

Subject: Use of Retained Right to Buy Receipts Update

Report to: ELT 30 June 2021

Housing & Neighbourhoods Committee 15 July 2021

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SUBJECT MATTER

The updated Use of Retained Right to Buy Receipts Policy was approved by Housing & Neighbourhoods Committee on 4th February 2021.

In accordance with the Policy this Report contains an annual summary of the spend committed to Retained Right to Buy Receipts and details of the types and locations of homes acquired. As this is the first report, two years have been included for Members' information.

RECOMMENDATIONS:

That Committee note the report.

1. INTRODUCTION / BACKGROUND

- 1.1 This report is to fulfil the annual monitoring requirement in the Use of Retained Right to Buy Receipts Policy which states that:

‘An annual report will be provided on spend of Retained Right to Buy Receipts, total expenditure and the number of homes delivered by source (Acquisition, development within HRA or grant contributions) and location.’

- 1.2 Table 1 below identifies the number of Right to Buy sales in each of the last five years, the amount of receipts available to be used to support affordable housing delivery, the total amount of spend required to fully utilise the available receipts, the under or over spend in year for receipt usage and the amount paid to the Ministry of Housing, Communities and Local Government (MHCLG). With effect from April 2021 the Council is able to use retained receipts for up to 40% of the costs of acquisition/building an affordable home. Previously receipts were only able to be used for up to 30% of spend as reflected in Table 1.

Table 1

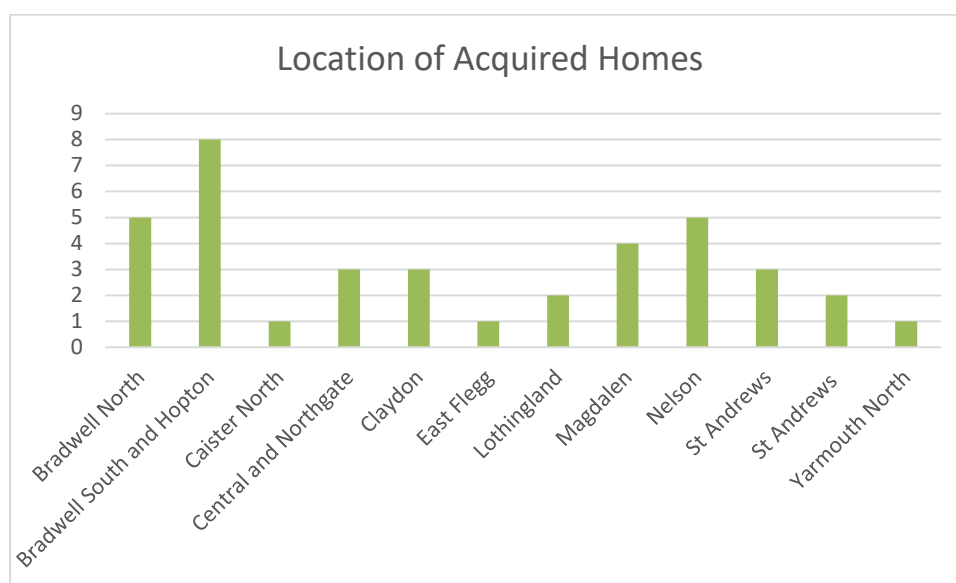
	Number of RTB Sales	RTB Receipts for 1-4-1 programme	Total Spend required in year	Actual Spend	Receipt Overspend / (Underspend) in year	Amount paid to MHCLG
2020/21	9	984,086	£3,280,288	£2,559,287	(216,300)	£0
2019/20	27	641,632	£2,138,772	£2,967,328	248,567	£0
2018/19	50	408,000	£1,360,000	£1,426,236	19,871	£26,961
2017/18	47	615,600	£2,052,000	£1,943,851	(32,445)	£53,696
2016/17	40	630,000	£2,100,001	£2,100,011	3	£21,244

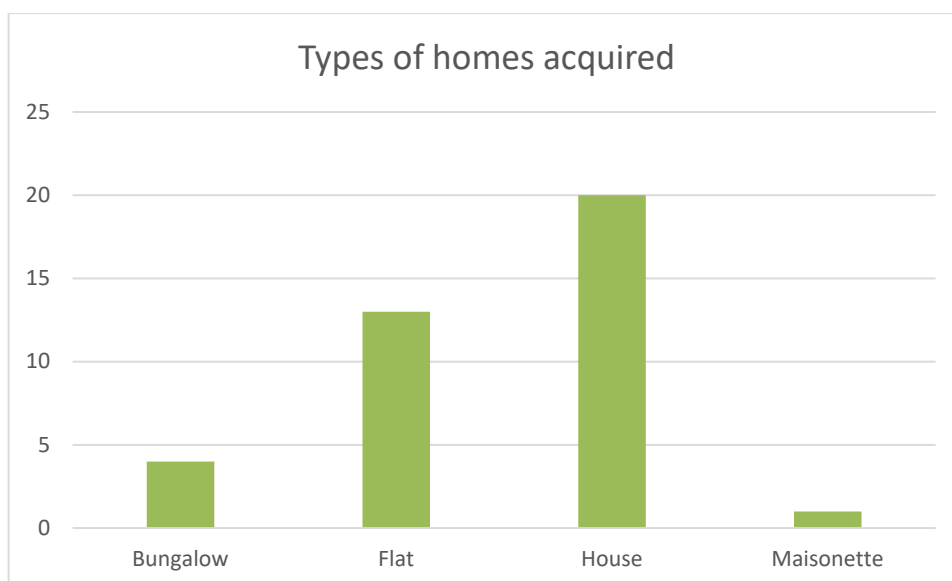
2. USE OF RETAINED RIGHT TO BUY RECEIPTS

2.1 The revised Use of Retained Right to Buy Receipts Policy as approved by Housing & Neighbourhoods on 4th February 2021 introduced a new price limit of £350,000 for acquisitions of homes which will meet specific needs for adapted or adaptable homes and for the acquisition of homes with 4 or more bedrooms as well as amending the 'payback' period for all acquisitions for up to 40 years. (Previous 'ceilings' had been £250,000 and 30 years). Appendix 1 shows that this change enabled a 4 bedrooomed, wheelchair accessible home to be purchased for £270,000.

2.2 During 2019/2020, 19 homes were acquired using Retained Right to Buy Receipts, and during 2020/21, 19 were acquired, 2 homes were built and grant funding for 5 homes was provided (total 26 homes).

2.3 Over the two years homes were acquired across the Borough as follows:





2.4 Appendix 1 provides a summary of the number and type of homes purchased by ward along with specific information on each home:

- Date of acquisition
- Whether the home was a former local authority property purchased under Right to Buy
- Whether the Council has exercised its Right of First Refusal to acquire a home (i.e., it is less than 10 years since the property was sold by the Council under Right to Buy)
- If the property was or was purchased to provide a wheelchair accessible home
- Purchase price.

2.6 Grant funding of £68,558 was provided to Herring House Trust to deliver five homes within Central and Northgate ward, which were completed in 2020/21. Grant funding was provided across the 2019/20 and 2020/21 financial years as works were delayed by the Covid pandemic. The five homes delivered are:

- Purchase and repair of one property. The property will provide interim accommodation for 3-6 months with intensive support for current/former rough sleepers.
- Four properties providing move on accommodation for individuals leaving Herring House Trust's High Support Unit for those individuals who are recovering from substance dependencies to support their progression to settled accommodation.

2.7 During 2020/21, two x two-bedroom houses were completed in Fleggburgh ward. These new build homes were developed on a garden plot of an existing Council home.

2.8 Table 2 provides a summary of the total number of properties acquired, built or grant funded over the last five years.

Table 2

	Number of homes acquired	Number of homes built	Number of homes grant funded	Total
2020/21	19	2	5	26
2019/20	19	0	0	19
2018/19	7	0	0	7
2017/18	25	0	0	5
2016/17	6	6	0	12

3. LEGAL IMPLICATIONS

- 3.1 The sale of Council homes through the Right to Buy is set out in the Housing Act 1980. The Council has powers through the Housing Act 1985 to provide homes through the acquisition, conversion or new build.

4. FINANCIAL IMPLICATIONS

- 4.1 The committed spend of Retained Right to Buy Receipts is regularly monitored to ensure full spend of receipts within the required timescales and spend is also monitored as part of the capital programme reflecting the borrowing used to fund that part of expenditure not funded by receipts. Table 1 shows the level of expenditure against required spend for the last five years and evidences that due to the requirement to spend Retained RTB receipts in a particular quarter, an underspend in an individual quarter spend has meant that a payment to MHCLG on unspent 1-4-1 receipts plus interest has had to be made irrespective of the position at the end of the financial year.

For 2021/22 the position re expenditure is that the Council is achieving all quarter targets to date reflecting over commitments in previous financial years, even when the underspend in 2020/21 is taken into account. From 1 April 2021, the Council now has five years to utilise receipts from the quarter in which the receipt was received.

5. RISK IMPLICATIONS

- 5.1 There are no risk implications in relation to this report.

6. CONCLUSIONS

- 6.1 During the years 2019/2020 and 2020/2021, 38 properties have been acquired/built or grant funded using Retained Right to Buy Receipts and the Council has been able to increase its stock of larger (4 bed plus) and accessible properties in locations across the Borough.

7. BACKGROUND PAPERS

Use of Retained Right to Buy Receipts Policy - Housing and Neighbourhoods
Committee 4th February 2021

Area for consideration Comment	Comment
Monitoring Officer Consultation	Via ELT
Section 151 Officer Consultation	Via ELT
Existing Council Policies	As section 7
Financial Implications	As section 4
Legal Implications (including human rights)	As section 3
Risk Implications	As section 5
Equality Issues/EQIA assessment	The use of the Retained Right to Buy receipts supports the acquisition/development of homes which meet particular needs for which there is a shortage of homes including wheelchair accessible homes.
Crime & Disorder	n/a
Every Child Matters	The use of the Retained Right to Buy receipts supports the acquisition/development of homes which meet particular needs for which there is a shortage of homes including larger and wheelchair accessible homes.

Appendix 1 – Acquired homes

Table 1: Location of homes by type and size

Ward	House/Beds	Bungalow/Beds	Flat/Beds	Maisonette/ Beds
Bradwell North	3 x 2 bed 1 x 3 bed 1 x 4 bed	1 x 3 bed		
Bradwell South and Hopton	1 x 2 bed	1 x 2 bed	6 x 2 Bed	
Caister North	1 x 2 bed			
Central and Northgate	1 x 3 bed		2 x 2 bed	
Claydon	1 x 4 bed		1 x 2 bed 1 x 3 bed	
East Flegg		1 x 3 bed		
Lothingland	1 x 2 bed	1 x 3 bed		
Magdalen	2 x 2 bed 1 x 3 bed		1 x 2 bed	
Nelson	1 x 2 bed 1 x 1 bed		1 x 1 bed	1 x 2 bed
St Andrews	4 x 2 bed 1 x 3 bed			
Yarmouth North	1 x 4 bed			

Note: the homes acquired in Nelson ward are held in the General Fund and provide temporary accommodation

Table 2: Location of homes by type and size – purchases in 2019/20

Ward	Date of Acquisition	Type	Beds at purchase	Ex-Right to Buy	Right of First Refusal	Wheelchair Accessible	Purchase Price
Magdalen	18/04/2019	House	3	Yes	Yes	No	£135,000
Bradwell North	10/05/2019	Bungalow	3	No	No	Yes	£187,500
Bradwell North	17/05/2019	House	2	Yes	Yes	No	£164,000
Central and Northgate	24/05/2019	Flat	2	Yes	No	No	£70,000
Lothingland	10/06/2019	House	2	Yes	Yes	No	£137,000
St Andrews	24/07/2019	House	2	No	No	No	£135,000
Nelson	30/08/2019	House	2	No	No	No	£150,000
Nelson	30/08/2019	House	1	No	No	No	£90,000
Nelson	26/11/2019	Flat	1	Yes	No	No	£58,000
Central and Northgate	06/12/2019	House	3	Yes	Yes	No	£126,000
Nelson	06/12/2019	Maisonette	2	Yes	No	No	£77,000

Bradwell South and Hopton	19/12/2019	House	2	No	No	No	£180,000
Bradwell North	13/01/2020	House	3	No	No	No	£225,000
Caister North	06/02/2020	House	2	No	No	No	£137,500
Bradwell South and Hopton	19/02/2020	Bungalow	2	Yes	Yes	No	£165,000
Yarmouth North	19/02/2020	House	4	No	No	No	£190,000
Bradwell North	24/03/2020	House	2	No	No	No	£160,000
Lothingland	20/03/2020	Bungalow	3	No	No	Yes - will be	£190,000
East Flegg	21/03/2020	Bungalow	3	No	No	Yes	£216,000
Total 2019/20							£2,793,000

Table 3: Location of homes by type and size – purchases in 2020/21

Ward	Date of Acquisition	Type	Beds at purchase	Ex-Right to Buy	Right of First Refusal	Wheelchair Accessible	Purchase Price
Central and Northgate	04/05/2020	Flat	2	Yes	No	No	£90,000
Claydon	28/05/2020	Flat	2	Yes	No	No	£95,000
Magdalen	12/06/2020	House	2	Yes	No	No	£117,000
St Andrews	26/06/2020	House	3	Yes	Yes	No	£150,000
Bradwell North	02/07/2020	House	4	No	No	Yes	£270,000
St Andrews	22/12/2020	House	2	No	No	No	£161,667
St Andrews	22/12/2020	House	2	No	No	No	£161,667
St Andrews	22/12/2020	House	2	No	No	No	£161,667
Claydon	04/09/2020	House	4	Yes	Yes	No	£170,000
Nelson	23/02/2021	Flat	2	Yes	No	No	£82,000
Magdalen	24/02/2021	House	2	Yes	Yes	No	£135,000
Magdalen	01/02/2021	Flat	2	Yes	Yes	No	£120,000
Claydon	15/03/2021	Flat	3	Yes	Yes	No	£150,000
Bradwell South and Hopton	07/08/2020	Flat	2	No	No	Level Access	£824,671
Bradwell South and Hopton	07/08/2020	Flat	2	No	No	Level Access	

