
To: Housing and Community Safety Policy Board

On: 17 May 2016

Report by: Director of Development and Housing Services

Heading: Guidance on Disposal of Assets from Housing Revenue Accounts

1. Summary

- 1.1 In March 2016, the Scottish Government issued new guidance in relation to the disposal of assets from local authority Housing Revenue Accounts (HRAs). The details of this new guidance are available on the Scottish Government's website (www.gov.scot/Topics/Built-Environment/Housing/16342/HRAconsentguidance).
- 1.2 This new guidance is intended to give local authorities the freedom to exercise their own judgement and discretion in disposing of HRA assets to best meet local needs and priorities, with a particular focus on enhancing the service provided to current and future council tenants.
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2. Recommendations

- 2.1.1 It is recommended that the Policy Board:
- (i) Notes the introduction of new guidance in relation to the disposal of assets from local authority Housing Revenue Accounts (HRAs) issued by the Scottish Government in March 2016.
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3. Background

- 3.1 Prior to March 2016, councils were required to seek the consent of Scottish Ministers to dispose of assets from their HRA or to transfer assets between the General Fund and HRA.

- 3.2 With this in mind, the Scottish Government has developed a 'General Consent' process in line with the existing 'Disposal of Land by Local Authorities (Scotland) Regulations 2010' that will allow local authorities to self certify the majority of HRA disposals.
 - 3.3 The new guidance enables councils to dispose of land with a market value of less than £10,000 as outlined in the 'Disposal of Land by Local Authorities (Scotland) Regulations 2010' without having to seek Ministerial consent, this will apply to the majority of garden ground type disposals.
 - 3.4 It also enables higher value disposals to take place where the price is equal to or within 75% of the valuation and where consultation with council tenants has take place, or where the price is less than 75% of the valuation but the end use is social housing and consultation with council tenants has taken place.
 - 3.5 The guidance requires local authorities to take account of council tenants' views and to be able to demonstrate that views expressed have been taken into account, this includes views on the use of HRA assets. The "Scottish Social Housing Charter" and the "Guidance on the Operation of Councils Housing Revenue Accounts" set out the level of consultation that Scottish Government expects social landlords to have with their tenants. The guidance makes it clear that the onus will be on Councils to decide what level of consultation is appropriate on a case by case basis for each disposal.
 - 3.6 The guidance also advises that local authorities are required to ensure that disposals of land comply with the European Commission's State aid and procurement rules.
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Implications of the Report

1. **Financial – None.**
2. **HR & Organisational Development – None.**
3. **Community Planning – None**
4. **Legal – None.**
5. **Property/Assets-None.**
6. **Information Technology – None.**
7. **Equality & Human Rights** – The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety – None.**
9. **Procurement – None.**

10. **Risk** – None.

11. **Privacy Impact** – None.

List of Background Papers

(a)

The foregoing background papers will be retained within Development & Housing Services for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Lesley Muirhead.

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