

# Buy Back Scheme Policy

October 2019



## Other formats

This document can be provided in large print, Braille or on audio cassette and can be translated into different community languages.

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### Arabic

هذه الوثيقة متاحة أيضا بلغات أخرى والأحرف الطباعة الكبيرة وبطريقة سمعية عند الطلب.

### Chinese (Cantonese)

本文件也可應要求，製作成其他語文或特大字體版本，也可製作成錄音帶。

### Hindi

अनुरोध पर यह दस्तावेज़ अन्य भाषाओं में, बड़े अक्षरों की छपाई और सुनने वाले माध्यम पर भी उपलब्ध है

### Polish

Dokument ten jest na życzenie udostępniany także w innych wersjach językowych, w dużym druku lub w formie audio.

### Punjabi

ਇਹ ਦਸਤਾਵੇਜ਼ ਹੋਰ ਭਾਸ਼ਾਵਾਂ ਵਿਚ, ਵੱਡੇ ਅੱਖਰਾਂ ਵਿਚ ਅਤੇ ਆਡੀਓ ਟੇਪ 'ਤੇ ਰਿਕਾਰਡ ਹੋਇਆ ਵੀ ਮੰਗ ਕੇ ਲਿਆ ਜਾ ਸਕਦਾ ਹੈ।

### Urdu

درخواست پر یہ دستاویز دیگر زبانوں میں، بڑے حروف کی چھپائی اور سننے والے ذرائع پر بھی میسر ہے۔

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## **1. Purpose of Buy Back Scheme**

- 1.1** West Dunbartonshire Council's Buy Back Scheme will assist in increasing the provision of affordable housing in the area by purchasing former Council Right to Buy properties using a robust assessment criteria within a set budget.
- 1.2** It should be noted that this Policy is intended to provide the Council with an increased supply of properties that we require or assist areas of the Council's business that will lead to an improved situation for existing and potential tenants. This Scheme does not exist to assist owners or sellers and as such we have a right of refusal at any point in the process.

## **2. Background**

- 2.1** Since the introduction of the Right to Buy (RTB) legislation in 1981, approximately 12,000 properties have been sold to sitting tenants in West Dunbartonshire. The RTB ended on 31 July 2016. All sales through the RTB legislation have a detrimental impact on the Council's ability to meet the housing needs of the wider community and its ability to meet its statutory responsibilities in respect of homelessness.
- 2.2** West Dunbartonshire's Local Housing Strategy (LHS) highlighted a range of factors which have led to an increased demand for rented accommodation in both social and private sectors including accessing mortgage finance and the number of household significantly growing due to a large increase in single person households over the last 20 years.
- 2.4** The Council has built 161 new properties in the past 6 years with a further 350 either onsite or due to go onsite during 2019/20. These properties will help in re-dressing the mismatch between properties and need identified within the LHS.

## **3. Strategic Context**

- 3.1** The Council's five main strategic priorities for 2017-2020 are:
- A strong local economy and improved job opportunities
  - Supported individuals, families and carers living independently and with dignity
  - Meaningful engagement with active, empowered and informed citizens who feel safe and engaged
  - Open, accountable & accessible local government
  - Efficient and effective frontline services that improve the everyday lives of residents

Any increased provision of social rented housing contributes to these strategic priorities.

- 3.2** The Housing and Employability Delivery Plan sets out the actions that the Division will undertake to help deliver the Strategic Plan. The Buy Back Scheme will help to meet the following Outcome:

- More affordable and suitable housing options

- 3.3** One of the key LHS aims is to ensure that people have access to affordable housing of all tenures which is in the right location and is suitable for their needs.

- 3.4** The Strategic Housing Investment Plan (SHIP) sets out how resources will be used over a 5 year period to deliver affordable housing priorities set out in the LHS

#### **4. Aims and Objectives**

- 4.1** The main objective of the Buy Back Scheme is to:

‘Assist the Council in meeting and delivering its strategic housing objectives’

- 4.2** The main aims of the Buy Back Scheme are:

- The acquisition of social housing units of the right size and type
- Help maintain or create viable sustainable communities
- Assist with managing the effects of Welfare Reform
- Assist the Council with SHQS/Capital Works obligations
- Potentially assist with Empty Homes

#### **5. Principles of the Buy Back Scheme**

- 5.1** All properties will be assessed using a methodology adopted within a Scoring Matrix. The Scoring Matrix which has been developed in consultation with Tenants will be fully outlined within the Buy Back Scheme Procedure.

- 5.2** The Scoring Matrix has been developed based upon the following principles:

##### *Capital Funds*

There must be Capital funds available at the time of any enquiry. If, on consulting the HRA Business Plan, it is established that it is not financially viable then the Council will decline any request.

#### *Rental Potential*

The Council must be able to receive a rent for the property which can contribute to the cost of any associated borrowing.

#### *Housing Need and Demand*

Any acquisition of former RTB properties for social housing use must be of the right size and type. Therefore, any purchase must assist the Council in managing the effects of Welfare Reform by providing 1 bedroom properties or by helping to address the shortage in larger family type housing.

#### *Scottish Housing Quality Standard/Investment Requirements*

The valuation must reflect the current market value and any costs associated with ensuring that the property achieves the SHQS. A condition assessment must represent best value to the Council.

#### *Empty Homes*

There may be potential for the Scheme to assist with the Empty Homes Initiative. However due to the small scale nature of the Scheme, it is not anticipated to have a significant impact on Empty Homes.

#### *Value for Money*

The Council must ensure an acquisition price which represents best value to the Council.

#### *Former Right to Buy or Specific Purchase*

The majority of properties that are purchased will be former Council properties bought through the Right to Buy (RTB) Scheme and will therefore be a similar style and construction to those that the Council already maintain and will be in areas that the Council has a presence.

However, if a specific need that cannot be met through existing stock or planned new build arises that the market can provide the solution too, then so long as the principles outlined above are fulfilled, this purchase would be justified.

## **6. Financial Approach**

### **6.1** The Scheme has the following budget for this and next financial year:

- 2019/20 – £1,384,000
- 2020/21 – £1,000,000

### **6.2** This is likely to provide a return of around 8-10 purchases in each year.

- 6.3** A condition of any purchase will be that any debt owed to West Dunbartonshire Council associated with the property such as council tax arrears or common repairs charges will be deducted from the valuation.
- 6.4** Properties under consideration will be subject to a valuation by the District Valuer who is independent from West Dunbartonshire Council.
- 7. Monitoring and Review**
- 7.1** *Housing Revenue Account (HRA) Capital Programme*  
The actual spend of the Buy Back Scheme will be monitored through the HRA Capital Programme process. All Capital spend is monitored on a monthly basis.
- 7.2** *Housing, Environment and Economic Development Committee*  
The details of the sales, including address, size, type and purchase price will be recorded and reported on an annual basis to the relevant Committee within the Strategic Housing Asset Management Strategy update.
- 7.3** *Policy Review*  
The Buy Back Policy and Procedure will be reviewed on a yearly basis following the end of the financial year.

**8. Further Information**

- 8.2** If you require further information on the Buy Back Policy or Procedure:

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## **9. Glossary of Terms**

### **Right to Buy (RTB)**

The Housing (Scotland) Act 1987 gave tenants the right to purchase the Council home they lived in. However, it ended in 2016.

### **Local Housing Strategy (LHS)**

The Local Housing Strategy (LHS) sets out our understanding of the housing issues over the coming five year period and indicates how the Council and its partners address them.

The LHS provides the strategic direction for housing across all tenures and informs the future investment in housing and related services across West Dunbartonshire.

### **Strategic Housing Investment Plan (SHIP)**

The Strategic Housing Investment Plan (SHIP) sets out the funding priorities for affordable housing in West Dunbartonshire for a three year period.

The LHS and SHIP together guide the application of Scottish Government and other housing funding. The main focus of the SHIP is the targeting of the Scottish Government's Affordable Housing Supply Programme Funding and the Council House Building Programme.

### **Housing Revenue Account Capital Programme**

The Housing Revenue Account Capital Programme is part of Housing's 30 year Business Plan and sets out how the Council will improve and repair its housing and estates. Meeting and maintaining the Scottish Housing Quality Standard (SHQS) is part of this investment.

### **Scottish Housing Quality Standard (SHQS)**

This is the standard that all social landlords in Scotland have to meet.

### **Empty Homes Initiative**

This initiative is called Homes Again West Dunbartonshire and Renfrewshire. The two Councils are working in partnership to bring private sector homes that have been empty for over six months back into use.