Policy Fact Sheet: Disposal of Vacant High Value Social Housing

*This fact sheet is designed to give Members of Parliament further information about the aims of the Housing and Planning Bill, and how ministers intend each individual policy to work in practice. If you have any questions you would like to ask, please email* *Brandon.Lewis@communities.gsi.gov.uk*

**What is the Bill hoping to achieve?**

The Housing and Planning Bill will require local authorities to make a payment to Government based on the estimated value of their high value vacant housing, to encourage efficient management of housing assets and to fund the proposed extension of the Right to Buy to Housing Association tenants.

The legislation will not mandate which specific properties the local authority will be required to sell. A portion of the funds will be use to build new homes which reflect the housing need.

**Why is legislation needed, and how can Members influence the details?**

We are legislating to require councils to make a regular payment to the Government in respect of their vacant high value housing. The Housing Bill will set out the framework needed to achieve this. Details of the definition of ‘high value’ and the types of housing that may be exempted from being sold will be set out in secondary legislation. We will continue to engage closely with local authorities and other stakeholders on these matters.

**How do we see this working in practice?**

Government will consult local authorities about the proposed formula and the payment to be made in respect of their estimated high value assets sales.

Local authorities will be expected to sell their high value housing as it falls vacant to make this payment. Local authorities have indicated that there may be local circumstances when they would not wish to sell an individual high value property; consequently, we envisage that they will have discretion to sell an alternative property that falls vacant, providing that the payment is made to Government. In addition to meeting the cost of the payment to Government, a proportion of the receipts from sold properties will be used to meet local authorities’ transaction costs and debt supported by those properties. Additionally, a portion of the funds will be use to build new homes which reflect the housing need.

**Some key facts, initial reactions, and answers to questions you may find helpful.**

***What is the definition of ‘high value’?***

We are currently in the process of updating data that will be used to help inform the high value threshold, which will be a key element of the high value definition.

***What effect will this policy have on housing supply?***

A key part of this policy is to release the value locked up in vacant high value housing assets in order to build more homes. A portion of receipts generated from sales will be used to build more homes to increase overall housing supply.

***Will this policy affect all councils?***

This policy will affect the 165 councils that own their own housing and operate a Housing Revenue Account. This covers a total of around 1.6 million council homes.

***How much money do you expect to raise from the policy?***

The amount of receipts raised will depend on a number of factors, including how we define high value, and will be set out once the secondary legislation is published.

***Will councils be required to sell off all their assets?***

Councils will be required to make a payment to Government in respect of their high value vacant housing. They will have discretion about whether individual properties are sold as they become vacant.