



PEAKS & PLAINS
Housing Trust

The Trust

Right to Buy &
Right to Acquire
Policy

Version number: V2

Effective Date: 14th July
2023



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1. INTRODUCTION

- 1.1. This document outlines the Trust's approach to the Right to Buy and Right to Acquire schemes.
- 1.2. The aim of the policy is to outline how we will deal with applications from tenants to purchase their property under the rights laid out in legislation and associated regulation.

2. SCOPE

- 2.1. The Right to Buy will be available only to our tenants who qualify. There are criteria laid out in law that tenants have to satisfy in order to qualify.
- 2.2. The first criteria is that they held a tenancy for the home at the time the property was transferred to us from the ownership of a local authority.
- 2.3. Further criteria that must be considered include:-
 - The length of time they have held a tenancy;
 - If it is their main home;
 - The type of property ;
 - If they have an outstanding possession order ;
 - If the property is due to be demolished.
- 2.4. The discount allocated through the Right to Buy is a percentage of the Open Market Value based on the length of tenancy, up to a maximum figure. The maximum discount is a specific sum published for the Right to Buy, and this increases each April in line with the Consumer Price Index (CPI).
- 2.5. The Right to Acquire will be available only to our tenants whose home was built or acquired by us after 31 March 1997 and funded through a social housing grant provided by Homes England (previously the Homes and Communities Agency or Housing Corporation); or transferred to us from a local authority after 31 March 1997 and there is no qualifying tenant for Right to Buy living there.
- 2.6. The criteria for Right to Buy as outlined above continue to be relevant for the Right to Acquire.
- 2.7. Certain tenancy types do not have the Right to Acquire and some rural parish areas are exempt from the Right to Acquire.
- 2.8. The discount is lower than that of Right to Buy, it is a specific sum and differs based on location. These sums are published and updated by the Ministry of Housing, Communities and Local Government.

3. LEGAL & REGULATORY REQUIREMENTS

- 3.1. The Trust's policies and procedures have been designed in line with all current and relevant legislation, which includes:
- Housing Act 1985 (as amended)
 - Housing Act 1996
 - Housing Act 2004
 - Statutory Instrument 2002 No 1091 (Right to Acquire – discounts)
 - Statutory Instrument 1997 No 623 as amended by Statutory Instrument 1999 No 1307 (Right to Acquire- Rural exemptions)
 - Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2019;
 - Proceeds of Crime Act 2002 (POCA);

4. DEFINITIONS

4.1. **Open Market Value**

- 4.1.1. Open Market Value is the probable price which a property would be expected to achieve on the day in an open fair sale environment, as assessed by a RICS qualified surveyor.

4.2. **District Valuer**

- 4.2.1. District Valuer is the specialist property arm of the Valuation Office Agency (VOA). It provides independent, impartial, valuation and professional property advice across the entire public sector, and where public money or public functions are involved.

4.3. **Service Charge**

- 4.3.1. Service Charge is the amount payable in addition to or as part of a rent, for services, repairs, maintenance, improvements, insurance and landlord's cost of management, the whole of which varies or may vary according to the relevant costs.

4.4. **Sinking Funds**

- 4.4.1. Sinking Fund is a fund of money set aside to pay towards future major works of a building. Sinking Funds are built up through annual contributions within leaseholders' service charges.

4.5. **Major Works**

- 4.5.1. Major Works are large scale or substantial building works, repairs and replacements as required to keep a building in good condition.

5. OUR POLICY

- 5.1. Unless specified, the following statements relate to both Right to Buy and Right to Acquire, and are as detailed within appropriate legislation and regulation.
- 5.2. We will thoroughly check any application received to ensure that the tenant qualifies for the Right to Buy or Right to Acquire.
- 5.3. We will check that the property is one that can be sold under the legislation.
- 5.4. We will check the details of all the parties who wish to be part of the application to ensure that they meet the criteria.
- 5.5. Where we deny the Right to Buy or Right to Acquire we will give full reasons for our decision.
- 5.6. We will respond appropriately and within the timescales provided by an Appeal Tribunal when a tenant is appealing our decision to deny the Right to Buy.
- 5.7. We will use a valuation of the property carried out by a RICS Registered Valuer.
- 5.8. If a tenant disputes the valuation, we will apply to the District Valuer for a valuation which will be binding on both us and the tenant.
- 5.9. We will check that the calculation of the discount is correct and the tenant will receive the discount to which they are entitled.
- 5.10. We will deduct any discount the tenant has received for a previous purchase where applicable.
- 5.11. We will reduce the discount if the sum we have spent in recent times on the purchase or maintenance of the property exceeds the price we would receive from the sale (Right to Buy only).
- 5.12. We will make checks to the best of our ability to ensure that fraudulent applications are identified, and that the money used for the purchase is not part of a money laundering exercise.
- 5.13. We will administer the scheme within the timescales set down by legislation.
- 5.14. We will list all of the expected service charge costs for the next five years on the offer notice. This will include any planned major works expenditure.
- 5.15. Prior to the sale we will inform the tenant of their obligations of being a homeowner and leaseholder (if applicable). This will include their obligations for paying service charges including contributions to sinking funds, and for major repairs and ground rent.

- 5.16. After an application to purchase has been received, we will only carry out emergency repairs to the property.
- 5.17. We will pursue the repayment of discount that is due to us if a property is sold within five years of purchase.
- 5.18. We will consider repurchasing a property if it is to be sold within ten years of purchase. We will make decisions on a case by case basis.
- 5.19. We will take appropriate legal action where fraudulent claims have been made.

6. EQUALITY, DIVERSITY & INCLUSION

- 6.1. The Trust will monitor the impact of this policy to ensure that applications for Right to Buy and Right to Acquire are dealt with fairly and effectively in accordance with legislation.
- 6.2. An Equality Impact Assessment has been carried out, the Trust has to produce standard templates for all communications, where necessary these will be published in large print or different language formats. The Trust will support all applicants to understand the documentation.

7. RESPONSIBILITIES

- 7.1. The Executive Management Team is responsible for approving the policy.
- 7.2. The Head of Finance will be responsible for the effective implementation of this policy.
- 7.3. The Service Charge Manager via the Homeownership Team Leader will oversee the day to day operation and reporting of this policy.
- 7.4. Homeownership Team will ensure all applications are processed accurately and all notices are issued within the appropriate government timescales.

8. MONITORING AND REPORTING

- 8.1. The following information will be used to monitor the Right to Buy and Right to Acquire:
 - The numbers and types of “live” applications
 - The response timeframes as required by legislation
 - The number and types of completions, and discounts allocated
- 8.2. The Trust Executive Management Team will receive information on a monthly basis regarding the operation of the Right to Buy and Right to Acquire policy and report to Board if considered appropriate to do so.
- 8.3. KPIs are in place and are reported on a monthly basis in the Trust’s Performance Management Group.

9. CONSULTATION

- 9.1. The Trust Senior Management Team and All Managers Team have been consulted in the development of this policy.
- 9.2. The Trust’s Challenge Group has been consulted about the policy.

10. REVIEW

- 10.1. This policy will be reviewed every three years unless legislation or regulation changes require an earlier review.

11. ASSOCIATED DOCUMENTS

- Tenancy Fraud Policy
- Anti-Money Laundering Policy
- Right to Buy Procedure
- Right to Acquire Procedure

POLICY INFORMATION

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|-------------------|--|
| Policy Name: | Right to Buy & Right to Acquire Policy |
| Status: | Final |
| Approved by: | EMT |
| Drafted By: | Homeownership Team Leader |
| Date approved: | 13 th July 2023 |
| Next Review Date: | 13 th July 2026 |