

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Infrastructure and Regeneration

Housing, Environment and Economic Development Committee: 7 May 2014

Subject: Buying Back Ex-Local Authority Properties purchased through the Right to Buy- Buy back scheme update

1. Purpose

- 1.1** The purpose of this Report is to outline to Members the progress of the Buy Back Scheme since its implementation in October 2013.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) note the content of the report; and
- (ii) agrees that an update be provided to the Housing and Community Committee on a regular basis as part of the reporting on Capital Programme monitoring framework.

3. Background

- 3.1** West Dunbartonshire Council has sold over 10,000 properties through the Right to Buy (RTB) Policy. However, the number of sales has significantly reduced over the past 5 years.
- 3.2** Within the same 5 year period demand for affordable rented housing has increased due to difficulty in accessing mortgage finance combined with a number of other affordability challenges within the housing market.
- 3.3** West Dunbartonshire's Local Housing Strategy (LHS) has identified a chronic shortage of 1 bedroom properties, larger family type accommodation and accessible housing. The Council's own new build programme has responded to this need where provision is weighted towards the accommodation required. However, our own modest new build programme cannot meet demand.
- 3.4** At the Housing, Environment and Economic Development Committee of 8 May 2013 it was agreed that a Buy Back Scheme be implemented with an annual budget of £250,000 for the next 5 years. This Policy and its associated procedures were developed in consultation with tenants and the scheme came was introduced in October 2013. The main aims of the Policy are:

- the acquisition of social housing units of the right size and type to help meet demand;
- help maintain or create viable sustainable communities;
- assist with managing the effects of Welfare Reform;
- assist the Council with Scottish Housing Quality Standard (SHQS) obligations; and
- potentially reduce number of Empty Homes within our communities

3.5 Applications to the Scheme are evaluated using a methodology that has been developed alongside Tenants and Residents Groups, taking the policy aims into consideration (Attached Appendix 1).

4. Main Issues

4.1 The Scheme has attracted around 70 applications so far, all of which have been evaluated against the agreed criteria and methodology and prioritised in terms of the Policy outlined in 3.4.

4.2 After the assessment methodology attached as Appendix 1 was applied to the applications, four applications scored sufficiently high enough in terms of total points to be considered for purchase.

4.3 As at 28 March 2014, the Council are in the process of progressing 3 properties to the point of purchase. These properties are all 1 bedroom dwellings. Each purchase would result in the Council becoming the sole owner of a block of flats. This will assist in meeting our SHQS obligations.

4.4 The Council has made another subsequent offer based on the District Valuer's valuation of the property, but this has since been declined by the owner. The remainder of the budget will therefore be used in the next financial year.

4.5 The Buy Back Policy and Procedure is to be reviewed at the end of every financial year. The Scheme has now been in operation for 6 months and whilst no changes to the Policy or scoring methodology are required at this point, a number of Procedural changes will be made including:

- the Scheme will be open to a seller whose property is on the open market for sale;
- there will be no deadline dates or phasing of the Scheme;
- the Scheme will end each year when the total budget has been spent; and
- applications will not be accepted from sellers who have a tenant residing in their property.

5. People Implications

- 5.1** The Administration of this Policy is managed by the Housing Strategy and Development section supported by Legal Services, Estates Services and Finance Services. The Scheme is in addition to other duties but has so far been managed well between all these services and there are no changes recommended.

6. Financial Implications

- 6.1** An annual budget of £250,000 has been set aside in the HRA Capital Programme under the 'Policies to Deliver Housing Policies/Strategies each year until financial year 2017/18.
- 6.2** The anticipated value of the 3 sales and associated legal costs is estimated to be around £154,000 leaving around £96,000 to be carried over to next year's scheme. The scheme has not benefited from a full years operation in financial year 13/14 as the scheme was only launched in October 2013 after a lengthy and detailed consultation phase, and applications assessed in January 2014. It is anticipated that the allocated budget in future years will be fully expended well in advance of year end.
- 6.3** The Scottish Government have not, to date, amended regulations to approve the funding of Buy Backs within Resource Planning Assumptions contained within the Affordable Housing Supply Programme. If announced, this could enable the Council to increase the capacity of the Scheme and become more pro-active in, for example, identifying properties that could be purchased to assist SHQS works.

7. Risk Analysis

- 7.1** The Buy Back scheme and its associated policy reflect the priorities and aspirations of our stakeholders. If the Council did not actively implement the Buy Back Policy as the strategic housing authority we would miss an additional opportunity to increase the affordable housing supply to meet housing need.

8. Equalities Impact Assessment (EIA)

- 8.1** Having carried out an initial screening there are no equalities issues associated with the Buyback scheme.

9. Consultation

- 9.1** There has previously been consultation with the Strategic Housing Asset Management Group. There has also been direct consultation with Tenant and Resident associations, individual tenants and local advice-giving services

10. Strategic Assessment

- 10.1** The Local Housing Strategy is the overarching document setting out the strategic direction for housing across all tenures and informs the future investment in housing and related services across West Dunbartonshire.
- 10.2** Additional supply of 1 bedroom, 3 bedroom and larger properties plus accessible housing will contribute to all of the Council's main strategic priorities and most significantly to improve local housing and environmentally sustainable infrastructure.

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Date: 22 April 2014

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Appendices: Appendix 1: Assessment Methodology

Background Papers: Housing, Environment and Economic Development Committee Report 8 May 2013: Buying Back Right to Buy Properties

Equalities Impact Assessment Screening, April 2013

Wards Affected: All