

## **Right to Buy Policy on Council Housing**

### **Report by Eibhlin McHugh, Joint Director, Health and Social Care**

#### **1. Purpose of the Report**

- 1.1** The purpose of the report is to advise Cabinet of the end of the Right to Buy policy in Scotland aimed at allowing council house ownership, which took effect on 1 August, 2016. Right to Buy schemes are still operating in the rest of the United Kingdom.

#### **2. Background**

- 2.1** The Right to Buy policy allowed sitting tenants to buy public sector housing with a discount on the market value. Since it was introduced in 1980, a total of 494,580 council and housing association properties were sold under the Right to Buy in Scotland.
- 2.2** The Scottish Government announced the end of the policy in 2014 following a public consultation three years ago to protect access to socially rented properties and address housing waiting lists.
- 2.3** In Midlothian, the policy effects significantly reduced the council housing stock, increased the housing waiting lists, contributing to inequality of access to affordable, quality housing and expanded the buy to let landlord sector.
- 2.4** There was a significant reduction in the availability of affordable rented housing in Midlothian from 1980 as 7,480 properties have been sold to date under the Right to Buy scheme. The Council subsequently commenced a Social Housing Programme for new build housing with the initial developments delivered from 2006.
- 2.5** The Council is committed to the construction of new build council homes in Midlothian. The Council allocated £108M for its phase 1 new build programme, with 864 homes developed on 16 sites across Midlothian by the end of 2012.
- 2.6** The Council committed a further £60M for the development of Phase 2 new building and has also agreed a Phase 3 programme.
- 2.7** Following notification of the proposed policy change to tenants in 2015, there was an increase in the number of right to buy applications in Midlothian.

- 2.8** Tenants are meant to be made an offer of sale within two months of the application of sale, but delays in receiving valuations from the Valuation Office Agency has meant it has not always been possible to keep to this deadline. 12 Missives have been concluded to be sold at the end of August/September 2016.
- 2.9** There are 156 current applications at different stages and 43 of these received in the final week of the scheme, which are being assessed to determine if these meet the RTB criteria.

### **3 Report Implications**

#### **3.1 Resource**

Despite employing more surveyors, demand has resulted in a backlog of work for officers at the Valuation Office Agency and additional resource has also been supplied locally in Midlothian to process surveys and sale offers for RTB applications.

#### **3.2 Risk**

The end of the Right to Buy will allow longer term planning to manage the housing stock assets more effectively and ensure income.

#### **3.3 Key Priorities within the Single Midlothian Plan**

Midlothian Council and its Community Planning Partners have made a commitment to treat the following areas as key priorities under the Single Midlothian Plan:

- The needs of households with particular needs will be addressed and all households will have equal access to housing and housing services.
- Housing in all tenures will be more energy efficient and fewer households will live in or be at risk of fuel poverty.

The themes addressed in this report impact on the delivery of the Single Midlothian Plan outcomes particularly in terms of priorities in relation to improving opportunities in Midlothian by increasing access to council services for communities and by providing long term jobs and apprenticeships to maintain our homes.

- ☒ Adult health and care
- ☒ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth and Housing

- ☐ Business transformation and Best Value  
☐ None of the above

### **3.4 Impact on Performance and Outcomes**

The end of the Right to Buy safeguards the housing stock which is available for social renting.

### **3.5 Adopting a Preventative Approach**

The policy change ensures more households are taken out of housing need and living in warm, dry, affordable housing.

### **3.6 Involving Communities and Other Stakeholders**

The policy change resulted from a Scottish Government public consultation. Midlothian Council tenants were notified of the end of the Right to Buy in the 2015 Newsletter delivered to all tenant households.

### **3.7 Ensuring Equalities**

No EQIA is required as this is not a new service provision.

### **3.8 Supporting Sustainable Development**

Not applicable.

### **3.9 IT Issues**

There are no IT issues.

## **4 Recommendation**

Cabinet is recommended to note the content of this Report.

**Date:** 4 August 2016

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