

RIGHT TO BUY POLICY

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Date for review	March 2027
Policy author	Richard Parker, Leasehold Management Senior Specialist
Policy owner	Gill Butler, Chief Officer (Housing)
Approved by	Cllr R Shoob, Cabinet Member for Housing & Homelessness, March 2024

1. **Purpose of the Policy**

To ensure Folkestone and Hythe District Council administer and processes all RTB applications fairly, accurately and in accordance with legislation and 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
- The Leasehold Reform Act 2022

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/principal home and is self-contained.

5.1.2 The tenant may be able to purchase the property with direct 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.
- 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 discount is determined by central government. Any changes to the maximum discount will come into effect from the next financial year.

5.3 ***Qualifying period***

5.3.1 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 a tenant is entitled to:

- 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 the tenant must have held an eligible tenancy.

5.4 **Cost floor**

- 5.4.1 Any discount awarded will be subject to the cost floor of the property. The cost floor is the accumulative total spent for a property during the last ten financial years (from date the application to buy was received) including any costs in development or purchasing the property. Items of expenditure can include kitchens & bathrooms, improvements work, and eco renovation work.
- 5.4.2 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 completion. A proportion of the discount shall be repaid back to Folkestone and Hythe District Council.
- 5.5.2 The calculation for repaying the discount is carried out using a sliding scale format. The calculation and percentages can be found on the RTB 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, under the right of first refusal.
- 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.
- 5.8.2 Any costs incurred by the freeholder inside the 5-year period which fall outside the amounts quoted within the S125 offer document, will be limited in recovery.

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 determined by the district valuer will be binding on all parties.

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.

6. Key controls and reporting

6.1 The Leasehold Management Senior Specialist will monitor Right to Buy performance and application timeframes. RTB performance will be monitored on a monthly, quarterly, and annual 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.