



Ein cyf/Our ref: MA - L/CS/0694/17

Simon Thomas AM
Chair Finance Committee
National Assembly for Wales

14 November 2017

Dear Simon

ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS (WALES) BILL – REVISED EM/RIA

I am writing to update you on the changes made to the RIA for the Abolition of the Right to Buy and Associated Rights (Wales) Bill following Stage 2.

Officials have considered the amendments made to the Bill during Stage 2 and concluded they do not alter the cost estimates presented in the original RIA. The cost estimates for the Welsh Government, Local Authorities and Registered Social Landlords (RSLs) to communicate with tenants are therefore unchanged.

The methodology presented in the RIA to estimate the impact of the Bill on Local Authority and RSL finances also remains unchanged. However, the modelling has been updated to: reflect the latest statistics on social sector property sales in 2016-17; the average market value of those properties; and the average discount provided under Right to Buy and Right to Acquire. This data was published in July 2017. The modelling also now incorporates 2015-16 data (the latest available) on Local Authority and Registered Social Landlords' repair and maintenance costs and management costs. Finally, the modelling has been revised to reflect the three additional voluntary suspensions (Flintshire, Denbighshire and Cardiff), which have been approved since the Bill was introduced in the Assembly.

This re-modelling has resulted in the range for the estimated impact on Local Authority and Registered Social Landlord finances narrowing slightly to -£69.1m to +£54.9m. As you will recall, this broad range reflects the uncertainty around the number and characteristics of properties that would otherwise be sold under the Right to Buy scheme in the baseline scenario.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Evans." The signature is written in a cursive style.

Rebecca Evans AC/AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration