Impact on rents of proposals to reform the Right to Buy (RTB)

1. At the LG&C Committee last Wednesday 21 April, I said I would seek further information on the impact on rents of changes proposed to RTB. I apologise for the delay in getting back to you while I have investigated this matter with the Scottish Government

2. In my response during the meeting I referred to modelling that the Scottish Government had done looking at the impact of various packages of reform on local authorities’ investment capacity. This formed the basis of the memorandum that was considered by the Finance Committee. In response to the queries that were raised at last week’s meeting, I have learned that the model assumed that investment needed for SHQS would be met. The model therefore showed the impact on additional investment capacity. It concluded that where a local authority might anticipate a decrease in income through changes to the RTB, a number of factors could be considered to make up this loss. It would be for councils to determine locally how to do this, but their options include efficiency savings, looking at altering the scope and scheduling of the (non SHQS) investment programme and reviewing rent levels. The modelling showed, overall, that the impact of the proposed changes to RTB was marginal as compared to the impact of wider changes in the housing market.

3. I hope this information is useful to the Committee.

Rosemary Brotchie
Policy Officer