Shaping Voluntary Right to Buy – summary of the eighth meeting of the Sounding Board

The National Housing Federation chaired the eighth meeting of the Voluntary Right to Buy (VRTB) Sounding Board on 6 December 2016, consisting of the Federation, the Department of Communities and Local Government (DCLG), the Homes and Communities Agency (HCA), the Housing Ombudsman, and members from a range of housing associations reflecting the diversity of the sector in terms of type, size and operating markets.

The board engaged in extensive discussions about the regional pilot announced by the Chancellor in the Autumn Statement, the VRTB guidance, and proposals for the continuation of the VRTB Sounding Board.

The board discussed the following issues.

Regional pilot
In the Autumn Statement the Chancellor announced £200m of funding for a regional pilot of the VRTB scheme. This pilot will last for one year and will test two critical pillars of the original agreement that weren’t tested in the original pilot, one for one replacement and portability. The new pilot will also test the application of the VRTB guidance.

The board discussed the potential for a regional pilot to test partnerships and opportunities for joint working to deliver portability and one for one replacement, as well as to identify emerging patterns or trends in demand for VRTB. They also discussed how information collected about demand in the pilot could be used to model demand in other areas. This would require an effective methodology to take into account differences in the housing markets in different regions.

Decisions about the pilot, including what region it will take place in and the eligibility criteria, will be made by the Government.

VRTB guidance
The board discussed the areas of policy that need to be resolved before the VRTB guidance is published or before the start of the regional pilot. This included the impact of loan covenants on the sale of properties under VRTB, tax implications for non-charitable housing associations, issues related to the use of Recycled Capital Grant Funding (RCGF) to deliver one for one replacement, and specific issues relating to supported and sheltered housing.

The board considered the potential role of development consortia in helping non-developing housing associations to achieve one for one replacement. An advice note for members will be produced to provide information about the process and benefits of joining a development consortium.
Future of the VRTB Sounding Board
The board discussed proposals for future meetings of the VRTB Sounding Board and agreed that it would be useful for the board to continue meeting throughout the duration of the new regional pilot. This would ensure that learning from the new regional pilot can be effectively incorporated into the design of the main scheme, and changes to processes or to the guidance can be made as needed.