

**Policy statement**

The need for a Right to Buy Policy arises from the implementation of the 'Extended Right to Buy' (also known as the Voluntary Right to Buy ("VRTB")) which aims to extend the Right to Buy scheme to housing association tenants who live in general needs accommodation and who satisfy the specified eligibility criteria.

The VRTB is a Government scheme which is dependent upon the tenant being issued with a Unique Reference Number and funding being available. There are therefore, no guarantees that a tenant's application will be successful and tenants will be advised as such.

The Trust will comply with the "*Voluntary Right to Buy – Midlands Pilot. Guidance for Housing Associations*" (May 2018) and the Government's "*Capital Funding Guide*".

The scheme has a link to the aims of the Trust's Asset Renewal Policy in that the VRTB requires that any property sold under this scheme is replaced by either acquiring or developing a new home or, in certain limited circumstances, by bringing an existing void property back into the rented stock. However, the replacement of the sold property does not have to be on a like for like basis.

The objectives of this policy are:-

- To set out how we will approach future Right to Buy sales, with the new VRTB.
- To exempt those homes from the scheme that are of strategic importance, or we are legally unable to sell.
- To enable collaborative working with tenants whose current property is exempt, but who have a portable discount and the ability to buy, and offer them an alternative vacant property that is not exempt from sale under this policy.

**Preserved Right to Buy**

Tenants who transferred their tenancy to the Trust upon stock transfer in March 1999 have the Preserved Right to Buy and are ineligible to purchase the property they rent under the VRTB.

The rules around the eligibility and the processing of Preserved RTB requests are available via [www.righttobuy.gov.uk](http://www.righttobuy.gov.uk).

### **New Extended Right to Buy**

The presumption under the VRTB is that all existing tenants (excluding those who are ineligible under the terms of the VRTB), will become eligible for the New Extended Right to Buy once they have held a qualifying tenancy for 3 years, and the new rules will then apply.

To be eligible for the VRTB tenants must satisfy the criteria set out by the Government. Further details can be found at [www.righttobuy.gov.uk/voluntary-right-to-buy](http://www.righttobuy.gov.uk/voluntary-right-to-buy).

Under the VRTB the Trust will receive 100% of the open market value of the property, including the discount received by the tenant which will be reimbursed by the Government. The income from the sales will be used to invest in new housing.

Discretion was given to the Trust's Board to determine which properties are exempt from the scheme and the following properties have been exempted, on the basis of fairness to those residents that have the Preserved RTB, the protection of specialist accommodation, those that are included in the future development and growth plans for the organisation, and those subject to legal restrictions on sale.

In addition, a property will be exempt where a tenant's entitlement to discount is reduced to nil due to the cost floor figure being more than the Trust would receive from the sale.

Below are a list of those exemptions, and the reason given for the property exemption. A list of those addresses will be available and regularly updated on the Trust's internal ICT system for relevant employees to refer to when receiving enquiries from tenants.

<b>A</b>	<b>Supported Housing and Extra Care Schemes (Specialist Exempt Accommodation)</b>
----------	---

The Government has stipulated that the VRTB is only available to those tenants in general needs accommodation. Therefore, properties within Supported Housing and Extra Care Schemes are outside of the scheme and are exempt. As such, tenants within Supported Housing and Extra Care Schemes are not eligible to port the discount to an alternative property.

These properties provide safe and secure accommodation for the over 55 year age group.

Supported housing as defined by Part V of the Housing Act 1985. This would generally mean a home designed with special features for people with physical disabilities; a home for people with special needs and who require intensive housing support; a home for people with a mental disorder where social services or other specialist facilities are provided; or a home that is particularly suitable for elderly people (e.g. bungalows etc. that form part of the sheltered group dwelling scheme.)

	By exempting these properties; the security of the buildings and the shared facilities will be protected, to ensure they only accommodate those individuals who need to live in this type of specialist accommodation
B	<p><b>General Needs Housing (with S106 restriction)</b></p> <p>Where there is a planning obligation to retain the property as either social or affordable housing.</p>
C	<p><b>Certain blocks of flats (where the Trust has 100% interest in the freehold and flats ownership)</b></p> <p>To protect the ongoing ability to let and manage these blocks, the Trust wishes to retain 100% ownership.</p> <p>Where blocks are already in mixed ownership, the flats will be eligible for sale under the VRTB.</p>
D	<p><b>Properties on land we wish to redevelop or dispose of</b></p> <p>Land within the Trust's ownership may be identified as suitable for either disposal or redevelopment as part of the Trust's overall development strategy, and any properties on an area of land identified as such will be exempt from the scheme.</p>
E	<p><b>Cost Floor Rule</b></p> <p>A tenant's entitlement to discount may be reduced where the property was recently purchased or built, or where the Trust has spent money on repairing or maintaining it. Under the cost floor rule, the discount a tenant receives must not reduce the price they pay for the property below what has been spent by the Trust on building, buying, repairing or maintaining it.</p> <p>Under the RTB, if the cost of works carried out over the last 15 years is greater than the market value of the property a tenant's entitlement to discount will be nil.</p>

***\*The above list is not exhaustive as there may be other limited circumstances not yet apparent where we may need to exempt a property.***

If a property is exempted, this policy sets out our approach and how we will offer a portable discount for those eligible tenants who are not able to purchase the home they currently occupy.

**Portable Discount**

Other than tenants in Supported Housing or Extra Care schemes, tenants in homes exempted from the scheme will be given the opportunity to 'port' their discount and use it

to purchase another vacant home.

The valuation and discount will be based on the property to be purchased.

For those tenants in exempt properties, they will have the choice to port their discount to properties that are, or become available for purchase through the following routes;

- Void properties identified for disposal under the asset renewal strategy
- Referral to another landlord that may have a suitable property (where the relevant agreement is in place)

The tenant will be given access to and provided details of these properties. However, the Trust is not required to offer a 'like for like' property. The tenant will have the choice of which of these properties, if any, they choose to port their discount to. Properties available for porting will be secured on a first come first served basis by payment of the application fee.

If the tenant has not chosen an alternate property to port their discount to within 3 months their application will be withdrawn and, the Trust will have discharged its portability duty. If the tenant still wished to pursue their portability option they would need to reapply to the government gateway, if possible to do so. Where possible, the Trust will offer to keep the tenant's application on file so they don't have to do it again should they re-apply, although relevant checks will be undertaken to determine that the tenant's circumstances remain unchanged.

### **Complaints Process**

If tenants are not happy with how we handle their request to buy a home this will be dealt with through the Trust's complaints policy. However, if the tenant's complaint is to do with the VRTB scheme they will be directed to the Government's website and the appointed Right to Buy Agents.

### **Procedure notes**

The procedure notes that sit alongside this policy outline details of the extended Right to Buy and portability process.

<b>Equalities Impact Assessment</b>	10 <sup>th</sup> August 2016 by David Hall –Asset Management
<b>Risk Assessment</b>	Linked to Asset Renewal sales risks on the Board Assurance Framework.
<b>Legal Assessment</b>	7 <sup>th</sup> August 2018 by Caroline Guy- Legal Team
<b>Environmental Impact</b>	10th August 2016 by David Hall Asset

<b>Assessment</b>	Management
<b>Consultation</b>	With Board June 2016
<b>Associated Policies and Procedures</b>	Asset Management Strategy Asset Renewal Policy
<b>Policy Category</b>	Asset Management
<b>Responsibility</b>	Head of Asset Management
<b>Monitoring</b>	Sales numbers and values via Finance Reporting
<b>EMG approval</b>	7 <sup>th</sup> August 2018
<b>Review Date</b>	The policy and listed exemptions to be reviewed annually to ensure we are meeting the objectives of our Asset Renewal Policy, and not adversely effecting the viability of the Trust by selling too many homes and not able to replace the stock quickly enough  August 2019