PRESERVED RIGHT TO BUY POLICY

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PRESERVED RIGHT TO BUY POLICY

DOCUMENTATION MASTER SHEET

Amendments to this Document are Detailed Below.

Version Number	Date Amended	Comments	Date Approved	Author	Approved By
01	18/05/2005	First Draft	18/05/2005	LB	GHS
02	14/09/2006	Second Draft	14/09/2006	GIH	GIH
03	22/08/2008	Re-draft to accommodate changes	22/08/2008	JDE	JDE
04	20/11/2008	Requirements of EPC	20/11/2008	JDE	JDE
05	17/04/2012	Various updates	17/04/2012	JH	JH
06	20/09/2013	Review and amendments- increased discount cap	01/10/2013	PDM	LDP
07	01/04/2015	Transfer	01/04/2015	LDP	LDP
08	01/02/2017	Enhanced procedures and process	01/02/2017	LDP	LDP
09	28/02/2019	Review and amendments- following internal audit	28/02/2019	LDP	PDm
10	18/07/2019	Review and amendments- following external audit	18/07/2019	LDP	PDM
11	20/01/2020	Review and amendments- change of valuer and conveyancer	20/01/2020	LDP	EB
12	20/05/2020	Updated discounts for 2020.	20/05/2020	LDP	EB
13	19/12/2024	Full review and rewrite to	20/02/2025	DS	SLT

		include the current government amendments to guidance and legislation.			
14	17/03/2026	Full review and rewrite to include the current government amendments to guidance and legislation.	14/04/2026	EC	SLT

OVERALL AIM/INTRODUCTION

The Right to Buy (RTB) scheme is aimed at secure tenants of local authorities (councils) and protected assured tenants of registered social landlords/housing associations who previously held secure tenancies with local authorities. The scheme is designed to offer qualifying tenants the chance to buy their home at a discounted price. It is available to any secure tenant that has had a social tenancy for three years and moved over to a housing association from a council owned property and has not moved away from that housing association since their property was acquired.

The policy is intended to enable GCH employees to process Right to Buy applications in accordance with legislation and provide advice and guidance to tenants who are considering purchasing their home.

- **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 via the RTB.
- **For our colleagues-** colleagues will be provided with clear guidance to enable them to respond efficiently to enquiries and communicate with each RTB applicant 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

The policy applies to all GCH tenants with an Enhanced Assured Tenancy who qualify for the Preserved Right to Buy. It provides clarification to tenants that do not qualify, enabling GCH employees to advise tenants appropriately and set out the requirements of the Right to Buy.

PRESERVED RIGHT TO BUY POLICY

RTB ELIGIBILITY

The RTB is a statutory right for former Council Tenants who transferred to a housing association as part of a stock transfer. They may benefit from the Preserved Right to Buy. If they are eligible, this could mean that they are entitled to buy their home at a discounted price, relative to the Open Market Value. Tenants initially receive a 35% discount for the first 5 years of tenure and 1% for every year after, up to a maximum of 70% for freehold properties and 50% discount for the first five years of tenure and 2% for every year after, up to a maximum of 70% for leasehold properties.

For applications received prior to 21st November 2024, the maximum monetary discount granted is £102,400. For applications received after the 21st November 2024, the below maximum monetary discounts are granted based on region:

- East Midlands: Up to £24,000
- West Midlands: Up to £26,000
- South East: £38,000 (except certain areas where it is £16,000)
- **South West: Up to £30,000**

RTB TENANCY EXCLUSIONS

The following types of tenancies cannot be considered for the RTB:

- Where a long lease has been granted for a fixed term of more than 21 years.
- Introductory tenancies (Part V of the Housing Act 1996)
- Demoted tenancies (Section 143A of the Housing Act 1996).
- If the dwelling is occupied in connection with employment:
    - Where the tenancy is required for the better performance of duty.
    - Police tenancies (rent free).
    - Fire authority employee granted tenancy in order to reside near a fire station.
    - If a previous tenant (within the 3 years immediately prior to the tenancy) met one of the conditions above. Landlords must notify tenants in writing that this exception will apply).
- Where the dwelling is on land acquired for development that the landlord is using as temporary housing accommodation.
- The tenancy related to a property that provides homeless accommodation (Part VII of the Housing Act 1996):
    - Tenancies granted to asylum seekers (Part VI of the Housing Act 1996).
    - Tenancies granted as provision to displaced persons (Temporary Protection Regulations 2005).
- Temporary accommodation provided to meet the needs of obtaining or undertaking employment in that, or in adjoining district.
- If the dwelling is leased to a landlord with vacant possession by the owner (private sector) for use as temporary accommodation, where there is provision in the lease for obtaining vacant possession at the end of the lease.

- If the dwelling is temporary accommodation while works are being carried out in a previously occupied dwelling.
- If the dwelling is on an agricultural holding and occupied by a person who is controlling the farming of the holding.
- Where the dwelling is or is within a property licenced to sell alcohol.
- Where a tenancy is granted to meet the needs of an educational course within the category designated by Regulations.
- A business tenancy within Part II of the Landlord and Tenant Act 1954.
- Alms-houses- Schedule 1 of the Act.

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

Where a household member is joining the RTB 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 RTB application, they will not be eligible if they are subject to any of the following orders:

- Possession order with a fixed date- including suspended Possession Order
- Ground 2 criminal nuisance order
- Right to Buy suspension order
- Bankruptcy order
- Demolition order

RTB PROPERTY EXCLUSIONS

Properties exempt from the Right to Buy are one of the following:

- **Dwelling houses for persons of a pensionable age (sheltered housing)** *all four of the below criteria must be met for the property to qualify*:
    1. The property is one of a group.
    2. All dwellings in this group are particularly suitable for an elderly person.
    3. It is the practice of the landlord to let these dwellings to persons aged 60 or over, or to people who are physically disabled.
    4. The services of a warden are provided- this can be either a resident warden or a non-resident warden who is on call- coupled with the use of a common room in close proximity to the group of dwelling houses.

    If all of the above criteria are met the application will be denied under Part B of the RTB2.

- **Dwellings for disabled persons** *All four of the following criteria must be met before you can deny an application under this ruling*:

1. The property must have features that are substantially different from those of ordinary dwelling houses.
2. Is designed for people who are physically disabled.
3. Is one of a group of dwellings which is the proactive of the landlord to let for occupation by people who are physically disabled.
4. Is in close proximity to a social service or special facility provided wholly or partly for the purpose of assisting the occupants.

If all of the above criteria are met the application will be denied under Part B of the RTB2.

- **Dwellings for those suffering from a mental disorder** *Both of the qualifying criteria must be met before you can deny an application under this ruling*:
  1. The property is one of a group of dwellings which is the practice of the landlord to let for occupation by people who are suffering or have suffered from a mental disorder as defined in the Mental Health Act 1983.
  2. Has a social service or special facility provided wholly or partly for the purpose of assisting the occupants.

  If both of the above criteria are met the application will be denied under Part B of the RTB2.

- **Elderly persons dwellings** *All three of the following criteria must be met before you can deny an application under this ruling. Circular 7-2004- Right to Buy: Exclusion of elderly Persons Housing gives guidance on this exemption. A copy of this circular can be obtained from the Ministry of Housing, Communities & Local Government*:
  1. The property was let for occupation by a person aged 60 or over. This can be either the tenant(s) or another person.
  2. The property is an individual dwelling which is particularly suitable for an elderly person.
  3. The property was first let before the 1st January 1990.

  Unlike the other types of exempt dwellings, if you deny the RTB on the basis that it meets the criteria set out for elderly persons' dwellings, the applicant will be entitled to appeal your decision with 56 days of the RTB2 date.
  If all of the above criteria are met the application will be denied under Part C of the RTB2.

- **Property scheduled for demolition**
  A further reason that a particular property can be exempt from the Right to Buy is that if the property is designated to be demolished.

  Once a property has become subject to an Initial Demolition Notice, the RTB cannot be completed.

  The application can be suspended at the stage it has reached when the Initial Demolition Notice is issued. The tenant can require the landlord to progress the application up to the

completion stage, but completion cannot take place.

- When/if a Final Demolition Notice is issued on the property, the Right to Buy on the property comes to an end and the application is cancelled.

LEGAL AND REGULATORY EXPECTATIONS

- Department for Levelling Up, Housing & Communities
- Housing Act 1985 – Part V
- https://www.gov.uk/government/publications/your-right-to-buy-your-home-a-guide--2
- Private Registered Providers of Social Housing (providers) are required by Section 176 of the Housing and Regeneration Act 2008, as amended (HRA 2008), to notify the Regulator of Social Housing (the regulator) about any disposal of a dwelling (as defined in Section 275 HRA 2008) that is social housing.

DEFINITIONS

Alms-houses	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 Buy (RTB)	The Right to Buy scheme is a government program in the UK that allows council tenants to buy their home at a discounted price. It was introduced in the 1980's, it remains popular and it provides eligible tenants with the opportunity to purchase their property at a lower cost than the full market value.

ROLES AND RESPONSIBILITIES

- **SLT**- The policy and procedure for the Preserved Right to Buy 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 when requested, applicants are informed in detail about the RTB scheme, the differences between the property criteria, the eligibility criteria, and the discount which applies to their application.
- We will be consistent, fair and transparent throughout and protect both the customer and the interests of GCH 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 RTB scheme is met. Where applications do not meet the criteria, we will provide the applicant with a clear reason for this.
  - We will not accept enquires 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 are able to confirm swiftly and accurately as to whether a customer and their property are eligible for the RTB by checking the tenancy on the Housing Management system.

- **How we process applications:**
  - Out housing stock is an important and valuable resource. As a responsible Landlord, we will ensure that all RTB 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.
  - Prior to sending the RTB2, the cost floor will be calculated, where the cost floor is higher than the market value, the discount will no longer apply.
  - We will let each applicant know if they are eligible for the RTB within 4 weeks of receiving the application.
  - After we send the RTB2 Notice admitting the applicant(s) we will then send an Offer Notice within 8 weeks of the RTB2 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 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-week period 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 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 provide. 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 a RTB has been received, and we will notify the relevant teams so that any planned maintenance or repairs are stopped.
  - If a RTB application is cancelled or withdrawn, we will remove that a RTB 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 Buy, in line with Government Guidance. Where a tenant is eligible, an application pack will be sent out to the tenant with the application form provided by the Government, along with copies of the Government Guidance for the RTB. On receipt of the RTB1 form from the tenant, the Leasehold Officer will assess whether the property and the tenant are eligible for the RTB and will also meet with the tenant(s) to assess safeguarding risks. Where the tenant is eligible, an RTB2 form will be sent to the tenant admitting them on to the RTB. Where the tenant is not eligible for the RTB, a RTB2 form will be sent to the tenant denying the application and explaining the reasons why. Where an RTB2 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 this 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 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.

APPEALS

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