

Right to Buy & Right to Acquire Policy

Date written: May 2010

Date(s) reviewed: May 2012, May 2015, July 2018

Purpose: To set out our approach to the processing of tenant's Right to Buy and Right to Acquire claims.

Scope: All Bernicia Right to Buy & Right to Acquire enquiries and claims.

Definitions: The Right to Buy scheme enables secure or assured (with a Preserved Right to Buy) tenants to buy their home at a discount, calculated on the number of years they have held a public sector tenancy.

The Right to Acquire scheme applies to tenants who hold an assured tenancy of a property which was built or bought by a housing association after 1 April 1997 (and funded through a social housing grant provided by the Housing Corporation or local council). Or alternatively transferred from a local council to a housing association after 1 April 1997. The discount for the North East of England is set at £9,000.

Qualifying tenants can claim their Right to Buy or Right to Acquire if they have been a public sector tenant for a minimum of three years, not necessarily three consecutive years. Public sector tenants include those who have lived in properties provided by a local authority, housing association, the armed services or a public body like an NHS Trust.

Associated documents: Tenancy agreements, RTB/RTA prescribed forms

Date for review: July 2021

Responsibility: Home Ownership Manager

Policy

1. Introduction

- 1.1 Bernicia recognises the importance of helping tenants to make the right choices relating to exercising their right Right to Buy or Right to Acquire.
- 1.2 Buying a home can be a complicated process, especially for first time buyers. Our Right to Buy and Right to Acquire policy exists to assist tenants, offering good quality help and advice before, during and after their purchase.
- 1.3 We are committed to an efficient and effective service that helps tenants understand their legislative rights so that they can make informed decisions.
- 1.4 We are committed to ensuring that we process applications within legal timescales and will monitor our performance.

2. Policy statements

- 2.1 We will provide tenants with comprehensive information explaining the Right to Buy and Right to Acquire processes. This will be above and beyond our statutory requirements.
- 2.2 If tenants contact us prior to submitting a Right to Buy or Right to Acquire claim they will be made aware of any sale exemptions due to local lettings policies or if their property is classified as a retirement or supported housing unit.
- 2.2 Prior to submitting a Right to Buy or Right to Acquire claim, we will ensure that tenants are aware of the implications of doing so:-
 - We will explain to tenants the services they will no longer receive from Bernicia, should they purchase their property. In particular servicing and routine or emergency repairs.
 - We will explain to tenants that once their Right to Buy or Right to Acquire claim is active we will only carry out essential repairs and required servicing to their property. In addition, their property will be removed from any planned improvement works (full repairs and any planned works will be reinstated should their claim be withdrawn).
 - We will explain to tenants the requirements to pay back all/some of the discount they receive, if they sell their home within the first 5 years of ownership.

- We will explain the Right of Refusal under Section 156A of the Housing Act 2004, requiring that the property is offered to Bernicia to buy back within the first 10 years of ownership.
 - We will warn tenants about the practices of some mortgage or finance companies. However, we will not recommend any products or lenders.
- 2.4 Current legislation allows up to three members of the applicant's family to be included in the claim, providing they have resided at the property for the last 12 months.
- 2.5 Where legal action has commenced relating to rent arrears, anti-social behaviour or any other breach of tenancy, we will deny or suspend a Right to Buy or Right to Acquire claim (in the event the action is instigated after the Right to Buy or Right to Acquire has been admitted).
- 2.6 We will inform tenants within 4 weeks of receiving their claim form whether their Right to Buy or Right to Acquire has been admitted or denied. This may be extended to 8 weeks if we are required to check tenancy details with other landlords or if any information is missing. If denied, we will provide accurate details of why this is the case including copy demolition notices, if applicable. We will also ensure that tenants are aware of how to make an appeal, if they wish to do so.
- 2.7 When a Right to Buy or Right to Acquire has been admitted, we will arrange for a valuation to be undertaken by an independent RICS Registered Valuer. We will ensure that tenants are aware of their right to a review by the District Valuer if they disagree with the valuation. The District Valuer's decision will be binding, whether higher or lower than the original valuation.
- 2.8 We will ensure that an energy performance certificate is available, or an assessment is carried out at the valuation stage and a certificate produced.
- 2.9 The Right to Buy discount is determined by the length of time spent as a public sector tenant, whether the property is a house or a flat and how much money Bernicia may have spent maintaining or improving the property (cost floor). The discount will be calculated on the number of years as a public sector tenant to the date that the claim is submitted. After discount, the property cannot be sold for less than the cost floor figure.
- 2.10 The Right to Acquire discount is based on a set amount per region. The current discount for the North East is £9,000 from the market value of the property.
- 2.11 The overall maximum allowable Right to Buy discount and regional Right to Acquire set discount is determined by central government.

- 2.12 When issuing an Offer Notice, we will do so within 8 weeks of admitting the Right to Buy or Right to Acquire in the case of a Freehold property and 12 weeks in the case of a Leasehold property.
- 2.13 We reserve the right to serve demolition notices under the Housing Act 2004 relating to any properties in Bernicia's ownership forming part of any regeneration programme. Once an initial demolition notice has been served, we will suspend any Right to Buy or Right to Acquire claim for a period of up to 5 years.
- 2.14 If a final demolition notice is served during the 5 year period following suspension of a Right to Buy or Right to Acquire, the claim will fully cease and the property will no longer be eligible for purchase.
- 2.15 In the case of a Right to Acquire claim, we reserve the right to offer an alternative property for sale within our stock. For example, if Bernicia intends to carry out works to the tenant's existing property as part of any regeneration programme.
- 2.16 We will ensure that adequate Right to Buy and Right to Acquire documentation is recorded for the purposes of Bernicia's auditing requirements.

3. Responsibility for implementation

- 3.1 Who is required to implement the policy, and in what context will each individual be responsible.

4. Actioning the policy

- 4.1 What will happen when the policy needs to be used and the results if it is incorrectly applied?

5. Monitoring the policy

- 5.1 Description of how the policy will be monitored to ensure that it is complied with and that it achieves results.

6. Resources

- 6.1 Description of the resources likely to be required to implement the policy and a commitment to making these available. Please be aware our policies are public documents.

7. Equality and Diversity

- 7.1 Describe the Equality and Diversity Impacts of this policy on all vulnerable groups.

Uncontrolled if printed – This may not be the latest version of the policy