

Members' Library Service Request Form

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Originator	Head Of Communities And Partnerships
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Document Title	Abolition of the Right to Buy-Pressured Area Status

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Additional information:

Authorised By	Tom Shearer
Designation	Head of Communities and Partnership
Date	01/02/15

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REPORT TO: Members' Library Service

MEETING DATE:

BY: Depute Chief Executive - Partnerships and Community Services

SUBJECT: Abolition of the Right to Buy / End of Pressured Area Status

1 PURPOSE

- 1.1 To inform Cabinet that the Housing (Scotland) Act 2014 will abolish the right to buy (RTB) for all Council tenants from 1 August 2016.
- 1.2 To remind Cabinet that the Council's Pressured Area Status (PAS) designation expires on the 20 March 2016.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to note the contents of this report.
- 2.2 Cabinet is reminded that tenants who have their right to buy currently suspended through PAS will have a short window between 20 March 2016 and the 31 July 2016 to apply to purchase their Council home. Any application will only be successful if the qualifying conditions are met.

3 BACKGROUND

- 3.1 The Scottish Government has over recent years looked for different ways to safeguard the continued availability of social rented housing through changes in legislation aimed at further restricting the right to buy for Council tenants.
- 3.2 The Housing (Scotland) Act 2010, for instance, removed the right to buy for new tenants and tenants entering new supply council homes (such as new build or acquired properties) from March 2011.
- 3.3 East Lothian Council as an action within the Local Housing Strategy 2003-13 secured Pressured Area Status in March 2011 effectively suspending the right to buy for tenants with the modernised right to buy

for five years across the county (with the exception of Haddington and Tranent towns).

- 3.4 The Scottish Government in its continuation of the strategy referenced in paragraph 3.1 above and to address the confusion brought about by the various complex and layered changes to the right to buy over the years consulted on more wide-ranging legislation that has culminated in its eventual abolition through the Housing (Scotland) Act 2014.
- 3.5 The Housing (Scotland) Act 2014 makes no further changes to RTB rules and tenants who have a right will retain this on the same terms until the RTB is abolished.
- 3.6 The Council continues to develop a communications strategy around these changes and indeed further changes brought about by the 2014 Act that will affect existing and future Council tenants and indeed those in the private sector also.
- 3.7 As part of this communications strategy staff and elected member briefings are being planned.

4 POLICY IMPLICATIONS

- 4.1 The end of the right to buy may see an increase in sales for those with the preserved right to buy before this right is removed forever in August 2016.
- 4.2 Similarly, the Council may see sales for those with the modernised right to buy increase between when the Council's Pressured Area Status designation ends in March 2016 and its final abolition on the 1st August 2016.
- 4.3 The Council has continued to sell Council houses (albeit at a much reduced rate) and will no longer receive the corresponding capital receipts, which it could previously recycle once the right to buy has ended altogether.
- 4.4 In turn, however, the Council in the longer-term will preserve (and indeed increase, subject to capital investment plans being delivered) its Council stock for future generations and continue to receive a steady rent income on which to base its revenue and capital investment plans.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – There will be a small loss of capital receipts in the short-term up to the end of the Right to Buy. However, this will also allow the Council to base its financial planning on a steady rental income in the longer-term without further erosion of its asset base.
- 6.2 Personnel – The work required to manage these changes can be accommodated within existing resources.
- 6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 East Lothian Council Report – Application for Pressured Area Status Designation – December 2010

AUTHOR'S NAME	James Coutts
DESIGNATION	Service Development Manager
CONTACT INFO	01620 827483
DATE	10/02/15