# PRESERVED RIGHT TO ACQUIRE POLICY

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# PRESERVED RIGHT TO ACQUIRE POLICY

## DOCUMENTATION MASTER SHEET

Amendments to this Document are Detailed Below.

| Version Number | Date Amended | Comments | Date Approved | Author | Approved By |
|---|---|---|---|---|---|
| 01 | 27/04/2026 | New Policy | 07/05/2026 | EC | NT |
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# PRESERVED RIGHT TO ACQUIRE POLICY

## OVERALL AIM/INTRODUCTION

The purpose of this policy is to set out Gloucester City Homes (GCH) approach to the processing of our customer's Right to Acquire (RTA) applications, in line with statutory requirements.

The overall aim of the policy is to ensure that qualifying applications are identified and progressed within the legislative guidelines and timescales.

- **For our customers** – we will ensure that our approach is clear and transparent, and that all customers are treated fairly and consistently in their claims to purchase their homes either the RTA.
- **For our colleagues** – colleagues will be provided with clear guidance to enable them to respond efficiently to enquiries and communicate with each customer regularly so that legislative timescales are adhered to.
- **For our stakeholders** – we will act in compliance with statutory requirements and we will manage GCH's resources responsibly.

## SCOPE OF POLICY

This policy applies to sales to existing customers who meet the qualifying criteria, summarised below.

## RTA TENANT ELIGIBILITY

Eligible secure and assured tenants living in a property which qualifies for the scheme. They will have had to have been a social sector tenant for a total of three years and live in a house or flat which is a self-contained property and is their only or main home. Tenants will not be eligible for the RTA if they are:

- An undischarged bankrupt, or have a bankruptcy petition against you.
- The subject of a possession order served by the court, at the request of your landlord, or
- Subject to a formal creditors' agreement made under the Insolvency Acts

## RTA PROPERTY EXCLUSIONS

The RTA only applies to properties built or purchased with public funds or transferred by a local authority after 1st April 1997, subject to the following exemptions:

- Properties in certain rural parishes identified by the Government as being exempt from the Right to Acquire.
- Properties where the landlord is a co-operative housing association.
- Properties where the landlord does not have sufficient legal interest to be able to grant a lease exceeding 21 years for a house or 50 years for a flat.
- Ties accommodation occupied because the tenant is employed by the Registered Provider or has other physical disabilities.

- A home that is one of a group of homes designed with special features for letting to people with physical disabilities.
- A home that is one of a group of homes let to tenants who are suffering or have suffered from a mental disorder, where social services or other special facilities are provided.
- A home that is one of a group of homes let to tenants who have special needs and require intensive housing support.
- A home that is one of a group of homes particularly suitable for elderly people and is let to a person aged 60 or over.
- Properties held on Crown tenancies.
- A property which is valued at or below the landlord's loan for that property.
- The landlord has published its intention to demolish the property you currently occupy within 7 years or served a notice that it intends to demolish it within 2 years.

For some exclusions to count, the tenant must be notified before the start of any tenancy.

Where a tenancy is in joint names, both tenants need to sign the application form indicating if they will be participating in the RTA.

Where a household member is joining the RTA application, they will be required to prove that they have been living at the address for the previous 12 months continuously, that it is their only or main home and that they do not have any interest in any other property.

If any tenant or household member is joining the RTA application, they will not be eligible if:

- They're being made bankrupt
- A court has ordered them to leave their home
- They are a council tenant
- They have the preserved Right to Buy

## LEGAL AND REGULATORY EXPECTATIONS

- Department for Levelling Up, Housing & Communities
- Housing Act 1985 – Part V
- Housing Act 1996 and The Housing (Right to Acquire) Regulations 1997
- https://www.gov.uk/right-to-acquire-buying-housing-association-home
- https://www.gov.uk/government/publications/your-right-to-buy-your-home-a-guide--2

# PRESERVED RIGHT TO ACQUIRE POLICY

## DEFINITIONS

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|---|---|
| Almshouses | A unit of residential accommodation which belongs to a charity is provided exclusively to meet the charity's purpose (for example, the relief of financial need or infirmity) and is occupied or is available for the occupation under a licence by a qualified beneficiary. |
| Right to Acquire (RTA) | The Right to Acquire scheme is a government programme in the UK that allows housing association tenants to buy their homes at a discounted price. At a discount set by the area that they live in. |
| Rural Exemption | Part of the RTA legislation restricts the sale of units in rural areas. Link to legislation provided at the start of this policy. |

## ROLES AND RESPONSIBILITIES

- **SLT**- The policy and procedure for the Preserved Right to Acquire will be approved by SLT.
- **Leasehold Manager**- Approval of eligibility, any valuations, and discounts applied.
- **Leasehold Team**- Assess eligibility, customer liaison throughout the process, ensuring statutory timescales are met.

## POLICY

**Policy Statement**

- We will ensure that applicants are informed in detail about the RTA schemes, the differences between each, and the eligibility criteria for each.
- We will be consistent, fair, and transparent throughout and protect both the customer and the interests of GSA when processing each transaction.
- We will adhere to the timescales set out for processing applications, as set out in the legislation.

**Policy Outline**

- **How we assess eligibility:**
  - We will assess applicants' eligibility to ensure that the government criteria for the RTA scheme are met. Where applications do not meet the criteria, we will provide the applicant with a clear reason for this.
  - We will not accept enquiries from anyone other than the Tenant themselves, this includes Household Members or Key Workers, etc. Where enquiries are raised by anyone other than the tenant, a safeguarding assessment will be completed.

  The Leasehold Team will check if the property is eligible for the Right to Acquire by checking if the property was transferred to us by Gloucester City Council and by checking if the tenant moved to GCH after the property was transferred. If the property was acquired after the transfer, we will check with Development and Finance if there was any

grant funding.

- **How we process applications:**
  - Our housing stock is an important and valuable resource. As a responsible Landlord, we will ensure that all RTA applications are subject to fraud checks, and we will deal robustly with any fraudulent applications.
  - We include guidance notes for customers with the application form.
  - Applicants will be advised to seek legal and financial advice before commencing the process.
  - We will let each applicant know if they are eligible for the RTA within 4 weeks of receiving the application.
  - After we send the RTA2 Notice admitting the applicant(s) we will then send an Offer Notice within 8 weeks of the RTA2 being sent in the case of a freehold property, or within 12 weeks for a leasehold property. The Offer Notice will include:
    - The value of the property provided by the valuer (we will not provide the valuation report).
    - The discount of the property and how this was calculated.
    - The price to purchase the property.
    - A description of the property and any land included in the price.
    - A copy of the plan for the property.
    - Estimates of any service charges (for leasehold properties only) for the first five years.
    - Information about any sinking funds in place and any planned maintenance works (for leasehold properties only).
    - Any known problems with the property's structure, for example, subsidence, or it being a non-traditional construction.
  - Applicants will have 12 weeks after receiving the Offer Notice to inform us if they wish to proceed with buying their home. If the applicant misses the 12-week deadline, we will issue a 28-day default notice. If they decide to proceed with the purchase, they will be required to provide proof of their funding, and we will conduct our own Anti-Money Laundering and Fraud checks, and where a need is identified, we may refer cases to the Cotswold District Fraud Team.
  - If the applicant chooses not to proceed, they will be required to start the process again.
  - Applicants can withdraw their application and continue to rent at any time.
  - If an applicant thinks that the valuer has over-estimated the market value, they can write to us during the 12 weeks after receiving the Offer Notice, by returning the Notice of Intention that is sent with the Offer Notice. We will then contact the District Valuer from His Majesty's Revenue and Customs (HMRC), who will visit the property and provide a further valuation. There are no set timescales for them to provide this. This valuation is final, and it can be higher or lower than the initial valuation that we provided. Applicants then have 12 weeks to accept this valuation or withdraw their application.

- **During the application process:**
  - At the point of receiving the application, we will update the Housing Management System that an RTA has been received, and we will notify the relevant teams so that any planned maintenance or repairs are stopped.
  - If an RTA application is cancelled or withdrawn, we will remove the indication that an RTA is ongoing from the system, and we will notify any relevant teams so that any planned maintenance or repairs can be resumed.
  - Only emergency repairs will be undertaken during the application process.

- **Repairs and Planned Maintenance Obligations post-sale:**
  Once the sale has completed, we will no longer carry out any further repairs or planned maintenance to the property itself. Any repairs reported to the communal areas or structure of the property in the case of a leasehold sale will be carried out in accordance with the terms of the Lease granted. These would be rechargeable or recoverable through the Service Charge.

## ASSURANCE

The Leasehold Officer will carry out an initial check on receipt of enquiries to buy from a tenant, who will then be advised whether they qualify for the Right to Acquire, in line with Government Guidance. Where a tenant is eligible, an application pack will be sent out to the tenant wth the application form provided by the Government, along with copies of the Government Guidance for the RTA. On receipt of the RTA1 form from the tenant, the Leasehold Officer will assess whether the property and the tenant are eligible for the RTA and will also meet with the tenant(s) to assess safeguarding risks. Where the tenant is eligible, an RTA2 form will be sent to the tenant admitting them onto the RTA. Where the tenant is not eligible for the RTA, an RTA2 form will be sent to the tenant denying the application and explaining the reasons why. Where an RTA2 form has been sent admitting the tenant onto the application, a valuation will be requested, and an Offer Notice will be sent.

The Offer Notice will be sent to the Leasehold Manager for review, and once this has been approved, it will be sent to the Tenant. On receipt of a Notice of Intention and Anti-Money Laundering Form, the Leasehold Officer will review the source of funding and complete credit checks. Where there are concerns over funding, the application will be referred to the Cotswold District Fraud Team for them to review, and where they advise fraud may be taking place, this is then passed to the Finance Director, who is the Money Laundering Reporting Officer (MLRO) at GCH. This is then referred to the National Crime Agency (NCA). Where there are no concerns over funding, the application is then passed to solicitors for the sale to be progressed.

Once the application has been passed to solicitors, they will check if there are any restrictions on the title that will affect the sale.

# PRESERVED RIGHT TO ACQUIRE POLICY

## APPEALS

Any customer who is not satisfied with our approach in processing their Right to Acquire application can lodge an appeal that will be reviewed by an operational service manager. Following this review, if the customer remains dissatisfied, they are able to raise a complaint in line with the company's complaints policy.

## REVIEW

This policy will normally be reviewed triennially to ensure that it reminds fit for purpose, unless an earlier review is required due to regulatory, statutory or other requirements.