

**REPAYMENT OF DISCOUNT UNDER THE
RIGHT TO BUY SCHEME**

**Responsible Cabinet Member(s) - Councillor Bill Dixon,
Community and Public Protection Portfolio**

Responsible Director(s) -Cliff Brown, Director of Community Services

Purpose of Report

1. This report advises Members of new legislation in respect of the Right to Buy Scheme for the Council's housing stock and seeks approval to exercise discretion where the repayment of discounts would lead to demonstrable personal hardship.

Information and Analysis

2. The Housing Act 1985 required former Council tenants who disposed of a property within three years after purchasing it under the Right to Buy Scheme to repay all or part of the discount they received. This repayment period has been extended by the Housing Act 2004 to 5 years but landlords also now have discretion not to demand repayment of the discount for any disposals which take place on or after 18th January 2005.
3. The Government considers that this discretion is most likely to be justified where repayment would lead to demonstrable personal hardship, for example:-
 - (a) where an owner of the property wishes to move because otherwise he or she and/or other family members (especially children) face a demonstrable threat of violence or of significant harm; for example due to:
 - relationship breakdowns involving actual or threatened domestic violence;
 - racial, faith, homophobic or any other kind of harassment;
 - extreme anti-social behaviour, such as persistent drug dealing in an adjoining or nearby property.
 - (b) where the sudden onset of a severe medical condition or serious deterioration of an existing condition makes a move essential on medical grounds;

- (c) where an early move is essential to return to employment; for instance where an individual has a firm offer of a job in another area and would thereby be able to return to work, either:
- after long term unemployment; or
 - after having been made redundant, when his/her skills are such that there is no prospect of getting another job locally.
- (d) where a traumatic personal event (for example, sudden bereavement) makes a move essential for emotional or psychological reasons.
4. It is envisaged that this discretion will only be used in exceptional circumstances where the owner cannot afford to repay part or all of the discount and would otherwise be unable to move. Clear and objective evidence, for example, from the Police, doctor, psychiatrist or employers would also be required.
5. Currently there are delegated powers to waive the qualifying period for renovation grants in consultation with the Cabinet Member with the Community and Public Protection Portfolio and decisions are formally recorded. It is proposed that the same arrangements apply for the repayment of Right to Buy discounts.

Outcome of Consultation

6. The proposals have been considered and agreed by the Tenants Board and the Housing Executive Committee.

Legal Implications

7. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

8. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

9. The issues contained within this report require approval by Council.

Decision Deadline

10. For the purpose of the 'call-in' procedure this does not represent an urgent matter

Recommendation

11. It is recommended that :-

- (a) the Delegated Powers of the Director of Community Services be varied to include powers to waive the repayment period of Right to Buy discounts in consultation with the Cabinet Member with the Community and Public Protection Portfolio and that any such decisions be formally recorded.
- (b) this be referred to Council to approve the necessary amendment to the Council's constitution to reflect the change in the Director of Community Services' delegated powers.

Reasons

12. To avoid situations where the repayment of the Right to Buy discount would lead to demonstrable personal hardship.

Cliff Brown
Director of Community Services

Background Papers

- (i) ODPM Publication: Right to Buy - the use of discretionary powers on repayment of discount

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