

Preserved Right to Buy and Right to Acquire Policy

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| 1.0 | SCOPE |
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| | Purpose |
| 1.1. | This document sets out whg's Policy towards administering the Preserved Right to Buy (PRTB) and Right to Acquire (RTA) schemes. |
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| | Legal and regulatory framework |
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| 1.2. | The following legislation contains the framework in which to operate the PRTB and RTA schemes: <ul style="list-style-type: none"> • Housing Act 1985, Schedule 5 • Housing Act 1988, Part V • The Housing (Preservation of Right to Buy) Regulations 1993 • Housing Act 1996, Chapter II • The Housing (Right to Acquire) Regulations 1997 • Housing Act 2004, Part VI • Localism Act 2011 • Charities Act 2011 • Housing (RTB) (Limit on Discount) Order 2013 • Housing and Planning Act 2016 |
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| 1.3. | The PRTB or RTA is the right of a tenant to purchase the freehold of the house or long lease of the apartment they reside in. The customer is entitled to buy the property after a qualifying period of occupying either public sector or armed forces accommodation, or a mix of both. The discount awarded depends upon the number of qualifying years and the scheme under which the property is purchased. The discount and details of how to calculate it are set out in legislation and associated statutory documents. |
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| 1.4. | To access any of the schemes, the customer must be occupying the home as their only and principal home. Family members will only be included in an application to buy if they can provide evidence that they have been resident at the property for at least 12 months prior to the application. Family members can be added or removed to PRTB and RTA applications at any stage of the process. |
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| 1.5. | <p>Customers do not qualify for the PRTB or RTA in the circumstances listed below;</p> <ul style="list-style-type: none"> • The property is one of a group that has been substantially built or adapted for physically disabled persons with social or other support services provided nearby • The property is one of a group that are usually let to persons with a mental disorder and there is the provision of social or other support services nearby • The property is one of a group where due to the location, size, design, heating systems and other features are usually let to persons over the age of 60 and there is a resident warden or non-resident warden and common room • There is a final demolition notice in force in respect of the property • There is a court order for possession of the property • There is an undischarged bankruptcy order, a pending bankruptcy petition, a debt relief order, or an outstanding arrangement with creditors • The tenancy type is one of those listed at section 1.6 in this Policy |
| 1.6. | <p>This Policy does not apply to customers who have one of the following tenancies:</p> <ul style="list-style-type: none"> • Market Rent • Rent to Buy • Starter/one year fixed term probationary • Mortgage Rescue • Assured Shorthold Periodic Temporary • Shared Ownership |
| 1.7. | <p>The Social Housing Regulator's Governance and Financial Viability Standard requires that Governance arrangements protect social housing assets and that resources are managed effectively to ensure viability is maintained and that social housing assets are not put at undue risk. Whilst there is a statutory requirement for eligible properties to be sold to eligible customers under the PRTB and RTA, this Policy seeks to protect social housing assets where possible.</p> |
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| 2.0 | POLICY STATEMENT |
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| | Proving the Qualifying Period |
| 2.1. | <p>For all schemes, customers are required to prove their length of qualifying tenancies. The following will be considered as proof of residency:</p> <ul style="list-style-type: none"> • Electoral register copies • Council Tax bills • Utility bills • Wage slips • Benefit letters • Bank statements |
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| 2.2. | We will not accept statutory declarations where the customer makes a declaration confirming length of tenancies. |
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| | The Preserved Right to Buy |
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| 2.3. | To be eligible for the statutory RTB a customer must be a secure tenant and have held a secure tenancy with a Registered Provider of social housing for at least three years. The three year period does not have to be successive. Any time spent as a non-tenant adult (from age 16 onwards) in a parental home where they later succeed to the tenancy, will be included. None of the exclusions in section 1.5. must apply. |
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| 2.4. | Customers who were secure tenants of Walsall Council, and who transferred to whg under the stock transfer in 2003, have the PRTB, so long as they have continued to be an assured tenant (with the PRTB) with either landlord. |
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| | The Right to Acquire |
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| 2.5. | To be eligible for the RTA a customer must have held an assured tenancy (not including assured shorthold) with a Registered Provider of social housing for at least three years. The property must have been built or acquired by whg with grant funding or transferred to whg from a council. The three year period does not have to be successive and any previous secure tenancies held with a Registered Provider will count towards the qualification period and discount. Any time spent as a non-tenant adult (from age 16 onwards) in a parental home where they later succeed to the tenancy, will be included. None of the exclusions in 1.5. must apply. |
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| 2.6. | Customers wishing to exercise the PRTB or RTA will be required to pay an application fee. The amount of the fee is set by Government. The application fee will be taken once it has been confirmed that the customer is eligible for PRTB or RTA. It is not refundable if the sale does not complete. |
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| | Property valuations |
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| 2.7. | Property valuations for the PRTB and RTA will be completed by a RICs certified surveyor identified and paid for by whg. If the customer disputes the valuation, whg will request another valuation from the District Valuer. The District Valuer's valuation will then be used in the offer notice to the customer, regardless of whether it is less or more than the original. |
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| 2.8. | Property valuations for the VRTB will be completed by a surveyor from whg's list of local professional RICs certified surveyors, selected by the customer and paid for by whg. If the customer disputes the valuation, they can select an alternative surveyor off the list but they must pay for the new valuation. The second |

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| | valuation will be the final valuation and will then be used in the offer notice to the customer, regardless of whether it is less or more than the original. |
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| | Disposals |
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| 2.9. | PRTB and RTA disposals (sales) do not have to be reported to the Social Housing Regulator nor do they require Charity Commission consent to be disposed of. |
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| | Repairs and Improvements |
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| 2.10 | Once an application is submitted for any of the PRTB or RTA schemes, no repairs or improvements will be completed at the property unless they are required for whg to comply with: <ul style="list-style-type: none"> • Section 11 Landlord and Tenant Act 1985; or • Environmental Protection Act 1990; or • Section 4 Defective Premises Act 1972. |
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| | Prevention of Fraud |
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| 2.11 | For the PRTB and RTA schemes, all appropriate checks will be carried out by whg or whg's solicitors in order to prevent fraud or money laundering. |
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| | Post-Sale |
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| 2.12 | After a property has been sold under any of the schemes, the discount or a proportion of it is repayable if the property is sold within the first five years. |
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| 2.13 | During the first ten years after purchasing the property, if the property is resold, whg has the right of first refusal. Any 'buy back' will be completed in line with the Acquisitions and Disposals Policy. |
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| | Complaints and appeals |
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| 2.14 | Any complaints or appeals in relation to the RTB or RTA schemes will be considered in line with whg's Complaints Policy. |
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| 3.0 | PERFORMANCE MEASURES |
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| 3.1. | whg will measure the number of PRTB and RTA applications and completions in order to project future sales. |
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| 3.2. | whg will ensure that all applications for the PRTB or RTA are processed fairly, consistently, accurately and within prescribed timescales. Timescales relating to the PRTB and RTA are set out in legislation. |
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| 4.0 | EQUALITY AND DIVERSITY |
| 4.1 | The rules around this Policy are outlined in legislation and therefore whg are limited in what control we have in who can apply for both the PRTB and RTA scheme. We will continue to monitor applications and ensure all applicants are treated fairly and in line with this Policy and legislation. |
| 5.0 | TRAINING AND DISSEMINATION |
| 5.1. | Colleagues will be distributed the new Policy to ensure that they are up to date. If required additional training by specialists PRTB and RTA will be provided. |
| 6.0 | MONITOR AND REVIEW |
| 6.1 | This Policy will be monitored by the Director of Housing and reviewed every three years by the Policy Group. |
| 7.0 | ASSOCIATED DOCUMENTS, POLICIES AND PROCEDURES |
| 7.1 | <p>Documents, policies and procedures associated with this Policy are:</p> <ul style="list-style-type: none"> • Housing Act 1985, Schedule 5 • Housing Act 1988, Part V • The Housing (Preservation of Right to Buy) Regulations 1993 • Housing Act 1996, Chapter II • The Housing (Right to Acquire) Regulations 1997 • The Big Switch 2003 • Housing Act 2004, Part VI • Localism Act 2011 • Housing (RTB) (Limit on Discount) Order 2013 • Housing and Planning Act 2016 • Aids and Adaptations Policy • Allocations Policy • Acquisitions and Disposals Policy • Complaints Policy |

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| Document author | Tansy Crowley-Sweet – Income and Residential Property Manager |
| Document owner | Gary Brookes Director of Housing |
| Legal advice | Shakespeares Solicitors May 2018 – no legislation change since |
| Consultation | N/A – in line with Legislation |
| Approved by | GEXEC March 2021 |
| Review Date | July 2024 |
| Corporate Plan aim | <ul style="list-style-type: none"> • Deliver high quality homes and services for our customers. • Deliver a strong business, fit for today and prepared for tomorrow. |
| Equality Assessment | Not required |
| Key changes made | This Policy has been amended to reflect the end of the Voluntary Right to Buy Scheme (VRTB). All mention of VRTB has been removed. The appendix has been removed and embedded within the Policy. No other changes have been made due to no further amendments to legislation. |