

RIGHT TO BUY POLICY

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| Date of policy | March 2021 |
| Date for review | March 2024 |
| Policy author | Richard Parker, Leasehold Management Senior Specialist |
| Policy owner | John Holman, Assistant Director Housing |
| Approved by | Cabinet 17.3.21 |

| Revision history | | | |
|-------------------------|---------------|----------------------|----------------|
| Version | Date | Revision description | Policy author |
| 0.1 | October 2020 | Draft policy | Richard Parker |
| 0.2 | December 2020 | Editorial changes | Jonathan Hicks |

| NEW POLICY / POLICY REVIEW | |
|---|-----|
| New policy | YES |
| Early review – change in legislation | |
| Early review – significant changes in practice | |
| Review due – significant changes | |
| Review due – cosmetic changes or unchanged | |
| Other reason | |
| Reason for new policy / summary of changes | |
| To ensure Folkestone and Hythe District Council administer and processes all RTB applications fairly, accurately and in accordance with the legislative timeframes. | |

| CONSULTATION |
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| List of people/roles who have been consulted | Date |
| STLB Housing Operations Legal Team | October 2020 |

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| EQUALITY IMPACT ASSESSMENT | Completed | Date |
| | RP | 19/10/20 |

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| DISSEMINATION | | |
| Role | Awareness | Essential |
| Leasehold services Case Housing Operations | Yes | Yes Yes |

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|----------------------------|-------------|----------------|
| TRAINING | | |
| Role | Trainer | Date completed |
| Case Housing Operations | Rich Parker | |

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|---|------------------------|--------------------------------|
| MONITORING AND COMPLIANCE | | |
| Method | Responsibility | Frequency |
| Regulations specialist to review following Council procedure. | Regulations specialist | In line with Council procedure |

1. Purpose of the Policy

To ensure Folkestone and Hythe District Council administer and processes all RTB applications fairly, accurately and in accordance with the legislative timeframes.

2. Policy objectives and scope

- 2.1 This policy applies to all Folkestone and Hythe District Council leasehold services employees, affiliated employees and services.
- 2.2 The objective of the policy is to ensure that all of the Folkestone and Hythe District Council tenants are treated in a fair and reasonable way during the RTB process.

3. Legal/Regulatory Framework

The key elements of legislation used in consideration when drafting this policy are:

- Housing Act 1985
- The Housing (Preservation of Right to Buy) Regulations 1993 (Statutory Instrument 2241),
- Housing Act 2004
- Prevention of Social Housing Fraud Act 2013
- General Data Protection Regulation 2016
- Money Laundering Regulations 2017

4. Responsibility

- 4.1 The Leasehold Management Senior Specialist retains the overall responsibility for the implementation of this policy.
- 4.2 The Leasehold Management Senior Specialist is responsible for the operational delivery of this policy and the associated procedures. This includes responsibility for monitoring and review, staff awareness and training, policy development and communication to customers.

5. The Policy

5.1 *Eligible residents*

- 5.1.1 The tenant must have held a minimum of 3 years public sector tenancy and the house or flat must be the tenant's only or principle home and is self-contained.

5.1.2 The resident may be able to purchase the property with family members who have lived in the property for a minimum of 12 months or with whom they hold joint tenancies.

5.1.3 The latest list of landlords considered public bodies can be found on the government's RTB website.

5.1.4 The resident cannot exercise the Right to Buy if:

- A court has made a possession order against the tenant.
- The resident is subject to a bankruptcy petition, is an undischarged bankrupt, an IVA or other official arrangement with creditors is in place.
- A demolition order has been served.
- The property is exempt from the Right to Buy.

5.2 ***Discount rules***

5.2.1 The Right to Buy scheme gives tenants a discount on the market value of their home. The longer the tenancy the more discount they are entitled to up to the maximum discount value.

5.2.2 The maximum discounts will increase on 6 April each year if the Consumer Price Index increases. If the Index does not increase, the discounts will remain the same.

5.3 ***Qualifying period***

5.3.1 Subject to this limit, the amount of discount for which the tenant is eligible depends on the time they have been a public sector tenant, with either:

- Folkestone and Hythe District Council
- another 'Right to Buy landlord'
- any other public bodies considered as a landlord (the latest list can be found on the government RTB website).

5.3.2 The discount is calculated accordingly to whether the tenant lives in a flat or house. The current percentages the tenant are entitled to are:

- House; discount of 35 percent after 3 years tenancy. 35 percent after 4 and 5 years tenancy. For each extra year after that, 1 percent is added for each year of tenancy up to a maximum of 70 per cent.
- Flat; discount of 50 percent after 3 years tenancy. 50 percent after 4 and 5 years tenancy. For each extra year after that, 2 percent is added for each year of tenancy, up to a maximum of 70 per cent.

5.3.3 The qualifying period for discount can include time spent in different homes and with different landlords. This doesn't have to be continuous, but must be with an eligible tenancy accordingly.

5.4 **Cost floor**

5.4.1 Any discount awarded will be subject to the cost floor of the property.

Once the cost floor has been calculated. The value shall be deducted from any discounts the tenant is entitled to.

5.5 **Repayment of discount**

5.5.1 If the tenant sells the property within the first 5 years after completing the Right to Buy then a proportion of the discount shall be repaid back to Folkestone and Hythe District Council.

5.5.2 The calculation for discount is carried out on a sliding scale format. The calculation and percentages can be found on the Right to Buy government website/documentation.

5.6 **Tenants' previous RTB discount**

5.6.1 If the tenant has bought a property previously under the RTB scheme, then any discount received prior will be deducted from any discount currently entitlement.

5.7 **Right of first refusal**

5.7.1 If the tenant wishes to sell or dispose of the property within the first 10 years after the RTB purchase. They must offer it back to Folkestone and Hythe District Council.

5.7.2 The market value must be agreed by both parties. However, if they cannot agree then the district valuer can make a determination as to the value of the property.

5.8 **Service charge and major works calculations**

5.8.1 Folkestone and Hythe District Council leaseholder services will ensure the calculations contained in the S125 offer document will be an accurate reflection of the cost of works and/or services to be undertaken to the property within a 5 year period.

5.9 **Timescales**

5.9.1 Folkestone and Hythe District Council will ensure that all legislative timescales are adhered to in administering and processing all RTB applications.

5.10 **Fraud**

5.10.1 As part of the application process Folkestone and Hythe District Council will take all reasonable measures to ensure tenancy fraud or other forms of financial fraud are identified and investigated accordingly.

5.10.1 If fraud is identified, then the case will be passed across for the relevant legal action to be initiated against the parties identified.

5.11 ***Complaints***

5.11.1 If the tenant disagrees with the market value appraisal. The tenant has the right to request an appraisal by the district valuer. The district valuer will determine the market value. The value will then be set as the market value of the property and will form part of the other to the tenant.

5.11.2 Any complaints regarding the service provided by Folkestone and Hythe District Council as part of the RTB process will be dealt with in line with the Complaints Policy.

5.12 ***Other homeownership options***

5.12.1 If the tenant does not have entitlement to the RTB or cannot proceed with the RTB for whatever reason. Then Folkestone and Hythe District Council leaseholder services will signpost the tenant to other homeownership options which they may be more suitable for the tenant.

5.12.2 The other options may include Help to Buy and other shared ownership products available on the open market by other social landlords.

6. **Key controls and reporting**

6.1 The Leasehold Management Senior Specialist will monitor Right to Buy performance and application turnaround time. RTB performance will be monitored on a monthly and quarterly basis.

6.2 The Leasehold Management Senior Specialist retains the overall responsibility for the implementation of this policy and is responsible for the operational delivery of this policy and the associated procedures. Responsibilities include:

- Monitoring and review of this policy including changes in legislation
- Staff awareness and training
- Policy development and communication

7. **Associated Documents**

7.1 (Internal):

- Right to Buy procedure.
- Right to buy flow chart.

8 Equality and Diversity

- 8.1 FHDC recognise that different people and communities may have specific needs which may require flexible approaches. We also appreciate that some groups or individuals may experience discrimination and disadvantage. This may be due to their protected characteristics under the Equality Act 2010. We believe that everyone should be treated with dignity, respect and fairness, regardless of their characteristics.
- 8.2 An Equality Impact Assessment has been carried out on this policy which will be updated in line with policy reviews (see below,) to ensure there is no discrimination and opportunities to improve equality and access are maximised.

9 Review

- 9.1 This Policy will be reviewed every 3 years by the person who is in the job role of the author. If necessary, this Policy will be reviewed sooner to incorporate legislative, regulatory, best practice developments, council decisions or address operational issues.