggesting that the period should be exactly two years but trying to probe why the right-to-buy discount period is being reduced to three years. I could easily have put 18 months or 26 months in the amendment. I half expected Opposition Members to table an amendment with a number larger than three or a different number.

A clause stand part debate is helpful because it will allow me to talk a little more about the background to the right to buy and contextualise why I tabled amendment 5. The right to buy has been a tremendous success. The changes to the right to buy that we in the coalition Government are making will further that success, but we are being too modest in our ambitions and could go a lot further.

Kelvin Hopkins (Luton North) (Lab): Would the hon. Gentleman like to mention the 8,000 people on the waiting list in Luton who cannot get a decent home? Would he like to come and tell them what a great success the right to buy has been?

James Duddridge: It is always a delight to visit Luton. The hon. Gentleman and I share an interest in airports, so perhaps if I was invited, I could come and talk about more than the advantages of the right to buy. My hon. Friend the Member for Harlow (Robert Halfon) is not a million miles away, so perhaps I could visit him on the way. Harlow has similar demographics, but my hon. Friend is more of my persuasion on the right to buy than the hon. Gentleman’s. I am more that happy to visit Luton if he promises a trip to the airport. I am not sure whether it is exactly within his constituency, but it is there or thereabouts.

Since the introduction of the right to buy in 1980, millions of council houses have been bought by their tenants. The scheme was one of the outstanding successes of that Government. It helped improve social mobility. It has helped people develop a sense of pride, not only in their homes, but in their whole communities. They are taking ownership of their houses, as well as their communities. They are transforming not only their front doors and inside their houses, but their streets and their neighbourhoods. For legitimate reasons, previous Governments felt that we took things in the wrong direction, so right-to-buy discounts and qualifying periods were constantly reduced, making the right to buy across parts of the country almost meaningless. In fact, in the final years of the Labour Government, there were fewer than 3,700 sales, compared with a peak of 84,000 only 10 years before.

Kelvin Hopkins: Decades of disastrous housing policies have seen house prices rocket to levels that in many areas mean that tenants who want to buy cannot because prices are incredibly high even with discounts.

James Duddridge: I agree that housing policy has been disastrous for decades. The root of the problem was not the right to buy, but failing to get a grip on planning and shortages overall in the private and public sectors.

Chris Williamson (Derby North) (Lab): Would the hon. Gentleman care to comment on the report in *Inside Housing* magazine in January that said that some 52,200 homes in London alone sold under the right to buy are now in the private rented sector? Obviously, the rents charged for those will be considerably higher than previously. As many of those tenants will be on housing benefit, does he think that that is a good use of the public purse?

James Duddridge: I cannot admit to having read *Inside Housing* magazine ever, let alone that specific article. Perhaps I can, however, deal with the general point. The rent may be more expensive, but someone will still be living in those houses, so people are still being accommodated. To look at the amendment, it would provide a one-for-one replacement strategy—we can discuss this in detail later in the debate—that is not quite as exact as building the same type of property in the same neighbourhood straightaway.

The underlying problem with the shortage of supply of cheap housing is that successive Governments have not built enough housing across the board. That is not specifically related to failures of the right to buy from

the 1980s. To support that argument, if the right to buy had been the source of the problem, logically we would have seen alleviation when the previous Labour Government started to erode that right. In fact, house prices continued to rocket up, and it is still incredibly difficult for young people in my constituency and most others to get on the housing ladder, whether in private or public provision.

Chris Williamson: I wonder whether the hon. Gentleman thinks that the right to buy might have operated better if, instead of borrowing and perverting Labour's right-to-buy policy—it was contained in the 1959 general election manifesto—Margaret Thatcher had implemented Labour's version of that policy. If so, we might have had a more sustainable housing market that would have accommodated people on low incomes in affordable homes and enabled people to access home ownership.

James Duddridge: I must admit that I am flabbergasted by that intervention. I have never heard a Labour Member claim before—perhaps this has been raised in the House—that their party was the forefather of the successful right to buy. [*Interruption.*]

Chris Williamson: I am grateful to the hon. Gentleman for giving way again. I was saying from a sedentary position that a right to buy council houses was contained in the Labour party's 1959 general election manifesto. I urge the hon. Gentleman to check that document—he can google it to find it. If the Thatcher Government had pursued that policy, we would have a more sustainable housing market that would accommodate people on low incomes and give people access to home ownership as well.

James Duddridge: I do not have the advantage of having the Labour party's 1959 manifesto in front of me. In fact, in my rush to drop the children off, I left without my iPad, which would have helped greatly. I concede that that manifesto might have contained a right to buy, but we agree that the underlying policy was fundamentally different. In discussing the clause, I will not compare the '59 version of the right to buy with the enhanced 1980s version that was so successful electorally and socially for people in buying their houses. I will, however, compare the clause as drafted with it if amended by my amendment, which would further enhance the proposition to people across the country and particularly in Rochford and Southend East.

The Government have already invigorated the right to buy by increasing the maximum discount from £70,000 to £75,000—or £100,000 in London—and I am pleased that they are now increasing the maximum discount from 60% to 70% and allowing the £75,000 figure to increase in line with the consumer prices index. In addition, a £100 million fund will improve access to mortgage finance and new right-to-buy agents will guide people through the process. Furthermore, revenues from the additional sales will be ploughed back into delivering affordable homes, which will drive up the rate of house building across the country.

Since its introduction in 1980, more than 4,000 people in the patch that I represent in the corner of the east of England and Essex have exercised the right to buy in Rochford and Southend district. Reducing the qualifying

period on the right to buy has helped them in the past. There has been a correlation in making it easier and increasing the discounts and the number of people buying. It is reasonable to expect a similar discount and qualifying period to prompt the same behaviour.

For example, in the final years of the previous Labour Government, 2008-09, only two council homes were bought in Southend-on-Sea. The following year and the first of the coalition Government, there were only five. We are reaching those figures and getting into double figures each quarter, rather than annually. There is already a change. I would encourage people in Rochford and Southend, where they can, to buy their own homes and take a stake. That is right for them and the communities they live in.

Thomas Docherty (Dunfermline and West Fife) (Lab): I have listened carefully to the hon. Gentleman. There is the danger, as he has alluded to, of arguing that if people do not own their homes, they have no stake in their community. Would he clarify that that is not what he meant to say in his last sentence?

James Duddridge: No, I do not think there is an inverse correlation to the positive correlation that I advocated. When people have a long-term residential status in an area, they have greater ownership of their streets. I use the word "streets" rather than "community" because community or neighbourhood mean something much broader. Most people who live in Southend, if they move from rented property in one part of Shoeburyness to another, have less stake in what goes on in that street; what Mrs Miggins is doing next door or in the cut through. By buying a house, someone is establishing a family in that area potentially for a longer period. They have bought into what goes on in that street. That has enormous ramifications for individuals who have purchased under the right to buy.

Going back to 1980, Lord Heseltine—not someone I would normally quote—said:

"There is in this country a deeply ingrained desire for home ownership. The Government believe that this spirit should be fostered. It reflects the wishes of the people, ensures the wide spread of wealth through society, encourages a personal desire to improve and modernise one's own home, enables parents to accrue wealth for their children and stimulates the attitudes of independence and self-reliance that are the bedrock of a free society."—[*Official Report*, 15 January 1980; Vol. 976, c. 1443.]

I believe that statement to be as true today, if not more so, than 34 years ago. In fact, that statement is so good that I almost did not attribute it to Lord Heseltine and stole it myself, but I thought more eagle-eyed members of the Committee would notice and bring me up.

I should like to talk about the two-year period. As I said in my introductory remarks, I have suggested an arbitrary period as a debating point to consider why three years was chosen. The impact assessment is slightly disingenuous. On page 1, in the section headed, "What policy options have been considered, including alternatives", it says:

"The chosen approach (to reduce the qualifying period to three years) is in line with the original Right to Buy policy".

Although that is absolutely true—indeed, page 6 points out that there was originally a three-year qualifying period for the right to buy—buried elsewhere in the assessment is information about what happened in 1984:

[James Duddridge]

the qualifying period was decreased to two years. Although we are going back to the right to buy 1980 version, rather than the 1959 version, I am arguing that the 1984 version—the third, improved version—of the right to buy was perhaps the right way.

2.15 pm

Andrew Bridgen (North West Leicestershire) (Con): In going back to the 1980s, is my hon. Friend inferring that we should fire up the Quattro once again?

James Duddridge: I was a great fan of that programme and was greatly indebted to the Labour party for bringing it up during the election campaign. It was both slightly frivolous and humorous, and it went down very well in Essex. The two brothers actually came to Basildon to launch the campaign, which is not a million miles away from my patch of Southend, so firing up the Quattro and the 1984 spirit and bringing back right to buy would go down incredibly well in Rochford and Southend. It would also go down incredibly well in a number of working-class constituencies where there are council houses and people want to get on the ladder and would really appreciate it. I can see my hon. Friend sharing a visit and maybe a tour of marginals in the Quattro to debate not only right to buy but clause 21 specifically. We can explain that we were there the moment the Government conceded on amendment 5 and went for the Mk84 version of the car, rather than the earlier 1980 version.

In the impact assessment, the two-year period comes up again. I was unable to find out more details and I would appreciate a little more information from the Minister. Where I was quoting from the impact assessment and saying it was in line with the original right to buy policy, that is, for three years, it goes on to say that it helps avoid conflict with two-year flexible tenancies. In all candour, I am not a housing specialist and was unable to see what the conflict was. I would appreciate being told if that makes the two years, rather than perhaps 25 months, flawed.

I started by challenging the Secretary of State for Communities and Local Government, my right hon. Friend the Member for Brentwood and Ongar—a fellow Essex MP—to go further. However, I want to end on a quote from my right hon. Friend, in which he talked about how many people had bought into the idea of right to buy. When one's opponents start claiming successes as harking back to 1959—but it is not just the 1959 manifesto. Right to buy has a lot of support from the unions. I illustrate this point with the case of one of Margaret Thatcher's chief and vocal opponents, Arthur Scargill. In January this year, the BBC "Inside Out" programme uncovered that in 1993 the trade union leader himself applied under right to buy on the Barbican estate. My right hon. Friend the Secretary of State for Communities and Local Government said:

"The revolution is complete if even comrades like Arthur Scargill want to take up the right to buy".

I want to help comrades like Arthur Scargill. They should be able to buy their council house after two years, not three years, and I hope to debate this probing amendment in more detail.

Thomas Docherty: I suspect that you must be having a sense of the 1980s, Mr Choqe, given your leading role in your days as a council leader and an early pioneer of the right to buy in your council area. The hon. Member for Rochford and Southend East made a good speech and chose to use "Ashes to Ashes" as a metaphor for this. He will probably know that it turns out that it is a sense of purgatory and a limbo for dead police officers. I am not sure that is how this Committee is best described.

James Duddridge: I hate to correct the hon. Gentleman twice, but it was not I who brought up the issue; it was my hon. Friend the Member for North West Leicestershire. He did not bring it up out of chance; he brought it up because the Labour party, during the last election, took the Quattro to Basildon. That was perhaps more "Life on Mars" than "Ashes to Ashes".

Thomas Docherty: You would probably call me out of order, Mr Choqe, if I were to speculate which of the hon. Gentlemen on the Government side was Chris and which was Ray—and which one was Shaz. To return to the central issue, there is some confusion here. The Labour party supports the right to buy. In the interests of transparency, so that there is no danger that I fall foul of the rules—[*Interruption.*] Will the Government Whip calm down? I know he is excited about the game against Southampton on Saturday, but in the interests of transparency, I declare that several years ago my parents bought the house in which they lived. I spent most of my formative days in that house.

I am surprised that the hon. Member for Rochford and Southend East, in an interesting opening speech, talked about trying to keep people in their community, whether they own their home or are renting, because that is one of the big arguments against the bedroom tax. The reason why the bedroom tax is such a dreadful policy is that it uproots families and communities and undermines the social fabric that Opposition Members think is so important. We believe that there is such a thing as society. Although I do not agree with him that the right to buy is necessary to establish a sense of social cohesion, the Labour party position is clear: we support the right to buy. We support the right of tenants, who have contributed to the cost of the property through their rent, to buy that property over a suitable period of time. Historically, the problem with the right-to-buy scheme is that it has not led to like-for-like replacements.

The Parliamentary Secretary, Office of the Leader of the House of Commons (Tom Brake) *indicated assent.*

Thomas Docherty: I am grateful to see the Parliamentary Secretary nodding along because that is what the Government told us yesterday.

The Solicitor-General (Oliver Heald): If it is true that Labour supports the right to buy, why, after the 1959 manifesto, was nothing done during the Wilson years? After the Conservatives lost office in 1997, rather than leaving the discounts in place, the Labour party cut them twice and reduced the qualifying period.

Thomas Docherty: I do not want to spend too long discussing 1959, although it was an interesting exchange, but I remember that in 1959 the Labour party was

against going into the European Economic Community, which is a policy that the Law Officer now supports. It is interesting how party policies change in 50 or 60 years.

I will happily address the Law Officer's point on what the Labour Government did after the 1997 landslide, as "the Right to Buy policy has not involved the replacement of sales with new social or affordable homes."

Those are not my words but the Government's words in the document they were gracious enough to circulate yesterday. They go on to say, and it must be true because the Government say so:

"Without one for one replacement of Right to Buy sales with affordable rented homes, the social and affordable housing stock has fallen."

We agree with the Government. We think that has always been a criticism, and it has always been my personal concern, about the right-to-buy policy that was so eloquently espoused by the hon. Member for Rochford and Southend East.

James Duddridge: I assume that the hon. Gentleman is referring to the "Reinvigorating Right to Buy and One for One Replacement" impact assessment. Interestingly, page 32 states that one-for-one replacements will sometimes not be possible. Indeed, in London, where houses are being sold, the receipts might be greater. It may be possible to build more than one-for-one replacements so that more people can be housed.

Thomas Docherty: I am grateful because, as ever, the hon. Gentleman anticipates where I will shortly be going. If he bears with me, I will address that point. If I do not address it, I am sure he will catch my eye and gently chide me to do so.

The Government themselves say:

"Without one for one replacement of Right to Buy sales with affordable rented homes, the social and affordable housing stock has fallen. This is a problem because of the prevalence of housing need. It has been estimated that there are around 1.9m households in housing need in England. Increasing the affordable housing supply remains an important way of meeting housing need and alleviating housing pressure, especially for the most vulnerable households."

That is why we will continue to press for the one-for-one replacement policy. We think that is entirely sensible. Demonstrating that we are replacing on a broadly like-for-like basis is the way to do it. That goes back to the evidence from the Local Government Association during the afternoon sitting of our first day of evidence. We think that is a sensible way of doing it. Our concern is that we do not have the evidence that says that is what will happen.

Andrew Bridgen: The hon. Gentleman is making a very good point. We have seen from the implementation of the spare room subsidy, certainly in my seat, that we need more one and two-bedroom units. I would not want the Bill to limit replacement to one-for-one, when you might be able to get a larger council house and build two single-bedroom units for the same money. I would not want the Bill to do that. Does the hon. Gentleman share that concern?

Thomas Docherty: I suspect we could have a silly debate about bedroom tax versus spare room subsidy. During your time as a Minister, you were taking through what we call the poll tax and I think you called it

something else, Mr Chope. Sometimes you can get obsessed about the name of the iniquitous legislation rather than the substance of the policy. We are very clear on the substance that we want an evidence-based process. That is why we were pressing the LGA so hard on that Tuesday afternoon, Mr Chope.

I think all Opposition Members have concerns that we are making a series of assumptions about what will happen. That is why amendment 8 is about seeking the evidence. It is a simple request. I do not think it is particularly costly. Forgive me if I do not have the exact quote to hand, but as the impact assessment says—I am sure the Law Officer will have inspiration on this point when he speaks to it later on—the Government already intend to do their own internal review of the success of the policy. We are simply calling for that to be published and laid before Parliament so that we can judge the success of the policy.

The hon. Member for Rochford and Southend East asked why three and not two is the right approach. We think that is a very good question. We hope that the report would let us see the impact of the policy after 12 months.

Turning to the point made by the hon. Member for North West Leicestershire: has the policy led to an appropriate replenishment of stocks? I am sure he was interested in the comments from the LGA. The Government have not answered the question why there is an arbitrary figure of three years if they believe in localism. The hon. Gentleman mentioned the Secretary of State for Community and Local Government, a big champion of localism. I was slightly surprised that the Government were not suggesting that we should give local authorities the greater flexibility.

I am not sure whether we are going to get a Conservative or Liberal Democrat reply to this debate. *[Interruption.]* Inspiration has arrived: apparently it will be a Conservative reply. When the Law Officer replies, I would be grateful if he set out why three was chosen for a fixed period, not an arbitrary one. Why did not the Government say, in the spirit of localism, "We will give local authorities the power"? Perhaps in Wandsworth, for example, Mr Chope, they might want to do it after two years, but in Christchurch they might want to do it after four years. If you believe in localism in the way that the Government say they do, that would be a fairly logical progression.

Andrew Bridgen: Is not the problem with the hon. Gentleman's idea that in Labour-controlled areas they might never want to sell any council houses?

Thomas Docherty: The hon. Gentleman has asked me speculate without any great foundation. There is no evidence whatever that Labour areas are any less keen on right to buy than Conservative local authorities are today. I suspect that if you asked many of the Conservative leaders in the LGA, they would tell you exactly what they think of the right to buy in the current climate.

Kelvin Hopkins: It is not just in urban areas that there is a housing shortage. Indeed, the hon. Member for Bridgwater and West Somerset (Mr Liddell-Grainger) has spoken up in favour of council housing in his constituency, because farm labourers and poorer workers in rural constituencies have nowhere to live and they are

[Kelvin Hopkins]

increasingly being populated by wealthier people who buy up property as second homes. Even ex-council houses have been bought up as second homes for holidays by people from richer urban areas, no doubt in the south-east. So even some Government Members have some common sense about the need for more council housing.

2.30 pm

Thomas Docherty: That is absolutely right and my hon. Friend makes the extremely valuable point that perhaps sometimes we see this issue in terms of traditional council estates and projecting urban ideas, but he is right to say that there is a particular challenge in rural areas, not least because of the funding issue.

There is another concern that Labour Members have expressed repeatedly and I just want to challenge the parties in government about it. During Labour's glorious 13 years in government, we did not seek to abolish the right to buy; we sought, successfully, to modify the requirements and the regulation. That was not because we are against the right to buy but because we believe it has to be applied in a sensible manner.

The hon. Member for Rochford and Southend East made the point about the number of right-to-buys that have taken place in his own constituency. I suspect that there are probably two reasons for that. One is that—as we all know from our constituencies—many of our constituents are struggling to get a mortgage in the first place because of the current economic climate.

Toby Perkins (Chesterfield) (Lab): I wonder whether I could encourage my hon. Friend to spell out something for the benefit of colleagues on the Government side of the Committee. Although he is absolutely right to reflect positively on many of the achievements of the last Labour Government, he will also want to put it on the record that my right hon. Friend the Member for Doncaster North (Edward Miliband) has made it clear that he thinks more housing should have been built during the last Labour Government and that he has a plan to make sure that more houses are built under the next Labour Government, which will never happen under this lot.

Thomas Docherty: Absolutely—my hon. Friend is, as ever, entirely correct. My right hon. Friend the leader of the Labour party has clearly said that we have an ambition, and crucially a plan, to build 200,000 new homes if we are lucky enough to be given the chance by the electorate to serve them again.

Andrew Bridgen *rose*—

Thomas Docherty: I will give way and then I will make a little more progress.

Andrew Bridgen: The hon. Gentleman is very generous in giving way. We have talked about rural housing. In my constituency we have a rural housing association, which goes to a village, approaches a parish council, carries out a survey of the village to assess its housing needs, and then gains planning permission through an exemption site to build one, two or three-bedroom affordable units to meet the local need. That is how we are addressing our rural housing need.

Thomas Docherty: Surely, that is a very good example of localism. Therefore, I go back to my earlier point: why are the Government not giving more scope for localism in this Bill, rather than having a one-size-fits-all approach? Perhaps the hon. Gentleman will wish to take that point up with the Ministers if he chooses to contribute more fully to this debate.

I will come back to the issue that was raised by my hon. Friend the Member for Chesterfield. It is not enough for someone just to say that they will build more homes. Mr Chope, you will recall during your own distinguished career in Parliament that we have had a succession of Housing Ministers of both colours who have made grand promises, but—as my hon. Friend said—they have then failed to follow through on them. For example, I am thinking of the current Conservative party chairman—the Minister without Portfolio, the right hon. Member for Welwyn Hatfield (Grant Shapps)—who was, of course, previously a Housing Minister. During his tenure in office as a Housing Minister, we saw social house building fall to its lowest level for, I think, about 20 years. That was not just because of his own incompetence; it was also because of the wider economic global world that we are working in. However, building homes is a critical requirement in the coming years.

Once again, Mr Chope, because of your own distinguished service I do not need to tell you any of this; you, of course, know all this. Nevertheless, building homes is important because we have a shortage of affordable homes. I am sure that every MP across the House has an inbox full of communications from people who are waiting to find appropriately sized accommodation, and it is an absolute problem.

Andrew Bridgen: The hon. Gentleman is being most generous in giving way. My constituency has a huge vested interest in the housing market; two of the largest brick companies in the country are based within my constituency, and there are also many developers in my area. New housing starts in my constituency are up 70% on last year, so we are turning the corner.

Thomas Docherty: I am grateful for the hon. Gentleman's observation, but we are starting from a phenomenally low base at the moment. To go from no house building to a 70% increase is a bit like Leicester City's fortunes: they started from a low base this season and it can only get better for the Tigers. That is a good analogy. Starting from a low base, of course there will be an improvement.

The reality is that we have horrific figures about the number of people waiting not even to get on the housing ladder, but to move into affordable accommodation in which they can settle in the long term. Even the Government's own figures show that, for every seven houses sold under the right to buy, only one home is currently under construction. That says to me that we have a serious, genuine crisis in housing. Rather than tinkering at the edges, we need to have a genuine, sustained plan. To bring my remarks back to the substantive debate—I am probably testing your patience a little bit, Mr Chope—that is why we think it is so important that we follow the evidence.

It is sensible to have a report laid before Parliament. It is not enough for the Government simply to say, "We are going to do an internal review anyway". Events

today in the main Chamber, and in recent days, have shown that the Government do not have a proper policy of reporting back to Parliament. I am sure that it was a Freudian slip by the Parliamentary Secretary, Office of the Leader of the House when he said that Ministers were accountable to Government. I am sure that he meant to say that they are accountable to Parliament and that it was just a slip of the tongue.

In the interests of transparency and following the evidence, after 12 months there should be a report saying, “This number of properties have been sold in each area”, and “This is how they have been replaced.” Again, I take the point made by the hon. Member for North West Leicestershire; a local authority or a housing association might not have built a three-bedroom property to replace a three-bedroom property somewhere else. However, that can be contained in the report. If the Government felt that there was a good, compelling reason why it was not a straight like for like, the report could explain that.

The LGA is genuinely concerned about its business plans. I will not test your patience by quoting at length, Mr Chope, from evidence that all Committee members have at their fingertips. Although every sensible local authority and housing association will have made some contingency for the right to buy, in its evidence the LGA said that it was concerned, with the goalposts being moved in this manner—no badgers are involved in moving the goalposts—about what that would do to forward business plans. I should be grateful if the Minister set out what discussions the Department has had with the LGA about the impact on forward business plans and whether additional revenues will be made available to the LGA’s members to compensate them if there is to be a problem in the short term.

It has been a good, lively debate. The hon. Member for Rochford and Southend East raised some important issues. We look forward to the Minister’s response.

Kelvin Hopkins: I will not get started, but I could speak for two hours unaided about housing policy. I have felt passionately about it for a long time, since I was vice-chair of the housing committee on Luton borough council 40 years ago, when we built enough council houses to house everybody on the waiting list, because we could do so at that time. It was decent housing as well.

I have to say good luck to anybody who bought their council house, because they were an absolute bargain, with massive subsidies. Who would not do it if they had half a mind? It is quite obvious; it was such an advantage. However, if buying a council house was so attractive, and one wanted to buy one’s particular house, why not pay the market price for it? It would save all the bother of moving for a start. All the capital would go to the local authority, and it could use that money to build more houses. That is not what happened. Instead, a massive subsidy was given to all the council house owners from the housing authorities’ stored equity, built up over generations of people paying their rents. The subsidy was taken out of the housing account, and that was clearly a deliberate attempt to wind down and diminish local authority housing.

Andrew Bridgen: Am I correct to infer from what the hon. Gentleman is saying that he would not support a transfer of wealth from the state to the people?

Kelvin Hopkins: I am happy for state wealth to be transferred to the people, but in this situation it is the other way around. Wealth is taken out of the local authority and given to the private sector. The approach was not that council houses should be sold at market value, with the profit going back into the local authority to build another house for the same price or less, if possible; it was about diminishing the local authority housing sector. One reason for that was that many Conservatives thought—I think the leader of the Conservative party at the time actually said this—“People in council houses tend to vote Labour. If we reduce the number of council houses, fewer people will vote Labour.” It was a political move and a political ploy. Of course, it worked for a generation.

Toby Perkins: My hon. Friend hits on something that is important, relevant and timely. He might be aware that the briefing from the Conservative party after the recent Wythenshawe and Sale East by-election was, “How on earth can we be expected to win that seat? It has one of the biggest council estates in Europe.” That is absolutely where the Conservatives are now.

Kelvin Hopkins: Indeed. The reality was that we saw forced council house sales, with forced subsidies from local authorities, diminishing not just the stock of housing, but the ability of housing authorities to build more houses. When I was on the housing committee in Luton, we got to a point where we had housed everyone on the waiting list. We thought we had a crisis when we had 4,000 on the waiting list. We now have 8,000 on the waiting list and we can do nothing about it, because so many houses have been sold.

Another point is that the houses that were sold were the most valuable, the most attractive and the best-built. They were built to high standards in the 1950s and 1960s, and they still look like new now. They are pristine, superb houses. It is the hard-to-let stuff that has been kept with the local authority, and we have more and more people in desperation trying to get a council house. They do not want to be in private rented accommodation or housing association accommodation. They want local authority housing, because the quality is better, the rents are lower and there is public accountability directly through the local authority. People know that and they tell me that. All this talk about council house sales being a wonderful thing for society as a whole is nonsense. It is beneficial to those people who bought their houses.

David Rutley (Macclesfield) (Con): I respect the hon. Gentleman’s strongly held views about the importance of housing. However, to be clear, is he saying that he does not appreciate the work that housing associations do across the whole country and that council houses are the only way forward? The record of the previous Government on new housing starts and council housing was pretty appalling.

Kelvin Hopkins: As a member of Defend Council Housing, I fought throughout that Government—I was a Member for all that period—for more local authority housing and not for local authority housing to be moved to arm’s length management organisations, housing associations or even private companies. I wanted housing

[Kelvin Hopkins]

to stay with the local authority and for local authorities to have the powers and resources to build more, as they did in the past.

Thomas Docherty: Just to pick up on the point made by the hon. Member for Macclesfield, I am not sure how he can think that our record was appalling, given that 2 million more homes were built under the previous Labour Government, of which half a million were affordable homes.

Kelvin Hopkins: Some houses were built, but clearly, then and now, too few have been built. We now have the worst housing stock in western Europe. We have the most densely occupied housing space in western Europe—that is, smaller floor space per person—and the situation is particularly acute in towns such as Luton, where many families with large numbers of children are living in small houses. Those housing conditions are simply not acceptable in a modern, civilised society.

2.45 pm

Andrew Bridgen: I thank the hon. Gentleman for giving way, but I want to attack his argument that council housing is the wonderful paradise we are all looking for. When the Conservatives wrested control of North West Leicestershire district council from Labour in 2007, after 33 years of Labour control, we had the worst council housing stock in the whole country. Indeed, it was 70% non-compliant with the decent homes standard. One of my first jobs when I became the MP was to get £21 million to bring those houses up to a decent standard. Now that those homes have been improved, I hope that people in North West Leicestershire take the opportunity under this scheme to buy them.

Kelvin Hopkins: No doubt some local authorities were not doing the job that they should have been doing, but that is when Government should step in and say, “You’re not doing your job. We want minimum standards.” I have always argued that local authorities, in all services, should have minimum standards applied to them. That has not been the case in recent years; I agree with the hon. Gentleman.

That was not the case in Luton. Our council has had tremendous housing officers and members who have worked hard to ensure that our housing is decent. Over time, however, because of sales, most of the nicer houses have been sold and we now have more and more desperate people squeezed into a smaller and smaller quantity of harder-to-let properties. The only solution is to build more houses. The Labour leader has now committed our party to building hundreds of thousands more houses as soon as we get into office. That is the way forward. We need 300,000 houses a year, but we are building 100,000, so we are falling further and further behind.

As I was saying, the quality of housing in Britain is lower than anywhere else in western Europe, as is the people density inside the housing. It is interesting that just this week an opinion poll was published showing that housing has become the No. 1 issue. Forcing or encouraging sales to get rid of the last few remaining decent council houses by reducing the time in which one has to live in them before buying will simply make the

situation worse—indefinitely worse. I want to see my party rebuild and revive the local authority housing sector, as I hope it will. Indeed, I would go further, because I want to see a fairly widespread municipalisation of, in particular, the poorer-quality private rented sector, which could then be improved and rented out as local authority homes, with public accountability and the quality that one would expect.

I could speak at greater length, as I am sure you are aware, Mr Choqe, but I will leave it there for now. I oppose the amendment of the hon. Member for Rochford and Southend East and support that of my hon. Friend the Member for Dunfermline and West Fife, but the best option would be to oppose the clause standing part of the Bill.

Chris Williamson: If I were the metaphorical alien to whom I referred earlier in the Committee and I were sitting in the Public Gallery listening to Government Members, I could be forgiven for thinking that we did not have a housing crisis in this country today. We are living through the worst housing crisis since the second world war, but that seems to have escaped the notice of Government Members. I support the entirely reasonable amendment of my hon. Friend the Member for Dunfermline and West Fife, which Government Members, if they were interested in evidence-based legislation rather than ideologically-driven legislation, would agree to unanimously.

We are in a housing crisis. The other day, following a contribution I made about another part of the Bill, I was chided for apparently having looked at some mythical “class war” website, but it has to be said that the genesis of the crisis can certainly be traced back to Margaret Thatcher’s Government and, indeed, somewhat before that. Ted Heath’s Government said—[*Laughter.*] The hon. Member for Croydon Central laughs and scoffs, but he needs to listen to this. It was Ted Heath’s Government who said that housing supply had been tackled and that we therefore needed to look at a different way of subsidising housing in this country. That gave birth to the drive towards housing benefit and the inflated rents that flowed from it, rather than putting public investment into bricks and mortar. We could have built homes at affordable rents that people on low incomes could afford to live in without going cap in hand to the benefit authorities to get an additional subsidy to help them to keep a roof over their heads.

Kelvin Hopkins: My hon. Friend is making an excellent speech. All this started with the infamous Housing Finance Act 1972. I became a councillor at that time. It was precisely what my hon. Friend is talking about: rising rents and massive subsidies to help people to pay for them, derived directly from the philosophy enshrined in that Act.

Chris Williamson: That is absolutely right; I could not agree more with my hon. Friend. Of course, a laudable campaign was waged in my home county of Derbyshire, by the Clay Cross rent rebels, who refused to implement that pernicious Government legislation and paid a heavy price as a consequence. It is absolutely the case that the housing crisis we are currently confronted with can be traced back to that period.

David Rutley: I am grateful for this history lesson, going back to 1959, 1972 and all the rest of it, but we are now 40 years on. I want to look back at something a lot more recent: what happened in the 13 years when the hon. Gentleman's party was in government. There were 400,000 fewer social houses at the end of his Government's time in office. How does that square with his ambitions?

Chris Williamson: I am not going to defend our record on housing in government. We did some good things. The decent homes standard was an excellent initiative. After 18 years of utter neglect by the previous Conservative Government, it brought council houses up to a reasonable standard. That was good. We also put some investment into affordable housing, but we did not do enough, and I think we would acknowledge that. There is no point me standing here trying to defend something which, frankly, cannot be defended. We did not do enough, but the genesis of this goes back somewhat further, and that is where we need to learn those lessons.

The hon. Gentleman talks about a history lesson—*[Interruption.]* He says, "Come on!" from a sedentary position. If we do not learn the lessons of history, we are destined to make the same mistakes again. We need to learn those lessons and invest in housing. If we had done that during the 13 years we were in government and if Margaret Thatcher and John Major had done the right thing in housing—perhaps by adopting the 1959 Labour manifesto commitment to the right to buy and a more sustainable approach to selling council homes—we would not be in the parlous situation we are in today.

Andrew Bridgen: The hon. Gentleman talks about admitting mistakes that were made. What is his personal view of the open-door immigration policy under 13 years of Labour? What impact does he think that has had on housing demand in this country?

The Chair: Order. We are not getting into that area. We have enough on our plate without going into immigration.

Chris Williamson: Thank you, Mr Chope. I will not be tempted to stray down there, but the hon. Gentleman is misguided in his intervention, not least by straying off the point, but also on the factual basis of what he was alluding to. The issue is supply of affordable homes. There is a desperate shortage of affordable homes in our country, and of council houses. The supply of decent, affordable homes—council homes, housing association homes; indeed, affordable homes to buy—is fundamental to a cohesive and decent society.

Labour has always sold council houses—we had a manifesto commitment in 1959, but Labour authorities have always sold council houses. I am a localist. I thought that Government Members were localists; indeed, they introduced the Localism Bill 2011—although curiously enough it included 125 centralising powers for the Secretary of State. As a localist, I think it should be a matter for each local authority to determine whether to sell their houses and what the discount should be, rather than that being a centrally imposed proposition. That is why I think amendment 8, which is very clear and calls for an evidence-based approach, is so apposite.

Andrew Bridgen: Does the hon. Gentleman think that if amendment 8 was adopted, there would be a disparity between different political parties' control of areas and the policies they might pursue? Will he hazard a guess at what he thinks might happen under a Labour council?

Chris Williamson: I do not think it would necessarily differ. I place my trust in local government. Local government is closer to the issues at hand on the ground where it represents people. It is not a matter for us to determine what goes on in North West Leicestershire or Derby, or in any other area that we represent, such as High Peak and the rest. Surely it is a matter for the local authority to determine that.

If there is a massive housing shortage and a real problem of people not being able to access the housing they need, local authorities ought to have the discretion to build more houses, perhaps have a moratorium on selling houses or perhaps have a higher or lower level of discount, but that should be a matter for each local authority area. It is not for the hon. Member for North West Leicestershire to try and second-guess what a Labour authority, a Tory authority or a local authority controlled by a different political persuasion would do. It would make its decision based on the circumstances in the local area.

If the hon. Member for North West Leicestershire—who I understand voted for the Localism Act 2011—believes that localism means anything, surely it ought to mean giving local authorities the ability to determine housing needs and how to respond to them in the areas they represent.

Andrew Bridgen *rose*—

Chris Williamson: Does he disagree with that?

Andrew Bridgen: The hon. Gentleman claims that he does not want central control or guidance on housing needs, yet he supports setting the minimum wage nationally. Does he trust councils to pay a decent wage? That has to be directed from the centre, but he does not want control on housing policy.

Chris Williamson: I do not think there is any question of local authorities underpaying people. They have a collective agreement with trade unions, and they reach a conclusion on the appropriate remuneration package. We are seeing interference from central Government—we are straying off the point—but the minimum wage is more about exploitation in the private sector, not in the public sector.

We are concerned about the impact on people's ability to have a decent roof over their head, and to own their own home. I wonder what Government Members think about that. I intervened on the hon. Member for Rochford and Southend East about the fact that in the capital, more than 52,000 former council homes are now in the private rented sector, and the rent charged is considerably greater than it was when they were under the local authority. That seems a curious state of affairs. It is not only in the case of former council houses that exorbitant rents are charged by profiteering landlords. It was the previous Conservative Government who deregulated private sector rents, forcing them through the roof. The

[Chris Williamson]

Housing Minister of the day said that if people could not afford to pay market rents, housing benefit would take the strain. It certainly did take the strain; taxpayers' money has been shovelled into the back pockets of private landlords, year on year, and housing benefit amounts to £9.5 billion every year.

This Government are spending only £1.1 billion on council homes and affordable homes for purchase. We know from Government figures that that nets 55,000 homes for rent and 12,000 affordable homes to buy, so there are 67,000 affordable homes as a consequence of investing £1.1 billion in the affordable homes programme. What if we were to switch that around, and instead of subsidising the Government's friends in the private rented sector and private landlords, built 600,000 council houses and affordable homes? That could put people back to work, put roofs over people's heads and stop people living rough on the streets of our capital and all our cities up and down our land.

3 pm

What is happening in our country today is an absolute scandal. We are one of the richest nations on the planet—we have agreement on that, do we not? How can it possibly be right that people in this country—British citizens—are sleeping rough because they cannot get a roof over their head? Surely what we need to do is invest in decent homes to put people back to work.

Talk about rearranging the deckchairs while the Titanic sinks and missing the point. We are building fewer houses than we have done since the 1920s. We have a homelessness crisis and people who cannot afford to get a foot on the home ownership ladder because house prices have gone through the roof. People cannot even afford to live in private rented accommodation, so they are stuck in their parents' homes. I know that from personal experience. I cannot get rid of my kids, because they cannot afford to buy. My son is a civil engineer: he ought to be able to afford a home, for goodness' sake, but he cannot. God knows what he would do if he was working in London.

It is not working. We are not building enough council houses. So what do this Administration come up with? They do not say, "Well, we're going to build a load more houses." Oh, no! They say, "We're going to get that fiddle out, and while the capital's burning, we are going to fiddle away." As the ship is going down, they say, "Get those deckchairs rearranged." They are told, "But we are going down, captain. The waves will engulf us in a moment," but they say, "It doesn't matter; the deckchairs must be rearranged—get on with it." [Interruption.] That is effectively what the clause—[Interruption.]

The Chair: Order. Is the hon. Gentleman giving way? He can give way only to one person at a time.

Chris Williamson: I thought that someone was trying to intervene. I beg your pardon, Mr Chope.

David Rutley: It is important to give the hon. Gentleman time to breathe. I can only assume that his children do not want to leave home because of the entertainment available. We have certainly been enjoying his speech and I am sure that there are other outlets for his enthusiasm. I cannot even remember my point.

Andrew Bridgen rose—

David Rutley: Anyway, I have served my purpose, so I will hand over to my hon. Friend the Member for North West Leicestershire.

The Chair: Order. The hon. Member for Derby North must respond before he can take another intervention.

Chris Williamson: All I can say is that I am glad that I entertained the hon. Gentleman.

Andrew Bridgen: I thank the hon. Gentleman for generously giving way. Like many Government Members, I enjoy his speeches; he reminds me why I am a Conservative. In an earlier debate, he said that he knew about the building trade because he spent four years as a bricklaying apprentice. The best thing Government Members can do is ensure that, at the next election, he can return to that trade and do his bit for the housing market.

Chris Williamson: If I have the misfortune of losing my seat at the next election and I have to take up tools again to start building homes, I only hope that that comes about because we have a Labour Government—I am pretty certain that we will—because we are certainly not building the homes that we need under this Administration.

Kelvin Hopkins: My hon. Friend made a serious point about young people having to stay at home, often into their 30s, because they cannot find housing elsewhere. That crisis has been driven by housing policy failures over decades. He will obviously be re-elected with a massively increased majority, and I am sure that part of the reason his children stay at home is that their dad is a great guy.

Chris Williamson: I am grateful for that vote of confidence. My hon. Friend makes a serious point that I made in a more light-hearted way. The average age for a first-time buyer who does not have the bank of mum and dad to fall back on is 37. Surely neither side of the Committee thinks that that is acceptable; it is ridiculous. I was 19 when I first bought my house as an apprentice bricklayer. We clearly need a bit more imagination and innovation from the Government.

Like my hon. Friend the Member for Luton North, I was the chair of a housing committee, in Derby. It was at a time of a Conservative Government. They came forward with a plan that we took on board and utilised. I do not know whether my hon. Friend was in the House at the time, in the mid-1990s, or whether he was chair of the housing committee in Luton. I think it was called the home release scheme; I cannot remember its precise name. This was essentially how it worked: if a local authority participated in the scheme, tenants could ask it for a cash lump sum, so that they could release the council housing in which they were living in order to buy a house on the private, open market. They could use a grant of, I think, £10,000 to put down a deposit.

If we are looking at how we deploy valuable public money, that seems a more sensible way of deploying limited public resources. It would enable an individual to fulfil their ambition of owning their own home, something that a lot of English people aspire to. There is nothing wrong with that, and we should support it. However, it would also help to ensure that we retained valuable housing stock, so that other people in housing

need could be allocated a home. That is currently denied to many people because of the shortage of council housing.

Kelvin Hopkins: My hon. Friend is making an absolutely splendid point—one, I have to say, that I have made many times. It reinforces the accusation I made earlier that under Mrs Thatcher, the Conservative Government wanted to destroy council housing and not help people into owner-occupation. If they had given subsidies to people to buy in the existing owner-occupied sector, more houses would have come forth, because builders would no doubt have built them. That would have freed up council housing. It would not have destroyed the housing stock, and we would have had a much better housing situation now. A deliberate policy of diminishing the council housing sector drove Conservative policy at that time.

Chris Williamson: I think my hon. Friend is absolutely right; it was a political calculation. I think that the Conservatives believed—they were misguided—that people who owned their own home were more likely to vote Conservative than people living in a council house. Having a housing policy driven by that kind of ideological approach is really unforgivable. There should be an evidence-based approach, based on the needs of the country, not a political party's thirst for power.

There are innovative alternatives, and there is an absolute crying need, as I have said, for more council houses to be built. That would be beneficial in a range of different ways: it would meet a social need, create jobs, create demand in the economy, and create good economic growth that would be shared by many more people, whereas simply putting lots of eggs in the financial services basket benefits the richest people in society, by and large.

A cap on private rents might be a way forward. Look at the ridiculous rents charged in the capital—but it is not just London; rents are far too expensive in the private rented sector wherever one goes in this country. We could also look at other innovative ways of helping people to get a foot on the home ownership ladder, such as revisiting some of the policies pursued by the previous Conservative Government. We could look at schemes such as the mortgage option scheme, which I benefited from, because I was not earning enough to benefit from the old mortgage interest relief at source. I was able to get a subsidised mortgage through that route; that was how I got a foot on the housing ladder.

In conclusion, the Government have got their approach to housing completely wrong. They are just fiddling while the country burns, when it comes to the need for housing and reducing the age at which people can buy their home. We need to build more homes and to find innovative ways of helping people to get a foot on the housing ladder. If we can get agreement on this reasonable amendment and go forward with an evidence-based approach to legislation, the country will be the winner, which is surely a goal that all of us, whatever side of the Committee we sit on, wish to achieve.

The Solicitor-General: My hon. Friend the Member for Rochford and Southend East started his remarks by explaining his commitment to the right to buy and what it had achieved. It is worth recalling the evidence, which has not changed over years: 80% of the people in this country aspire to be a home owner. Of course, many of

them are. Sometimes—I have made this point before—Labour Members ought to think: on whose side are they? Are they really saying that they want to go back to the days when there were all those statues of the aldermen, and the poor council tenants had to wander by, doffing their caps because they lived in council accommodation and did not have the hope that home ownership brings, and the thing that having a property-owning democracy does for our country?

All of us remember that the first thing that right-to-buy tenants who bought their own homes did was improve their homes. They would buy a new front door and have the windows done. They would invest in their properties, because they were so proud to have achieved their aspiration and to have something that was theirs, and that they could invest in.

Economic freedom of that sort is just as important as other freedoms. Instead of firing up the DeLorean and going back to the future—it was a nice-looking car, but its firm went broke—is it not time that Labour smelled the coffee beans and realised that, all these years later, we live in a world where people accept that home ownership is a good thing and want to own property? They do not want to be in thrall to the aldermen.

Kelvin Hopkins: People aspire to things, but the question is whether it is realistic for them ever to be able to achieve them. Owner-occupation is now in decline. House prices have now risen to such a level that, for many people, it is an impossibility. For many millions of people, the only chance of having a decent home is having a local authority council house at a reasonable rent. That is their only realistic option. We would all love to be millionaires—

The Chair: Order. May we have short interventions?

The Solicitor-General: The hon. Member for Derby North pointed to the 1959 Labour manifesto, which said that every tenant would have the chance to own their own home; Labour would give them the right to buy. Like oh-so-many Labour promises, it was not kept. *[Interruption.]* No, Labour won the election in 1964—*[Interruption.]* And in 1966. There were those dreadful six years when the country was driven into the ground economically by Labour—not for the last time—*[Interruption.]* No, 1964 to 1970 was a dreadful economic period for this country, just as the later years were, from 1974 to 1979, and just as those promising years that started in 1997 were, when Labour said that it would follow Conservative economic plans. After it stopped doing that, the economy went downhill, and where did it end up? In the worst recession that this country has seen this century.

Chris Williamson: Will the Minister give way?

The Solicitor-General: No; I want to make a bit of progress now.

The policy is about aspiration and helping people. Interestingly, what did Labour do following the 1997 election? As my hon. Friend the Member for Rochford and Southend East pointed out, it tried to turn the tap off with the right to buy. It cut the discounts twice, and then it cut the qualifying period. The purchases went

[*The Solicitor-General*]

down to a trickle. However, it was not as though it was meeting people's aspirations in any way at all, because it was not building council houses or significant numbers of social properties for rent.

Thomas Docherty: Will the Minister give way?

The Solicitor-General: No, I will finish this. Labour was not doing any of those things. It stopped the right to buy—

Chris Williamson: We never stopped the right to buy.

The Solicitor-General: Well, it cut it back. I have explained what happened. Discounts were cut twice, and the qualifying period was reduced. What was the hope for people of a home? The situation that we have ended up with now, desperately needing housing and trying to meet people's aspirations to own their home, was created during the Labour years. Every housing charity and organisation will admit that not enough homes were built in all those years.

Thomas Docherty: Could the Minister clarify whether more affordable homes were built in the last year of the Labour Government or in the past 12 months under this Government?

The Solicitor-General: Well, in terms of housing starts we are at record levels, and that is a step in the right direction following the Government's change of policy. We are now working with the grain of the current system—with housing associations as well as councils.

3.15 pm

Chris Williamson: Will the Minister give way?

The Solicitor-General: I will just talk about the current policy, if I may, rather than policies from 1959.

With clause 21, by reducing the qualifying period from five years to three years we are trying to help more than 250,000 people, who have the right to buy and could afford to exercise it, to do so more quickly. It is estimated that, between 2014-15 and 2016-17, 10,500 people will have that opportunity. That is a key priority for the Government.

Thanks to the reinvigoration of the right to buy scheme, which my hon. Friend the Member for Rochford and Southend East described, 13,400 tenants have taken their first step on to the property ladder. However, I am concerned that being forced to wait for five years is unfair on tenants; it is contrary to the requirements in force when the policy first came into effect.

It is true that in 1984 the qualifying period was reduced from three to two years, and I am certainly not saying that three years is the answer for ever, but three years was where the right to buy policy originally started, and it was proven to have the desired effect of enabling a lot of people to buy their own home. We believe that it will make a solid difference if the qualifying period is three years rather than five.

Councils are now offering flexible tenancies for two years. If we wanted, in due course, to take the step from three to two years, it would be necessary to consult and

look carefully at how a two-year qualifying period would fit in with such innovative new tenancies. I am not, therefore, saying never; I would say to my hon. Friend that the measure in clause 21 is a significant step forward. Based on that, I hope that he will be prepared to go with what the Government are proposing for now and perhaps renew his plea in future. The measure will help to encourage home ownership.

I thank Members for amendment 8, and I would like to assure them that the Government are committed to keeping the reinvigorated right to buy scheme, including the effect of the change to the qualifying period, under review. When the Government reinvigorated the right to buy, we included an important measure that guaranteed, for the first time ever, that receipts from additional local authority sales—that is, sales above the level forecast prior to the change—would be used to help to fund new homes for affordable rent, on a one-for-one basis nationally.

Andrew Bridgen: Returning to the point I made earlier, will that measure preclude a council that sells a large property from building two smaller units to replace it?

The Solicitor-General: No. My hon. Friend makes a good point—the replacements must be one-for-one, not like-for-like. It would be possible to achieve one-for-one replacements nationally with a different make-up of properties. For example, if it was necessary to have more two-beds than one-beds, or more two-beds rather than three-beds, nobody is saying that a council would have to build three-beds if it already had too many. It is one-for-one replacement, rather than like-for-like.

Chris Williamson: Will the Minister give way?

The Solicitor-General: I will make a bit of progress before coming to the hon. Gentleman in due course.

Since the reinvigoration, there have been additional local authority right to buy sales, and councils have already reported more than 2,000 starts on site and acquisitions of replacement homes for affordable rent. That is a good start given how recently the reinvigoration occurred. Councils have three years from the date of receiving the additional receipts in which to use them, giving them adequate time to leverage in additional funds and to build up enough receipts to produce robust economies of scale. It would be premature to require the Government to report back within a year of Royal Assent as that would not capture the full effect of the policy change.

There is no current requirement on landlords to provide data returns to the Department on how many social tenants purchase their homes after a specific length of public sector tenancy, which would be required to fulfil the terms of the amendment on like-for-like values, costs and investments. Any such requirement would place an additional administrative burden on landlords and would need to be funded by the Government.

The Government are committed to reducing burdens on landlords, and we therefore do not intend to impose any additional reporting requirements on them. We believe that the current arrangements will enable officials to monitor the impact of the change to the qualifying period for the right to buy.

Thomas Docherty: Will the Minister give way?

The Solicitor-General: I shall make one more point first.

The information about right-to-buy sales is not secret. It is published, and it is in the public domain. The hon. Gentleman asked about the discussions that the Government have had with the LGA. There were a series of discussions between April and September 2013 with local authorities, housing associations, the LGA, London Councils, the Council of Mortgage Lenders, the Financial Conduct Authority, building societies and others, and the LGA and the housing associations provided information about the effect on councils. The Government's view is that it is possible to pursue the policy on a one-for-one basis without putting undue pressure on budgets.

Thomas Docherty: I am grateful to the Minister for eventually giving way. I will take him back several moments to when I first tried to intervene. The Minister said that he does not think one year is an appropriate period to measure the success of the policy. He is a Law Officer, so I have every reason to take him at his word. What period does he think is appropriate to measure the success of the policy?

The Solicitor-General: The policy needs to be kept under review as it is implemented. We said at the time of the reinvigoration that we recognise that a significant increase in the number of sales could put a strain on some housing associations' business plans. We are aware of that. Our view at the moment, based on the evidence that the federation has submitted and the feedback that we have received from the regulator and others, is that the impact should be manageable for the vast majority of housing associations. A small number may face risks over the longer term, particularly if they have recently undergone a stock transfer, with large amounts of stock eligible for preserved right to buy. That is a long-term, rather than a short-term, risk, and is manageable. Clearly, the policy needs to be kept under review, and it will be. However, it would be premature to say within a year that one knows what the long-term risks are.

Thomas Docherty: I am sure that is an answer to someone's question, but what does the Minister think is an appropriate period? Is it two years, four years, five years or after he is out of office? When does he think we can judge the success or failure of the policy?

The Solicitor-General: Of course, we have a traditional way of judging the success or failure of a policy: a general election. *[Interruption.]* That is true. The hon. Member for Derby North is having a chuckle, but the policy was successfully backed by the people in general election after general election when it was introduced and improved by the Conservative Governments of the time. I will not put a time limit on it. Information will be published, as it is at the moment, and it is always possible to launch debates in this place. The Government will keep it under review. I invite the hon. Gentlemen to withdraw the amendment, and I commend the clause to the Committee.

Thomas Docherty: I will briefly respond to the Minister's points. I am disappointed that the Minister did not elaborate on how the Government will measure success, beyond whether the Conservatives and their cohorts are re-elected at the general election. This is a genuine issue.

I think the hon. and learned Gentleman was slightly confused about the Labour party's position. The Labour party supports the right to buy. However, it believes that there are genuine concerns about the replacement of social stock. I am not sure whether all hon. Members heard this point being made. I was fascinated to hear that it will be a replacement on a national scale. For example, if all the housing stock in Leicestershire is sold off, the Government are quite content with that, as I understand it, provided it is replaced somewhere else. It does not have to be in the same area. It has to be in the same local authority, for example, but not necessarily a replacement in the area affected.

We are genuinely concerned, at a time when the number of affordable homes being built is decreasing. We are clear that we must take some responsibility as well for the fact that there is a national shortage of housing. Right to buy should not be a mechanism for undermining the amount of affordable housing available to people in real need.

I am disappointed that the Government claim that asking them to do a report is imposing a new burden. In his next confident breath, the Law Officer said that, of course, they already review and monitor the situation. He did not explain how they will monitor it if they do not require information to be collected.

This has been a lively debate although it has perhaps gone on longer than some of us envisaged. That is probably a sign of a good, robust debate.

James Duddridge: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 8, in clause 21, page 17, line 31, at end add—

'(5) Within one year of this Act receiving Royal Assent, the Secretary of State shall lay before each House of Parliament a report setting out the effect of the Government's policy of reducing the qualification period for right to buy on the number of council houses which have been replaced on a like for like basis.'—(*Thomas Docherty.*)

Question put, That the amendment be made.

The Committee divided: Ayes 5, Noes 9.

Division No. 7]

AYES

Docherty, Thomas	Turner, Karl
Hopkins, Kelvin	
Perkins, Toby	Williamson, Chris

NOES

Barwell, Gavin	Heald, Oliver
Bingham, Andrew	Maynard, Paul
Brake, rh Tom	Nokes, Caroline
Bridgen, Andrew	Rutley, David
Duddridge, James	

Question accordingly negated.

Clause 21 ordered to stand part of the Bill.

Ordered, That further consideration be now adjourned.—(*Gavin Barwell.*)

3.28 pm

Adjourned till Tuesday 11 March at five minutes to Nine o'clock.

