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**Keeping pace**

**Replacing right to buy  
sales**

## Executive summary

This research explores the potential for replacing homes sold under right to buy (RTB) and makes recommendations to government aimed at ensuring that homes sold can be replaced on a one-for-one basis at a local level. It focuses specifically on council owned homes sold during the year 2013/14 and is based on a combination of publically available government statistics and a survey of local authorities. In total 78 local authorities, or 47% of all those who have retained ownership of their housing stock, participated in the research.

Since April 2012 the government has increased the discounts available for council tenants who buy their home using RTB. DCLG statistics show that there has been a rise in purchases from 2,638 in 2011/12 to 5,944 in 2012/13 and 11,261 in 2013/14, in a recovering housing market. The government has committed in-principle to using the receipts from these sales to replace the homes that have been sold on a 'one-for-one' basis. However in practice this commitment has not been able to deliver to its intended potential as:

- much of the revenue from sales goes to the Treasury and to debt repayments, with only a proportion being retained locally for reinvestment
- it does not include homes which local authorities had already projected that they would sell before the increased discounts were announced, or housing association properties sold under the preserved RTB
- it is a national target which does not aim to ensure all homes sold are replaced in the same area for replacement.

Government statistics also show the number of replacement homes which councils have been able to build or acquire using RTB receipts. So far this has fallen short of the total number sold and of the number covered by the current one-for-one commitment, at 473 in 2012/13, 961 in 2013/14 and 1,278 during the first three quarters of 2014/15.

In summary our research shows that, while the in-principle commitment to replace homes sold under RTB is welcome, in practice greater flexibility would allow councils to replace more of these homes.

The report also highlights that under the current system not all homes sold through RTB will be replaced. We recommend that the current commitment is expanded to ensure that individual local authorities are each able to replace all homes sold under the RTB scheme in their local area.

To achieve this we suggest:

- 1) That the government allows local authorities more flexibility to make maximum use of the receipts from RTB sales. The following specific changes would put local authorities on to a more even footing with housing associations, in terms of their ability to manage their assets effectively, and enable more homes to be replaced:
  - giving authorities the freedom to use RTB receipts to meet more than 30% of the cost of building replacement homes, to combine RTB receipts with grant funding, other capital receipts held in the housing revenue account (HRA) or public land and to pass RTB receipts to an arms length management organisation (ALMO) or another council owned company (provided the money is still reinvested in new homes)
  - raising or removing local authority borrowing caps to give councils more freedom to supplement RTB receipts with additional borrowing
  - extending the cost floor ceiling, which prevents new council homes from being sold at a loss, from 15 to 25 years
  - extending the three year time limit within which RTB receipts must be committed to five years.

- 2) That the Treasury agrees to forego its share of receipts so that 100% of the revenue raised from sales is retained and reinvested locally.
- 3) That the government grants individual local authorities freedoms to reduce discounts locally, where they are able to demonstrate that:
  - they will otherwise have insufficient receipts to enable them to replace homes sold, and
  - a reduction in the discount would be unlikely to significantly impact on the volume of sales.
- 4) That the government continues to monitor progress in replacing homes sold under the RTB and commits to taking further action in the future, should the policy continue to deliver a net loss of affordable homes.

The changes suggested in this report would help authorities replace many more homes than is currently possible, by overcoming a number of barriers which limit this at the moment. The nature of these varies depending on the specific local circumstances in which an individual authority is operating, however broadly speaking those who participated in our research fell at different points on a spectrum between two extremes.

At one end were a group of authorities operating in high cost areas who are retaining significant volumes of receipts but who find a number of restrictions which govern the way in which they are allowed to reinvest them limiting. In particular, authorities cited as problematic: not being allowed to use RTB receipts to fund more than 30% of the cost of a replacement home (in total 81% of authorities said that this affected them either to a great or moderate extent), not being allowed to use RTB receipts in conjunction with subsidies such as government grant or public land (67%) and having to commit receipts within a tight three year turnaround (63%). Comments from a number of individual authorities explicitly stated that they would be able to build many more new homes if they were granted the freedom and flexibility to use their receipts differently. Although this view was not confined exclusively to London and the South East, it was particularly prevalent among authorities operating in these kinds of high cost areas who in many cases are retaining significant volumes of receipts but who are not currently able to utilise them fully.

At the other end of the spectrum are a number of authorities mostly operating in lower cost areas, where the large discounts currently on offer may be greater than would be needed to make the scheme attractive. In many cases these councils are not retaining sufficient receipts to enable them to reinvest effectively. Our sample included seven local authorities who did not retain any receipts to reinvest at all from their 2013/14 sales, after deductions by the Treasury and debt repayments, and a further 13 who retained less than £10,000 per sale.

Collectively the 67 authorities who were able to provide us with a complete set of statistical information sold 5,265 homes in 2013/14, generating a total of £333m in receipts. However our analysis shows that only £144m of this was retained locally for reinvestment. Furthermore, to be able to utilise this fully these authorities would still need to be able to lever in a further £336m in additional funding from other sources, a major challenge given the constraints within which they are currently working. Assuming that the authorities who did not participate in our research are also in the same position, this suggests that of the £751m of receipts generated by RTB sales in 2013/14 only around £305m will be available for reinvestment, and that to fully utilise this authorities will still need to lever in approximately £712m of additional investment.

Although it is difficult to precisely quantify the likely impact of all of these issues, it is certain that reform of the RTB scheme would significantly help the council sector address the current shortfall of homes, both overall and in most individual local authority areas. Taking everything into account only one in five (21%) of the authorities who participated in our research said that they currently expect to be able to replace at least the majority of the homes they have sold. By contrast almost three quarters (73%) said that they only expect to replace half or fewer, including one in 10 (12%) who said that they will not be able to replace any at all. Additionally this shortfall will also be exacerbated by losses in housing associations' stock through the preserved RTB.

## Background

Since April 2012, the coalition government has increased the discount available for tenants in England who purchase their home using RTB. These currently stand at a maximum of £102,700 in London, £77,000 elsewhere in England or, in the event that it is lower, 70% of the total value. DCLG statistics show that as a result of this increased discount, total sales of council owned properties through the scheme have increased from 2,638 in 2011/12 to 5,944 in 2012/13 and 11,261 in 2013/14.

The government has committed to ensuring that councils reinvest the receipts from the increased volume of sales in building or acquiring new affordable housing, to replace the homes lost on a 'one-for-one basis'. This in-principle government commitment to ensuring that RTB does not further reduce the supply of much needed affordable housing is welcome.

However in practice not all of the receipts from sales are directly reinvested in new homes - a proportion is returned to the Treasury and a further proportion is used to pay down authorities' HRA debt. The one-for-one commitment itself is also limited by a number of caveats. Most notably, the commitment is only to replace additional homes sold under the enhanced RTB (ie: not those which local authorities had already projected that they would sell before the recent increases in discounts were introduced). This means that only a proportion of the 11,261 council homes sold in 2013/14 are eligible for replacement. In addition, the commitment only covers homes sold by local authorities under RTB and does not also extend to the further 4,421 homes sold by housing associations under the preserved RTB. It is also a national commitment, which means that local circumstances often result in not all homes sold in a local area being re-provided in that same area.

Government statistics also show the number of replacement homes which councils have been able to build or acquire using RTB receipts. So far this has not matched either the total number sold and the number covered by the current one-for-one commitment, at 473 in 2012/13, 961 in 2013/14 and 1,278 during the first three quarters of 2014/15. However as authorities have three years to fully utilise their receipts, some sort of lag is to be expected. This is not therefore, on its own, sufficient evidence to establish the extent of any long-term shortfall in affordable homes.

The purpose of this research was therefore to further explore the impact of the enhanced RTB and the prospects for replacing homes sold under it. It considered:

- whether, under the current arrangements, homes recently sold under RTB are likely to be replaced
- what barriers, if any, are limiting authorities' ability to replace homes sold through RTB
- what changes, if any, could be implemented to enable homes sold under RTB to be replaced more easily.

## Methodology

This research was carried out jointly by the Chartered Institute of Housing (CIH), the Local Government Association (LGA) and the National Federation of ALMOs (NFA). It focused specifically on council owned homes sold during the year 2013/14 and was based on a combination of publically available government statistics and a survey of stock-owning local authorities.

Throughout this document wherever we have referred to data provided by, or quoted, an individual participant we have anonymised that information. Where tables and figures report the base, the description refers to the group of people who were asked the question. The number provided refers to the number who answered each question. Please note that bases vary throughout the report.

## Government statistics

We used government statistics to establish the number of homes sold and the total value of those homes for each authority who participated in the research. These statistics are available via the [DCLG website](#).

## Survey

During January 2015 we sent a survey to the director of housing or equivalent in every stock-owning local authority in England, a total of 167 organisations. We used the survey to collect:

- participants' views about the practicalities of providing replacement homes in their area and about the barriers and obstacles which are making that challenging
- further statistical information to supplement that which was already publically available, specifically:
  - the number of homes which they had projected they would sell under the previous, lower set of discounts
  - the amount of the receipts from sales which they were able to retain locally to reinvest in new homes.

In total 78 authorities completed the survey, a response rate of 47%. The geographical spread of participants is set out in table one (below). Although organisations from all parts of England took part, the response rate was particularly high in the North East and North West of the country and below average in the East Midlands and West Midlands.

<b>Region</b>	<b>Respondents</b>	<b>Total in sample</b>	<b>Response rate</b>
East Midlands	8	25	32%
East	10	24	42%
London	17	29	59%
North East	6	7	86%
North West	8	11	73%
South East	14	31	45%
South West	5	14	36%
West Midlands	4	14	29%
Yorkshire and Humber	6	12	50%

Base: all respondents (78 respondents)

During 2013/14 these authorities sold a total of 5,748 homes through RTB, which equates to 51% of all council homes sold under the scheme nationally that year (11,261). The combined value of receipts from these sales was £370m, or 49% of the total value of receipts from all RTB sales which took place across England that year (£751m). Over the same year these authorities started to build or acquired a total of 544 replacement homes, or 57% of the nationwide total (961), and over the first three quarters of 2014/15 they started or acquired 681, or 53% of the total (1,278).

Therefore whilst these results should strictly be taken as a snapshot of the views of this particular group of participants, the level of response means that they are likely to provide a good indication of the position of the sector more widely.

## Summary of findings

### Overall views on the prospects of replacing homes

Most of the authorities who participated in the research were planning to build or acquire more homes using currently unspent receipts from 2013/14 sales. Two thirds (67%) said that they plan to build or acquire 10 or more further homes.<sup>1</sup> This illustrates that there are homes still in the pipeline as a result of a lag between homes being sold and new homes being built.

We are not planning to build/acquire any more homes	21%
We are planning to build/acquire a small number of further homes (less than 10)	13%
We are planning to build/acquire a moderate number of further homes (10 – 30 homes)	24%
We are planning to build/acquire a significant number of further homes (31 homes or more)	42%
Don't know	0%

Base: all respondents (78 respondents)

However, there was a strong consensus that not all of the homes sold during 2013/14 will ever be replaced. Only one in five (21%) participants suggested that they will be able to replace at least the majority of homes sold, while almost three quarters (73%) said that they only expect to replace half or fewer, including one in 10 (12%) who said that they will not be able to replace any at all.

We are able to replace more than the total number of homes sold	3%
We are able to replace all of the homes sold	6%
We are able to replace the majority of the homes sold	12%
We are able to replace around half of the homes sold	17%
We are able to replace a small proportion of the homes sold	45%
We are not able to replace any of the homes sold	12%
Don't know	6%

Base: all respondents (78 respondents)

Furthermore, this research covers only local authorities. In practice this shortfall of affordable housing will also be exacerbated by the sale of housing association properties sold under the preserved RTB, which are not covered by the one-for-one commitment and are outside the scope of this research.

### Barriers to replacing homes sold

We asked participants to what extent, if at all, each of a series of potential barriers are affecting their ability to replace the homes they have sold. Most commonly participants cited the rule that receipts can only be used to fund a maximum of 30% of the cost of replacement homes, meaning that the remaining 70% still needs to be secured through other funding arrangements. Four fifths (81%) of respondents described this as an issue which affects them either to a great extent or to a moderate extent.

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<sup>1</sup> Whilst the relevant answer options in Table 2 appear to sum to 66%, this is due to the fact the figures in the table have been rounded to the nearest whole number. Please note that this may also occur in other parts of the report where answer categories are combined.

In addition, two thirds described the unavailability of land (68%) and rules preventing receipts from being combined with subsidies such as grant, other capital receipts held in the HRA or public land (67%) as having either a great or moderate effect. More than half said the same about the three year deadline within which receipts must be used (63%), concerns over future sales (54%) and a lack of headroom preventing them from supplementing their receipts with borrowing (53%). At present borrowing caps limit the amount of borrowing that councils are able to take on to help fund the development of new homes, and while the RTB cost floor protects them from making a loss on any new home sold through the scheme, this protection currently lasts for only 15 years.

Nearly half (10 authorities - 42%) of the 24 authorities in our sample whose stock is currently managed by an ALMO said not being able to pass their receipts to the management organisation affected them to either a great or a moderate extent. This issue may become more significant in the future as more councils begin to expand beyond their traditional role and consider setting up local housing delivery organisations (such as ALMOs or special purpose vehicles) to develop new homes – an approach encouraged by the recent [Elphicke-House review of local authorities' role in housing supply](#).

<b>Barrier</b>	<b>Great or moderate extent</b>
The limit of using one-for-one replacement funds to provide only 30% of the dwelling costs	81%
Unavailability of land	68%
The restrictions on using one-for-one replacement funds with other subsidies (eg: free land)	67%
The restriction on timescales (receipts must be used within three years)	63%
Concerns over future sales of property under right to buy affecting what is built	54%
Insufficient headroom to supplement receipts with borrowing	53%
Insufficient receipts from sales	49%
Not being able to give right to buy funds to ALMOs*	42%

Base: all respondents (78 respondents)

Note: respondents were required to tick all that apply

\*Based only on those respondents whose stock is managed by an ALMO. This is therefore a smaller sample of 24 authorities

See annex B for full results

Our research suggests that these restrictions are restraining many councils' ability to build and weakening some of the benefits of local authority self-financing. Self-financing was introduced to enable authorities to manage their assets more effectively and to give them the flexibility needed to generate investment in new homes, in the way that housing associations already routinely do. However the use of RTB receipts remains an area where authorities are still tightly constrained. This contrasts sharply with the housing association sector where, with the exception of homes sold under the preserved RTB, associations have much greater freedom to actively manage their assets and to reinvest the receipts from any sales.

Written comments provided by participants suggested that many could replace more of the homes they are selling if they were given similar freedoms. Although this view was not confined exclusively to London and the South East, it was particularly prevalent among authorities operating in high cost areas who in many cases are retaining significant volumes of receipts but who are not currently able to utilise them fully.

*"Lifting the timescales for spending the money and the requirement to find the 70% funding from elsewhere would allow [authority name] to deliver a significant number of new... homes."* A London authority with a high average sale price

*"[Authority name] would be able to do more if the receipts were able to be mixed with grant funding streams."* A South West authority with an average sale price above the national average

*"There is concern at the prescribed three year time frame to spend the receipts... local authorities in the main hadn't built new houses for 25 years and it is a significant change to build up development expertise and resources within a relatively short time period."* A London authority with an average sale price above the national average

*"The limitations imposed... particularly that this (money) cannot be used in conjunction with grant or additional borrowing (which is currently restricted by local authority borrowing caps), is stifling the authority."* A North West authority with a low average sale price

*"We have significant capital resources - RTB receipts, other receipts, section 106 and some grant offers but have great difficulty with the mixing rules."* A London authority with a high average sale price

*"I don't think we'll be able to keep up with the pace of RTB sales because of the constraints – either capital pooling or the borrowing cap would need to be abolished."* A South East authority with an average sale price close to the national average

### The local and regional picture

Of the 78 authorities who provided us with their opinions, 67 were also able to provide us with a complete set of statistical information to enable us to examine in more detail the levels of receipts which they have retained and the number of homes in their area that are eligible for replacement. In total these 67 authorities sold 5,265 properties during 2013/14, generating a total of £333m in receipts. Of these 3,137 were eligible to be replaced under the terms of the government's current one-for-one commitment, because they were over and above those sales that councils had already projected.

However our analysis shows that, after deductions by the Treasury and for debt repayments, these authorities retained only £144m worth of receipts for reinvestment. Furthermore to be able to utilise these fully they would also need to be able to lever in a further £336m in additional funding from other sources. Assuming that the authorities who did not participate in our research are also in the same position, this suggests that of the £751m of receipts generated by RTB sales in 2013/14 only around £305m will be available for reinvestment, and that to fully utilise these authorities will still need to lever in approximately £712m of additional investment.

The information provided by survey respondents shows substantial local and regional variations. Although the government's commitment is to replace homes at a national level, these variations are significant as in practice the impact of any net loss of affordable housing will be felt locally. Table four showed that around half (49%) of our participants said that insufficient receipts are affecting their ability to build and/or acquire new homes using right to buy receipts locally, to a great or moderate extent. This suggests that, although it is not a universal problem, some authorities are simply not retaining sufficient receipts to enable them to reinvest effectively.

In part this is a result of differing sale prices. Among the authorities in our sample, average sale prices (which we have calculated using [DCLG figures](#) on the volume of sales and the total value of receipts for each individual authority) ranged from a high of £170,038 to a low of £33,183. Seven of the 10 authorities with the highest average sales prices are situated in London, with the other three being in the South East (two) and the East (one). By contrast, the authorities with the lowest average sales prices are spread across the North East (three), North West, Yorkshire and Humber, West Midlands (two each) and East Midlands (one).



**Figure 1: Average sale price**

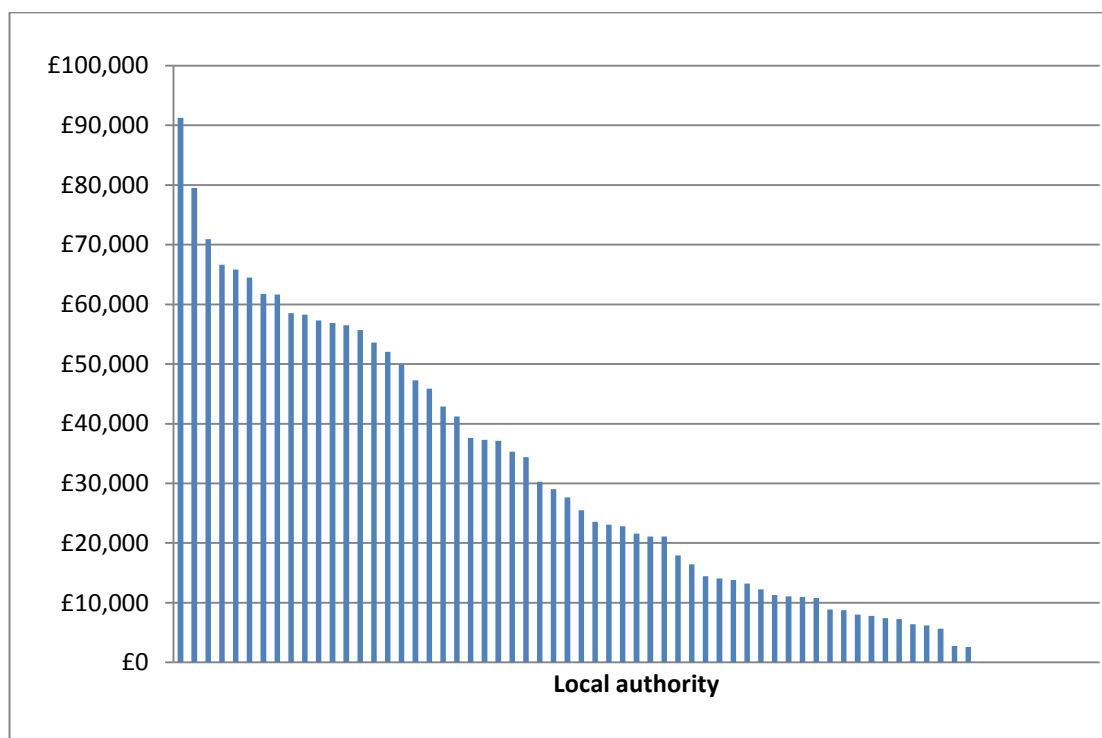


Base: all respondents (67 respondents)

The correlation between these average sale prices and the amount of receipts retained is not exact as there are other factors which also have to be taken into account, particularly the amount committed to debt repayments. However this is leading to significant variations in the volume of receipts which individual authorities are able to retain and reinvest locally.

In some areas the resulting shortfall of homes may be acute. There were seven authorities in our sample who did not retain anything at all from their 2013/14 sales to reinvest and a further 13 who retained less than £10,000 per property. The regional distribution of these broadly mirrored that of the authorities with the lowest average sale prices, with the seven authorities who are not retaining any receipts being spread across the North West (three), North East (two) Yorkshire and Humber and East (one each). Meanwhile seven of the 10 who are retaining the most receipts per property are situated in London.

**Figure 2: Average retained receipts per sale**



Base: all respondents (67 respondents)

### Illustrative examples

A London borough has seen a huge increase in the volume of sales since the increased discounts were introduced. They had previously projected that they would sell 11 homes through RTB in 2013/14 but actually sold more than 120, for a combined value of over £12m. Although the authority retained more than £7m of this to reinvest, this still leaves them needing to lever in almost a further £18m of investment from other sources to fully utilise their receipts. They did not use any of their retained receipts to build or acquire new homes in 2013/14 or during the first three quarters of 2014/15 and told us that this was because of *“insufficient headroom in the HRA business plan to supply the 70% match funding and the restriction on timescale. There is no lack of political ambition to deliver new homes. We require more flexibility around the rules and sufficient time to gear up for delivery.”*

A local authority in the North had projected that they would sell 28 properties under RTB in 2013/14 but actually sold 48. The larger discounts now on offer, combined with relatively low house prices in the area, meant these homes were sold for an average price of a little over £40,000. After deductions the authority has been left with around £420,000 to reinvest, or less than £9,000 for each of the homes sold.

### Conclusions and recommendations

While the current in-principle commitment to replace homes sold under RTB is welcome, our research identified a number of areas which if reformed would allow local authorities to replace many more of the homes they have sold. It shows that a set of discounts and scheme rules which were designed nationally (with the exception of the higher discount in London) need to change so as to grant individual local authorities new and sufficient freedom and flexibility to respond to local circumstances and to build or acquire more replacement homes.

In some low cost areas the current system means that purchasers are benefitting from discounts which may be more generous than would be necessary to make the scheme attractive while, after deductions, the authorities themselves are

being left with insufficient funds to reinvest. In other areas, authorities are retaining large amounts of receipts but are constrained by the restrictions and limitations which have been placed on how they can utilise them.

Although it is difficult to precisely quantify the likely impact of all of issues, it is certain that without reform of the RTB scheme the council sector is facing a significant shortfall of homes, both overall and in most individual local authority areas. Our research suggests that government could go beyond its current commitment to replace only additional homes sold as result of the decision to increase the discounts on offer to purchasers. We recommend that there is a new commitment that ensures that individual local authorities are each able to replace all homes sold under the RTB scheme in their local area.

To achieve this we suggest:

- 1) That the government allows local authorities more flexibility to make maximum use of the receipts from RTB sales. The following specific changes would put local authorities on to a more even footing with housing associations, in terms of their ability to effectively manage their assets, and enable more homes to be replaced:
  - giving authorities the freedom to use RTB receipts to meet more than 30% of the cost of building replacement homes, to combine RTB receipts with grant funding, other capital receipts held in the HRA or public land and to pass RTB receipts to an ALMO or another council owned company (provided the money is still reinvested in new homes)
  - raising or removing local authority borrowing caps to give councils more freedom to supplement RTB receipts with additional borrowing
  - extending the cost floor ceiling, which prevents new council homes from being sold at a loss, from 15 to 25 years
  - extending the three year time limit within which RTB receipts must be committed to five years.
- 2) That the Treasury agrees to forego its share of receipts so that 100% of the revenue raised from sales is retained and reinvested locally
- 3) That the government grants individual local authorities freedoms to reduce discounts locally, where they are able to demonstrate that:
  - they will otherwise have insufficient receipts to enable them to replace homes sold, and
  - a reduction in the discount would be unlikely to significantly impact on the volume of sales.
- 4) That the government continues to monitor progress in replacing homes sold under RTB and commits to taking further action in the future, should the policy continue to deliver a net loss of affordable homes.

## Annex A: LGA, CIH and NFA joint survey on the impact of right to buy

### About you

Please update the details we have on record if necessary:

Name:

Email address:

Job title:

Authority:

### Right to buy sales before the enhanced discounts were introduced

1. Before the enhanced discounts were announced, how many homes did you project (for self-financing purposes) that you would sell under the right to buy in 2013-14?

*If none, please enter '0' rather than leaving the box blank. If you don't know, or the question is not applicable please enter 'dk' or 'na'. Please write the number in full.*

### Sales under the enhanced right to buy

DCLG figures record that in the event, your council sold XX homes under the right to buy in the year 2013-14, and that the total value of these sales was £XX. Source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

2. What was the total net value of the receipts which you retained from these sales to reinvest in new homes in your area?

*If zero, please enter '0' rather than leaving the box blank. If you don't know, or the question is not applicable please enter 'dk' or 'na'. Please write the value in full.*

### Use of right to buy receipts

DCLG figures record that your council started to build or acquired XX new homes using right to buy receipts during 2013/14 and XX during the first two quarters of 2014/15. Source: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-social-housing-sales>

3. Are you hoping to be able to build/acquire any further homes with 2013/14 right to buy receipts?

- We are not planning to build/acquire any more home
- We are planning to build/acquire a small number of further homes (less than 10)
- We are planning to build/acquire a moderate number of further homes (10 – 30 homes)
- We are planning to build/acquire a significant number of further homes (31 homes or more)
- Don't know

4. To what extent, if at all, do you face the following barriers to building/acquiring new homes using right to buy receipts?

- Insufficient receipts from sales
- Insufficient headroom to supplement receipts with borrowing
- Unavailability of land
- The restriction on timescales (receipts must be used within 3 years)
- The limit of using 1:1 replacement funds to provide only 30% of the dwelling costs
- The restrictions on using 1:1 replacement funds with other subsidies eg free land

- The requirement to let new homes at Affordable Rents<sup>2</sup>
- Not being able to give right to buy funds to ALMOs
- Concerns over future sales of property under right to buy affecting what is built
- Other (please specify)

For each the scale is: great extent/moderate extent/small extent/not at all/don't know

5. Taking everything into account, to what extent would you say your council is currently able to replace the homes sold under the reinvigorated right to buy on a 1:1 basis?

- We are able to replace more than the total number of homes sold
- We are able to replace all of the homes sold
- We are able to replace the majority of the homes sold
- We are able to replace around half of the homes sold
- We are able to replace a small proportion of the homes sold
- We are not able to replace any of the homes sold
- Don't know

6. If you would like to make any final comments on the issues covered above please use the space below.

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<sup>2</sup> This answer category was removed from the report as it was incorrectly phrased.

## Annex B: Question 4 full results

To what extent, if at all, do you face the following barriers to building/acquiring new homes using right to buy receipts?

<b>Insufficient receipts from sales</b>	
Great extent	32%
Moderate extent	17%
Small extent	17%
Not at all	32%
Don't know	3%

<b>Insufficient headroom to supplement receipts with borrowing</b>	
Great extent	33%
Moderate extent	19%
Small extent	13%
Not at all	29%
Don't know	5%

<b>Unavailability of land</b>	
Great extent	36%
Moderate extent	32%
Small extent	17%
Not at all	12%
Don't know	4%

<b>The restriction on timescales (must be used within three years)</b>	
Great extent	35%
Moderate extent	28%
Small extent	24%
Not at all	8%
Don't know	5%

<b>The limit of using 1:1 replacement funds to provide only 30% of the dwelling costs</b>	
Great extent	56%
Moderate extent	24%
Small extent	12%
Not at all	4%
Don't know	4%

<b>The restrictions on using 1:1 replacement funds with other subsidies eg free land</b>	
Great extent	45%
Moderate extent	22%
Small extent	13%
Not at all	12%
Don't know	9%

<b>Not being able to give right to buy funds to ALMOs</b>	
Great extent	3%
Moderate extent	10%
Small extent	8%
Not at all	69%
Don't know	10%

<b>Concerns over future sales of property under right to buy affecting what is built</b>	
Great extent	22%
Moderate extent	32%
Small extent	22%
Not at all	14%
Don't know	10%