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Public Bill Committee

HOUSING AND PLANNING BILL

Tenth Sitting

Tuesday 1 December 2015

(Morning)

CONTENTS

CLAUSE 56 under consideration.

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IN GENERAL COMMITTEES

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The Committee consisted of the following Members:

Chairs: MR JAMES GRAY, SIR ALAN MEALE †

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|---|---|
| † Bacon, Mr Richard (<i>South Norfolk</i>) (Con) | † Lewis, Brandon (<i>Minister for Housing and Planning</i>) |
| † Blackman-Woods, Dr Roberta (<i>City of Durham</i>) (Lab) | † Morris, Grahame M. (<i>Easington</i>) (Lab) |
| † Caulfield, Maria (<i>Lewes</i>) (Con) | † Pearce, Teresa (<i>Erith and Thamesmead</i>) (Lab) |
| † Dowd, Peter (<i>Bootle</i>) (Lab) | † Pennycook, Matthew (<i>Greenwich and Woolwich</i>) (Lab) |
| † Griffiths, Andrew (<i>Burton</i>) (Con) | † Philp, Chris (<i>Croydon South</i>) (Con) |
| † Hammond, Stephen (<i>Wimbledon</i>) (Con) | † Smith, Julian (<i>Skipton and Ripon</i>) (Con) |
| † Hayes, Helen (<i>Dulwich and West Norwood</i>) (Lab) | † Thomas, Mr Gareth (<i>Harrow West</i>) (Lab/Co-op) |
| † Hollinrake, Kevin (<i>Thirsk and Malton</i>) (Con) | Glen McKee, Katy Stout, Helen Wood, <i>Committee Clerks</i> |
| † Jackson, Mr Stewart (<i>Peterborough</i>) (Con) | † attended the Committee |
| † Jones, Mr Marcus (<i>Parliamentary Under-Secretary of State for Communities and Local Government</i>) | |
| † Kennedy, Seema (<i>South Ribble</i>) (Con) | |

Public Bill Committee

Tuesday 1 December 2015

(Morning)

[SIR ALAN MEALE *in the Chair*]

Housing and Planning Bill

Clause 56

GRANTS BY SECRETARY OF STATE

9.25 am

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I beg to move amendment 89, in clause 56, page 24, line 8, at end insert—

“except in respect of high value sheltered housing which has been provided or adapted for the use of elderly or disabled people.”

The Chair: With this it will be convenient to discuss amendment 146, in clause 56, page 24, line 8, at end insert—

“with the exclusion of—

- (a) supported housing for older people,
- (b) supported housing units (including self-contained homes where floating support is provided for vulnerable people),
- (c) key worker housing (which includes self-contained flats subject to nomination agreements with 3rd parties),
- (d) units that form part of major regeneration schemes planned or already under way,
- (e) rural settlements,
- (f) homes built for charitable purposes without Government grant and homes provided through Section 106 agreements requiring stock to be kept as social housing in perpetuity,
- (g) cooperative housing,
- (h) Almos, and
- (i) almshouses.”

This amendment would exclude certain categories of specialised housing from being subject to the Right to Buy provisions of the bill.

Mr Thomas: Sir Alan, it is good to have the opportunity to serve once again under your chairmanship.

The aspiration to own one’s home is held by the vast majority of those who are currently renting.

Mr Richard Bacon (South Norfolk) (Con): Hear, hear!

Mr Thomas: That aspiration is one that I strongly support but think that support should be through the supply of housing for sale. I argue gently to the Committee and in particular to the hon. Member for South Norfolk, who started so well by agreeing with me, that the additional supply of homes for sale should never be at the expense of affordable homes for rent. In the context of the amendment, that is homes for rent for the most vulnerable.

Mr Bacon: Does the hon. Gentleman not understand that the word “affordable” is itself deeply laden and tendentious? The reason things are not affordable is that there are not enough of them. The reason that there are not enough of them is that there is not enough supply.

Mr Thomas: The hon. Gentleman begins to make my point for me. If he observes a little patience but continues to listen with the enthusiasm he has shown thus far, I will come to exactly that point.

I should allude to some of the difficulty that the Opposition, the hon. Gentleman and some of his friends, and those listening and watching our proceedings, are facing in being able to scrutinise the terms of right to buy. In response to the points of order I raised last week about the lack of information about right to buy, the Minister referred us to the offer details on the National Housing Federation website. When I had the chance to read that information, it made clear that the Government and the National Housing Federation and its members would work together on the implementation of an agreement and an operational document would be published. To date I can find no evidence of that operational document having been published. I look forward to the Minister giving clarity on that. It is particularly important in the context of the pilot schemes that have been launched. We simply do not know the terms on which those housing associations are piloting the offer of the right to buy.

In the context of the amendment, we do not know whether sheltered and specialist housing are excluded, or whether in the context of amendment 146 other forms of housing will be excluded in line with the original offer document. We do not know how long the pilots will run before other housing associations are required to join in. We do not know how the deal will be financed, given that it will take some time for vacant high-value council homes to be sold off to provide the finance to compensate housing associations.

As I indicated, we do not know whether the five pilots are operating exactly in line with the headlines that were agreed between the National Housing Federation and the Government. We do not know whether the five housing associations will be committing to replace like for like rented homes for sale with other homes for rent.

In particular, in the context of my amendment, we do not know whether the five housing associations will specifically replace any sheltered or specialist housing that is sold in a like-for-like way. In the National Housing Federation offer, which was published on its website, housing associations expected the Government to work with them to put in place measures to limit fraudulent activity. That is surely particularly important in the context of vulnerable adults who, in some cases, will be in sheltered or specialist housing provided by housing associations.

It would have been helpful for the Minister to have published the operational document to which he, presumably, and the National Housing Federation remain committed. Presumably, within that document, there would have been information on how action to stop such fraudulent activity might have taken place. One of the concerns raised in evidence to the Communities and Local Government Committee by one of the housing associations was the worry that family members or

friends might try to persuade someone to buy their sheltered housing property when, in fact, they may not really want to do that. It is presumably that type of activity that the Government might want to stop. It would have been helpful to have the detail of the types of measures that they were going to put in place to stop that.

The offer document also anticipates the Government putting in place arrangements to manage the financial costs of the right to buy, to ensure that the cost of sales does not exceed the value of the receipts received, which could include an annual cap on the cost of right to buy discounts. Does the Minister remain committed to that in general, as part of the offer and in the context of sheltered and specialised housing? Will it apply in the context of the five pilot housing associations? It would be helpful to hear a little more detail.

The National Housing Federation offer specifically suggested seven categories where housing associations might exercise discretion over sales. Again, it would be helpful to hear from the Minister on whether, as part of the deal that he has agreed with the housing associations that are piloting this deal—the London & Quadrant Housing Trust, or L&Q, Riverside, Saffron, Sovereign and Thames Valley—the seven categories will remain the same, not least because, in the context of the amendment, one of the specific categories mentioned includes “supported housing”, as defined by part 5 of one of the previous Housing Acts. Other categories that are potentially directly related to the discussion on amendments 89 and 146 relate to properties in rural locations being excluded, properties where there are restricted covenants being excluded, and properties held in a community land trust being excluded. Again, it would be helpful to hear from the Minister whether the five piloting housing associations will continue to offer exclusions in those areas.

Kevin Hollinrake (Thirsk and Malton) (Con): No doubt the hon. Gentleman has read the briefing from the National Housing Federation, which said, in answer to the question of how certain types of affordable home will be protected, that the agreement allows housing associations to protect the affordable homes they own that would be difficult to replace, for example, specialist housing or homes in rural areas. Does that not satisfy his concerns?

Mr Thomas: Not completely, I have to say. Although it was helpful to receive the NHF document, it would have been helpful to have received the full operational document from the Government. Why does it not satisfy my concerns? I give the example of the Greenoak Housing Association, which operates in Woking. Its chief executive gave evidence to the Communities and Local Government Committee on 4 November and noted the fact that Greenoak is a particular specialist in the supply of sheltered housing. She said:

“Around one-third of our housing is sheltered with support. We could obviously exclude them ourselves, but the difficulty would be in re-providing.”

The hon. Gentleman will be aware that, as part of the deal with the Government, the National Housing Federation committed that, where a property was excluded from a sale but a tenant wanted to buy it, housing associations would have to offer an alternative property for sale. The chief executive of Greenoak said:

“We do not see why we should be giving a portable discount for people who are in the most suitable housing for them at the current time with the support that they need.”

It would be helpful to hear from the Minister what future the Government see for housing associations that are specialists in sheltered, supported and other specialist housing. How will those housing associations deal with the issue of portable discounts and the potential requirement they face under the deal to offer another property for sale? There is a risk of that making those housing associations not financially sustainable, which I am sure the hon. Gentleman, and indeed all hon. Members, would not want to happen.

What happens when all properties owned by a housing association in one area are specialist or sheltered housing? How would the right to buy be exercised in that situation? One could understand a tenant approaching the housing association and saying, “I want to stay within Harrow because it is so well represented in Parliament,” and no doubt for other reasons. The housing association will want to do the right thing by its tenant, but it is only offering sheltered housing in that area and wants to maintain that stock. How would that situation be dealt with by the Government and housing associations?

Age UK, in its written evidence, specifically laments the failure to build more sheltered and retirement housing and to offer older people more housing options in later life. It argues:

“Based on demographic trends, specialist housing will need to increase by between 35 per cent and 75 per cent just to keep pace with demand.”

Age UK is concerned about the decline in the availability of sheltered and other forms of specialist housing for older people on low incomes.

Although I welcome the extra capital funding announced as part of the spending review for specialist housing, which I assume includes sheltered housing, the Bill must be clear about the need to exclude sheltered and other specialist housing from the right to buy in order to ensure there is not inadvertently a further decline in the provision of sheltered housing as a result of the Bill.

I support amendment 146, tabled by my hon. Friends, not least because there is increasing concern in Harrow and, indeed, other parts of London about the provision of housing that key workers are able to afford. Of course, those key workers will no doubt have the aspiration I alluded to earlier to buy a home in due course, but if that is some way off, their immediate priority will be to find a property that is affordable to rent. One thinks of careworkers, of nurses, of teaching assistants, of the cleaner for the Minister’s office and of policemen, on occasion. One wants surely to ensure that there continues to be a reasonable supply of affordable accommodation within reasonable distance of those people’s place of work.

I welcome also welcome the National Housing Federation decision to insist that co-op housing is not included in any right to buy, but there should be additional protection on the face of the Bill. Indeed, the Housing Act 1985 approached the issue of exclusions from the right to buy by putting those exclusions on the face of the Bill. Schedule 5 to that Act lists a series of exceptions to right to buy, including—this is a particular interest of mine—

“if the landlord is a co-operative housing association.”

[Mr Gareth Thomas]

The amendment would replicate that provision. Surely it would be sensible to put that on the face of the Bill. In that spirit, I look forward to the Minister's reply to the various questions I have asked and hope that the hon. Member for South Norfolk is convinced of the sensibleness of my amendment.

Mr Bacon: I know the hon. Gentleman struggles to emulate Cicero or Demosthenes but I feel I ought to point out that, although there is a certain dulcet quality to his delivery, it reminds me more of bagpipes. There is a certain onward droning quality. I caution him not to speak like that for so long in the early afternoon because many Conservative Members will probably fall asleep.

Mr Thomas: I am grateful to the hon. Gentleman. Perhaps I should caution him not to go for the expensive and well oiled lunch that perhaps is a feature of interest for him from Tuesday to Thursday. I am not quite sure that I have convinced him on this amendment and I fear that I will have to try a little harder to convince him of other issues during the course of the day.

Mr Stewart Jackson (Peterborough) (Con): Will the hon. Gentleman give way?

Mr Thomas: On this occasion, as I am growing increasingly fond of the hon. Member for Peterborough, I will give way.

Mr Jackson: Not necessarily to the advantage of either of our careers, I suspect. May I bring the hon. Gentleman back to amendment 146? Given that there was some debate earlier about the differentials in earnings and affordability across the country, does he not think that it is somewhat prescriptive to put a reference to keyworkers on the face of the Bill? The affordability of keyworkers in the north-east, north-west or east midlands might be entirely different from that in the south-east. Would it not be better to leave the Minister to make the appropriate regulations in respect of affordability on the issue of right to buy, rather than to put it on the face of the Bill?

Mr Thomas: Certainly when I was a Minister, I used to think that leaving it to the Minister's judgment was sensible but, having spent some time on the Back Benches for a while, I am increasingly of the view that Parliament should try to limit the discretion that is purely at the hands of the Executive and might be outwith the full scrutiny of the Committee. I am surprised that the hon. Gentleman does not want to try to help the police, and those who work for the national health service and careworkers who cannot afford a starter home or to buy on the open market, and who therefore need affordable housing. Why can he not see it within himself to offer them protection?

Mr Jackson: I am merely being Christian and charitable in trying to assist the hon. Gentleman towards seeing the error of his ways. I believe that, if his amendment is on the face of the Bill, it may very well give rise to legal challenges between some people who say they are

keyworkers and others who say they are not. The definition of keyworkers will be problematic if it is put on the face of the Bill, rather than being left to the experience of right to buy over a course of time and the Minister then laying appropriate regulations or guidelines in respect of keyworkers.

Mr Thomas: It is precisely because the hon. Gentleman is so Christian and charitable that I have decided to add him to the very small list of Conservatives whose careers I am going to champion. I strongly believe that we need to give keyworkers protection. I recognise his point about the need to get definitions right, but I think there is sufficient recognition of the case for helping those who work in our police forces and the national health service, and our careworkers, for me to push the Minister to give additional help to protect properties for such workers.

9.45 am

Matthew Pennycook (Greenwich and Woolwich) (Lab): Touching briefly on the point made by the hon. Member for Peterborough and the need for greater clarity and greater protections, the record should reflect the request made by the National Housing Federation in its written submission that the Government

"ensure the wording in the Bill reflects the agreement between housing associations and government".

It is concerned that that parts of that voluntary agreement are not in the Bill, and so could be changed at any point by future Governments.

Mr Thomas: I am grateful to my hon. Friend for that intervention. The brutal truth, as I suspect the hon. Member for Peterborough knows full well, is that the Government have been making up various provisions of the Bill on the hoof. Our amendments are designed to preclude any ability for the Executive to override the intentions of Parliament and to ignore the glitches that we are highlighting in their plans thus far. I recognise that the hon. Gentleman, perhaps for career reasons, may not want to support publicly the concerns of Opposition Members, but I am sure that given the fluency and skill of my contribution, he will want to take up those concerns with his hon. Friend the Minister outside the Chamber.

The Chair: Before I call the next speaker, may I say that although this sitting has been interesting and enlightening so far, we are committed to trying to get through this Bill and we have got an awful lot to do today? Could Members try to keep to the piece and be reflective in their analysis?

Dr Roberta Blackman-Woods (City of Durham) (Lab): I shall do my very best to speed along, Sir Alan. However—[Laughter]—as we come to amendment 146, it may seem a little bit odd to start our discussion on the right-to-buy provisions, such as they are, by looking at what we think should be exempted. We are doing so to try to tease out from the Minister, in the absence of information elsewhere, exactly what he thinks should be covered under the right to buy, and what the exemptions should be. I hope that we can help the hon. Member for Peterborough—we always like to help him if at all

possible—by stressing that this is largely a probing amendment that is designed to get more information into the public domain.

One of the main reasons why the Government wish to extend the right to buy is their desire to push up rates of home ownership. That is a valid aspiration, which the Opposition share, but we have real concerns about how the right to buy will work in practice. We have been at some pains to emphasise that great care needs to be taken over how the new scheme will operate if it is not simply to afford an opportunity for some people to purchase a home at a discount, at the expense of the availability of social housing for those who are in desperate need. That is especially important because, as the Joseph Rowntree Foundation estimates, there will be 75,000 fewer low-cost homes to let over the next five years if the homes built to replace those that are sold are made available on a different tenure. We will come back to that several times this morning.

Chris Philp (Croydon South) (Con): Is the hon. Lady not comforted by the point made by my hon. Friend the Member for Thirsk and Malton a few moments ago that where a housing association believes that a property is of a tenure type that is difficult to replace, the property may be exempted? Does the hon. Lady not share my concern that the nine exclusions proposed in amendment 146 would unfairly deny people who live in those tenure types the important right to buy their own home?

Dr Blackman-Woods: I am trying to tease out how the homes should be replaced and whether replacement will be on a similar tenure; that is specifically the subject of later amendments. Asking for exemptions is also about trying to tease out where portability, in terms of the discount, would operate and how practical the portability would be. Again, that is the subject of a later amendment, so perhaps we can come back to those specific issues.

Since we started to scrutinise the Bill in Committee, five housing associations—L&Q, Sovereign, Riverside, Saffron Housing Trust and Thames Valley Housing—have been included in a pilot scheme. Sadly, details of the exact nature of the pilots appear to be lacking, so the amendment is really trying to tease out what will be covered. Interestingly, those very same questions are being asked by some of the housing associations and their representatives. The Committee had a note from PlaceShapers, which says:

“Our members have confirmed that the following list covers the type of stock or tenancy they would expect their Boards to consider exempting and would thus decline applications from tenants to purchase their own home: Homes for older persons... Supported housing units... Key worker housing... Units that form part of major regeneration schemes already under way... Rural settlements... Homes built for charitable purposes without Government grant and homes provided through S.106 agreements requiring stock to be kept as social housing in perpetuity”—

and on it goes. The point I am making to Government Members is that they can attack Opposition Members for proposing this fairly long list of exemptions, but we are not actually proposing them on our own. We are doing so in the light of what has already been put in the public domain by the housing associations themselves. They are not clear exactly what can be exempted from the right-to-buy provisions.

Mr Bacon: Saffron Housing Trust is the large-scale voluntary transfer housing provider in South Norfolk, which I am sure will please the hon. Member for Harrow West immensely. Last Friday, I met the chief executive of Saffron, who seemed quite relaxed about this and felt that he would be able to manage it with his organisation. He particularly pointed out that a significant number of his properties were already subject to the inherited right to buy.

Dr Blackman-Woods: I welcome the hon. Gentleman's privileged access to Saffron Housing, but the rest of us, at this point in time—

Mr Bacon: It is not a matter of privilege. As a local Member of Parliament, it is incumbent on me to talk to important actors in my constituency. I hope that the hon. Lady does the same in hers and I assure her that if she really wanted to meet the chief executive of Saffron, I am sure he would be willing to meet her.

Dr Blackman-Woods: I am sure the hon. Gentleman is absolutely correct about that. However, in the short period of time since the pilots have been announced and our debate today, we have not all been able to speak to those running the pilots. Indeed, such communication as we have had suggests that they are still putting the details of the amendments together.

The Minister for Housing and Planning (Brandon Lewis): I thought I would try and help the hon. Lady. I do not know whether she has tried picking up the phone and speaking to any of the chief executives, as I have, but it is quite easy to speak to them. I am sure that they will be talk her through their excitement in being allowed to offer ownership to a whole new group of people.

Mr Thomas: On a point of order, Sir Alan. After the Minister's very generous offer to my hon. Friend, would it not be possible to arrange an extra session, to which the Minister might invite the five chief executives to present evidence to the whole Committee, so that we do not have to put in separate phone calls? We could hear directly from the housing associations. Perhaps we could extend the Committee by a day in order to allow that to happen—just a thought, Sir Alan.

The Chair: That is very interesting, but it is not in keeping with the purpose of this Committee, which has already had a very lengthy advisory session at the beginning of its proceedings. Could we move on?

Dr Blackman-Woods: My hon. Friend makes an excellent suggestion. If the Minister had let me finish my sentence, I would have said that such communication as I have had with the five housing associations has emphasised that things are still at a very early stage. A lot of the detailed information we are seeking from the Minister through the amendment concerns a set of issues that have not yet been considered.

Proposed new clause 56(1)(a) would exclude supported housing for older people. I am not going to repeat everything that my hon. Friend the Member for Harrow West said, but it is interesting that a review of the sector in 2012 by the Joseph Rowntree Foundation found an

[Dr Blackman-Woods]

almost complete absence of information about the availability of supported housing to rent and recommended that the Government carry out a more detailed analysis of the availability of affordable housing to rent in the sector. It also highlighted that such housing leads to greater self-determination, safety, security and privacy for older people, and promotes greater social cohesion and sense of community, as residents support each other.

The point we are all making is that if the housing is of good quality, with excellent support in place and adequate security measures—that generally describes the supported housing provided by housing associations—its disappearance could be a catastrophe. That is especially true because the way in which replacement schemes would be financed is not clear at the moment. That point was made a number of times in the evidence to the Committee.

As we know, and as a number of hon. Members have already said, the National Housing Federation included in its briefing to us examples of circumstances in which a housing association would seek to exercise discretion over sales. That is how it is being put to us. We have to be clear that the nature of the voluntary agreement between the housing associations and the Government is to allow or to accept a whole series of discretionary exemptions. One of the main purposes behind the amendment is to tease out the thinking on this. Should this be a discretionary matter, or not? Should we have more detail in the guidance or regulations, or should some of this go on the face of the Bill?

The categories that have been outlined include properties where the landlord is a co-operative housing association, properties where the landlord does not have sufficient legal interest to be able to grant a lease, tied accommodation, properties which are chargeable to public benefit resources, supported housing and, critically, housing in rural areas. As we know, a lot of people giving evidence to the Committee were incredibly concerned about the sale of houses under right to buy in rural areas if there was not sufficient funding.

Mr Thomas: Does my hon. Friend not think that there is a need to write exclusions onto the face of the Bill, particularly for sheltered and specialist housing? As she and I have discussed, that is particularly needed in the context of the 1% cut in social rents being forced on housing associations. A number of housing association chief executives are worried that they will have to stop providing supported and sheltered housing, or substantially reduce the amount that they provide.

10 am

Dr Blackman-Woods: My hon. Friend makes an excellent point. We will come to some of the detail of that point when we debate amendment 147.

We have had evidence from Age Concern and others about the need for supported housing for older people. We know from research carried out by Centrepoin and Habinteg that there is acute need across the country for more housing for vulnerable people. We have had information from the CBI about the need to create and support housing for key workers to ensure that lack of housing does not impede economic growth. I thought

that the CBI briefing was extremely helpful, and I point out to Government Members the need for identified housing for key workers, particularly in areas of the country where house values are high and availability of affordable housing is restricted, such as in our major cities.

We have not talked much during this sitting about the need to exempt housing in major regeneration schemes, but again, a number of housing associations have given evidence about the difficulty that they would have funding large regeneration schemes if the properties were subject, particularly in the short term, to the right to buy. We have had a lot of evidence from the Campaign to Protect Rural England and others about the need to protect rural settlements, homes built for charitable purposes, co-op housing, arm's length management organisation housing and almshouses. I accept that this is quite a wide-ranging amendment; nevertheless, it is important that we hear from the Minister about each of those categories and whether he thinks they should be exempt.

Mr Thomas: I have one other concern about co-operative housing. Where a housing association runs co-operative housing—it is a registered housing provider that provides exclusively co-operative housing—is it not sensible to exclude it? Otherwise, there could be pressure, perhaps due to a lack of understanding or directly from the Government or the National Housing Federation, for that housing association still to offer the portable discount, even though co-op housing is, in theory, completely excluded from the Bill. The housing association would have no other housing to offer, as it provides only co-op housing.

Dr Blackman-Woods: Once again, my hon. Friend makes an important point. It would be helpful to have some clarification from the Minister about the exemptions and where and how he thinks portability should operate. Hopefully, we will come to that later in this debate. I agree with my hon. Friend about the need to protect co-operative housing. Many of the issues that we have raised in this debate relate directly to the ability of housing associations in their various guises to offer a replacement and to have the finance to do so. Hopefully, we will come to that later too. I look forward to hearing from the Minister.

The Chair: Before I call the Minister, helpful or otherwise, may I try to be helpful to Members? I remind them that we are discussing an amendment to a clause. Making repeated interventions on the same issue is not really following the discourse as it is laid down. There should be a debate, and questions should arise from that. At the end, the Minister replies, and then the mover of the amendment is called to make a contribution in response. Then Members get a further chance to debate the clause at the end, during clause stand part. Repeated interventions on the same amendment to the same clause, over and over, limit the Committee's work to scrutinise the Bill. I ask Members to be a bit more succinct in their analysis and to wait until the appropriate time.

Kevin Hollinrake: Part 4 of the Bill aims to address the simple problem of supply and demand, which of course controls the housing market. We are simply not

building enough homes. The United Kingdom needs 230,000 homes a year. We have seen huge improvements over the past five years: 88,000 homes were started in the depths of the housing recession and there were 136,000 housing starts in England in 2015—a 56% increase. Planning permission consents numbered more than 240,000, so there has clearly been great progress along the track towards building more homes.

Matthew Pennycook: Is the hon. Gentleman at all concerned by the Office for Budget Responsibility's downward revision of its estimate for new homes to 185,000? The estimate is down 34,400 since the election.

Kevin Hollinrake: There is no doubt that, in my constituency alone, we have seen a 100% increase in the amount of building in 2015 versus 2014. If the hon. Gentleman looks at his figures, I am sure he will see a similar increase in his constituency. Has he looked at his figures? There is no doubt that the data on the direction of travel in my constituency and many others like it are very clear—there is a 56% increase. Planning consents are increasing, too, but there is more to be done. The Bill is about releasing more land, particularly brownfield land, and expediting the whole planning process to ensure that local authorities properly staff their planning departments. The Bill allows planning in principle, giving developers more certainty about the land they are acquiring so that they can build properties on that land.

The other key thing that we need to address in the housing market is affordability, and of course those challenges are about lack of supply, which we also hope to address with some of the measures in the Bill. Owner-occupation has fallen in recent years, largely due to the recession, and it is something that we desperately want to address. I was lucky enough to buy a home in my early 20s, and I imagine that most people in this room own their own home. Why should we lock people out of that opportunity to own their own home? The Bill contains provisions on starter homes and, as in this clause, on voluntary agreement on right to buy. It is absolutely right to use our public assets more efficiently and effectively, and to release them to allow more building. Opposition Members have asked several times whether the affected homes will be replaced, and time and again we have seen evidence showing that the answer is yes.

Mr Thomas: The hon. Gentleman needs to look more widely for his figures on the question of like-for-like replacement. Shelter has made it clear that only one in nine homes sold since 2012 under the refreshed right to buy has been replaced.

Kevin Hollinrake: The hon. Gentleman will be aware that Shelter is not a housing association or a housing provider. I am not sure what Shelter is most of the time, but several housing associations gave evidence to our Committee. I am not sure whether he was in attendance to hear their evidence, but when my hon. Friend the Member for Croydon South asked whether the measures would result in increased housing provision, they all said that it would. The measures in the Bill will clearly increase supply and will increase the number of affordable homes to buy.

The National Housing Federation told us that the agreement allows housing associations to protect affordable homes, specialist homes and rural homes. Again, that is the question raised by the amendment. Many of the housing associations I have met outside the Committee have said that they will be selling more homes and building more homes as a result of these provisions. Riverside Housing expects a fourfold increase in the number of homes that it will sell as a result of the extension of right to buy. I absolutely support the provisions of the Bill and the clauses that the amendments seek to change.

Mr Bacon: I have listened with care to my hon. Friend. Did he hear the hon. Member for Greenwich and Woolwich refer to the OBR? Has he noticed that the OBR does not come out with statistics on how many shoes or chairs it thinks the economy is going to produce? It does not even come out with statistics on how much food is going to be produced and whether the supermarkets will be full or not. I am reliably informed that if someone does not eat, they eventually die, yet somehow we have enough food. Does my hon. Friend think that the central problem may be that the supply does not rise to meet demand, and does the Bill not help with that?

Kevin Hollinrake: Absolutely. Many of the provisions in the Bill that we have discussed, such as planning in principle for starter homes, will help to solve that problem.

Matthew Pennycook: The hon. Gentleman mentioned Riverside Housing, which said in its written submission that

“one for one replacement will be very challenging”.

Does he think that that is wrong and that the organisation will ultimately be able to provide one-for-one replacement, or are we talking about replacement in different areas, across different tenures?

Kevin Hollinrake: Challenging does not mean impossible. There are great challenges in the housing market and we need to rise to those challenges. As for one-for-one replacement, I feel that replacement is the wrong term: it should be an addition. It is an additional home, because the people who are buying that home were previously renting, and were locked out of the housing market with no prospect of getting on to the housing ladder. They are buying that home and will still live in that home. They will benefit from the place where they have lived, and most of them will live in that home for many years to come.

Dr Blackman-Woods: The reason we talk so much about replacement is that there is a huge shortage of affordable and social homes to rent in this country. Right to buy stops a social home for rent from being available; that is why we talk about replacement. We are not against the right to buy itself, but it needs to be accompanied by a like-for-like replacement.

Kevin Hollinrake: I am very pleased to hear that. If the hon. Lady visits the Inside Housing website, she will see evidence from David Orr, who says that these provisions will

“ease pressure in all parts of the market, including the rental market.”

[Kevin Hollinrake]

The measure will help to improve that supply. It will also help to provide affordable homes to buy for people who are locked out of the market.

Brandon Lewis: Sir Alan, it is a pleasure to serve under your continued chairmanship at the start of the week. Some 45 minutes ago, the hon. Member for Harrow West began, if I remember correctly, by supporting the principle of the aspiration to home ownership. It is a shame that, with the exception of my hon. Friend the Member for Thirsk and Malton, we have spent the rest of the time listening to the Opposition speaking against home ownership. They want to stop people having the chance to own their own home and have tabled amendments to that effect.

We touched a few moments ago on the issue of the extra homes being built following right to buy. I will not go into too much detail—I will take your words quite directly, Sir Alan—and will stick to things that are in the scope of the Bill. My hon. Friend made a very good point. On these extra homes that are being built, I understand why the hon. Lady makes the point she does, because, to be fair, I suspect that the Opposition do not quite understand how right to buy and extra homes works. Under 13 years of Labour, for every 170 homes sold under right to buy, just one was built, which is shocking. Under the reinvigorated scheme that came in in 2012 one home is guaranteed to be built for every home sold. As we have heard in statements on the Floor of the House by the Secretary of State and by me, we are reaching that target. In London, we are closer to two homes built for every home sold.

10.15 am

When we talked about housing associations in Committee, we heard evidence from the chief executive of the National Housing Federation, David Orr, who welcomed the Bill and said that its provisions would drive up housing supply. It is quite easy to talk to housing associations, and I have made contact with them myself. The hon. Member for Greenwich and Woolwich mentioned Riverside, and on Friday I went to Liverpool and visited it. It was a really special occasion. I was able to meet Wendy, a lady who stayed up until midnight on Wednesday, just to be one of—if not, the first—person to register under the new pilot for the chance to buy her own home. To meet Wendy and understand what it means to her finally to have the chance to own her own home reminded me why this matters so much and why we are doing absolutely the right thing in giving more people like Wendy the opportunity to own their own home. I thank all the pilots for taking part.

Having listened to the last 45 minutes of debate in Committee, I think there is something with which Opposition Members seem to struggle. I will come to that in a moment. What has been agreed with the housing associations is a voluntary agreement. Unlike Opposition Members, we do not feel the need to legislate when we trust the partners we are working with. We trust them to deliver: we have a voluntary agreement and we will stick to it. As has been outlined, the amendments to clause 56, if accepted, would prevent right-to-buy discounts from being paid on a number of

property types. I confirm explicitly that almshouses are already exempt, because the tenancies available in those properties are not eligible for the existing right to buy. They are therefore excluded from the deal, as outlined in the deal itself.

Turning to other exemptions sought in the amendments, we recognise the vital role that housing associations play in providing housing for vulnerable people in society and in areas where housing is scarce, such as rural communities. Equally, we should not rule out the possibility of home ownership for people who live in those properties, with an absolute exemption if individual circumstances allow. That has been made clear in the deal itself. We have negotiated with the sector, and housing associations have discretion about whether to sell those types of properties. I think that that is a reasonable and proportionate response to concerns about the loss of such properties, and it ensures that it is housing associations themselves that make decisions about what is better for their organisation and, most importantly, for the communities and tenants they work with and support.

Mr Thomas: One question that housing associations that voted against the National Housing Federation offer have asked is whether they will be forced to go along with the deal. What is the Minister's answer to that?

Brandon Lewis: The deal was signed and, as I understand from the comments of David Orr, all the housing associations that took part in that vote understood that it was a deal for the entire sector. Some 96% of stock is now signed up, and of those that did not have time to sign up or did not otherwise sign up, there is a fair proportion of that 4% that benefit from the right to buy for the transfer of stock anyway. It would be an extraordinarily controlling move if we were to include in the Bill restrictions on housing association decision-making powers, especially as we have worked closely with housing associations to reach a voluntary agreement in the first place, particularly in the light of recent decisions by the Office for National Statistics.

Dr Blackman-Woods: Will the Minister explain to the Committee why it is not a controlling mechanism to force housing associations to sell right-to-buy stock when they do not wish to do so, but it is a controlling mechanism to try to include important exemptions, across the whole sector, in the Bill?

Brandon Lewis: The hon. Lady underlines the point I made a few moments ago. She and the Labour party simply do not understand that the housing associations themselves want to extend the right to buy. This is a voluntary agreement that the sector put to the Government, which we accepted. The amendments suggest that Opposition Members do not trust housing associations to protect their own clients. I am sorry that they feel that way. The Government trust housing associations to look after their tenants. We believe that they have their tenants' best interests at heart and that they will use their discretion wisely.

Mr Bacon: My hon. Friend may be interested to know that the chief executive of Saffron said to me the other day—he was musing, I must say—that associations

should perhaps think of building properties for affordable rent, with a view to people who have been loyal tenants for a long time having the right to buy at some point in future. Is that not a more innovative approach, which more housing associations should adopt?

Brandon Lewis: My hon. Friend outlines something that is coming in across the housing association sector. I have spoken to chief executives and others who work in the sector, and they want to introduce new and innovative ideas to deliver more housing and give their tenants a stairway into ownership. Saffron is a really good example of an innovative association. Clearly, as we heard earlier, Opposition Members are not speaking to housing associations much at the moment and are missing out on some of the exciting things associations are talking about and want to do.

Housing associations are professional organisations that operate according to sound commercial and social principles, and we should let them get on with delivering the part of the bargain that they have proposed and which we have accepted. I therefore hope that the hon. Member for Harrow West will withdraw the amendment.

Mr Thomas: I am grateful to the Minister for his comments. I very much enjoyed the contribution of the hon. Member for Thirsk and Malton, and I now feel torn. Should I continue to champion the career of the hon. Member for Peterborough? Perhaps the hon. Member for Thirsk and Malton is a better hope. I will see what the Committee decides. I do not want to break my commitment to the hon. Member for Peterborough, but the hon. Member for Thirsk and Malton made a case that was at least compelling enough for me to champion him and help him out.

The Minister's central charge against the Opposition was that we are seeking in some way to prevent people who aspire to own their own home from doing so. That is simply not the case; indeed, I suspect the Minister feels some shame about the fact that home ownership has declined proportionately during the Conservative party's period in government, and I recognise his desperate need to cover that up.

Brandon Lewis: Would the hon. Gentleman still endorse the view of the shadow Housing Minister, who said it is a good thing that home ownership has fallen since 2005, and recognised what the Government are doing through starter homes and Help to Buy to rebuild home ownership after the mess that Labour left?

Mr Thomas: I suspect that my right hon. Friend the Member for Wentworth and Dearne (John Healey) would not have used at least the last part of the phrasing that the Minister used. I join the Minister in praising my right hon. Friend for setting up an inquiry into the reasons for the decline in home ownership and into what we can do about it. I also pay tribute to Peter Redfern, the chief executive officer of Taylor Wimpey, who is leading that inquiry. That follows on from the Lyons review, which was set up by the then shadow Chancellor, Ed Balls, which looked at how we can accelerate progress on home ownership. There is no lack of enthusiasm among Opposition Members for helping people who want to buy their own home. Our

point is simply that we need to look at the interests of everyone who needs a place to live—potentially a place to rent while they seek to achieve their dream of a place to own.

It is for that reason that we have raised a number of concerns about the extension of the right to buy and particularly the forced sale of council homes, which we will come on to. We are concerned that that will lead to a reduction in the number of homes available to those on low and middle incomes who cannot immediately afford to buy a property.

I gently say to the Minister, as I said in an intervention on the hon. Member for Thirsk and Malton, that Shelter has been very clear about the Government's failure to build like-for-like replacements. Only one in nine of properties sold under the right to buy has been replaced.

Brandon Lewis: If the hon. Gentleman looks at the actual figures outlined at the Dispatch Box by my right hon. Friend the Secretary of State and by me, he will see that Shelter's representation of those figures is, bluntly, wrong. The councils delivering right-to-buy rebuilds are delivering those extra homes one for one at the moment, and in fact in London it is closer to two for one. That is in *Hansard*.

Mr Thomas: I was going to suggest that the Minister, if he has not already done so, might like to read what I am told is an excellent book by the hon. Member for South Norfolk. It is called "Conundrum: Why every government gets things wrong and what we can do about it". Life is too short, sadly, for me to read it, but I gently suggest to the Minister that he might seek inspiration and understanding of why one should seek outside sources to validate or at least challenge the assumptions that one has come to oneself or that one's civil servants have encouraged one as a Minister to come to. I gently say to the Minister that Opposition Members, in the amendments that we have tabled, are seeking only to do what the late Margaret Thatcher did with the Housing Act 1985. Even she conceded that there was a need for exceptions to the right to buy, and they were included in legislation, not least in the 1985 Act, as I have set out. It seems to us entirely sensible to put in the Bill similar provisions on exceptions to the right to buy. We would be helping housing associations and, indeed, helping the Government in legislative terms by making clear where housing associations stand.

Mr Jackson: I fear that the hon. Gentleman is over-egging the pudding. Surely the centrepiece of the voluntary agreement between registered providers and the Government is the portable discount concept, which retains a solid commitment to the right to buy, but at the same time allows housing associations autonomy to judge locally what is applicable to them and what it is appropriate to retain in the form of specialist housing or other types of housing. The hon. Gentleman is exaggerating the effect of the Bill, because that is the centrepiece of the voluntary agreement.

Mr Thomas: I gently suggest to the hon. Gentleman that part of the purpose of opposition is to address the question of the law of unintended consequences for any

[Mr Gareth Thomas]

legislation that the Government propose. I gave the example of housing associations that are registered housing providers but provide all their homes in a housing co-operative format. How do they offer a portable discount to their tenants? They cannot do so. Housing co-operatives are excluded in theory under the deal, but there is uncertainty as to whether the question of a portable discount still stands, so to provide absolute clarity, for the benefit of housing associations, for registered housing providers, for the benefit of the regulator of social housing as set out in clause 58 and for the Government—to enable everyone to know where they stand—it is surely sensible to include in the Bill a certain number of exceptions.

In the context of amendment 89, it is wise, given the decline in the availability of sheltered and specialist housing for those who are most vulnerable and particularly those who are older, to put in the Bill a sensible exclusion in that respect. For that reason, tempted as I am to agree with the Minister, I cannot do so on this occasion and I intend to press amendment 89 to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 11.

Division No. 5]

AYES

Blackman-Woods, Dr Roberta	Pearce, Teresa
Dowd, Peter	Pennycook, Matthew
Hayes, Helen	Thomas, Mr Gareth
Morris, Grahame M.	

NOES

Bacon, Mr Richard	Jones, Mr Marcus
Caulfield, Maria	Kennedy, Seema
Griffiths, Andrew	Lewis, Brandon
Hammond, Stephen	Philp, Chris
Hollinrake, Kevin	Smith, Julian
Jackson, Mr Stewart	

Question accordingly negated.

10.30 am

The Chair: Before we move on, may I again remind the Committee that the purpose of this phase in the process is to scrutinise the Bill? It is for the Back Bench to scrutinise the Front Bench in that order. When this occurs, there is a general managerial principle between the normal channels of the Whips on either side. In this case, there has been a general agreement that this morning's session should proceed, it is hoped, as far as clause 61.

We have so far spent an hour and six minutes on two amendments to clause 61, which means that, in order to get to the agreement, we have to do six more clauses and 15 more amendments, which is highly unlikely. I beg Members to remember what this section is for, because if they do not keep up with the pace of scrutiny the House will be denied scrutinisation of the Bill. It is part of the order. Please would Members restrain themselves and remember how the procedure works. If Members need to question an amendment or a response, they should do so precisely and succinctly. They should also take the opportunity, if needs be, to do so in stand part, or at the end of a Bill, and preferably not more than once.

Dr Blackman-Woods: I beg to move amendment 147, in clause 56, page 24, line 10, at end insert—

“and must be of full market value reimbursement for the discount on the sale of Right to Buy.”

This amendment would ensure that the reimbursement received by a local authority having sold a property at a discount under Right to Buy is of the full market value, to ensure the property could be replaced on a like-for-like basis.

The Chair: With this it will be convenient to discuss amendment

Amendment 150, in clause 57, page 24, line 18, at end insert—

“and must be of full market value reimbursement for the discount.”

This amendment would ensure that the reimbursement received by a local authority having sold a property at a discount under Right to Buy is of the full market value, to ensure the property could be replaced on a like-for-like basis.

Dr Blackman-Woods: With your leave, Sir Alan, I will speak to amendments 147 and 150 together because they are similar. They seek to ensure that housing associations are fully compensated for right-to-buy sales with full value replacement taking into account the discount applied for right to buy and new build costs.

I have lost count of the many organisations that have given evidence both to this Committee and to the Communities and Local Government Committee, which is holding an inquiry on right to buy. I hope we can hear reassuring words from the Minister this morning—he was uncharacteristically disingenuous about our earlier amendments.

The amendments seek to elicit from the Government what they intend to do about supporting housing associations in terms of replacement costs. As we have outlined in earlier debates in seeking to scrutinise the Bill, we want to understand completely how replacement for right to buy will happen and whether it will be adequately funded.

I gently say to the Minister that the Opposition have been clear about supporting the principle of right to buy. We are also clear that, in the past, Governments of all parties did not replace homes sold quickly enough or produce enough of them. However—it is a really big “however” that needs to be written into the record of our deliberations this morning—in the Labour Government's 13 years, we put £32 billion into bringing our social housing stock up to the decent homes standard. After 18 years of the Conservative Government, we inherited social housing stock that was falling apart. If we are going to look at what has happened historically, that needs to be fed into the overall equation.

Moving swiftly on, I want to consider some of the evidence presented to the Committee. Housing associations say that they have concerns about whether they would be able to rebuild on a like-for-like basis homes lost through the right to buy, not only because of the provisions of the Bill but because of the impact on housing associations of the cuts to rents. The Institute for Fiscal Studies has estimated that there could be a 12% loss of income to housing associations, and a number of the associations say that they will re-profile their business plans to take account of the rent reductions and the associated loss of income. L&Q and Stonewater say that there will be an annual loss to the sector of about £1.6 billion.

Kevin Hollinrake: The top 100 housing associations employ an average of 1,000 people. Is it not reasonable to expect that they might be able to find efficiencies of about 1% per year among those employees?

Dr Blackman-Woods: The hon. Gentleman needs to make that point to the housing associations themselves. They have told us in their evidence to the Committee and to the Communities and Local Government Committee that, on the basis of what has happened with both the Welfare Reform and Work Bill and the Housing and Planning Bill, they will re-profile their activity and adjust their business plans, unfortunately moving away, it appears, from the provision of social housing for rent.

Helen Hayes (Dulwich and West Norwood) (Lab): Will my hon. Friend give way?

Dr Blackman-Woods: I will of course give way to my hon. Friend, who is on the Communities and Local Government Committee.

Helen Hayes: I want to remind the Committee of the evidence we heard from housing associations in relation to the pay-to-stay provisions. The provisions will place an additional heavy burden on the associations, and many of them do not feel confident of discharging them within their current resources. Does the hon. Member for Thirsk and Malton not agree that, in that context, suggesting that housing associations can simply make redundancies to make up for the loss of income is unrealistic?

Dr Blackman-Woods: My hon. Friend makes a good point, and when we come to discuss the pay-to-stay provisions, we will hopefully be able to re-emphasise it.

In evidence to the Select Committee, housing associations say that what they build over the next 10 years will change. They say:

“There will be less affordable rent and more low-cost home ownership going forward.”

We are not against more low-cost home ownership. We are trying to elicit from the Minister whether he thinks it important that the social rented housing is replaced, and whether the measures in the Bill make that more difficult or easier. Stonewater says it is

“looking at the product mix...We are re-profiling where our activity”.

L&Q states:

“We have committed to a minimum of 1,000 new affordable rented homes a year. That is less than we would have produced prior to the rent reduction.”

It is also clear from the evidence to the Select Committee that the change in business activity will not be immediately apparent. It will perhaps be 2018 before plans for affordable rents are effective, because many schemes are already in the pipeline and have already been costed, with some of them already being built.

The sector is anxious and it is not clear where the replacement costs will come from. The Committee has received two helpful notes on that topic. One of them is from the Chartered Institute of Housing, which has identified a funding gap, particularly in relation to the

sale of high-value local authority housing—a matter we will probably come on to this afternoon. It questions how the Government will fund the whole scheme and make up that funding gap.

There were some announcements, and some additional capital was put forward, in the autumn statement last week. However, as my hon. Friend the Member for Greenwich and Woolwich outlined earlier, in the last few days the Office for Budget Responsibility has said that it still thinks that there will be a reduction of 34,000 homes because of the measures in the Bill and in the Welfare Reform and Work Bill. There is a challenge to the Government to highlight clearly how the replacement will be funded.

I hope the Minister has looked at the very helpful briefing from the Chartered Institute of Housing—after all, the CIH knows something about the delivery of housing in the country—and at the note from PlaceShapers, which raised a very interesting issue for the Committee, which we perhaps have not talked about enough so far: how the valuation gap changes in different parts of the country. For example, in the north, a property could be sold for £50,000. There would be a discount attached to that. However, the replacement property would cost about £135,000 or even more. Replacement costs are coming in at about three times the level at which homes in the affordable rented sector are sold off.

Again, it is not clear from anything that we have heard from the Minister how replacement costs will be guaranteed, whether or not it will be on a like-for-like basis, and how he will seek to ensure that we are not losing the social rented homes that we so desperately need across all areas of the country, and how he will try to persuade housing associations that they should not alter their business plans at this time and not move away from the provision of affordable housing to rent. As the Minister knows, and indeed as all Committee members know, that is because we need more housing across all tenures, and it would be wrong for the Committee to support legislation that would cut support for the local cost of ownership, because that would happen at the expense of social housing to rent, which we desperately need.

Brandon Lewis: Amendment 147 and amendment 150, which is obviously for London, would put in the Bill a requirement that the Government must pay a grant that reimburses housing associations for the discount in a way that ensures, as the hon. Member for City of Durham said, they receive full market value for the property.

We have been very clear that we will compensate housing associations for the cost of the discount based on full market value as determined by the open market. In fact, I draw the attention of hon. Members from all parties to the document on the National Housing Federation website, which is the voluntary agreement the NHF put to the Government. In that document, the Government commitment is outlined very clearly in the bullet points—points 3 and 4, but particularly point 3—on the front page of that agreement.

Clauses 56 and 57 are drafted in a way that ensures that the Secretary of State is able to pay in grant to the housing association the amount of the discount once it has been calculated appropriately.

Mr Thomas: The Minister has specifically referred to information on the NHF website. On the briefing that it has sent round since the spending review, the NHF specifically asks for two amendments to the Bill. Clauses 56 and 57 say that the Secretary of State and the Greater London Authority “may” make grants, but the NHF thinks that “may” should be changed to “must”. It clearly has some concerns about whether the Government will follow through with giving the full sum, as the Minister claims they will. Why not commit now to doing what the NHF wants on Report and tweaking the wording of clauses 56 and 57?

10.45 am

Brandon Lewis: As I keep saying, I believe that the hon. Gentleman is struggling with the concept of a voluntary deal. If the Government do not fulfil our part of the bargain, as outlined on the front page of the agreement, we will be in breach of the agreement, and we are not going to do that. Although I know that the NHF is very comfortable with where we are at, I remind it and the hon. Gentleman that the explanatory notes provide reassurance that the purpose of the clauses is to pay the discount. More importantly, the deal with the sector is crystal clear on that point. It states:

“Any sale would be at open-market value. The Government would compensate the housing association for the full value of the discount, in line with the practice introduced by the Right to Acquire.”

I am happy to reiterate that today.

I appreciate that the Opposition may be uncomfortable about the fact that we have secured a historic deal with the sector not only to deliver our manifesto commitment but to ensure that it builds more homes. However, any attempt to duplicate the deal in the Bill would not be appropriate or in the spirit of the voluntary agreement. It is not what the housing associations want, and it is not necessary to deal with the Opposition’s discomfort. I hope hon. Members withdraw the amendment.

Dr Blackman-Woods: I am really disappointed with the Minister’s response. Although he dealt to some extent with amendment 147, I do not think that he dealt at all with amendment 150. The whole point of the two amendments was to try to ensure that housing associations would have funds available not only to make up for the discount but to provide a one-for-one replacement. The Opposition have asked a series of questions about the discount, where the money will come from, and whether the Government guarantee that the money will be there for the full replacement.

Brandon Lewis: The hon. Lady has been generous in giving way, and I will be brief. I repeat that, as per the agreement, we will match up with our part of the deal to provide the full market value and cover the discount. Some housing associations have made it quite clear that they believe they will be able to build more than one extra home for every home sold.

Dr Blackman-Woods: That clarification is helpful. We will take the Minister at his word, and I will go away and look at what he has put forward this morning. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Dr Blackman-Woods: I beg to move amendment 148, in clause 56, page 24, line 10, at end insert—

“(2A) The conditions at subsection (2) must include a condition that money equivalent to the market value (disregarding any discount) of a dwelling sold under right to buy and to which the grant applies is spent by the private registered provider on the provision of affordable housing in the same county, including at least one new home replacing that sold which is—

- (a) of the same tenure,
- (b) located in the same local authority area, and
- (c) in accordance with assessed local housing need.”

This amendment would require housing associations offering the Right to Buy to their tenants to re-invest all the money received as a result of the sale in replacement local affordable housing, including a guaranteed like-for-like home in the same area.

The Chair: With this it will be convenient to discuss amendment 151, in clause 57, page 24, line 18, at end insert—

“(3) The conditions at subsection (2) must include a condition that money equivalent to the market value (disregarding any discount) of a dwelling sold under Right to Buy and to which the grant applies is spent by the private registered provider on the provision of affordable housing in London, including at least one new home replacing that sold which is—

- (a) of the same tenure,
- (b) located in the same London borough, and
- (c) in accordance with assessed local housing need.”

This amendment would require housing associations offering the Right to Buy to their tenants in London to re-invest all the money received as a result of the sale in replacement affordable housing in London, including a guaranteed like-for-like home in the same borough.

Dr Blackman-Woods: Amendment 148 returns to a theme that we will rehearse a great deal this morning, and probably during the early part of the afternoon. We want to ensure that the replacement for any stock sold through the right to buy is of the same tenure as the original stock, located in the same local authority area and in line with assessed local housing need. We understand that the agreement is voluntary, and we understand what discretion means, but we want to discuss whether the Bill requires additional safeguards. I think that that is what the public would expect from us, as we have been charged with scrutinising the legislation. Several of those who gave evidence to the Committee highlighted the fact that their main concern about extending the right to buy had to do with the need for greater reassurance about what replacement housing will actually mean.

The concern underpinning all of this is that, if the Committee is not careful about what it agrees to, there will be further depletion of the social housing stock, given the uncertainty about what plans for one-to-one replacement would actually mean and whether they would bear any fruit.

Chris Philp: Does the hon. Lady not agree that we should trust social housing providers to make their own judgments about what replacement is most appropriate, rather than seek to impose restrictions? Does she not further agree that specifying the same tenure in proposed new paragraph (a) of her amendment might contradict proposed new paragraph (c), which uses the words:

“in accordance with assessed local...need”?

Those two things might be different.

Dr Blackman-Woods: Let me reassure the hon. Gentleman that I will explain the different dimensions of the amendment in a moment.

There are great uncertainties about whether replacement will work in practice. Interestingly, the point was brought to the Committee's attention by an Institute for Fiscal Studies report—if Members do not want to go to the report itself, they can look at the briefing done for the Committee by the House of Commons Library. The IFS talks about the risks and uncertainties that accompany the right to buy, and I emphasise again to the Minister and other Government Members that these concerns are felt not just by Opposition Members. The IFS points to real uncertainties about replacement, and it is interesting to read what it says:

“Given this uncertainty, and the coalition's less-than-impressive record in delivering replacement...housing under the...Right to Buy, there is a risk that these policies will lead to a further depletion of the social housing stock”.

It is not the Opposition saying that, although I am quoting it for the benefit of the Committee's deliberations. When organisations such as the IFS look at what has happened previously on replacement, what they see is “the coalition's less-than-impressive record”.

Chris Philp: I conveniently have to hand the figures for council housing starts in the five years of the coalition Government. There were 14,310. In the previous five years of the Labour Government, there were only 2,500—one seventh of the level.

Dr Blackman-Woods: If the hon. Gentleman is going to quote statistics, he has to look at the social rented stock that was delivered by housing associations during that period.

Chris Philp *rose*—

Dr Blackman-Woods: The hon. Gentleman is getting very excited. We can come in a moment to the number of homes for social rent—

Chris Philp *rose*—

The Chair: Order.

Dr Blackman-Woods: Thank you, Sir Alan.

Whatever point the hon. Gentleman is trying to make, and I am not completely sure what it is, it is absolutely clear that independent assessment shows that the coalition had a less than impressive record on delivering replacement housing under the right to buy.

The House of Commons Library emphasises that the “single most contentious aspect of the statutory” right to buy

“has been the failure to replace the sold stock since the scheme's inception.”

That was echoed strongly in evidence to the Committee. For example, PlaceShapers said that, although it supports the right to buy in principle, its greatest concern is to ensure that sold social housing stock is replaced on a like-for-like basis in the same location wherever possible. It adds that that will be a challenge for the sector,

particularly where the replacement costs are higher than the market value of sold units—exactly the point I made to the Minister on the last group of amendments.

That is a critical issue because of the policy's legacy in the social housing sector. Some 1.8 million properties in England were purchased under the right to buy between 1980-81 and 2013-14. The number of dwellings owned by local authorities declined from 5.1 million in 1980 to 1.7 million in 2014. Some £45 billion was raised through the right to buy but, sadly, very little of it was reinvested in replacements, which is the point. The figures speak for themselves, regardless of what the hon. Gentleman says.

Mr Jackson: The hon. Lady's complaints would have a lot more credibility if, during a 13-year period of benign economic growth, the Labour Government had deregulated the housing revenue account, released capital and allowed local government to build new municipal housing. It is a fact that more council homes, rather than housing association homes, have been built since 2010 than were built during the 13 years of Labour government. Let us bear that in mind if we are looking to apportion blame for the lack of social housing as a consequence of the right to buy.

Dr Blackman-Woods: The hon. Gentleman obviously was not listening to my earlier point. It is clear that no Government built enough housing, particularly social-rented stock. It is important that we do not keep going down the party line: “Everything you did was bad, and everything we did was good.” As I made clear to the hon. Member for Croydon South, of the £45 billion that was raised, the Labour Government put at least £32 billion into ensuring that the remaining stock was of a sufficient quality for people to live in, which is not an unimportant or irrelevant point. After 18 years of Conservative government, the stock was in an absolutely deplorable condition and often was not fit to be occupied. Necessarily, the Labour Government concentrated on ensuring that people could actually live in the social-rented stock that was available.

Maria Caulfield (Lewes) (Con): The hon. Lady may correct me, but during the oral evidence sessions we heard from a number of housing associations about alternative house-building models. Modular housing can be built relatively cheaply and within 13 weeks. Does she not agree that that is a feasible way of replenishing stock?

Dr Blackman-Woods: In the amendment, we are looking at replacement by tenure, by area and according to local housing need. The exact nature of what that housing might look like is for another discussion. Of course, we would consider all forms of building that deliver good-quality, sustainable housing for the future. Personally, I do not have a problem with the hon. Lady's suggestion.

The point I was making to the hon. Member for Peterborough and other Committee members is that we have to look at the total reduction in stock. If we are looking at 5.1 million homes for rent through local authorities in 1980 and only 1.7 million in 2014, we need no other information to tell us that we have a shortage of social homes for rent. The shortage is the result of a lack of replacement homes through the right to buy policy over many years, but it is worth emphasising again that the coalition's record on that was pretty abysmal.

Maria Caulfield: The hon. Lady keeps saying that there is a shortage of one-for-one replacements, but if alternative models of house building were considered, we could easily build two for one in a short space of time. The picture that she paints is not true.

11 am

Dr Blackman-Woods: As I have already said to the hon. Lady, the amendment looks at replacement like for like in terms of tenure located in the same area and in accordance with assessed housing need. What those houses might actually look like is a very interesting discussion—one which, in terms of ensuring the quality and sustainability of products, I am very happy to have, although I fear that the Chair might rule me out of order if I did so.

The review of evidence that was asked for by the Communities and Local Government Committee, which is looking at right to buy, is being carried out by Professor Ian Cole and his colleagues at Sheffield Hallam University. The review noted that right to buy

“has contributed to a substantial reduction of the social housing stock, which—in the absence of countervailing new build programmes—has caused supply problems”

and

“a loss of relets...The scale of the decline in LA relets in recent years is marked, and declined from 221,000 lettings to new tenants in 2000/01 to 83,000 lettings in 2013/14.”

Although Government Members might get very exercised—as the hon. Member for Croydon South did—about what happened under the Labour Government, it might be better if they were exercised about what has happened in the last five and a half years. It was in those years that we saw the huge decline in the number of re-lets.

It is interesting that while we have had a reduction in re-lets in the social housing sector, we have also had a decline in the proportion of home ownership, which has fallen from 70% in 2002 to just 64% in 2013. The coalition Government not only presided over a huge loss in lettings and re-lettings in the social rented sector, but presided over a huge reduction in home ownership. That seems to be a pretty comprehensive failure in their housing policy. It does not seem to be a one-dimensional failure—it is a multi-dimensional failure.

Kevin Hollinrake: Does the hon. Lady regret the 47% drop in first-time buyers between 2007 and 2008, and welcome the record numbers of first-time buyers published in August this year—the highest since October 2007?

Dr Blackman-Woods: However the hon. Gentleman wants to play this, home ownership fell from 70% in 2002 to 64% in 2013. I would have thought that he and his colleagues would want to share some responsibility for that awful state of affairs.

Mr Bacon: Does the hon. Lady agree that everybody should share responsibility for 50 or 60 years of failure, and that arguing about statistics in this way is unhelpful? We need a revolution, where people have the opportunity—either individually or in groups, as rich people who can do it themselves or poor people who can do it through mutual housing co-operatives—to get a piece of land and build their own dwelling.

Dr Blackman-Woods: The hon. Gentleman makes an interesting point, but I say to him that it is best made to his own Minister, not simply to the Opposition.

We know that under the so-called voluntary agreement, housing associations have committed to stock replacement. It is precisely because of that commitment that we seek to put more requirements about the replacement of housing in the Bill. As I said, amendment 148 seeks to ensure that the grant is paid only when there is a replacement for a home sold and when it is of the same tenure and located in the same area. In some areas, however, if a three-bedroom home for rent has been sold, the local authority and housing association may want to discuss whether it is replaced by a three-bedroom home for rent or a bungalow; they may have a particularly acute need locally for bungalows, or it could be the reverse. The amendment has been framed to ensure that the social housing stock is replaced and that it is in the same area, but that the exact nature of the stock is determined according to local housing need as assessed by the local authority, which is important if local housing need is to be addressed. I am sure that the entire Committee would want that to happen.

Without an amendment such as amendment 148 and without greater clarity from the Minister, we could easily find associations in a situation, despite everyone's best intentions—we do know that replacement has not been on a one-for-one basis previously—where replacements could happen in areas that do not have the greatest need. For example, it might be cheaper to provide replacement homes in a different area. It is a particular concern that the level of generality for replacements means that some areas could suffer more than others. That point has been made and the National Housing Federation has agreed that

“housing associations will retain the sales receipt to enable them to reinvest in the delivery of new homes”

and will be able to

“use the sales proceeds to deliver new supply”,

but that they must have the flexibility

“to replace rented homes with other tenures such as shared ownership.”

We are hearing from housing associations on what they are likely to do under the right-to-buy provisions that they will not necessarily replace in the same tenure or in the same area because the commitment to replace homes is a national one. That could have a huge impact on areas with an acute housing need, which probably have high building costs due to a lack of land. When the Minister responds, he will need to reassure the Opposition that there will be replacement, particularly in areas of acute housing need.

As I pointed out earlier, homes for social rent and new starts for such homes are at an all-time low. Last year, it was only 10,000 properties. That is a drop in the ocean of need and meets hardly any of the demand for social rented properties. I am sure that most of our constituencies have waiting lists for council housing that are at least at that level—in just one constituency. There is huge unmet demand for socially rented homes, which is why we are unclear as to why the Government are not more concerned about ensuring that the homes sold through right to buy are replaced within in the same tenure. Otherwise, we will simply see further depletion of affordable homes for rent right across the country.

Shelter has estimated that around another 113,000 homes could be lost immediately through the provisions in the Bill, so it is incumbent on the Committee to ensure like-for-like replacement.

Given the high costs of building in London, it is particularly important that we do not see social homes for rent being lost there and replaced elsewhere in the country. That might be good for the areas that get the replacements—*[Interruption.]* The hon. Member for Lewes is shaking her head, so perhaps she would like to explain to all those in London why people there should not have access to social housing for rent. The point we are making is that there is a need for social homes to rent throughout the country, but also a need for more social homes for rent in London. A great many of the councils and boroughs in London that gave evidence to the Committee were at pains to stress the need for replacements in London of the same tenure and in the same area, to ensure that they can meet local housing need.

Maria Caulfield: The hon. Lady says that I am shaking my head, and I am, because she easily dismisses the modular housing that would give people in London easy, cheap, affordable housing of the same tenure. They could have code 4 sustainable homes built to lifetime homes standards—any type of housing that a local authority would want. She dismisses that so easily, but it is an affordable solution to replacing like for like.

Dr Blackman-Woods: The hon. Lady cannot have been listening to what I was saying, because I did not dismiss anything. Far from dismissing new forms of new build and new modular construction, I said that the debate would be a very interesting one, and one to which I would happily contribute. The point I was making was that that is without the scope of the amendment, which seeks to ensure that we have replacement housing of the same tenure that is located in the same local authority area and in accordance with assessed local housing need. Again, I point out to the hon. Lady that the amendment says nothing about the exact nature of the replacement homes that are of the same tenure.

It would be interesting to discuss how we could drive up the quality of new house building throughout the country. I want to make it very clear for the record that we are not dismissing ways in which we can improve the quality of new homes that are delivered in this country, but that is not directly relevant to the discussion of the amendment. The important point we are trying to make is that there is a lot of evidence to suggest that if a requirement is not put into the Bill to ensure that we replace the homes sold through the right to buy with social rented properties in the same area and in accordance with local housing need, this country's social housing stock will be further reduced. That is what all the commentators are telling us and what history is telling us, so we need to see measures in the Bill to prevent that from happening. That is the socially responsible thing to do. We very much want to hear what the Minister has to say.

Stephen Hammond (Wimbledon) (Con): I have listened very carefully to the hon. Lady's long explanation of her amendments. She might want to think again about amendment 151. As a Member representing a London

constituency, I absolutely agree with the thrust of what she said: the proceeds of the sales should ensure that there is extra affordable housing provision in London. My hon. Friend the Member for Croydon South has already pointed out the potential internal contradiction between “assessed local housing need” and “of the same tenure”. I could spend quite a lot of time discussing whether housing of the same tenure would be appropriate.

The hon. Lady should also think about a current example of how boroughs in London find ways to solve their housing need. There are 75 people who were on the housing list in Newham who have been found properties in my constituency because of the ability to move around within Greater London. The hon. Lady needs to think very carefully about the workability of the provision that new homes are in the same London borough.

Mr Thomas *rose*—

Stephen Hammond: I will give way very briefly, because I want to win the record for the shortest speech and have the hon. Gentleman champion my career as well.

11.15 am

Mr Thomas: I have always had a sneaking regard for the hon. Gentleman, so perhaps he may persuade me on that at a later point. What is to stop a housing association that operates in Harrow, and is required to sell off housing stock in Harrow, using the grants that it is given from the Government to build like-for-like housing not in Harrow and not in London, but in Great Yarmouth or Nuneaton?

Stephen Hammond: If the hon. Gentleman looks carefully at new clause 1, which I and others tabled, he will see that it is more ambitious than the amendment because: first, it seeks a greater number; and secondly, it uses the term “Greater London”. I absolutely agree with the thrust of the hon. Gentleman's point, but this amendment has some real potential dangers that would go against what the hon. Lady actually wants to do. We also really need to look at the spread of tenures that could be replaced to be more in line with London's needs. The money could be kept in London, and this amendment is too restrictive. I urge the Minister to accept the principle but to firmly reject amendment 151, because I do not believe that it is in the best interests of London.

Helen Hayes: I want to speak briefly—I am conscious of time this morning—in support of the amendment in the name of my right hon. Friend the Member for Tooting. I will refer to a specific example that illustrates why we on the Opposition side are not at all opposed to the principle of extending home ownership, but why that must not be at the expense of other housing needs in London.

A family came to my surgery on Friday—I have their permission to use their example because they were very keen that the Minister should hear it. Simret and Petros came to my surgery with their 14-year-old daughter, Mariam. They have three other children: a 12-year-old daughter, a five-year-old daughter and a three-year-old son. Petros worked as a dispensing technician in the

[Helen Hayes]

local pharmacy, and Simret is a part-time teaching assistant who is studying to be a teacher. They are housing association tenants living in a two-bedroom property. Their children sleep in bunk beds, with the older two girls on the top bed and the younger boy and girl on the bottom. They came to see me on Friday and they told me, with great grace and forbearance, about the impact that this housing situation is having on their lives. It is having an impact on their health and wellbeing as a family, on the ability of their children and Simret to study, and on their family relationships. I was extremely moved by their story.

Would the Minister be able to tell me what there is for this family in the Bill? They do not earn enough or have sufficient savings to raise a mortgage, so although they are housing association tenants they will be unable to access the right-to-buy provisions. They certainly do not earn enough to raise a mortgage to buy a starter home at £450,000. If Simret qualifies as a teacher, they will be over the pay-to-stay threshold and will have to pay market rent, further reducing their ability to save for a mortgage. In the meantime, they are bidding each week with their housing association and the council, but there are never any three to four-bedroom properties available. Three to four-bed properties are exactly those most likely to be sold under the right to buy, and they are the most likely to fall into the category of high-value council homes.

There is a final point to make about this family. They are settled in Lambeth. Their children are at local schools, and Simret and Petros make a valuable contribution to their local community through their work and the life of their local church. They are Londoners, and they are Lambeth Londoners. They should not have to move further afield in order to access the housing they need.

Dr Blackman-Woods: My hon. Friend makes a very important point in emphasising, through real people, what the impact of not replacing like for like can be on tenure. Perhaps she would agree with Councillor Philippa Roe's written evidence submitted to the Committee, in which she stated that:

"The agreement between government and housing associations means that they will implement the right-to buy-extension on a voluntary basis. They will not be required to replace homes which are sold in the same area or with the same tenure. This could lead to a reduction in social supply for homeless households in Westminster and London, particularly in central areas where rebuilding is more expensive. This is likely to contribute to those households increasingly being accommodated in expensive temporary accommodation and staying there longer while they await permanent rehousing".

Does that not point to the lack of permanent housing that is very much affecting my hon. Friend's constituents?

Helen Hayes: I hope that the Minister will listen to the evidence from Westminster City Council on this, which illustrates that the point I am making applies across the whole of London.

Mr Bacon: During our oral evidence session, I asked Councillor Philippa Roe whether Westminster City Council was looking at mutual housing co-operatives. She was the most enthusiastic of our witnesses in saying yes. The

hon. Lady asked what is in the Bill for people such as those she mentioned, with whom we would all sympathise. One good answer to her question is chapter 2, which allows

"individuals... associations of individuals, or... persons working with or for individuals"

to get together and bring forward their own projects. Lambeth Council has a huge Labour landslide majority. There is nothing to stop that council buying land, bringing forward projects and promoting, establishing and growing mutual housing co-operatives for people such as her constituents. The council has not done that but there is nothing to stop it.

Helen Hayes: I will put to Simret and Petros the idea that, in addition to working very hard to provide for their family, they might seek to bring forward their own project and build their own home. Lambeth Council has one of the biggest commitments to building new social housing, including through housing co-operatives, of any council in the country.

Mr Bacon: Will the hon. Lady give way?

Helen Hayes: I will not because I want to make progress, in the interests of allowing other Members to speak. The amendment in the name of my right hon. Friend the Member for Tooting seeks to ensure that homes lost to the rental sector under the right to buy and forced sales are replaced one for one, like for like, within the local area. I note that the Minister has been rather preoccupied with his emails while I have been telling the story of Simret, Petros and their children, but I hope that when he responds he will tell me that—

Brandon Lewis: The hon. Lady's behaviour—her misrepresentation of what my hon. Friend the Member for South Norfolk said, and what she has said just now—is, to be blunt, very misleading to the Committee and *Hansard*.

Helen Hayes: I was concluding my remarks. I hope that the Minister will have a response for my constituents when he responds to the amendment.

Mr Bacon: I would like a brief chance to respond to the amendment as well. The constituents whom the hon. Lady described would attract all our sympathy. I only say to her that if it is possible to do it in Berlin, Amsterdam, Stockholm and many other major cities around the world, it is possible to do it in London as well.

Mr Thomas: I rise briefly to support the amendment in the name of my right hon. Friend the Member for Tooting and to note that there is nothing in the National Housing Federation's deal with the Government that protects the interests of London compared with the rest of the country. As I alluded to in my intervention on the hon. Member for Wimbledon, there is nothing to stop housing associations that sell off housing for tenants replacing that housing in Nuneaton or Great Yarmouth, or indeed in other parts of the UK. Surely that is an unacceptable situation. Equally, there is nothing in the Bill that requires central London authorities to find

like-for-like properties to be built in their areas. There is nothing to stop housing associations operating in the whole of London selling off properties in inner London and replacing them with properties elsewhere in London.

I say gently to Conservative Members that perhaps the ghost of Shirley Porter motivated this omission in the Bill. Hon. Members will remember that Shirley Porter went out of her way to push those in rented accommodation in Westminster City Council out of those properties in order to influence future elections.

Mr Bacon: It is interesting that the hon. Gentleman mentions Dame Shirley Porter. Does he agree that one should not really mention her without mentioning in the same sentence Herbert Morrison, Peter Mandelson's grandfather? He said, in the late 1940s, "We will build the Tories out of London", and I think he meant psephologically.

Mr Thomas: I was not around when Herbert Morrison was in his pomp, but I grew up when Shirley Porter was leader of Westminster City Council. Everybody remembers the sad reality of what she sought to do and, indeed, the embarrassment that Conservative Members felt at the time. Requiring a like-for-like replacement of housing association properties that are sold off in each borough in London is a sensible way to—

The Chair: Order. Mr Smith, I see that you are looking at the clock. You are quite right. We will adjourn until 2 pm.

11.25 am

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till this day at Two o'clock.

