

**NORTH LANARKSHIRE COUNCIL  
REPORT**

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: APPLYING FOR PRESSURED AREA STATUS – OUTCOME OF CONSULTATION
From: HEAD OF HOUSING SERVICES		
Date: 20 AUGUST 2008	Ref: MP/SR	

**1. Purpose of Report / Introduction**

The purpose of this report is to obtain Committee approval to apply for 'Pressured Area Status' for social rented housing in the local housing market areas of Cumbernauld and Moodiesburn.

**2. Background**

- 2.1 Committee will note the previous Housing and Technical services committee reports of August 2001 and February 2002 setting out the main features, of the Housing (Scotland) Act 2001, with regard to the 'modernised' right to buy for council and housing association tenants. The Housing (Scotland) Act 2001 enables local authorities to apply to the Scottish Government to designate areas as being 'pressured' where there is, or is likely to be, substantial shortfall of affordable social rented housing and the exercise of right to buy is likely to increase the problem. A 'Pressured Area' designation suspends the rights of some tenants from buying their council or housing association home, for a period not exceeding five years, in a specified area or areas, although the designation can be re-applied for.
- 2.2 The suspension does not apply to all tenants, only to tenants in certain categories. Firstly, it applies to new tenants in tenancies that began after the introduction of the Scottish Secure Tenancy (30 September 2002), which was also introduced in the 2001 Act. New tenants include those who transfer or exchange tenancy. Secondly, it applies to those who succeed or have succeeded to a tenancy on or after 30 September 2002. Thirdly, it will apply to those who have a tenancy created before 30 September 2002 but did not before that date, have right to buy.
- 2.3 Since 1979, over 35,000 council properties have been sold through the Right to Buy in North Lanarkshire, with the number of new build social rented housing small in comparison to numbers sold. In some areas of North Lanarkshire, (especially in Cumbernauld and Moodiesburn) this has resulted in very high levels of demand for social rented housing, with many households also unable to afford to purchase housing on the open market.
- 2.4 Nine Scottish local authorities have successfully applied to designate high demand areas as 'pressured'. These are North Ayrshire, East Renfrewshire, Highland, South Ayrshire, Moray, Fife, Dumfries and Galloway, Aberdeen City and Perth and Kinross.

- 2.5 There are several benefits to designating an area as 'Pressured.' It prevents greater decline in the level of social housing in high demand areas, increasing the possibility of waiting list applicants accessing social housing. Current social housing tenants may decide to purchase on the open market, or through home buying schemes such as the Scottish Government's 'shared equity' schemes, which would free up more social housing for waiting list applicants.
- 2.6 Other councils who have designated 'pressured' areas in their boundary have also used the designation to support the requirement for a local Affordable Housing Policy. Designating 'pressured' areas in North Lanarkshire would complement the development of an Affordable Housing Policy for North Lanarkshire. It also highlights to the Scottish Government that there is a need for greater investment in social housing in some high demand areas of North Lanarkshire. A designation could help to influence the Scottish Government regarding the requirements for greater investment levels in social housing in North Lanarkshire.
- 2.7 It is estimated that, based on trends experienced on tenancy changes such as new tenancies and transfers, approximately 719 tenancies in Cumbernauld and 833 tenancies in Moodiesburn would have their Right to Buy suspended for up to five years if Pressured Area Status was implemented with immediate effect; this potentially increasing to 2,314 tenancies by the end of 5 years. It is further estimated that in a five year period up to 287 council house Right to Buy sales would be prevented (115 in Cumbernauld and 172 in Moodiesburn). The projected potential sales are based on historical RTB trends and new tenancy projections which indicate a yearly increase in tenancies who have the modernised Right to Buy.
- 2.8 Prior to designating Pressured Area Status, the local authority must consult with affected tenants, tenants and residents groups and housing associations.
- 2.9 Committee will recall a report of 27 February 2008 approving the consultation process with stakeholders and other interested parties. Consultation commenced in early April 2008 and concluded on 11 July 2008.
- 2.10 Consultation methods included:
- 'Drop in' briefing session for elected members.
  - Letters accompanied with background information and response forms with pre-paid return envelopes were issued to all elected members, Council and housing association tenants as well as housing applicants for the local housing market areas of Moodiesburn and Cumbernauld.
  - Letters accompanied with background information and response forms with pre-paid return envelopes were issued to tenant groups and community councils.
  - Consultation meetings for housing associations.
  - Consultation meetings for local authority staff.
  - Two evening road show events were held at Cumbernauld and Moodiesburn First Stop Shops.
  - Series of press releases featured in local newspapers
- 2.11 Over 6,000 households were invited to participate in the consultation. 455 responses were received. The response was overwhelmingly positive with 74% advised they agreed with Pressured Area Status designation for the Cumbernauld and Moodiesburn local housing market areas. Only 16% advised that they disagreed with this process. The remainder had neutral views.

### 3. Proposals / Considerations

- 3.1 It is proposed that the Council apply for 'Pressured Area Status' for the local housing market areas of Cumbernauld and Moodiesburn which include the following letting areas:

<b>Moodiesburn area</b>	<b>Cumbernauld area</b>
Gartferry	Abronhill
Moodiesburn Electric Scheme	Balloch / Eastfield
Moodiesburn Main Scheme	Carbrain
Old Moodiesburn	Condorrat
Mollinsburn	Castle Cary
Muirhead	Cumbernauld Village
Chryston	Greenfaulds
Crowwood	Kildrum
Mount Ellen	Seafar / Ravenswood
Gartcosh	Westfield
Cardowan / Stepps	
Millerston	
Auchenloch	

### 4. Financial/ Personnel/ Legal/ Policy Implications

- 4.1. If a 'Pressured Area Status' designation application is successful, the reduced numbers of Right to Buy purchases would have an effect on the Council's 30 year business Plan for its stock. However, given the estimated number, it is anticipated that the financial impact would be limited and therefore would not significantly affect business planning assumptions.
- 4.2. It is possible that the Council will experience an increase in Right to Buy applications in these areas in the period running up to any designation being granted. This is on the basis that any Pressured Area Status will not affect any application to buy made prior to the designation.
- 4.3. There are no other direct financial, personnel, legal or policy implications for the Council arising from this report.

### 5. Recommendation

It is recommended that the Committee:

- (i) note the findings of the consultation process.
- (ii) approve the process of applying for 'Pressured Area Status' for social rented housing in the local housing market areas of Cumbernauld and Moodiesburn, as set out in section 3.1.



**Monica Patterson**  
**Head of Housing Services**  
**14 July 2008**