

ARTB 08

Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru)

Abolition of the Right to Buy and Associated Rights (Wales) Bill

Ymateb gan: Cyngor Bwrdeistref Sirol Wrexham

Response from: Wrexham County Borough Council

The Equality, Local Government and Communities Committee is undertaking an inquiry into the general principles of the Abolition of the Right to Buy and Associated Rights (Wales) Bill. The Committee's terms of reference are to consider:

1. The general principles of the Abolition of the Right to Buy and Associated Rights (Wales) Bill and the need for legislation to deliver the stated policy intention i.e. to protect the supply of social housing from further erosion in the face of a high level of demand and as supply shortage.
2. the provisions of the Bill in relation to:
  - the restriction on exercising the right to buy and the right to acquire (sections 2 to 5);
  - the abolition of the right to buy and the rights to acquire (section 6);
  - the removal of the power for Welsh Ministers to make discount grants (section 7); and
  - the duty to provide tenants and prospective tenants with information.
3. any potential barriers to the implementation of the Bill's provisions and whether the Bill takes account of them,
4. whether there are any unintended consequences arising from the Bill, and
5. the financial implications of the Bill (as set out in Part 2 of the Explanatory Memorandum).

**The following comments are made in regard to the above:**

General Principles of the Abolition of the Right to Buy and Associated Rights (Wales) Bill

1. If approval is granted for the Abolition of the Right to Buy and Associated Rights (Wales) Bill this will enable more properties to be retained as social housing by local authorities. This will enable Local Authorities to be better placed to assist those people in housing need to be housed. Social housing should be available for those who are most in need and who are unable to afford or access other housing options, rather than a subsidised route to home ownership.
2. It would reduce the loss of social housing especially in rural areas. In the past 5 years, the local authority's housing stock has reduced by 118 properties. These sales have mostly been in areas of high demand.
3. By removing the Right to Buy it will help increase or at least maintain the amount of Council housing stock and reduce the reliance of the private rented sector.
4. It will help to prevent fraudulent or illegal sales to people who may assist with a purchase purely to rent out for their own personal financial gain.

5. Following the review of the Housing Revenue Account Subsidy System (HRAS) and the introduction of self-financing, this has given Local Authorities the resources to reach the Welsh Housing Quality Standard (WHQS) and allow authorities borrowing to be allocated for new build. If the Right to Buy was to continue, new or transferring tenants moving into new build Council housing or Council-led housing developments would be allowed to exercise their Right to Buy. This would in turn reduce the total housing stock as well as reduce the options and opportunities for the provision of affordable housing. There is concern that Local Authorities building new homes will lose them through the Right to Buy within a relatively short period and this would discourage authorities from building their own council housing with Housing Revenue Account funds.
6. The authority's current Housing Revenue Account Business Plan 2017/18 has assumed that there will be no Right to Buy receipts from 2018/19 onwards so there would be no financial impact on the authority if the Bill is approved.
7. A range of housing options are being made available dependent on a person's circumstances and affordability. If the Right to Buy were to be abolished there are still other routes into affordable housing and affordable home ownership (e.g. by the abolition of the Right to Buy this may compliment and support other housing options including intermediate rent, affordable housing, etc.).
8. Under the current Right to Buy scheme, some tenants may have only been able to purchase their property due to the maximum discount of £8,000 being offered. In the long term, these households may not have the sustainable income in order to maintain mortgage payments or the financial resources to maintain and improve the property. If the Right to Buy is abolished it may reduce the risk of inappropriate mortgage lending and number of repossession cases.
9. It may encourage those who can afford to rent or who are able to buy on the open market with alternative assistance i.e. purchase affordable housing or use Help to Buy Wales, to do so.
10. It will provide good quality social housing with security of tenure for people who are unable to purchase their own property.

#### Duty to Provide Tenants and Prospective Tenants with Information

11. The provision of a document to authorities containing information for tenants and prospective tenants to understand the effects of the Act is welcomed. This will ensure that all tenants/prospective tenants are notified of the change and that information provided will be consistent across Wales.

#### Potential Barriers to the Implementation of the Bill's Provisions

12. During the one year notice period after Royal Assent of the Bill, there may be a significant increase in the number of Right to Buy applications received by authorities. Authorities may experience some difficulties in processing and dealing with such requests due to staff resources.

## **Ymgynghori ar y Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru)**

Mae'r Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau yn cynnal ymholiad ar egwyddorion cyffredinol y Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru). Cylch gorchwyl y Pwyllgor yw ystyried:

1. Egwyddorion cyffredinol Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru) a'r angen am ddeddfwriaeth ar gyfer cyflawni bwriad y polisi a nodwyd e.e. i warchod cyflenwad tai cymdeithasol rhag erydiad pellach o ystyried y galw mawr a phrinder cyflenwad.
2. darpariaethau'r Bil mewn cysylltiad â:
  - chyfyngu ar weithredu'r hawl i brynu a'r hawl i gaffael (adrannau 2 i 5);
  - diddymu'r hawl i brynu a'r hawliau i gaffael (adran 6);
  - cael gwared ar y pŵer i Weinidogion Cymru i wneud grantiau disgownt (adran 7); a'r
  - ddyletswydd i ddarparu gwybodaeth i denantiaid a darpar denantiaid.
3. unrhyw rwystrau posibl i weithredu darpariaethau'r Bil, ac a yw'r Bil yn eu hystyried,
4. pa un a oes unrhyw ganlyniadau anfwriadol yn codi o'r Bil, a
5. goblygiadau ariannol y Bil (fel y nodir yn Rhan 2 o'r Memorandwm Esboniadol).

### **Gwneir y sylwadau canlynol mewn perthynas â'r uchod:**

#### **Egwyddorion Cyffredinol y Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru)**

1. Os rhoddir caniatâd i'r Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru) bydd hyn yn galluogi i fwy o eiddo gael eu cadw fel tai cymdeithasol gan awdurdodau lleol. Bydd hyn yn galluogi Awdurdodau Lleol i fod mewn lle gwell i gynorthwyo'r bobl hynny sydd angen tai i gael tŷ. Dylai tai cymdeithasol fod ar gael i'r rhai sydd eu hangen fwyaf ac sy'n methu fforddio neu gael mynediad i opsiynau tai eraill, yn hytrach na llwybr cymhorthdal i berchnogaeth tŷ.
2. Byddai'n lleihau colli tai cymdeithasol, yn enwedig mewn ardaloedd gwledig. Yn ystod y 5 mlynedd diwethaf, mae 118 yn llai o eiddo yn stoc tai'r awdurdod lleol. Mae'r gwerthiant wedi bod yn bennaf mewn ardaloedd lle mae'r galw yn uchel.
3. Trwy gael gwared ar yr Hawl i Brynu, bydd yn helpu i gynyddu neu o leiaf cynnal nifer stoc tai y Cyngor a lleihau'r ddibyniaeth ar y sector rhentu preifat.
4. Bydd yn helpu i atal gwerthu twyllodrus neu anghyfreithlon i bobl a all helpu gyda phrynu i rentu ar gyfer eu helw ariannol personol eu hunain.
5. Yn dilyn yr adolygiad o'r System Cymhorthdal Cyfrif Refeniw Tai (HRAS) a chyflwyno hunan-ariannu, mae hyn wedi rhoi'r adnoddau i Awdurdodau Lleol i gyrraedd Safon Ansawdd Tai Cymru (SATC) a chaniatáu i fenthycu gan awdurdodau gael ei ddyrannu ar gyfer adeiladu o'r newydd. Os bydd yr Hawl i Brynu yn parhau, byddai tenantiaid newydd neu rai sy'n symud i dai Cyngor sydd newydd eu hadeiladu neu ddatblygiadau tai dan arweiniad y Cyngor yn

cael yr hawl i ymarfer eu Hawl i Brynu. Byddai hyn yn ei dro yn lleihau cyfanswm y stoc dai yn ogystal â lleihau'r dewisiadau a'r cyfleoedd ar gyfer darparu tai fforddiadwy. Mae pryder y bydd Awdurdodau Lleol sy'n adeiladu cartrefi newydd yn eu colli drwy'r Hawl i Brynu o fewn cyfnod cymharol fyr a byddai hyn yn atal awdurdodau rhag adeiladu eu tai cyngor eu hunain gyda chronfeydd Cyfrif Refeniw Tai.

6. Mae Cynllun Busnes Cyfrif Refeniw Tai presennol 2017/18 yr awdurdod wedi cymryd yn ganiataol na fydd unrhyw dderbyniadau Hawl i Brynu o 2018/19 ymlaen, felly ni fyddai unrhyw effaith ariannol ar yr awdurdod os caiff y Bil ei gymeradwyo.
7. Mae ystod o opsiynau tai ar gael yn dibynnu ar amgylchiadau unigolyn a fforddiadwyedd. Os bydd yr Hawl i Brynu yn cael ei ddiddymu mae llwybrau ar gyfer tai fforddiadwy a pherchentyaeth fforddiadwy (ee trwy ddiddymu'r Hawl i Brynu gall hyn ategu a chefnogi opsiynau tai eraill gan gynnwys rhent canolradd, tai fforddiadwy, ac ati).
8. O dan y cynllun Hawl i Brynu presennol, mae'n bosibl bod rhai tenantiaid ond wedi gallu prynu eu heiddo oherwydd y gostyngiad uchaf o £8,000 yn cael ei gynnig. Yn y tymor hir, efallai na fydd gan yr aelwydydd hyn yr incwm cynaliadwy er mwyn cynnal taliadau morgais neu'r adnoddau ariannol i gynnal a gwella'r eiddo. Os bydd yr Hawl i Brynu yn cael ei ddiddymu gall leihau'r risg o fenthyca amhriodol ar gyfer morgeisi a nifer yr achosion o adfeddiannu.
9. Efallai y bydd yn annog y rhai sy'n gallu fforddio rhentu neu sy'n gallu prynu ar y farchnad agored gyda chymorth arall e.e. prynu tai fforddiadwy neu ddefnyddio Helpu i Brynu Cymru, i wneud hynny.
10. Bydd yn darparu tai cymdeithasol o ansawdd da gyda sicrwydd deiliadaeth i bobl nad ydynt yn gallu prynu eu heiddo eu hunain.

#### Dyletswydd i Ddarparu Gwybodaeth i Denantiaid a Darpar Denantiaid

11. Mae darparu dogfen i awdurdodau sy'n cynnwys gwybodaeth i denantiaid a darpar denantiaid i ddeall effeithiau'r Ddeddf yn cael ei groesawu. Bydd hyn yn sicrhau bod pob tenant/darpar denantiaid yn cael eu hysbysu am y newid a bydd y wybodaeth a ddarperir yn gyson ar draws Cymru.

#### Rhwysterau Posibl i Weithredu Darpariaethau'r Bil

12. Yn ystod y cyfnod rhybudd o flwyddyn ar ôl Cydsyniad Brenhinol i'r Bil, efallai y bydd cynnydd sylweddol yn y nifer o geisiadau Hawl i Brynu a ddaw i law gan yr awdurdodau. Gall Awdurdodau brofi rhai anawsterau wrth brosesu ac ymdrin â cheisiadau o'r fath oherwydd adnoddau staff.