

**Right to Buy in Scotland to be Ended**

**July 2013**



## Introduction

Welcome to the latest in a series of regular briefings prepared by the Housing Strategy team on the big issues concerning housing. These briefings will be shared with staff, tenants and elected members and keep everyone up to date with regards the ever changing policy context that we are operating within.

The Housing Strategy section is responsible for:-

- Supporting the development of a culture of continuous improvement in Housing services and to facilitate opportunities to excel;
- Developing and implementing effective strategies for Housing and Community Safety Services within West Dunbartonshire;
- Developing the Council's housing strategy to ensure that it supports the delivery of our strategic priorities;
- Performance management within Housing and Community Safety services; and
- Promoting effective management and the involvement of tenants across all aspects of Housing Services.

For further information on Housing Strategy please telephone 01389 737889 or e-mail: [housing.strategy@west-dunbarton.gov.uk](mailto:housing.strategy@west-dunbarton.gov.uk)

# Briefing Note

## Right to Buy in Scotland to be Ended

### 1. Background

The Scottish Government consulted on the Future of Right to Buy in Scotland during the summer of 2012 and published the findings in November 2012.

The Scottish Government announced on 3 July 2013 the inclusion of the outright abolition of the Right to Buy in Scotland in the forthcoming Housing Bill.

The 2012 consultation found overwhelming support for the abolition of the Right to Buy. The principal findings were:

- Overall, 83% were in favour of ending the Right to Buy altogether. The breakdown showed that 92% of Housing Associations, 81% of local authorities and 80% of tenant/resident groups were of this view.
- Only a minority of respondents considered that there would be a negative financial impact on social landlords if RTB was ended.
- Should the right to buy end, 73% of respondents who commented recommended a notice period of two years or less.
- The current arrangements were very complex and the outright abolition would bring clarity.
- Abolition would allow for more strategic management of stock and planning of future works.

A copy of the Council's response to the consultation can be downloaded here:

<http://www.scotland.gov.uk/Resource/0040/00403129.pdf>. In addition The West Dunbartonshire Tenants and Residents Organisation (WDTRO) also responded to the consultation and this can be downloaded here <http://www.scotland.gov.uk/Resource/0040/00403182.pdf>.

Announcing the abolition plans Nicola Sturgeon said that “*up to 15,000 social houses will be protected from sale over the next decade with the ending of Right to Buy*”.



## 2. Key Issues

The new Housing Bill is expected to receive royal assent in 2014 and it is proposed that existing tenants with the Right to Buy will have **a further 3 years to exercise it. In effect, this would mean that for those tenants the Right to Buy would stay in place until 2017.**

The Scottish Government will continue to assist people into home ownership through a range of shared equity schemes. More information is available here <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/BuyingSelling/lift>

Leading housing bodies including the Chartered Institute of Housing Scotland<sup>1</sup> and Shelter<sup>2</sup> have welcomed the announcement, the latter noting that **'three houses are lost to RTB for every new social rented house built'**.

## 3. What does it mean for West Dunbartonshire

Since the introduction of the scheme, more than 12,000 houses have been sold in West Dunbartonshire (including under the predecessor authorities).

At 31 March 2013, the entitlement breakdown of current WDC tenants was as follows:

<b>3776 had the preserved RTB</b>
<b>4031 had the modernised RTB</b>
<b>2105 had no RTB.</b>

The WDC response to the consultation supported the outright abolition of the Right to Buy and was in favour of immediate implementation. These views echoed those of the WDTRO in our consultation exercise.

Receipts from RTB sales contribute towards the HRA Capital Programme. An estimated £800,000 has been allowed for annually from this source but the contribution to the Capital Programme is not as significant as in the past. The HRA Capital Programme for 2013/14 is around £39.4M.

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<sup>1</sup> <http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/Scotland/Right%20to%2520buy%2520abolition%2520is%2520the%2520right%2520move%2520says%2520CIH%2520Scotland>

<sup>2</sup> [http://scotland.shelter.org.uk/media/press\\_releases/press\\_release\\_folder/2013/shelter\\_scotland\\_welcomes\\_the\\_end\\_of\\_right\\_to\\_buy2](http://scotland.shelter.org.uk/media/press_releases/press_release_folder/2013/shelter_scotland_welcomes_the_end_of_right_to_buy2)

Although the local RSLs are less affected by RTB, with a number being exempt due to their charitable status, they were in the main supportive of further RTB restrictions, if not outright abolition.

The announcement is likely to lead to a spike in RTB applications. There may be resourcing issues arising from this and from any tenant notification duties falling to the Council.

A number of sources have expressed concern about unscrupulous agencies approaching tenants to encourage sales in the lead-in period. Consideration should be given to ways of addressing such activity especially given the risk of unsustainable and inappropriate acquisitions.

In addition because of the proposed lengthy lead in time, the Council will be investigating the potential for designating areas and house types with pressured area status. Pressured area status allows the suspension of the Right to Buy with the purpose of such classifications to protect the amount of affordable rented housing in a Council area specifically where demand outstrips supply.

#### **4. Further Information**

The Scottish Government's Right to Buy page can be found here:  
<http://www.scotland.gov.uk/Topics/Built-Environment/Housing/16342/rb>

For further information please contact:

**Jamie Dockery, Housing Strategy: 01389 737366**  
[Jamie.dockery@west-dunbarton.gov.uk](mailto:Jamie.dockery@west-dunbarton.gov.uk)