

Business Support Overview and Scrutiny Committee

BRIEFING NOTE – No 5/17

Date: September 2018

Briefing paper to: All Members of the Business Support Overview & Scrutiny Committee

Purpose: At the meeting of the Business Support O&S Committee on 13 April 2017 Members requested a briefing note on the reasons for the 29% reduction in the number of social housing units becoming available for let

Heading: **Reduced Number of Social Housing Lets**

Background

The reduced number of social housing lets through Homechoice is due to a number of reasons, these include:

Regeneration – a number of sites have been identified for regeneration and some of these are replaced with social units through shared ownership instead of social rented lets, therefore decreasing the number of social rented properties to be advertised. When MHS Homes were decanting some of their properties ready for demolition, they had to move their tenants through social moves outside of the Homechoice system, which has also contributed to the reduction in lets.

Right to buy – with social housing units being sold quicker than they can be replaced, this has caused a reduction in stock and properties available to let. The announcement of right to buy being applied to all affordable housing providers presented a risk to providers. This meant they were more risk adverse in build programs for new affordable housing provision also causing some providers to merge to minimise risk as well as disposing of assets.

Rent reduction – all Councils and affordable housing providers were subject to rent reduction, meaning they had to reduce the cost of the rent charged to tenants. This then left a gap in the budget and less money to be able to build.

Government affordable homes grant – During April 2016 to 2017 no grant was made available to build affordable homes and as such the delivery of affordable homes were significantly reduced. 187 units were delivered in 2014/15, 187 in 2015/16 but falling to 91 in 2016/17.

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