

Application to Welsh Government for a Direction to Suspend the Right to Buy and Right to Acquire



The County Council of the City and County of Cardiff



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Section 1 – Introduction & Summary

The population of Cardiff has increased significantly over recent years and is projected to increase by 113,102 (32.7%) to 458,544 by 2036. The city is experiencing housing pressure across all types and tenures of housing. In particular, there is a high level of need for affordable housing.

The council-owned social housing stock in the city has decreased from 23,000 in 1985 to 13,807, mostly due to Right to Buy sales. The total affordable housing stock in the city owned by council and housing associations is 25,455.

The Local Housing Market Assessment for Cardiff (2015) has shown a need for an additional 10,120 affordable homes over 5 years. Cardiff is proactive in encouraging the development of affordable housing, with an ambitious council house build programme and proactive partner Registered Social Landlords. Despite this commitment from all partners to maximise affordable housing development, it is estimated that only 4,220 homes will be built over the 5 years, leaving a **shortfall of 5,900 affordable homes**.

The Local Housing Market Assessment has also highlighted a decrease in homeownership in Cardiff from 69.2% (2001) to 59.8% (2011), emphasising the increasing importance of affordable rented accommodation in the city.

Snapshot of Housing Need in Cardiff

- There are **8,878** applicants on the Common Waiting List
- The council receives **450 new applications** for housing each month
- **2,700** families are living in severely overcrowded homes
- **2,400** people have a medical need which makes their current home unsuitable; this includes people with terminal or life-threatening illnesses.
- **549** disabled people are waiting for adapted homes
- **600** homeless households are living in temporary accommodation or hostels, this includes **378 families**.

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Despite the number of new build properties, social housing lets have been falling in recent years due to reduced number of properties becoming vacant and fewer properties becoming available for re-let. The number of relets fell by 205 between 2013/14 and 2015/16.

In response to this need, in November 2016 the Council's Cabinet agreed to carry out public consultation on whether the Council should apply for a suspension of the Right to Buy / Right to Acquire scheme. 2,785 individuals responded to the consultation with a good range of responses from different tenure types. There was also a good level of response from those with an ethnic minority background and from those with a disability.

57.2% of those who responded to the consultation agreed with the proposal.

Given the great pressures on affordable housing in the City and the positive response to the public consultation, the City of Cardiff Council requests a direction from Welsh Government to suspend the Right to Buy / Right to Acquire scheme.

The purpose of this report is to set out the detailed evidence to support Cardiff's application to suspend the Right to Buy / Right to Acquire scheme through the whole of the county for all housing types, initially for five years.

Section 2 - Housing Need

Local Housing Market Assessment

A new Local Housing Market Assessment for Cardiff was completed in 2015. David Couttie Associates (DCA) were commissioned to undertake a new comprehensive study of current and future housing demand and housing need. The assessment included an extensive review of existing robust data sets and a postal survey which was sent to 12,760 households in Cardiff across 29 wards. An additional 500 face to face interviews were carried out, targeted at the 17 most deprived wards in the city where it was anticipated there would be a low survey response rate.

The assessment identified high levels of housing need and a significant change in the role that the private rented sector plays in the housing stock.

The table below shows the shift in tenure in Cardiff since the 2011 census. Owner-occupation now accounts for 59.8% of the city, significantly lower than the 2001 Census data where 69.2% were owner-occupiers. In addition, the private rental sector has doubled since 2001 from 11.1% to 22.6%. The private rented sector is now larger than the social sector which only marginally increased over the period.

Change to Tenure in Cardiff since 2001

Tenure	2001 Census %	2011 Census %	2015 Survey %
Owner Occupation	69.2%	59.2%	59.8%
Private Rent	11.1%	21.9%	22.6%
Council Rent	10.4%	9.5%	9.4%
RSL Rent	6.4%	7.6%	7.4%

Source Census 2001 & 2011 & Local Housing Market Assessment Household Survey 2015

The main reasons for the significant change in tenure balance is the fall in first time buyers due to affordability issues, resulting in an increase in young households in the private rented sector. This along with the growth of Buy to Let as an investment and

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the growth in the student market has seen the private rented sector increase substantially.

Income levels in Cardiff

Income, and particularly household income, is one of the fundamental determinants of the ability of households to own their own home or access the market rented sector. The incomes (total annual gross household income i.e. head of household and their partner) in this section are based on data from the household survey undertaken as part of the Local Housing Market Assessment.

The Local Housing Market Assessment 2015 shows that 39.1% of existing households have incomes below £20,000 per annum, with 53.1% having incomes below £27,500. 50.6% of households have earnings below the UK average of £26,135 per annum.

For concealed households - that is newly forming households that are planning to move over the next 2 years - the percentage of households on income below £20,000 per annum is even higher at 49.9%. 63.2% of concealed households earned below the UK average level of £26,135. Low incomes, coupled with a low level of savings are hindering access to the market for concealed households.

The following table shows the levels of rent / mortgage new forming households would be able to pay per calendar month (pcm).

Rent / mortgage levels achievable

Rent / Mortgage	%	Cum %
Below £57pw / £250pcm	14.8	14.8
£57 - £80pw / £250 - £350pcm	16.7	31.5
£81 - £103pw / £351 - £450pcm	15.6	47.1
£104 - £127pw / £451 - £550pcm	24.5	71.6
£128 - £150pw / £551 - £650pcm	19.7	91.3
£151 - £173pw / £651 - £750pcm	2.5	93.8
£174 - £196pw / £751 - £850pcm	3.3	97.1
Above £196 / £850pcm	2.9	100.0

Source: Household Survey Data 2015

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- 71.6% of concealed households were able to pay no more than £550 pcm and 91.3% no more than £650 pcm for accommodation.
- Around 19% of concealed households said they would be likely to claim Housing Benefit.

Cost of Home Ownership

The data shows that Cardiff had the highest house prices in Wales during Quarter 1 of 2015/16, around 31% higher than Mid & West Wales and 24% higher than South Wales (West).

The average price for a flat / maisonette in Cardiff in Quarter 4 2014/15 was £142,888; the average price of a terraced property was £179,879.

Entry-level stock in the City is considered to be flats. Property prices start at £79,950 for a one bedroom flat in the East / West sub-area. This would require an income of £21,700 per annum. 53.6% of newly forming households in the city earn less than this amount.

The need for a significant deposit is also a major factor in preventing access to the market. In Cardiff, the deposit for a two bedroom terraced house ranges from £9,950 to £15,500 and the deposit needed for an entry-level 1 bedroom flat ranges from £8,000 to £10,000.

87.2% of new forming households had less than £10,000 in savings with 71% having savings of less than £5,000 and 49.4% less than £1,000. Therefore, unless significant support is available, these households will find it very difficult to access the housing market.

Access to the private rented sector is also restricted by cost. 47.1% of all newly forming households can afford to pay no more than £450 per calendar month in rent and 31.5% can afford no more than £350 per calendar month. The private rented

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sector entry level rents start from £430 per month for a 1 bedroom flat and £595 per month for a 2 bedroom flat.

Demand for Affordable Housing in Cardiff

Welsh Government Population Projections indicate that from 2011 to 2036, Cardiff's population will increase by 113,102 (32.7%) to 458,544.

The Affordable Housing Need Figure calculated as part of the Local Housing Market Assessment shows a housing need for 2,024 additional affordable properties each year for 5 years from 2015. This gives a total need for 10,120 affordable homes over the period.

The assessment of need was calculated in line with WLGA guidance '*Modelling Future Housing Requirement*'.

The Common Waiting List

Information from the Common Waiting List supports the growing need for affordable homes in Cardiff.

The Council manages the Common Waiting List for social housing in Cardiff, on behalf of its own housing and that of the following 7 Registered Social Landlord (RSL) partners:

Cardiff Community Housing Association: Cadwyn Housing Association: Taff Housing Association: United Welsh Housing Association: Wales & West Housing Association: Hendre Housing Association: and Linc Cymru Housing Association.

Much work has been carried out in recent years to ensure that the Waiting List is as accurate and up to date as possible. All applicants are screened on an annual basis with applicants being contacted on the anniversary of their registration. If applicants do not respond to the letter or to the subsequent reminder, they will be removed from

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the waiting list. Once removed from the list, the applicant will be required to complete a new application which will generally be treated as a new application.

In addition, all applicants for the Housing Waiting List have an interview with a Housing Solutions Officer in a local HUB where advice is given about other housing options to ensure that the Housing Waiting List is the best option for them.

Despite this activity, the number of applications on the Housing Waiting List remains very high as shown in the table below. Demand significantly exceeds supply.

The council receives **450 new applications** for housing each month

- **2,700** families are living in severely overcrowded homes
- **2,400** people have a medical need which makes their current home unsuitable, this includes people with terminal or life threatening illnesses.
- **549** disabled people are waiting for adapted homes
- **600** homeless households are living in temporary accommodation or hostels, this includes **378 families**.

Numbers of Applicants on the Common Waiting List

Year	Waiting List
April 2013	9,904
April 2014	9,618
April 2015	10,942*
April 2016	8,878

* Improved screening of the list commenced.

In April 2016, there were 8,878 applicants on the Housing Waiting List. The largest group of applicants are those waiting for 1 and 2 bedroom properties. While there

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are fewer households waiting for larger properties, the number becoming available is considerably lower with only 21 4-bedroom properties becoming available in 2015/16 and only 1 5-bedroom property. As a result, there is considerable unmet demand across all sizes of property.

Analysis of the Housing Waiting List by Property Size

Property	Number on Waiting List	% of Waiting List	Number of Lets per Year 2015/16
1 Bed	4,461	50.2	723
2 Bed	2,542	28.6	536
3 Bed	1,252	14.1	225
4 Bed	400	4.5	21
5 Bed	223	2.5	1
Total	8,878	100	1,506

There is demand across all areas of the city as can be seen at Appendix A. This shows, by area and property size, the number of applicants waiting compared to the number of properties that have become empty for letting over the year 2015/16.

Examples of typical applicants on the Housing Waiting List

Mrs F is 30 years old and lives with her partner and 2 children in a 1 bedroom, second floor maisonette. Mrs F has incurable, life-limiting cancer and has difficulty managing the stairs both to access the accommodation and within the accommodation. The family currently all sleep within one room and require accessible and larger (2 bedroom) accommodation. Mrs F is in Band A of the waiting list.

Ms J lives in a 1 bedroom first-floor flat with her 3 children; a boy aged 1 year and 2 girls aged 10 and 3 years. The family are overcrowded by 2 bedrooms. Ms J is in band Bi of the waiting list.

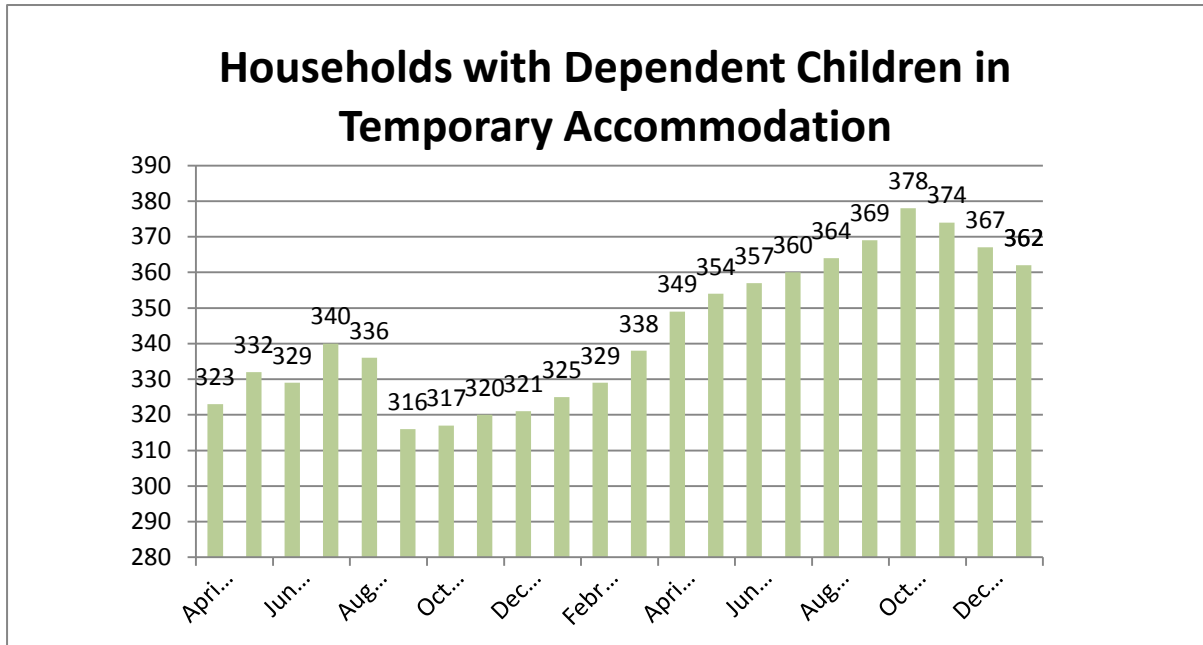
Homelessness

The numbers of homeless presentations in Cardiff is increasing year-on-year. All those presenting as homeless receive advice and support from the Housing Options Centre and local Hubs with a view to providing early intervention for Homeless Prevention. This includes mediation and assistance to access a home through the private rented sector or social lettings agencies operated by local housing associations.

Numbers presenting as Homeless

Year	Numbers Presenting as Homeless
2012/13	2,408
2013/14	3,742
2014/15	3,963
2015/16	3,864

The number of households in Temporary Accommodation has increased steadily since January 2016, increasing from 537 households to 603 households in November 2016. The number of families in temporary accommodation has also increased significantly rising from 325 to 362 over the same period as the graph below shows. Welfare Reform and private sector landlords leaving the rental market are thought to be the cause of the increase.



The Benefit Cap

From January, the Benefit Cap is being reduced and nearly 800 families in the city will be affected. Those most affected will be those families with the largest number of children, many of which are currently living in the private rented sector. These families will be unable to afford the higher rents in this sector. While much is being done to encourage these households to return to work with proactive use of the Discretionary Housing Payments to incentivise and support into work activities, it is inevitable that this change will further increase family homelessness.

Rough Sleeping

Cardiff has the highest level of rough sleeping in Cardiff with more than 60 individuals sleeping on the street. This number has doubled since 2014 and there are increasing numbers of individuals with complex needs and with no right to recourse to public funds becoming street homeless.

While Cardiff does have access to a good range of hostel accommodation for single homeless, the lack of affordable options for this group has resulted in this provision being constantly full, with waiting lists even for emergency floor space. The Council is developing a Rough Sleeping Strategy with a range of actions to address this. However, the underlying cause is a lack of affordable properties in Cardiff.

Section 3 - Availability of Affordable Housing

Council & Housing Association Stock

The number of Council and Housing Association properties eligible for the Right to Buy / Acquire scheme in Cardiff is as follows.

	Total Stock	Not Eligible for RTB	Eligible for RTB
Council	13,466	998	12,809
Cardiff Community HA	2,813	1,725	1,088
Taff HA	1,354	786	568
Cadwyn	1,253	788	465
United Welsh HA	1,081	716	365
Wales & West HA	2,765	2,418	347
Linc Cymru HA	1,204	981	223
Hafod HA	1,178	972	206
Total	25,114	9,372	15,742

Of the total 25,114 properties listed above, 9,372 are not eligible for the Right to Buy / Acquire scheme. This includes properties designated for older persons over 60 years of age or extra care and therefore exempt from the Right to Buy / Acquire scheme.

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Lettings

Year	Number on Common Waiting List*	Council Allocations	Housing Association Allocations	Total Allocations (Lettings)	Total Ratio
2013-14	9,618	897	814	1,711	1:6
2014-15	10,942*	943	702	1,645	1:6
2015-16	8,878	796	710	1,506	1:6

*Improved screening put in place

Welsh Government figures indicate that the average ratio of Applicants to Lettings within Wales is currently between 1:4 and 1:5. The ratio in Cardiff has consistently been 1:6, which is above the national average.

The number of properties becoming available for re-letting has been decreasing over recent years, with 205 fewer properties available to let in 2015/16 compared to 2013/14. This reduces the number of properties that are available to offer to applicants on the waiting list.

APPENDIX A shows the numbers of applicants waiting for properties by size across each area of the city along with the number of properties that have become vacant over a 12-month period.

Section 4 - Making the Best use of Affordable Housing

Common Waiting List & Allocations Policy

Cardiff Council operates a common waiting list used by the 7 main housing associations operating in the city. The partners also operate a joint Allocations Policy to ensure that social housing is used in a consistent and fair manner.

The joint Allocations Policy was introduced in January 2015 and ensures that those applicants with the highest need are prioritised for accommodation. All applicants are placed into bands based on their level of need. Time spent on the waiting list is only taken into account within the band, ensuring that applicants cannot gain priority simply by having been on the list for a long time. Allocations are made to suitable applicants in the highest need band.

Encouraging Downsizing

Social Housing Tenants who wish to move to a smaller property are given priority for rehousing. This assists those affected by the Bedroom Tax and older people seeking more suitable accommodation. Encouraging downsizing also has the advantage of freeing up much needed family accommodation and helping to address overcrowding. There are 2,700 families in the city who are living in overcrowded homes. The Council is currently developing a “Tackling Overcrowding” action plan which will include the provision of additional assistance to those who want to downsize as well as personalised advice to overcrowded families.

Exchanges

All tenants of the Council and Registered Social Landlords have access to HomeSwapper, the online mutual exchange service. This allows those who have been tenants for more than 12 months to move to a property that best suits their needs. The service is accessible through the tenant’s own personal computers or free of charge in the Council’s multi-service access HUBs.

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The Council has been keen to maximise the use of HomeSwapper for all tenants who wish to move but in particular those tenants who have been affected by Welfare Reform. The scheme has been promoted via the Council's Tenants Times quarterly magazine and in the respective Registered Social Landlord's magazine(s). Tenants are given advice and support at local HUBs to assist in using the scheme including registration and uploading photographs of their property. Tenants can search for potential swaps via location, number of bedrooms, rent, property type and whether the property has been adapted.

As at July 2016 there were 1,177 Council tenants registered on HomeSwapper. Over the past 4 years there have been 2,067 mutual exchanges between Council and RSL Tenants.

Mutual Exchanges

Year	Council	RSL	TOTAL
12/13	336	202	538
13/14	396	197	593
14/15	276	160	536
15/16	260	140	400
TOTAL			2,067

Section 5- Increasing the Supply of Affordable Housing

The Council works closely with its Registered Social Landlord partners to make the most of all opportunities to increase the supply of affordable housing in Cardiff. The table below shows the completions for new affordable housing since 2011.

Affordable Housing Completions

Year	2011/12	2012/13	2013/14	2014/15	2015/16	Total
Completions Social Rented	87	55	142	138	195	617
Completions Intermediate Rented	57	34	53	73	74	291
Completions Bed spaces	45	90	4	22	9	170
Total	189	179	199	233	278	1,078

In addition, it is anticipated that there will be the following completions in 16/17 and 17/18

Year	2016/17	2017/18	Total
Completions Social Rented	144	343	487
Completions Intermediate Rented	112	51	163
Completions Bed spaces	40	0	40
Total	296	394	690

Making Best Use of Welsh Government Funding

Social Housing Grant

In order to support the delivery of new social rented and intermediate rented properties Cardiff has had an indicative allocation of Social Housing Grant of £4.2 million. The 4-year grant programme is flourishing and is heavily oversubscribed with proposed new Registered Social Landlord developments in the City. The program for 2017/18 has an indicative Social Housing Grant allocation of £8.45 million which is fully subscribed. The program for the following 2 years at £4.2 million is also fully allocated and is currently oversubscribed by £15 million. In recent years Cardiff has attracted additional grant funding that has become available for example from 'smaller properties' and 'economic stimulus' funding as well as general slippage and additional Welsh Government Funding.

The Grant spend for the past 5 years is shown below

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Social Housing Grant Out-Turn	£7,258,500	£7,563,156	£8,195,494	£8,408,298	£9,211,392

Housing Finance Grant 1

£9.3million of the Housing Finance Grant loan facility developed by Welsh Government in 2013 has been utilised by Cardiff's Registered Social Landlord partners to make best use of all available finance options. This has enabled Social Housing Grant funding to go further, with mixed use funding in some schemes.

Housing Finance Grant 2

Housing Finance Grant 2 is a new loan facility that is being brought forward by Welsh Government. There is an indicative allocation of £11.6 million pounds for Cardiff for 3 years from 2017/18. This is available for Registered Social Landlord partners. In 2018/19, there will be an additional indicative allocation of £8.5 million for council new build schemes will also be available. The Council and partners are working to develop schemes which will fully utilise these amounts.

Council House Building Programme

Housing Partnership Programme (HPP) – Cardiff Living

The City of Cardiff Council is taking forward its Housing Partnership Programme - branded as 'Cardiff Living' which will deliver c1600 properties on development sites over a 10-year period. 40% (640) of properties will be affordable housing with 85% of them in the form of social rented and 15% as Assisted Home Ownership shared equity. The remaining 60% of properties developed will be for market sale.

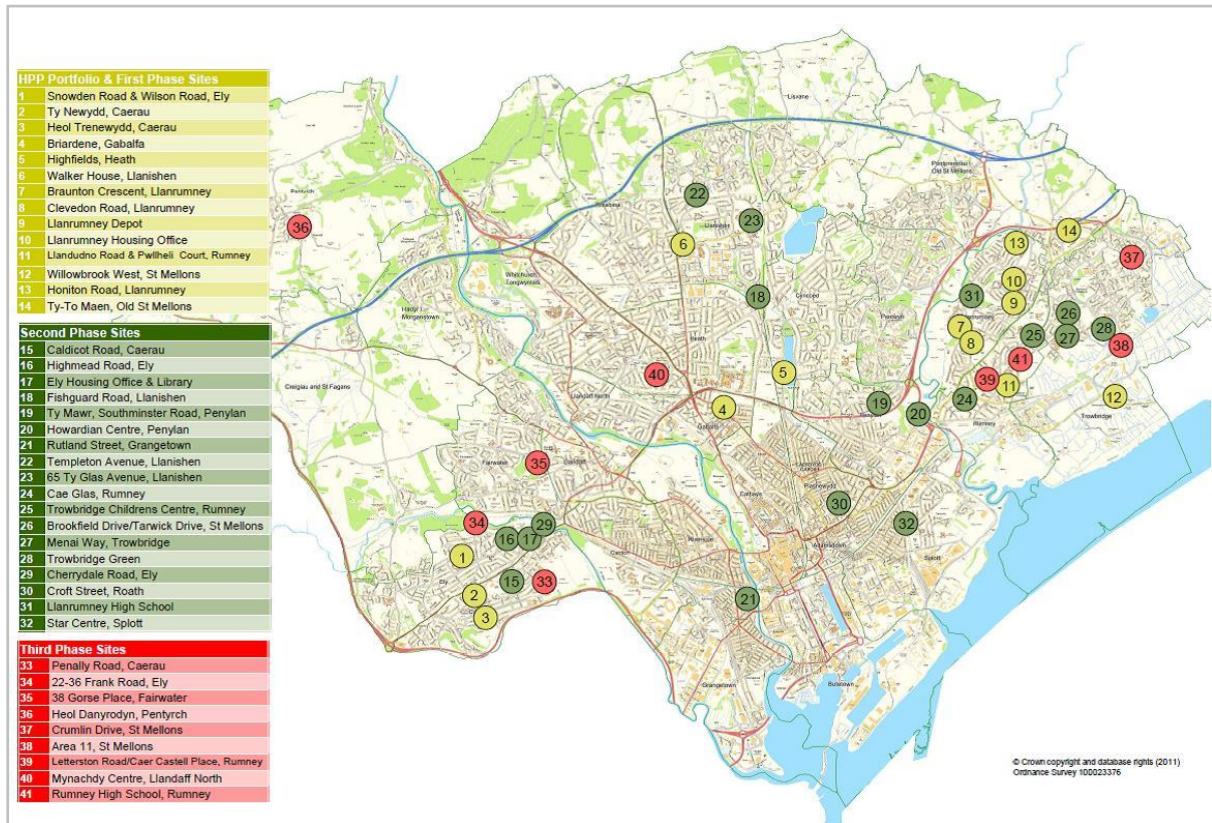
The programme will include the demolition of some outdated stock which no longer meets needs to be replaced by a range of up-to-date properties meeting a new Cardiff Standard. A number of Passive House properties will be included in the programme.

New Council House Building Programme

The council is developing an additional build programme and is currently exploring the options on 4 sites across the city. It is anticipated that some of these schemes will be supported by Housing Finance Grant 2 and have the potential to deliver 100 units over 5 years.

The map below shows the locations of sites to be delivered through the Cardiff Living Scheme

Cardiff Living (Housing Partnership Programme) Sites



Other Methods to Increase Supply

Intermediate Rent

With the aim of maximising the number of affordable properties that can be delivered on new housing schemes, Cardiff has developed an ‘Intermediate Rent’ product. Intermediate Rent level is defined as 100% of Local Housing Allowance including service charges in perpetuity.

This product reduces the amount of Social Housing Grant required on a Registered Social Landlord development or enables the Registered Social Landlord to pay slightly more to the developer when purchasing properties on section 106 sites, allowing a stronger viability on the scheme to achieve more units.

Local Development Plan

Cardiff Council Local Development Plan 2006-2026 was adopted in 2016. The Plan sets out the Local Planning Authority's policies for the future development and use of land within its administrative area and provides a measure of certainty about what kind of development will and will not be permitted during the Plan period.

Following a viability Assessment, undertaken by Peter Brett Associates as part of the Local Development Plan process and following Welsh Government Guidance to undertake a Local Housing Market Assessment, Cardiff currently undertakes the following Affordable Housing Planning Policy.

The Council will seek 20% affordable housing on Brownfield sites and 30% affordable housing on Greenfield sites in all residential proposals that:

- Contain 5 or more dwellings; or
- Sites of or exceeding 0.1 hectares in gross site area; or
- Where adjacent and related residential proposals result in combined numbers or site size areas exceeding the above thresholds, the Council will seek affordable housing based on the affordable housing target percentages set out above.

Affordable housing will be sought to be delivered on-site in all instances unless there are exceptional circumstances.

The Council is taking as many opportunities as is available to it to increase the amount of affordable housing. However, with the continuing high levels of need, development cannot keep pace with the demand.

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5 Year Affordable Housing Development Plan

The Cardiff Housing Strategy 2016-2021 set out a 5 year Plan to increase the supply of affordable housing over the period. This brings together all the affordable housing development planned in the city. The plan as it appears in the strategy is below:

Delivery Method	Description	Funding	Anticipated units
Social Housing Grant	This Welsh Government grant is a rolling 3 year programme for local authorities to assist RSLs to develop new social housing. The Council also holds details of further schemes that require identified funding. These 'Reserve Schemes' (totalling £15M) together with further 'Potential Schemes' (totalling £14 M), are used to estimate development opportunities for 2018-2020.	2015/16 - £4.1M 2016/17 - £4.2M 2017/18 - £4.2M 2018/19 - £4.2M 2019/20 - £4.2M	1000 units
Housing Finance Grant 2	A Welsh Government loan facility which can be accessed by RSLs and local authorities for the development of affordable housing in line with Welsh Government development criteria as set for Social Housing Grant. This will not be available until 2017-18, the details of which have not been finalised.	Equivalent capital subsidy of £16.7M	
Section 106 planning obligations	Large strategic sites will deliver the agreed mix of affordable and market properties as well as any community infrastructure such as roads, schools etc. Sites will also include the provision of specific accommodation for older persons, Learning Disabilities schemes and adapted housing for physical disabilities. Once negotiated, the delivery of these properties will be at the developer's timescales.	LDP TARGET over plan period 2013-2026. Para 4.153 = 554 affordable housing units pa	2770 units
Planning Gain (off-site contributions)	This will be used to bring forward schemes requiring funding, targeting specialist units or schemes that bring 'additionality'.	£1.7M	c25 units
Housing Partnership Programme	The first 5 years of this 10 year programme will deliver a mix of affordable (40%) and market properties on a package of sites of Council owned land in partnership with Wates.	circa £15M over the 5 year period	250 units
Additional HRA developments and refurbishment schemes	The Council is currently investigating opportunities to finance and undertake a second development programme to deliver new affordable housing. Council funded stock refurbishment schemes will also deliver new affordable housing units. Confirmed schemes include 150 Thornhill Road, Llanishen and Meteor Street, Adamsdown.	Future Planning Gain and potentially HFG2 and HRA Borrowing	c150 units
Re-purchase of flats/properties sold under Right To Buy	A protocol enabling the re-purchase of flats or houses previously sold through Right To Buy, or to purchase properties for specific housing requirements. Properties need to be in areas of demand and suitable for immediate re-let with vacant possession.	HRA Capital funding and Planning Gain	25 units
5 YEAR TOTAL			4220

The plan shows that the maximum affordable housing that is likely to be delivered in the city is 4,220 units. The Local Housing Market Assessment showed that 10,120 new affordable homes are required over the same period leaving a **shortfall of 5,900 affordable homes.**

Section 6 - Impact of Right to Buy / Acquire Impact

The table below sets out the Right to Buy / Acquire activity that has taken place since 2001/2 and projects the current level of activity over the next 3 years. If sales continue at the same rate, 69 properties will be lost over the next 3 years. To replace these properties has a potential cost of £194,200 (3 bed house –WG Acceptable Cost Guidance) per property.

The majority of properties sold are houses. In 2013/14, 7 of the 9 council properties sold were family houses and similarly in 2014/15, 15 of the 18 council properties sold were family houses. In 2015/16, 18 of the 19 council properties sold were houses.

Year	Council	RSL	Total
2001/02	323	7	329
2002/03	368	14	382
2003/04	457	19	476
2004/05	280	8	288
2005/06	85	4	89
2006/07	69	3	72
2007/08	29	3	32
2008/09	12	1	13
2009/10	13	1	14
2010/11	3	2	5
2011/12	7	1	8
2012/13	7	1	8
2013/14	9	2	11
2014/15	18	7	25
2015/16	19	5	23
2016/17	Projected	Projected	23
2017/18	Projected	Projected	23
2018/19	Projected	Projected	23

Sources Council & RSL data and WG Stats

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Sales of Council properties were very high between 2001 and 2007. However, in more recent years, sales have dropped as a result of changes to the Right to Buy / Acquire scheme, with increased residency criteria and capping of discounts. The most recent change occurred in 2015 when the discount was reduced to £8,000

The number of Right to Buy / Acquire sales has started to increase in recent years as mortgages have become more readily available with low interest rates.

Alternative Options for Potential Homeowners

The Council operates an Assisted Home Ownership Scheme which offers first time buyers in Cardiff the opportunity to buy an equity share property. The price of the property is usually 70% of market value with the council or housing association holding the remaining 30% value. There is no rent to pay on the 30% share. The Local Development Plan is proposing the development of 40,000 new homes which will enable the delivery of a significant number of additional Assisted Home Ownership homes on new build sites with the Cardiff Living development also potentially delivering an additional 90 homes. When the initial purchaser decides to move on, the property is again sold through the scheme enabling another first time buyer to take advantage of the opportunity.

The Council is also taking forward local area regeneration schemes, helping to facilitate the development of properties in more affordable areas which would not have otherwise been taken forward. These properties are at the lower range of market values and are more affordable to those on low incomes.

Section 7 - Consultation

Public consultation on the proposal to apply for suspension of the Right to Buy / Acquire scheme took place between 28th November and 31st December 2016. A personal letter, information sheet and survey form together with a stamped addressed envelope were sent to all council and housing association tenants and to all applicants on the Common Housing Waiting List.

A presentation was made at the Council's 'Tenants Voice' Meeting to raise awareness of and encourage participation in the survey. The survey was also advertised through the Council website and Cardiff Tenants' website and Local Housing Associations were encouraged to also advertise on their websites.

Responses to the Consultation

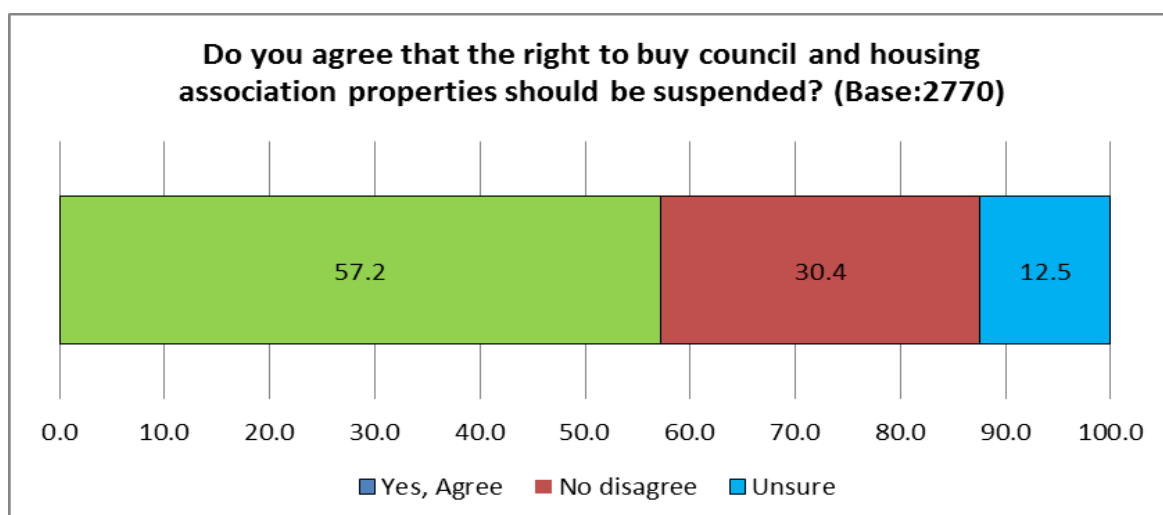
There was a good level of response to the consultation with 2,785 individual responses being received in total. Of these, 1,330 (48%) responses were from council tenants and 951 (34%) were from housing association tenants. Those on the housing waiting list were also well represented with 586 (21%) responses. 178 (6%) were neither a social tenant nor on the waiting list for housing, showing participation from the wider community.

Responses were received from a wide range of individuals: 1,120 (40.21%) identified themselves as having a disability and 428 (15%) as being from an ethnic minority background.

Results of the Consultation

57.2% of respondents agreed with the proposal to suspend the Right to Buy / Acquire scheme, 30.4% disagreed and 12.5% were unsure. The agreement was consistent across most groups including current council tenants (55.6%), housing association tenants (54.4%) and those on the common housing waiting list (60.2%).

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Agreement with the proposal was slightly lower for those respondents from an ethnic minority background, although of those who expressed an opinion, there was still a majority in agreement at 45.3% agreed, with 40.9% disagreeing and 13.8% undecided.

In terms of age, the proposals were most popular among older respondents including those over 66 years where 69.6% were in agreement. While for those between 25 and 45, only 40.6% agreed with 47.7% disagreeing and 11.7% undecided. The 25 to 45 age group was the only group to return a negative response to the proposals reflecting that this age group are more likely to want to buy their own home.

Numerous comments were received about the proposal with many respondents expressing support for the Council in taking this step. Of those who disagreed with the proposal, most expressed a desire to purchase their property or concern about the difficulty of getting on the property ladder. It will be important going forward therefore that other opportunities for homeownership are promoted effectively; including the Assisted Home Ownership Scheme.

In addition to the public consultation, information about the consultation and a request for comments were also sent to a range of partners and interested parties, including Councillors, Assembly Members, bordering local authorities and a wide range of support and equalities organisations. There was general support for the proposal amongst these partners.

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Overall the consultation was received very positively with a clear majority of respondents in favour of the proposal. It is therefore proposed that the application process to end the Right to Buy/ Acquire scheme is taken forward.

A report on the details of the respondents is attached at APPENDIX B.

Equality Impact Assessment

An Equality Impact Assessment has been undertaken and has been updated following the consultation undertaken during December 2016.

Where differential impacts have been identified they will be addressed through the further awareness raising of the Cardiff Assisted Home Ownership Scheme which enables first time buyers to purchase an equity share of a property in the scheme.

The Equality Impact Assessment is attached at APPENDIX C

Section 8 - Conclusion

Cardiff has high levels of housing need across all areas of the city and for all types and sizes of housing stock. The Local Housing Market Assessment 2015 shows a need for 2,024 additional affordable homes each year for 5 years. Despite the best efforts of the Council and its Registered Social Landlord partners to deliver more affordable rented housing, there will be a shortfall of 5,900 properties between supply and demand.

Given the considerable housing need across all areas and types of stock in the city, it is essential that the existing stock is retained and therefore the City of Cardiff Council request that a Direction is made for suspension of the Right to Buy / Acquire scheme across all stock for a period of 5 years.

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Comparison of Available Properties to Need Appendix A

Area	Availability of bedsits	Applicants under 35 bedsit need	Availability of 1 beds	Applicants 1 bed need	Availability of 2 beds	Applicants 2 bed need	Availability of 3 beds	Applicants 3 bed need	Availability of 4 beds	Applicants 4 bed need	Availability of 5 beds+	Applicants 5 bed need+	Total availability	Total Applicants
Adamsdown		337	42	1059	36	492	5	287	1	86	0	71	84	2037
Caerau	2	298	74	836	55	513	33	211	1	71	0	32	165	1752
Canton	4	581	34	1990	18	999	2	508	1	173	0	127	59	3818
Cathays		422	2	1353	6	638	1	324		115	0	81	9	2518
Creigiau		78		323	2	157		59		26	0	11	2	578
Ely East	1	293	18	846	18	513	19	206	1	70	0	40	57	1713
Ely West		269	18	805	40	498	10	191		61	0	29	68	1634
Fairwater	1	289	32	1047	18	587	14	256	2	94	0	37	67	2055
Gabalfa		247	4	895	16	493	5	250		107	0	46	25	1812
Grangetown	2	352	46	1150	15	620	3	368	1	139	1	105	68	2402
Gwaelod y Garth		72		350		153	1	76		36	0	12	1	628
Heath		352	7	1353		771	2	364		130	0	65	9	2685
Leckwith		360	3	1039	5	632	2	330		120	0	74	10	2202
Lisvane		119	5	527		326	1	144		47	0	24	6	1069
Llandaff & Llandaff North		304	8	1247	2	680	6	334		121	0	52	16	2442
Llanedeyrn		224	22	725	11	449	10	200		72	0	36	43	1503
Llanishen	1	268	28	1178	10	666	8	315	1	106	0	41	48	2325
Lower Llanrumney		166	17	551	14	307	15	140	1	55	0	18	47	1101
Maindy		200		699		341		158		58	0	39	0	1295
Morganstown		94		431	1	223	1	116		40	0	14	2	826
Mynachdy		149		514		262	2	133		56	0	25	2	992
North Butetown		241	23	715	14	352	1	206		91	0	82	38	1461
Old St Mellons	2	221	2	743	7	448	2	196		62	0	28	13	1486
Pentrebane		182	17	570	40	318	4	123		58	0	22	61	1135
Pentwyn	2	228	14	784	34	537	9	248	2	95	0	37	61	1746
Pentyrch		87	3	375		161	2	69		35	0	10	5	652
Plasnewydd		201	8	706	2	309	1	158		47	0	32	11	1255
Rhiwbina		180		874	3	492		209		74	0	31	3	1683
Riverside	6	361	27	1109	9	533	2	331		117	0	110	44	2211
Roath	10	563	51	1942	33	945	5	455	1	156	0	101	100	3638
Rumney		264	14	886	7	510	7	227		77	0	32	28	1746
South Butetown		270	29	859	9	433		239		94	0	94	38	1728
Splott	1	337	27	1049	14	538	5	263	2	86	0	71	49	2028
St Mellons		252	24	783	31	493	15	210	5	71	0	30	75	1638
Tongwynlais		95	1	473	5	207	1	74		30	0	12	7	802
Tremorfa		207	29	642	21	436	7	161		61	0	30	57	1358
Trowbridge		214	28	608	9	337	15	142	1	51	0	23	53	1186
Upper Llanrumney		194	12	755	13	396	8	202	1	61	0	26	34	1462
Whitchurch	3	363	19	1541	18	730	1	361		129	0	53	41	2833
Total Availability	35		688		536		225		21		1		1506	