



Department for
Communities and
Local Government

Members of the House of Lords

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Dear Colleagues,

Housing and Planning Bill: High Value Assets

We are meeting this afternoon to debate clauses in the Housing and Planning Bill about High Value Assets. Before we meet I wanted to set out how we have listened to the arguments put forward at Committee by noble Lords across the House and how we will be reflecting those.

At the heart of this policy and bill is the desire to build more homes that meet the needs of local communities. I am clear that we should be building at least one new affordable home for each dwelling that is sold. That has always been our policy, and it's a point which has been reinforced by compelling arguments made by Lords from across the chamber. I will speak further this afternoon about how we might reflect that on the face of the bill.

Of course, different areas have different needs, and local communities, led by local authorities, are best placed to set out those needs. Reflecting this diversity and respecting the views of local people and local leaders is at the heart of Government's drive for localism. Noble Lords have made powerful arguments about the important role of local authorities in making the case for the right balance of housing in their area, and the obligation on Government to take that into account when making agreements to deliver new homes. I look forward to debating this further this afternoon and will consider how we might reflect this intention on the face of the bill.

Throughout the debates on these clauses, noble Lords have been keen to understand how these provisions will work in more detail and in particular what we mean by 'high value housing'. Many noble Lords, for instance, were concerned about the potential impact on areas of very high housing value across the country, where a very high proportion of local authority homes could be considered as high value under the current definition.

I have reflected on these considered arguments by noble Lords carefully and will be moving amendments today which allow a more localist approach to be taken, by referring to "higher" rather than "high" value. This means that 'higher value' could be defined in a bespoke way for each local authority by reference to the homes it owns. It would mean that, for example, within London boroughs, and other expensive property areas, only a proportion of the housing stock could be defined as higher value, even if all of their homes could be

considered high value when compared to house prices in the wider region.

Many of you have raised particular concerns about the impact on rural areas and the different housing pressures in some rural areas. Our overall framework is intended to be sensitive to the different needs of different areas and I will say more in the House this afternoon about how we will do that. In particular I will explain how we intend to use regulations to ensure that homes in Areas of Outstanding Natural Beauty and National Parks are not included.

Finally, I recognise that Noble Lords are keen to give the fullest scrutiny to the regulations which implement this policy, in particular through the definition of higher value. I will therefore explain this afternoon that these regulations will be subject to the affirmative procedure, and I look forward to debating the detail of them at the appropriate time.

I look forward to continuing the debate this afternoon.

I will arrange for a copy of this letter to be placed in the House Library as well as copies to be made available in the printed paper office.

A handwritten signature in cursive script that reads "Williams of Trafford". The signature is written in dark ink and is centered on the page.

BARONESS WILLIAMS OF TRAFFORD