

Right to Buy/Right to Acquire Policy

Directorate: Communities

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1. Introduction

- 1.1. This policy outlines how some Salix Homes tenants can purchase their home through Right to Buy or Right to Acquire. Tenants with Assured Tenancies with Protected Rights retain a preserved Right to Buy under the Housing Act 1985 and tenants with Assured Tenancies may have the Right to Acquire under the Housing Act 1996.
- 1.2. This policy is to provide clear and concise information in relation to purchasing a Salix Homes Property under the preserved Right to Buy or Right to Acquire scheme. It is based on the legislation and regulations at the time of issue. If there are any changes to the legislation during the lifespan of this policy and it has not been updated, the legislation will apply in any given situation.

2. The Preserved Right to Buy

- 2.1. Salix Homes underwent a Stock Transfer from Salford Council on 23rd March 2015. Tenants that held a tenancy with Salford Council prior to the Stock Transfer retained the Right to Buy preserved under the new Assured (Protected Rights) Tenancy Agreement. Tenants holding an Assured (Protected Rights) tenancy can make a claim for the Right to Buy.

3. The Right to Acquire

- 3.1. Tenants holding a periodic assured tenancy can apply for the Right to Acquire.

4. The Eligibility for the Right to Buy

- 4.1. Salix Homes will apply exceptions set out in the Housing Act 1985 to Right to Buy applications.

5. Denied Right to Buy/Right to Acquire Applications

- 5.1. Right to Buy and Right to Acquire applications can only be denied in accordance with the Housing Act 1985. The grounds for denying a Right to Buy/ Right to Acquire application are as follows:

- The applicant has not satisfied the qualifying period of three years holding a public sector tenancy.
- A final demolition notice was served upon the property before the date of the Right to Buy/ Right to Acquire application.
- The applicant for the Right to Buy/Right to Acquire does not occupy the property as their only or principal home.
- The applicant is subject to an order of the court for possession (of the property).
- Salix Homes has applied for and received a suspension order in accordance with Section 121(a) of the Housing Act 1985.
- The property type is classed under the exceptions, for example, sheltered accommodation, or properties on land bought for development.
- The applicant has problems with debt as defined by the Housing Act 1985,121 (2).

5.2. The application may also be refused when:

- The applicant does not legally have the preserved Right to Buy/Right to Acquire
- Where one or more of the tenants does not signify their agreement, the other tenant(s) will not be able to exercise their Right to Buy/Right to Acquire
- Any tenant or family member is subject to the following orders:
 - Possession order with a fixed date including SPO
 - Criminal nuisance order
 - RTB suspension order
 - Bankruptcy order
 - Demotion order

6. Admitting the Application

6.1. Salix Homes requires the completion of the additional information form and the provision of proof of address and identification for all applicants as part of the application assessment. This is to reduce the risk of fraud and money laundering.

7. Right to Buy Discount

7.1. Right to Buy discount is calculated based on the number of years that an applicant has held a public sector tenancy. Salix Homes will verify the years that the applicant has held a tenancy with Salix Homes.

7.2. In cases where the applicant is claiming years from a landlord other than Salix Homes, Salix Homes will assist applicants to prove tenancy years and approach other public sector landlords for proof of former tenancy years. However, the onus for providing proof of former tenancy years rests with the applicant.

- 7.3. Salix Homes will calculate discount based on the discount levels defined by the Housing Act 1985, Section 129. A discount calculator is available on <https://righttobuy.gov.uk/right-to-buy-calculator/>.

8. Right to Acquire Discount

- 8.1. Right to Acquire discount is a fixed discount that depends on the locality of the property; the current discount for properties in Salford is £9,000. The latest figure can be found at Right to Acquire discounts by location - GOV.UK (www.gov.uk).

9. The Cost Floor

- 9.1. Salix Homes will apply the cost floor rule to all Right to Buy and Right to Acquire applications as outlined in the Housing Act 1985, Section 131 and The Housing (Preservations of Right to Buy) (Amendment) 1999.

10. Valuation of the Property

- 10.1. Once Salix Homes has admitted a Right to Buy or Right to Acquire application, we will respond to the applicant in writing to confirm eligibility and admit the application. At this stage, Salix Homes will send the application to our valuers who will arrange for the property to be valued and make the offer to sell.
- 10.2. We must send the Section 125 offer notice within 8 weeks of admitting the application for a freehold property and within 12 weeks for a leasehold property.
- 10.3. The tenant has 12 weeks from the date of the Section 125 notice in which to respond in writing whether they wish to proceed with the Right to Buy and accept the offer or withdraw their application using the Notice of Intention.
- 10.4. If the applicant disputes the value of the property, they can ask that the property is valued by the District Valuer. Our valuers are responsible for handling disputed valuations.

11. The Conveyancing Process

- 11.1. Once an applicant has accepted the offer made on Salix Homes' behalf by our valuers, our solicitors will handle the conveyancing process (the legal sale of the property). Salix Homes will not complete on a Right to Buy or Right to Acquire sale until all monies owed to the organisation are paid.

12. Repairs during the Right to Buy or Right to Acquire Process

12.1. Once an application has been made for the Right to Buy or the Right to Acquire, Salix Homes will only conduct emergency or health and safety repairs to the property. If an application is denied or cancelled this restriction will be lifted.

13. Cancellation of the Right to Buy or Right to Acquire

13.1. Applicants can cancel their application at any point in the process, providing that it is done so in writing. There are no time restrictions on a tenant submitting a further application for the Right to Buy or Right to Acquire.

14. Money Laundering Regulations

14.1. Salix Homes will conduct money laundering checks on all Right to Buy and Right to Acquire applications where the purchase is funded by means other than a mortgage.

15. Right to Buy and Right to Acquire Fraud

15.1. Salix Homes requires all applicants to fill out the Right to Buy/Acquire additional form to identify any cases of housing fraud. Salix Homes will deal with Right to Buy and Right to Acquire fraud under the tenancy fraud policy. All instances of suspected and proven Right to Buy and Right to Acquire fraud will be fully investigated and reported to Governance team.

16. Selling the Property

16.1. Any property sold through the Right to Buy/Right to Acquire must be offered back to the landlord who sold the property before the property can be sold on the open market, within ten years of the original sale.

16.2. For sales before the stock transfer the following rules apply:

- Leasehold properties: the initial offer should be made to the current immediate landlord (usually Salix Homes).
- Freehold properties: the initial offer should be made to Salford Council if sold before stock transfer, who may seek expressions of interest from Salix Homes for the purchase of the property. This is in line with The Housing (Right of First Refusal) (England) Regulations 2005

- 16.3. Where Salix Homes does not wish to exercise the right of first refusal, the case will be referred to Manchester Legal to provide a certificate of compliance for the vendor. The vendor is responsible for paying all the costs incurred for the certificate.
- 16.4. Section 155 of the Housing Act 1985 requires former tenant who bought their home under the right to buy to repay part or all of the discount if they sell their property within a specified period.
- 16.5. Any former tenants who have exercised the Right to Buy/Right to Acquire and wish to sell their property within the first five years following purchase, will have to pay back a percentage of the discount awarded as follows:
- Year 1 – 100% of the discount
 - Year 2 – 80% of the discount
 - Year 3 – 60% of the discount
 - Year 4 – 40% of the discount
 - Year 5 – 20% of the discount
- 16.6. For Right to Buy/Right to Acquire the discount paid back will be a percentage, proportionate to the value of the property at the time the property is purchased back.
- 16.7. Section 185 of the Housing Act 2004 clarifies that landlords have discretion to waive all or part of the discount in certain exceptional circumstances.

17. Use of Discretionary Power on Repayment of Discount

- 17.1. Salix Homes will exercise its discretion to waive part of all of the discount repayable only in exceptional circumstances and where the former tenant can demonstrate that they cannot afford to repay part or all of the discount which such a payment leading to demonstrable personal hardship.
- 17.2. We will deal with all requests to waive repayment of the discount in an open, fair and transparent way, taking into account any government guidance.
- 17.3. In making any decisions to waive the repayment of the discount in part or full, we will take account of the financial implications of a decision to not demand repayment of the discount.
- 17.4. Exceptional circumstances include:

- Where the former tenant wishes to move because otherwise they or family members face a demonstrable threat of violence or significant harm. This could include
 - relationship breakdown involving actual or threatened domestic violence.
 - racial, religious or homophobic abuse or harassment.
 - extreme anti-social behaviour.
- Where the onset of a severe medical condition or the serious deterioration of an existing condition makes a move essential on medical grounds.
- Where a traumatic personal events (e.g. sudden bereavement) makes a move essential for emotional or psychological grounds.

18. Complaints

18.1. All complaints regarding the Right to Buy / Right to Acquire process can be made through Salix Homes Complaints policy. Complaints can be made using the My Salix portal, or by contacting un on 0800 218 2000.

19. Monitoring and Performance

19.1. The policy and procedure aims to ensure that Salix Homes adhere to the relevant legislation when dealing with tenants applying to buy their homes. Cases will be monitored to ensure they are dealt with within the legal timescale.

19.2. It will also look to reduce the risk of Right to Buy and Right to Acquire fraud.

19.3. Service standards

- Salix Homes will admit or refuse the RTB / RTA application within four weeks of all the information being received or eight weeks if had a tenancy with Salix less than three years.
- The service standard will ensure cases are processed within the timescales required whilst ensuring they are done correctly and in line with legislation.

19.4. Performance Measure

- 100% of RTB and RTA applications will be admitted or denied within four weeks of all the required information being received from the applicant.

- 100% of RTB and RTA applications will be admitted or denied within eight weeks of all the required information being received from the applicant where they have been with Salix Homes less the three years.

20. Legal / Regulatory Links

- Housing Act 1985
- Housing Act 1996
- Housing Act 2004
- Proceeds of Crime Act 2002
- Prevention of Social Housing Fraud Act 2013
- Data Protection Act 2018
- The Housing (Preservations of Right to Buy) (Amendment) 1999
- The Housing (Right of First Refusal) (England) Regulations 2005

21. Equality, Diversity and Inclusion

21.1. Salix Homes is committed to promoting and embedding a culture of equality, diversity and inclusion (EDI) within our workplaces and the communities we serve.

- Equality is about ensuring that every individual has an opportunity to make the most of their lives and talents;
- Diversity is recognising difference and responding positively to those differences;
- Inclusion is about creating an environment where our services and employment opportunities are accessible to all.

21.2. We are committed to meeting our obligations and duties under the Equality Act 2010 and to promoting equal opportunities both in the provision of services and in our employment practices. We will consider all the protected characteristics of the Act which are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Race
- Religion or belief
- Sex
- Sexual orientation
- Pregnancy and maternity

21.3. We also recognise that Socio-economic background is an area where inequalities exist and commit to addressing this disadvantage and inequality in our communities where able to do so.

21.4. We are also mindful of our duties under the Public Sector Equality Duty, which is to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

21.5. Where reasonable to do so, Salix Homes will make any reasonable adjustment to ensure compliance with the Act.

22. Related Documents

- Tenancy Fraud Policy and Procedure
- Anti-social Behaviour, Hate Crime and Domestic Abuse Policy
- Income Collection Procedure
- Additional Information Form