

MEETING OF THE COUNCIL

24 MARCH 2015

ITEM 6 – QUESTIONS FROM COUNCILLORS

QUESTION FROM COUNCILLOR J GEARY TO COUNCILLOR R D BAYLISS

When the right to buy scheme was re-launched by David Cameron in 2012, Grant Schapps promised that “every additional home that is sold under right to buy will be replaced by a new affordable home on a one-to-one basis”.

However, to date the actual replacement figure is only one in 10. Therefore could you please provide figures for new affordable/social homes built in our district compared to those that have been sold over the same period and at what current price would a two bedroom house be considered affordable?

RESPONSE FROM COUNCILLOR R D BAYLISS

Under the Governments one for one replacement scheme we have been able to retain £122k of right to buy receipts for 2013/14, and £46k of receipts up to the end of Quarter 3 this financial year. These funds need to be spent on replacement homes before 1 August 2017, and have been included in our capital programme for 2015/16, together with our own resources as required by the scheme.

The figures below represent the number of homes sold under the right to buy scheme and the number of new build affordable homes (rented and low cost home ownership) delivered by housing associations each year.

2011/12 - 2 sold under the right to buy and 58 new affordable homes provided.
2012/13 - 15 sold under the right to buy and 86 new affordable homes provided.
2013/14 - 36 sold under the right to buy and 156 new affordable homes provided.
2014/15 (to end Dec) – 17 sold under the right to buy and 93 new affordable homes provided.

The current average price of a 2 bedroom house within NWL is £123,800. However, there will be variances between settlements e.g. Ashby prices are higher than Coalville.

The cost of buying an average 2 bed property in North West Leicestershire (District) with an 85% mortgage is currently £113 per week assuming a 2.89% mortgage rate.

(Source - Hometrack Housing Intelligence system 12 March 2015)

Of the last 100 housing association lettings in the district, average affordable weekly rents (i.e. 80% of the market rent) have been £83.88 for a 1 bed, £90.17 for a 2 bed and £104.34 for a 3 bed. Of the last 100 lettings by NWLDC, average weekly rents have been £78.53 for a 1 bed, £88.75 for a 2 bed and £94.76 for a 3 bed.