

EXPLANATORY MEMORANDUM TO

THE ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS (WALES) ACT 2018 (CONSEQUENTIAL AMENDMENTS AND SAVINGS PROVISIONS) REGULATIONS 2019

This Explanatory Memorandum has been prepared by the Welsh Government's Education and Public Services Group and is laid before the National Assembly for Wales in conjunction with the above Regulations and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Abolition of the Right to Buy and Associated Rights (Wales) Act 2018 (Consequential Amendments and Savings Provisions) Regulations 2019.

Rebecca Evans
Minister for Housing and Regeneration

10 December 2018

1. Description

- 1.1 This Explanatory Memorandum relates to the Abolition of the Right to Buy and Associated Rights (Wales) Act 2018 (Consequential Amendments and Savings Provisions) Regulations 2019 ("the Regulations"). The Regulations are made under section 9 of the Abolition of Right to Buy and Associated Rights (Wales) Act 2018 ("the 2018 Act"). The 2018 Act ends the Right to Buy under Part 5 of the Housing Act 1985 and the Right to Acquire under section 16 of the Housing Act 1996, these rights applying to tenants of social housing landlords who have secure or assured tenancies respectively. The 2018 Act provides for a one-year period following Royal Assent during which existing rights may be exercised before complete abolition of these rights. This notice period expires on the 25 January 2019. The rights in respect of new properties was effectively ended on 24 March 2018.
- 1.2 These Regulations make amendments to the Housing Act 1985 ("1985 Act") and the Land Transaction and Anti-avoidance of Devolved Taxes (Wales) Act 2017 ("2017 Act") in consequence of the Abolition of the Right to Buy and Associated Rights (Wales) Act 2018.
- 1.3 The Regulations make saving provisions to ensure that relevant provisions within the 1985 Act will continue to apply in respect of applications made to exercise the right to buy or the right to acquire in respect of dwelling-houses in Wales on or before 25 January 2019 and in respect of dwelling-houses which have been purchased under the right to buy or the right to acquire on or before that date (or after that date in pursuance of a notice served before that date).
- 1.4 The Regulations also make saving provisions to ensure that relevant reliefs within Schedule 15 to the 2017 Act will also apply in respect of transactions arising from applications made to exercise certain rights to buy and rent to mortgage submitted on or before 25 January 2019.
- 1.5 The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, it was not considered necessary to carry out a regulatory impact assessment as to the likely costs and benefits of complying with this instrument.

2. Matters of special interest to the Constitutional and Legislative Affairs Committee

- 2.1 No specific matters have been identified as the Regulations are simply consequential on provisions of the 2018 Act, which was scrutinised by the Committee and subsequently passed by the Assembly.

3. Legislative Background

- 3.1 These Regulations are made under section 9 of the Act and, as required by section 10(3), are subject to approval by the National Assembly for Wales. It is intended that they are made in order to come into force on 26 January 2019.

4. Purpose and intended effect of the legislation

- 4.1 The amendments are necessary to ensure that primary legislation accurately reflects legislative changes made by the 2018 Act, therefore ensuring clarity and consistency of the law.
- 4.2 The Regulations make amendments to the 1985 Act and the 2017 Act in consequence of the Abolition of the Right to Buy and Associated Rights (Wales) Act 2018.
- 4.3 The Regulations also make saving provisions to ensure that relevant provisions with the 1985 Act and 2017 Act continue to apply in relation to outstanding applications to purchase made prior to the abolition of the right to buy or right to acquire, and to ensure that safeguards apply, where for example properties bought under the right to buy and right to acquire are subsequently sold on within a specified time period.
- 4.4 The Regulations ensure that relevant reliefs within Schedule 15 to the 2017 Act will also apply in respect of transactions arising from applications made to exercise certain rights to buy and rent to mortgage submitted on or before 25 January 2019.

5. Consultation

- 5.1 No consultation has taken place as these Regulations make only consequential amendments as a result of the implementation of the 2018 Act.

6. Regulatory Impact Assessment

- 6.1 A regulatory impact assessment has not been prepared in respect of these Regulations as they simply make consequential amendments to the statute to reflect regulatory reform made by the 2018 Act, and do not impose or reduce costs for those concerned.