

Appendix 1: Right to Buy Ring-Fence Offer – template letter

GLA Housing and Land

2018

Dear [Council]

Ring-fencing of Right to Buy receipts (subject to contract)

This letter confirms the GLA's intention to ring-fence Right to Buy receipts and interest for your Council.

The GLA agrees in principle that any Right to Buy receipts and interest it receives from central Government arising from Right to Buy disposals in your borough will be ring-fenced and made available to your Council as affordable housing grant.

The Mayor takes the view that it is up to councils to determine how Right to Buy receipts collected in their area are spent. While ring-fenced receipts reallocated as grant must be used to deliver new rented affordable homes in line with national requirements, the Mayor recognises, within this constraint, councils are free to determine the specific tenure of homes in which the money is invested.

This GLA proposal is underpinned by your intention (which is acknowledged by countersigning this letter) to deliver a programme of projects on a three-year rolling delivery programme, aligning with the delivery requirements of the receipts. The GLA is keen for this funding to accelerate delivery of new homes and will be flexible on a site-by-site basis where external factors affect delivery.

The GLA proposes to make this grant funding available to your Council through a standard-form funding agreement. Your Council will be entitled to claim grant not

exceeding 30 per cent of the full development costs of homes, as defined in the funding agreement. Under current rules, the landlord of the rented affordable homes is required to be a Registered Provider at the point the homes are let, and the grant could not be used in conjunction with other GLA affordable housing grant on individual homes.

The GLA may request information from the Council concerning the amount and timing of payments the Council makes to central Government in relation to Right to Buy receipts and interest.

The GLA will notify the Council if its proposal set out above changes and, by countersigning this letter, you acknowledge that the Council will notify the GLA in writing if it no longer intends to apply for grant under this proposal.

We look forward to continuing to work with you to deliver genuinely affordable homes for Londoners.

Yours,

[GLA]