
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the existing maximum rates of discount available in relation to the exercise of the right to buy under Part 5 of the Housing Act 1985 (“the 1985 Act”) and the right to acquire under section 16 of the Housing Act 1996 (“the 1996 Act”).

Part 5 of the 1985 Act has been applied with modifications by the Housing (Extension of Right to Buy) Order 1993 (S.I. 1993/2240), the Housing (Preservation of Right to Buy) Regulations 1993 (S.I. 1993/2241) and the Housing (Right to Acquire) Regulations 1997 (S.I. 1997/619).

Section 16 of the 1996 Act sets out the conditions in which a tenant of a registered social landlord will have the right to acquire a dwelling. Section 17 of the 1996 Act allows the Welsh Ministers to specify the discounts applicable in relation to the exercise of the right available under section 16. In exercise of that power, the Secretary of State for Wales made the [Housing \(Right to Acquire\) \(Discount\) \(Wales\) Order 1997/569](#) (“the 1997 Order”), article 3 of which sets the maximum discount available in the exercise of the right to acquire. Article 2 of this Order amends article 3 of the 1997 Order to reduce the maximum discount from £16,000 (sixteen thousand pounds) to £8,000 (eight thousand pounds).

A person exercising the right to buy a dwelling-house in Wales under Part 5 of the 1985 Act may be entitled, under sections 129 to 131 of and Schedule 4 to that Act, to a discount equal to a percentage of the price before discount. Section 131 of the 1985 Act provides limits upon the amount of discount to which the proposed purchaser is entitled and section 131(2) empowers the Secretary of State to make an Order prescribing the maximum sum by which the price payable for a dwelling house under the right to buy scheme may be reduced by discount. The powers given to the Secretary of State by section 131 of the 1985 Act are now exercisable by the Welsh Ministers in relation to Wales.

Under section 131(2), the Secretary of State made the [Housing \(Right to Buy\) \(Limits on Discount\) \(Wales\) Order 1999](#) (“the 1999 Order”) which prescribes amongst other matters, the maximum discount available in the exercise of the right to buy. Article 3 of this Order amends article 3 of the 1999 Order to reduce the maximum discount available in relation to the right to buy from £16,000 (sixteen thousand pounds) to £8,000 (eight thousand pounds).

Article 4 of this Order revokes the [Housing \(Right to Buy\) \(Limits of Discount\) \(Amendment\) \(Wales\) Order 2003](#) which previously amended the maximum discount available in respect of the right to buy through amending the 1999 Order.

Article 5 provides that this Order does not affect any applications served under section 122(1) of the 1985 Act prior to the coming into force of this Order. In relation to such applications, the maximum discounts existing prior to the amendments made by this Order will apply.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to this Order. As a result a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with this Order. A copy of the regulatory impact assessment can be obtained from the Housing Policy Division, Welsh Government, Rhydycar Business Park, Merthyr Tydfil, CF48 1UZ.