

The Future of the *Right to Buy* and *Right to Acquire*

Response form

We welcome comments on all aspects of the proposals. We are particularly interested in responses to the questions. The first part of the form asks for information about you and/or your organisation

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|---------------------------------|------------------------------------------------------------------------------------------|-------------------|------------|
| Name: | Elle McNeil | | |
| Organisation (if applicable): | Citizens Advice Cymru | | |
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| Telephone: | 03000 231 393 | | |
| Address: | Trafalgar House, 5 Fitzalan Place, Cardiff | | |
| Are you: (please tick one) | A tenant | A Social Landlord | Other ✓ |
| If "Other", please give details | Charity | | |

| Helping people to meet their housing needs | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| 1. Should the Welsh Government take more action to help people whose needs cannot be met by the housing market? (please tick one box) | Yes | No |
| | ✓ | |
| 2. Should the Welsh Government do more to keep the current stock of social rented homes by protecting it from further reductions as a result of <i>Right to Buy</i> sales? (please tick one box) | Yes | No |
| | ✓ | |
| 3. If action is taken, would any particular groups of people be affected more than others? (please tick one box) | Yes | No |
| | ✓ | |
| 4. If anyone would benefit from changes to the <i>Right to Buy</i> , please say which group(s) of people and what the benefits would be. | | |
| <p>The pressures on our housing market are well documented, with community landlord dwelling numbers estimated to have dropped by 8 per cent since 2000/01 and owner occupier numbers falling since 2006/07¹. Citizens Advice Cymru believe that action should be taken to protect social housing to ensure that affordable housing is available to those that need it. We support the Welsh Government's policy approach of proposing legislation in the next government to end the right to buy. This will benefit low income households throughout Wales by protecting existing community landlord housing stock and providing confidence to the sector to enable them to build new stock without concern that it will become private housing stock via right to buy.</p> <p>Findings from across our network show that the face of debt is changing with increasing</p> | | |

¹ Welsh Government, *Dwelling Stock Estimates* show that the Private Rented Sector doubled from 7 per cent in 1996 to 14 per cent in 2012/13 (April 2014)

numbers of clients coming to us regarding arrears on household bills, as they struggle to make ends meet. Consistently over the past couple of years the most common debt problems in Wales have related to consumer debt such as credit/store cards and personal loans. During the last six months this has been overtaken by people seeking help with Council Tax debt, which now makes up 12% of all debt-related enquiries. Similarly, we are seeing increasing numbers of people seeking help with rent arrears across the social rental sector and PRS, accounting for 5% of all debt enquiries in Wales. Comparing the third quarter of this year (Oct – Dec 2014) to the equivalent quarter the previous year, rent arrears problems have risen by 23 per cent. People are now increasingly struggling to cover their everyday costs, therefore we are supportive of steps taken to protect affordable housing in Wales.

5. If anyone would be affected in a negative way, please say which group(s) of people and what might to be done to mitigate the impact(s).

We acknowledge that removing the right to buy will negatively affect those living in community landlord accommodation seeking to become the owners of their current home. Our recent online survey² regarding private rented sector and people’s housing aspirations found that 71 per cent of respondents aspired to own their own home in the future, while only 18 per cent wanted to live in community landlord accommodation. We acknowledge the gap continues to show that people in Wales aspire to become home owners, however we support ending right to buy to protect and support the growth of affordable homes in Wales.

Reducing the maximum sales price discount

| | | |
|---------------------------------------------------------------------------------------------------|------------|-----------|
| 6. Do you agree with the proposal to reduce the current discount? <i>(please tick one box)</i> | Yes | No |
| | ✓ | |

7. In a few words, please say why you answered in this way.

We support steps taken by Welsh Government to reduce purchases and protect existing community landlord accommodation in order to protect affordable housing in Wales.

| | | |
|-----------------------------------------------------------------------------------------------------|------------|-----------|
| 8. Do you agree with the proposal to reduce the discount to £8,000? <i>(please tick one box)</i> | Yes | No |
| | ✓ | |

9. If “No”, to what figure do you think the discount should be reduced?

10. This box is provided for any other comment(s) you wish to make about the proposal to reduce the discount or about the *Right to Buy* more generally.

Given the consultation document notes that the legislative process is likely to increase the level of people using their right to buy prior to implementation, we would welcome moves to give greater protection to community landlords from increased sales. In this manner, we would be supportive of reducing the discount further given the difference in the cost of building a new home to the money community landlords would receive for the sold properties.

² We ran a short online survey for 4 weeks with questions focused on the PRS. This was publicised by our bureaux network and partners from across the third sector. 304 responses were received in English and Welsh. Citizens Advice Cymru research (2015) unpublished

| Ending the <i>Right to Buy</i> and <i>Right to Acquire</i> | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------|
| 11. Do you agree with the proposal to develop new legislation to end the <i>Right to Buy</i> ? (please tick one box) | Yes ✓ | No |
| 12. In a few words, please say why you answered in this way. Please see answers to questions 4 and 5 | | |
| 13. If you answered “No” to Question 11, should the Welsh Government simply continue with other options, such as the opportunity a Local Authority currently has to apply to suspend the <i>Right to Buy</i> in its area? | Yes | No |
| | | |
| 14. This box is provided for any other comment(s) you wish to make about the proposal to develop new legislation to end the <i>Right to Buy</i> or about the <i>Right to Buy</i> more generally. | | |
| If you are responding on behalf of your organisation, please tick the box. | | ✓ |

About Citizens Advice Cymru

Citizens Advice is an independent charity covering England and Wales operating as Citizens Advice Cymru in Wales with offices in Cardiff and Rhyl. There are 20 Citizen Advice Bureaux in Wales who are members of Citizens Advice Cymru, delivering services from over 375 locations.

The twin aims of the Citizens Advice service are:

- to provide the advice people need for the problems they face
- to improve the policies and practices that affect people’s lives.

The advice provided by the Citizens Advice service is free, independent, confidential and impartial, and available to everyone.

The majority of Citizens Advice bureaux staff are trained volunteers. All advice staff, whether paid or volunteer, are trained in advice giving skills and have regular updates on topic-specific training and access to topic-based specialist support.

Local bureaux, under the terms of membership of Citizens Advice provide core advice based on a certificate of quality standards on welfare benefits/tax credits, debt, housing, financial products and services, consumer issues, employment, health, immigration and asylum, legal issues, and relationships and family matters.

The Citizens Advice service now has responsibilities for consumer representation in Wales as a result of the UK Government’s changes to the consumer landscape³. From 1 April 2014 this includes statutory functions and responsibilities to represent post and energy consumers.

We are happy for our evidence to be made available to the public.

³ On 1st April 2013 responsibility for consumer representation was transferred from Consumer Focus to the Citizens Advice Service (including Citizens Advice Cymru) following the UK Government’s review of the consumer landscape.