

## **Executive Note**

### **The Housing (Scotland) Act 2001 (Transfer of Scottish Homes Property and Liabilities Order 2005 SSI/2005/439**

The above instrument was made in exercise of the powers conferred by sections 85(1) and 109(2) of the Housing (Scotland) Act 2001. The instrument is subject to negative resolution procedure.

## **Policy Objectives**

The purpose of this instrument is to complete the transfer of all outstanding assets and liabilities from Scottish Homes to Scottish Ministers. This includes all Minutes of Agreement for large scale voluntary transfers since December 2003, bank accounts, loans, standard securities, and all debtors and creditors. This process was started in 2001 and is consistent with the intention of Ministers, set out in the Housing (Scotland) Act 2001, to wind up Scottish Homes.

No rented houses now remain in the ownership of Scottish Homes – the programme of large scale voluntary transfers is complete. All other heritable property was transferred to Scottish Ministers under previous instruments in 2001 and 2003. All remaining staff have been transferred to alternative employers. The pension fund has been transferred into the Local Government Superannuation Scheme.

Once this instrument comes into force preparation of final accounts for Scottish Homes and arrangements for winding up Scottish Homes' business by 31 December 2005 will be able to commence.

## **Consultation**

There has been consultation with Scottish Homes during preparation of the instrument.

## **Financial Effects**

All costs relating to the operation and wind up of Scottish Homes up to 31 December 2005 will be met from within Scottish Homes' own resources. No budget allocation has been made or is required.

The instrument transfers, as a one-off transaction, net assets to the value of £17m to Scottish Ministers (valued at 31 March 2005). The bulk of these net assets comprise a portfolio of home loans, rent to mortgage loans and standard securities, plus some £5.5m cash. The precise value of the net assets will not be known until the final accounts have been prepared. The income generated from these assets in future years will be used to fund any future compensation claims which will continue to arise from Scottish Homes' former activities, and to pay for continuing administration costs such as recovery of outstanding home loans.

This instrument is not expected to have any additional financial effects on the business of the Executive and there is no requirement for a Regulatory Impact Assessment.

Scottish Executive  
Development Department  
September 2005