

## The secrecy surrounding right to buy and pension pooling sets a worrying precedent

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David Cameron's Conservative Party speech earlier this month felt like a pivotal moment.

It was his first as leader of a self-assured majority Conservative government. It was replete with policy promises, many of which were not typical of the traditional Tory territory.

Seizing the opportunities created by the Labour Party's shift to the left under Jeremy Corbyn, Cameron attempted to steer his party's narrative towards the centre of politics, repositioning it as the modern, compassionate, 'one nation' party. Cameron talked about opportunity and equality; he promised action on social mobility, improving the lives of children in care and an "all-out assault on poverty".

It was a speech that had echoes of the David Cameron we saw when he became leader ten years ago - and five years ago too, when the newly appointed coalition leader proclaimed that his government would be the most open and transparent in the world.

One of the set pieces of the speech covered the recent deal with the National Housing Federation (NHF), which will give housing association tenants similar opportunities and discounts to buy their homes as those offered to council tenants.

Through the deal, housing associations will retain the sales receipts, with proceeds to be reinvested into the building of one-for-one new homes. Yet councils will be required to fund the discounts for the sales, through the selling of council properties and assets.

The right to buy extension is a voluntary agreement, which allows housing associations to exercise some discretion over the sale including, as Greg Clark said, "overall availability of funding for the scheme".

However, the policy has already been attacked from several fronts, including by housing charity Shelter and the LGA.

The LGA has branded the deal as unworkable and says it will cost councils £6bn over the next four years, deepening the country's housing crisis and resulting in less social housing being built. At a time of ongoing reductions to funding, councils will be put under increasing pressure to raise the necessary cash. Shelter predicts 113,000 council homes across England could be sold to help finance the plan.

One particularly troubling aspect of this situation is that it has been reached without appropriate consultation with those public bodies that will inevitably end up footing the bill. As shadow housing minister John Healey remarked, it "is a backroom deal to sidestep legislation and the proper public scrutiny in parliament".

The extension of the right to buy deal was agreed between ministers and the National Housing Federation (NHF) on the basis that housing associations would be able to opt out of offering the sale to tenants if they had a reason to do so. Many interested groups were not invited to the table. The National Federation of ALMOs (NFA) and the Association of Retained Council Housing (ARCH) have both expressed their frustration over being left out, even though stock-retained councils and ALMOs

will be integral to the implementation of any final agreement. The sector had hoped for better from the new team at the DCLG.

The right to buy case is by no means isolated in terms of this government's closed-doors approach.

The plan to pool funds within the Local Government Pension Scheme (LGPS) for infrastructure financing was among George Osborne announcements during his speech at the conference.

There are certainly LGPS inefficiencies that can be addressed, but due to the unique structure of the fund, extreme caution is needed to ensure there is high certainty of investment return. It is essential that there is proper consultation on the topic.

As Cipfa has argued on many occasions, an essential ingredient to good governance is openness over policy development. Transparency is vital not only in terms of generating efficiencies and saving money, but also for helping to rebuild the public's trust in politics. Furthermore, the Cabinet Office's own consultation principles state that "increasing levels of transparency and increasing engagement with interested parties improves the quality of policy making by bringing to bear expertise and alternative perspectives, and identifying unintended effects and practical problems".

Cameron has championed ripping away the "cloak of secrecy" over how government creates policy and spends taxpayers' money. As one of the Prime Minister's central election pledges - especially if the government is serious about rebuilding the trust needed to occupy the centre - the right to buy extension needed proper legislation and to go through the appropriate level of public scrutiny with councils and other interested parties.

The fact that it didn't sets a worrying precedent; we hope that this is not a sign of things to come.

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