

Rt Hon John Healey MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Paula Sussex
Chief Executive Officer
Charity Commission
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30th September 2015

Dear Paula

Last week, housing associations and their boards were asked to consider one of the biggest changes their organisations have ever faced. They will be considering whether to agree to the offer the National Housing Federation has made to the government over extending Right to Buy discounts to housing association tenants – and they have been given little over a week to decide, with the deadline for agreement this Friday 2nd October.

As you will be aware, the vast majority of housing associations are either registered with the charity commission or are exempt charities. It is essential that charities adhere to their charitable purpose and the public benefit test which the Charity Commission imposes on them. Where housing associations are exempt charities they still need to be mindful of charity law and good practice.

A number of questions arise from this which concern you as the charities regulator, including your view, as the regulator, on: whether these plans for the sale of charities' affordable housing are consistent with the charitable housing bodies; whether charities should be forced to come to a view on the disposal of their assets in such a short time; what assessment you have made about whether these plans would be legal under current charity law given that they propose the state directs the sale of charity assets to non-charitable third parties; and whether and to what extent these plans affect your determination of whether housing associations are providing a 'public benefit'.

I would also be interested to know the extent to which you were consulted by the government or the National Housing Federation before these plans were proposed, given the potential implications for housing associations' charitable status.

As a regulator, the Charity Commission must take a view on this and I am writing to ask that you confirm publicly before Friday how any decision to sign-up to the voluntary deal in these circumstances will be judged by the Charity Commission.

If you are unable to do this, then I urge you to ask the government and the housing association sector to ensure that the timetable is extended so that any decisions on this agreement can be properly considered by those you regulate.

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Healey'.

John Healey
Shadow Cabinet Member for Housing and Planning