



RIGHT TO BUY/RIGHT TO ACQUIRE POLICY

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Executive Summary:
<p>This policy outlines our statutory requirements and correct procedures which we are required to follow in respect of the Preserved Right to Buy (PRTB) and the Right to Acquire (RTA) applications. The policy sets out how we will deal with Preserved RTB and RTA applications and ensures we meet government and regulatory requirements, and also ensures that our tenants, exercising their Right to Buy or Right to Acquire, receive a consistently fair and high quality service.</p>

Policy Grouping/Directorate(s)	Customer & Community	
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Notes:		

1 Introduction

- 1.1 This policy outlines Rochdale Boroughwide Housing's (RBH's) statutory requirements and correct procedures which RBH are required to follow in respect of the Preserved Right to Buy (PRTB) and the Right to Acquire (RTA) applications.
- 1.2 The policy will ensure that all applications are consistently administered within the legal framework and are completed using the statutory process which Registered Providers must adhere to.

2 Context

- 2.1 By providing a robust Preserved RTB and RTA Policy RBH not only meets government and regulatory requirements, but it also ensures that RBH tenants exercising their Right to Buy or Right to Acquire, receive a consistently fair and high quality service.
- 2.2 This policy incorporates any amendments relating to RTA arising from the Housing and Regeneration Act 2008 and also incorporates the Deed of Postponement procedure into the Preserved RTB and RTA procedures

3 Aims & Objectives

- 3.1 The key aim of this policy is to demonstrate how RBH will deal with Preserved RTB and RTA applications.
- 3.2 The policy fits with the mutual values of RBH:
 - **Responsibility** - RBH have a responsibility to support customers eligible for the Preserved RTB & RTA applications. This Policy will support the Homeownership Team in delivering an effective service; ensuring compliance with statutory guidance set out in the associated procedures.
 - **Equity** - This policy will help ensure a fair and unbiased procedure giving due regard to the legislative requirements.
 - **Pioneering** - The continued promotion of the RTA scheme for other non-transferring tenants, complements RBH's mutual vision by ensuring that customers are supported to create inspiring communities where they have lived as a social rented tenant and wish to continue living there in their own home.
 - **Collaboration** - As the Preserved RTB and RTA processes are statutory and applicable to all RP's there is limited opportunity to change the process. Customers are given the opportunity to feedback about their experience via a satisfaction survey, even though they may not be able to influence the process in any meaningful way.
 - **Democracy** - This policy will ensure that all eligible tenants are supported through the process of buying their home.

4 Policy Statement

- 4.1 As a charitable community benefit society, RBH is exempt from offering the RTB to its tenants under the 1985 Housing Act; this being the route open to tenants of Council owned housing. However, those tenants who transferred from the Council to RBH under the transfer of homes in March 2012 retain the Right to Buy, known as the Preserved Right to Buy.

- 4.2 Non transferring tenants have the Right to Acquire with effect from 1st April 1997, tenants of all housing, built or acquired with socially funded money have the Right to Acquire. The Right to Acquire allows non-transferring tenants to purchase their home after three years tenancy with a maximum discount of £9,000.
- 4.3 A tenant will not be eligible for the Preserved Right to Buy or RTA if they are:
- An undischarged bankrupt, or have a bankruptcy petition pending against them
 - The subject of a possession order served by the court, at the request of their landlord
 - Subject to formal creditors agreement made under the Insolvency Acts
 - Living in a property where a demolition notice has been served
- 4.4 The Preserved RTB process is administered in accordance with Section 171 of the 1 Housing Act 1985 and any subsequent amendments, together with associated statutory instruments. The process will be administered within the guidelines set out in RBH's Preserved RTB Procedure.
- 4.5 The RTA process is administered in accordance with the statutory requirements of the Housing Act 1986 and any subsequent amendments, together with guidelines issued by the Regulator of Social Housing (RSH) who are responsible for the scheme. The process will be administered within the guidelines set out in RBH's RTA procedures.
- 4.6 RBH has a zero tolerance towards fraud and will take all appropriate steps to ensure all applications are processed in accordance with this. In addition to the risk of fraudulent applications where someone who is not entitled to a property may attempt to purchase it, there is also the potential for a RTB or RTA application to be used to further money laundering activities. Further information in relation to these types of fraud is contained within the Tenancy Policy, Anti-Fraud Policy and Anti-Money Laundering Policy. All applicants for the Preserved RTB and RTA will be required to complete an additional Information/Declaration form Which will then be subject to scrutiny by the RTB Team. All Proofs are checked and validated; where any concerns are identified, additional checks will be undertaken and if necessary, the matter will be raised with our counter fraud lead.
- 4.7 All applications or queries in relation to Preserved RTB or RTA are directed to RBH's Homeownership Team. If there are any conflicts of interest, for example where the applicant is known to a member of the team, this will be declared, and they will take no further part in the process. An annual Declaration of Interest is completed and signed by all employees.
- 4.8 RBH will not complete any sale until all arrears/rechargeable debts owed to RBH have been cleared.

5 Monitoring

- 5.1 This policy will be monitored by ELT through the submission of monthly data reports. The Homeownership Team will keep records of each individual sale.

6 Review

- 6.1 All RBH strategies, policies, service standards and procedures are reviewed on a regular basis to ensure that they are 'fit for purpose' and comply with all relevant legislation and statutory regulations.

- 6.2 This policy will go through the full policy approval process every 3 years and will undergo a desktop review annually. This is to ensure that it is fit for purpose and complies with all relevant and statutory regulations.

7 Links with Other RBH Documents

7.1 This policy links to the following policies and strategies:

- Right to Buy / Right to Acquire Procedures
- RBH Tenancy Policy
- Anti-Fraud Policy
- Anti-Money Laundering Policy

8 Definitions

8.1 **The Right to Buy** – The statutory Right to Buy (RTB) was initially introduced on 3rd October 1980 as a result of the 1980 Housing Act. The legal rules that apply to the RTB are now part of Part V of the Housing Act (as amended) and any related statutory instruments or determinations made under the powers of this Act. The RTB is the right of a secure tenant to purchase the freehold or long leasehold of their home, subject to any exclusions and provisions stated in the 1985 Housing Act. The tenant is entitled to buy the home after a qualifying period of either occupying public sector housing, armed forces accommodation or a mix of both, at a discount determined by the length of their qualifying period or the maximum discount allowed (£96,010 across England).

8.2 **The Preserved Right to Buy** – Section 171 of the Housing Act and subsequent amendments made an allowance that became law for tenants to preserve their RTB when they cease to be a secure tenant as they change landlord. The preserved RTB follows closely the same guidance and rules of the RTB scheme.

8.3 **The Right to Acquire** – The Right to Acquire (RTA) was introduced in April 1997 as a result of the 1996 Housing Act. It only applies to Registered Social Landlords (RSLs) who build or acquire housing with socially funded money after 1st April 1997. The scheme was introduced by the government to allow tenants without the RTB, to purchase their home. The guidance and provisions closely follow the RTB; however the discount is fixed at £9,000 for the Greater Manchester area and is not affected by the length of the qualifying period.

8.4 **The Cost Floor** – The cost floor is the cost of the building or acquiring the home, plus the cost of any work carried out to it in the previous 15 years. A home cannot be sold for less than the cost floor.

8.5 Legal References

Act /Law	Date	Sections
Housing Act	1985	<ul style="list-style-type: none"> • Part V Schedule 5, Section 120 • Schedule 6 & Schedule 16 • Section 92 & Section 621a
Housing Act	1988	In particular <ul style="list-style-type: none"> • Section 5 and Section 17
The Housing (Preservation of The Right to Buy) (Amendment) Regulations	1999	S.1 1999 No. 1213

The Housing (Right to Buy) (Cost Floor) (England) Determination	1998	
Housing Act	1996	16 & 17
The Housing (Preservation of The Right to Buy) Regulations	1993	Schedule 3
Housing Act	2004	Part 6 – Section 180 - 194
Housing & Regeneration Act	2008	Chapter 17
Reinvigorating the Right to Buy and one for one replacement	2012	

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