



Broxtowe
Borough
COUNCIL

RIGHT TO BUY POLICY

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1.0 Scope

This policy applies to secure tenants and those with flexible tenancies who would like to exercise their Right to Buy the property in which they currently reside.

2.0 Purpose

The purpose of this policy is to ensure Right to Buy applications are processed in accordance with the relevant legislation.

3.0 Aims and Objectives

The aim of the policy is to set out how Broxtowe Borough Council will:

- Meet its responsibilities to administer the Right to Buy for those who qualify
- Process applications fairly and accurately
- Comply with current legislation

4.0 Regulatory Code and Legal Framework

- Housing Act 1985 – Right to Buy (as amended) Part V
- Housing (Right to Buy)(Cost Floor)(England) Determination 1999
- Housing (Right to Buy)(Limit on Discount)(England) Order 2012 (SI 2012/734)
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017

5.0 Policy Outline

5.1 Informing Tenants of their Right to Buy

The Council will provide information about right to buy to all new secure and flexible tenants, and to all other secure and flexible tenants at least once every five years. The information will be kept up to date as far as practical. Any amended information will be sent out to all secure tenants within one month in line with current legislation.

A 'Right to Buy Information Pack' will be sent out to all secure tenants who request one within five working days. Information Packs will also be available from the Council's Housing Services and Strategy team, main reception and on the Council's website.

The Council will provide assistance to any prospective applicant. Applicants will be directed to the Government's Right to Buy website and the Agent Service for general enquiries.

5.2 Admitting or Denying an Application

Once the application form (RTB1) has been received, the Council will issue a Section 124 notice (RTB2). This will advise the applicant if their application has been accepted or denied. The date the RTB1 form is received is the 'relevant date' and sets the date for the valuation and calculation of the sale price. The RTB2 notice

must be issued within 4 weeks of receiving the application. This increases to 8 weeks if the tenant has had a tenancy with any other public sector landlord which is required to meet the minimum statutory qualifying period.

If the Council does not meet the statutory timescale for accepting or denying an application, the applicant is entitled to use the statutory delay procedures to claim compensation from the Council (if the delay is caused by the Council). If the RTB1 form is incomplete on receipt, the form will be sent back to the applicant. When the fully completed RTB1 form is received by the Council, that date will be the new 'relevant date'.

The Council will determine if the tenancy is secure, and if the property is able to sold under the Right to Buy scheme. Examples of tenancies that cannot be secure are as follows:

- Temporary accommodation
- Introductory tenancies
- If the dwelling is occupied for employment

The tenant will need to have been a public sector tenant for a minimum of three years. Any previous public sector tenancy is not required to have been a secure tenancy and it does not matter whether or not the tenant had the right to purchase the previous property. Temporary, homeless, introductory and short-hold tenancies can be included. Demoted tenancy periods however are excluded.

The qualifying period can be made up from the present and any previous relevant public sector tenancies. These periods do not need to be consecutive. The Council will confirm tenancy dates of any previous tenancies that will be used to qualify for the right to buy or for discount purposes. This will be by checking internal data and by contacting other social housing providers as necessary. If the applicant refuses to disclose details of previous tenancies, the qualifying criteria and discount period will be calculated based on the information available. Full details of the periods of occupation that count towards the qualifying period can be found in Appendix A.

Before a decision to deny the right to buy is made, appropriate advice will be sought from the Council's Legal Services team. Reasons for denial of the Right to Buy can be found in Appendix B.

Where a tenancy is in joint names, both tenants must sign the relevant parts of the RTB1 form. If 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 and the application will be denied.

5.3 Court Orders

Any tenant or family member who is subject to one of the following orders will not be allowed to join in the Right to Buy:

- Possession order with a fixed date - including Suspended Possession Order
- Ground 2 criminal nuisance order
- Right to Buy suspension order

- Bankruptcy order (undischarged)
- Demotion order

If the application is denied because one of the above orders is in place, the tenant will be required to submit a new RTB1 once the term of that order has been satisfied if they wish to continue with the right to buy.

5.4 Property Exemptions

The Housing Act 1985 exempts certain specific types of properties from the Right to Buy and details the specific criteria that must be met for exemption. For the Council to declare that a property is exempt, it must meet the exact criteria set out in legislation, as detailed in Appendix C.

Tenants who are denied the right to buy due to this will be notified about their right to appeal to the Land Tribunal. Necessary records will be kept in the event of a challenge from the tenant to the Land Tribunal. The Right to Buy Officer will assist the Land Tribunal in conjunction with the Legal department.

If a particular property is designated to be demolished and is subject to an Initial Demolition Notice, the right to buy does not apply.

5.5 Anti-Fraud Measures

The Council requires all applicants to sign an 'Additional Information' form which asks for their permission to do necessary checks under the Money Laundering Regulations. The Council will check each applicant via the National Anti-Fraud Network (NAFN).

This will provide:

- Confirmation that the applicant is resident at the property via the Electoral Roll
- Confirmation that the applicant is not bankrupt
- If the applicant is registered at any other address
- How much money is owed to creditors

If the tenant specifies in the 'Additional Information' form that the transaction will be a cash purchase, or via inheritance or existing savings, checks will be conducted to investigate if the applicant has a live Housing Benefit / Universal Credit (Housing Element) claim.

If someone other than the applicant(s) is paying for the purchase, a signed letter will be required confirming they will be purchasing the property on behalf of the tenant. This will need to include their full name, address, national insurance number (to enable a NAFN check to take place) and provide the Council with proof of funds.

If there is a concern, the application will be placed on hold and it will be referred to the Council's Legal Services and Revenues and Benefits teams.

5.6 Family Members Sharing the Right to Buy

Certain family members have the right to join in a right to buy application, even if they are not tenants. Family members must meet the following requirements:

1. They must be a relevant family member who are specified as:
 - The spouse or civil partner of the tenant; or the tenant and that person live together as if they were husband and wife or civil partners, *or*
 - The tenant's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece.
2. They must live at the property as their only or principal home.
3. They need to have been living at the property for 12 months immediately preceding the date of application, except in the case of spouses or civil partners where the 12-month residential requirement does not apply. This can be waived in exceptional circumstances in consultation with the Council's Legal Services team.

Family members are automatically excluded from the right to buy if they are subject to any of the Court Orders detailed previously.

For the purposes of the family member provision:

- A relationship by marriage shall be treated as a relationship by blood.
- A relationship of the half-blood shall be treated as a relationship of the whole blood.
- The step-child of a person shall be treated as his/her child.
- An illegitimate child shall be treated as the legitimate child of his/her mother and reputed father.

5.7 Proof of Residence and Identification

The Council requires each applicant to provide proof that the residence is their only or principle home, and photographic identification.

The Council require at least two forms of proof of residence. One should be dated within the last three months, and one dated over twelve months from the application date.

If the applicant has no photographic identification, then a copy of their birth certificate is necessary in addition to the proof of residency.

5.8 Previous tenancies

If the applicant states that they held previous tenancies with other public sector landlords, the Council will contact the relevant landlord to establish the dates of each specified tenancy, and whether the tenant had purchased under the right to buy before. If so, the Council would request how much discount they received so this can be taken into account with the current application. The applicant will need to have signed the 'Authority to Disclose' form within the RTB1 form in order for the Council to discuss their personal information with previous landlords.

If a previous tenancy either with the Council or with another landlord cannot be confirmed, the Council will ask the tenant to provide a Statutory Declaration which is a signed legal document sworn on oath and witnessed by a solicitor of their choice. The solicitor will charge a fee for this service which is payable by the tenant.

Appendix D details the information the Council requires with the Statutory Declaration. The Council will accept the dates specified as true and accurate. If this information is later found to be intentionally incorrect, the Council will consider Legal action against the tenant.

5.9 Establishing the Value of the Property

The Council will arrange for a RICS-approved independent valuer to produce a valuation of the property, at no cost to the applicant. The valuation will provide:

- The market rent value of the property
- If the property is to be sold as a freehold or leasehold
- Rebuild costs for insurance purposes
- If they are aware of any structural defects

Any permissible improvements carried out by the tenants will be taken off the value of the property.

If the valuer cannot gain access to the property to assess the market valuation, the Council can, as a last resort, request a 'drive-by' or desktop valuation in order to serve the Section 125 offer notice. The tenant then has 12 weeks to confirm whether they wish to proceed with the purchase. If the tenant fails to respond the landlord can serve a Default Notice giving them a further 28 days in which to reply. If the tenant does not do this, the application can be withdrawn.

5.10 Calculating the Discount Entitlement

For each complete year of confirmed tenancy, the tenant is entitled to receive a discount percentage. This figure can consist of partial years added together. The monetary value of this percentage is deducted from the market valuation of the property.

If, in order to meet the minimum tenancy period to qualify for the Right to Buy, an application has relied on the qualifying years of a joint tenant who has chosen not to join in the Right to Buy, that tenant may only use their own qualifying years when calculating their discount entitlement.

If the remaining tenant(s) who have chosen to exercise their Right to Buy do not have the minimum qualifying period in their own right, then they can be awarded the minimum discount of 35% for a house or 50% for a flat.

Discount percentages and maximum discount amounts are included in Appendix E.

5.11 Determining the Cost Floor

The Cost Floor is the amount of money the Council has spent on an individual property in the 10-year period prior to the receipt of the Right to Buy application form. If the property was built or acquired after 1st April 2012, the Cost Floor period increases to 15 years.

The costs that be included within the Cost Floor calculation are set out in the Housing (Right to Buy)(Cost Floor)(England) Determination 1999 and will be calculated on a case by case basis.

A number of properties now have solar panels that have been installed by the Council. If they are Council-owned solar panels, they will be sold to the tenant as part of the Right to Buy.

5.12 Calculating Leasehold Charges

The Leasehold Officer will co-ordinate prospective service charges for the five years following on from the sale of a property sold under lease.

These charges will include:

- Management Fee
- Grounds Maintenance
- Communal Lighting
- 5 year forecast of maintenance and repair work to the block in which the property is situated.
- 5 year forecast of improvements to the block in which the property is situated.
- Insurance premiums and cover amounts.

Dates which cover a five-year period will be included on the Section 125 Notice.

5.13 Previous Discounts

If the tenant, or any family member joining in the Right to Buy (this includes any spouse or civil partner of any person currently exercising the Right to Buy), previously purchased a property in their sole name, the amount of the current discount will need to be reduced by the amount of the original discount (less any discount that has already been repaid) regardless of how many people are joining in the sale now.

If the tenant, or any family member joining in the Right to Buy now (this includes any spouse or civil partner of any person currently exercising the Right to Buy), previously purchased a public sector property at a discounted price in two or more names but not all of those parties are included on the current application, the current discount amount will need to be reduced accordingly. The deduction will be calculated by dividing the original discount amount by the number of original purchasers and that figure will be used for each of those parties included in the current application.

5.14 Section 125 Offer Notice

The Section 125 offer notice is the formal offer of sale required under Section 125 (Housing Act 1985). The Council will send out the Section 125 offer notice within 8 weeks for a freehold property, and 12 weeks for a leasehold property. The Section 125 must include certain information as stated in legislation, details are provided in Appendix G. An Energy Performance Certificate will be issued with the Section 125 offer notice.

If applicants do not disclose previous tenancies or there is a delay in obtaining the information and it is at the legal deadline of 8 or 12 weeks, the Section 125 notice will be sent out with the current information available.

The Council will include a Notice of Intention form with the Section 125 offer notice. This gives the tenant 12 weeks from the date of the Section 125 in which to respond. The tenant must state 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.

If a response is not received at the end of the 12 week notice period, applicants will be served with a Default Notice, which gives the tenant another 28 days in which to let the Council know whether they wish to proceed with their Right to Buy or withdraw their application.

If the tenant does not respond by the end of the 28 day notice period, the Council will cancel the tenant's application and the Right to Buy comes to an end, unless there are extenuating circumstances. In these cases, the Council can extend the 28 day default notice period indefinitely.

Before cancelling an application, the Council will attempt to make contact with the applicants in order to establish their intentions.

5.16 District Valuer

If the tenant does not agree with the Council's opinion of the market valuation of the property, they have the right to a determination of value by the District Valuer (DV). Responsibility for appointing a DV lies with the Valuation Office Agency which is an Executive Agency of HMRC. The DV's costs are met by Central Government.

A request must be made in writing by the tenant to the landlord no later than 3 months from the date of the Section 125 offer notice. The landlord must then refer the request to the DV. The DV will determine the value and this determination is binding on both the landlord and the tenant. There are however very limited circumstances in which the determination can be appealed by either the landlord or the tenant. This is known as a review of determination and is explained in Appendix H.

5.17 Progressing the Sale

Where the tenant returns the Notice of Intention indicating their wish to proceed with the Right to Buy sale, the Council will arrange plans of the property to be produced.

A letter will be issued to the tenant to advise them that their application has been passed to the Council's Legal Services, and from now on, all correspondence must be through their solicitor.

Once instructions are received by Legal the matter will be allocated to a Fee Earner for handling. Investigations into title will be made to enable the Fee Earner to prepare the initial documentation which will then be sent out to the solicitor for the tenant.

The transfer document or lease will be provided with plans for the property for approval by the solicitor and the tenant. It is the Council's responsibility to show good title of the property being sold and the Fee Earner will assist where possible on enquiries that are raised before the sale. The relevant document must be signed by the tenant in duplicate and returned to the Council two weeks before the completion date to enable the Council to prepare for completion and execution of the document.

Once the matter is completed a copy of the relevant document will be provided to the tenant's solicitor who will be responsible for the post-sale registration requirements with Land Registry.

5.18 Deed of Postponement

Where a tenant wishes to borrow more from their Lender then the Lender will require a Deed of Postponement to change the order of priority of the charges at Land Registry. There is a Legal fee payable by the tenant for the Council to undertake this work.

The Housing Act 1985 sets out two situations where we must agree to postpone our charge, these are:

- To enable the tenant to pay our service charges
- To enable the tenant to make home improvements to the property

There are no other situations where we would agree to postpone our charge and each case will be considered on its own merits for consent.

The tenant's solicitor is required to formally request the Deed of Postponement on behalf of the Lender and must provide quotes/estimates for the improvements. We will only agree to postpone the amount as provided in the quotes.

Examples of what the Council does not consider to be home improvements are; extensions, conservatories, garden landscaping but this is not an exhaustive list.

5.19 Cancelling an application

The only time a landlord can cancel or withdraw the Right to Buy application is either:

1. After the serving of a relevant notice on the tenant. Relevant notices are:

- Default Notice – served when no response has been received from the tenant after the 12 week notice period given in the Section 125 or Section 128 offer notice has expired.
- First Notice to Complete – served no less than 3 months after the date of the Section 125 or Section 128 offer notice if the tenant is delaying proceedings and has not completed all necessary transactions.
- Final Notice to Complete – served after the notice period in the First Notice to Complete has expired if completion has not taken place.

2. After receiving a signed request to cancel the Right to Buy claim from the tenant(s) or their Solicitor.

If the tenant is delaying the Right to Buy process at any other stage of the application the landlord should take reasonable steps to progress the Right to Buy to the next relevant stage where a default, first or final notice can be served.

If the tenant is delaying the sale after accepting their offer to purchase and more than 3 months have passed from the date of the Section 125 or Section 128 offer notice, the Council will serve a First Notice to Complete. This Notice gives the tenant a minimum of 56 days in which to respond and it must state that a Final Notice will be served if no response is received by the end of the notice period.

If the tenant does not respond to the First Notice, the Council will then serve a Final Notice to Complete which allows for a further minimum of 56 days in which to complete the sale. This Notice must state the effects of not complying which will be the withdrawal of the Right to Buy.

If no response has been received from the tenant by the expiry date of the Final Notice, the Right to Buy application can be cancelled by the landlord.

If a Right to Buy application is cancelled, the Council will send out a letter confirming the cancellation, and advising that the tenant can re-apply at any time.

5.20 Notice of Delay

If a Notice of Delay form is served on the Council, this will be passed to Legal Services.

Initial Notice of Delay – Form RTB 6

This is completed by the tenant when they feel that the Council is holding up their application or the process. The Notice can be served when the Council has; not yet served a notice under section 124, not yet served a notice under section 125 or there are delays on the Council's part are holding up the sale under the right to buy.

Landlords Counter Notice – Form RTB 7

This is the Council's response to an Initial Notice of Delay where the Council cannot move the sale along within one month. The counter notice will say that the Council has already replied or explains why the Council can't speed things up.

Operative Notice of Delay – Form RTB 8

This Notice is served by the tenant where there is no response within a month to their Initial Notice of Delay. This could lead to a refund of rent to the tenant for the delay period which will be deducted from the completion monies.

6.0 Related Policies, Procedures and Guidelines

This policy should be read in conjunction with the:

- Right to Buy – Right of First Refusal and Discount Repayment Policy
- Leasehold Management Policy

7.0 Review

This Policy will be reviewed fully every three years. It will be checked annually for any changes to legislation.

8.0 Appendices

- A - Periods of occupation that count towards the qualifying period
- B - Reasons for Denial of the Right to Buy under Part B
- C - Property Exemptions
- D - Statutory Declaration
- E - Discount percentages and maximum amounts
- F - Cost Floor
- G - Section 125 notice
- H – Review of determination

Appendix A – Periods of occupation that count towards the qualifying period:

The following can all be counted towards the qualifying period:

- Periods that the *tenant* held a public sector tenancy
- Periods spent as the *spouse* of a public sector tenant where they occupied that property as their only or principal home
- Periods during which the *spouse of the purchaser* was a public sector tenant providing the
 - purchaser and spouse are living together at the relevant time
- Periods during which the *deceased spouse of the purchaser* was a public sector tenant providing the purchaser and spouse were living together at the time of death
- Periods in which the *spouse of the purchaser* (if living together at the relevant time) *was formerly the spouse of a public sector tenant* and lived there as his/her only or principal home
- Periods during which the *deceased spouse of the purchaser* (if living together at the time of death) *was formerly the spouse of a public sector tenant* and occupied that dwelling as his/her only or principal home

If the purchaser is living with his/her spouse at the time of applying (or if deceased, at the time of his/her death) they can count all the spouse's periods of public sector occupation whether or not the spouse is:

- a tenant at the present time
- included as joint purchaser

The spouse's period of occupation may include periods when he/she was:

- a public sector tenant
- living with a spouse who was a public sector tenant

Any period during which, before the relevant date, the secure tenant qualified for the Preserved Right to Buy or was the spouse of such a person and occupied that property as his/her only or principal home, also counts towards the qualifying period.

Whole and part years must be included when calculating the qualifying period. The total number of years, months and days of each tenancy when adding different tenancies together will determine the discount entitlement.

If the tenant does not have the necessary amount of time for eligibility with a suitable public sector tenancy (less than 3 years), their application will be cancelled if they do not provide sufficient evidence for previous tenancies within 8 weeks of making their application.

Appendix B – Reasons for Denying the Right to Buy under Part B

The Council must use one of the reasons below for denying the Right to Buy under Part B of the RTB2 Notice.

1	YOU ARE NOT THE SECURE TENANT OF THE PROPERTY AS REQUIRED BY SECTION 118 OF THE HOUSING ACT 1985.
2	YOUR NOTICE CLAIMING THE RIGHT TO BUY IS NOT A VALID ONE AS THIS IS A JOINT TENANCY AND ONE OF THE JOINT TENANTS HAS NOT COMPLETED THE RIGHT TO BUY NOTICE AS REQUIRED BY SECTION 118 OF THE HOUSING ACT 1985.
3	YOU HAVE NOT BEEN A PUBLIC SECTOR TENANT FOR THE MINIMUM QUALIFYING PERIOD OF 3 YEARS AS REQUIRED BY SECTION 119 OF THE HOUSING ACT 1985.
4	YOU DO NOT OCCUPY THE PROPERTY AS YOUR ONLY OR PRINCIPAL HOME AS REQUIRED BY SECTION 118 OF THE HOUSING ACT 1985.
5	YOU ARE NOT A MEMBER OF THE TENANT'S FAMILY AND THEREFORE CANNOT JOIN IN THE RIGHT TO BUY (SECTION 123 OF THE HOUSING ACT 1985).
6	YOUR CONTRACT OF EMPLOYMENT REQUIRED YOU TO OCCUPY THE PROPERTY FOR THE BETTER PERFORMANCE OF YOUR DUTIES (PARAGRAPH 2 OF SCHEDULE 1 TO THE HOUSING ACT 1985).
7	ON >INSERT COURT DATE< A >INSERT ORDER TYPE< ORDER WAS MADE AGAINST YOU IN >INSERT NAME OF COURT<_COURT. CONSEQUENTLY YOU ARE NO LONGER A SECURE TENANT FOR THE DURATION OF THE ORDER AND THEREFORE DO NOT QUALIFY FOR THE RIGHT TO BUY YOUR HOME. IF YOU HAVE ANY QUERIES REGARDING THIS YOU MAY WISH TO GET INDEPENDENT LEGAL ADVICE.
8	THE RIGHT TO BUY DOES NOT ARISE BECAUSE YOUR TENANCY IS NOT A SECURE TENANCY AS IT IS ONE TO WHICH PART II OF THE LANDLORD AND TENANCY ACT 1954 APPLIES (TENANCIES OF PREMISES OCCUPIED FOR BUSINESS PURPOSES)(PARAGRAPH 11 OF SCHEDULE 1 TO THE HOUSING ACT 1985).
9	THE RIGHT TO BUY DOES NOT ARISE BECAUSE THE FREEHOLD OF THE PROPERTY IS NOT HELD BY THIS AUTHORITY BUT IS HELD BY THE COUNCIL AS TRUSTEES FOR >INSERT NAME< (PARAGRAPH 7 OF SCHEDULE 4 TO THE HOUSING ACT 1985).
10	A FAMILY MEMBER CANNOT JOIN IN THE RIGHT TO BUY WHEN THE TENANT'S APPLICATION HAS BEEN DENIED.

Appendix C – Criteria for Property Exemptions

Elderly persons dwellings

Unlike the other types of exempt dwellings, if the Council denies the Right to Buy on the basis that it meets the criteria set out for elderly persons dwellings, the applicant will be entitled to appeal the decision within 56 days of the RTB2 date.

All 3 of the following criteria must be met before the Council can deny an application under this ruling:

- The property was let for occupation by a person aged 60 or over. This can be either the tenant/s or another person; and
- The property is an individual dwelling which is *particularly suitable* for an elderly person; and
- The property was first let before the 1st January 1990.

If ALL of the above criteria are met the application will be denied under Part C of the RTB2.

Other exempt dwellings

Dwelling houses for persons of pensionable age

All 4 of the following criteria must be met before the Council can deny an application under this ruling.

- The property is one of a group; and
- All dwellings in this group are particularly suitable for an elderly person; and
- It is the practice of the landlord to let these dwellings to persons aged 60 or over, or for people who are physically disabled; and
- The services of a warden are provided for the tenants of these properties. This can be either a resident warden or a non-resident warden who is on call, coupled with the use of a common-room in close proximity to the group of dwelling houses.

If ALL of the above criteria are met the application will be denied under Part B of the RTB2.

Dwellings for disabled persons

All 4 of the following criteria must be met before the Council can deny an application under this ruling.

- The property must have features that are substantially different from those of ordinary dwelling houses; and
- Is designed for people who are physically disabled; and

- Is one of a group of dwellings which it is the practice of the landlord to let for occupation by people who are physically disabled; and
- Is in close proximity to a social service or special facility provided wholly or partly for the purpose of assisting the occupants.

If ALL of the above criteria are met the application will be denied under Part B of the RTB2.

Dwellings for people suffering from a mental disorder

Both of the following criteria must be met before you can deny an application under this ruling.

- The property is one of a group of dwellings which it is the practice of the Council to let for occupation by people who are suffering or have suffered from a mental disorder as defined in the Mental Health Act 1983; and
- Has a social service or special facility provided wholly or partly for the purpose of assisting the occupants.

Appendix D – Statutory Declaration

Information required with the Statutory Declaration:

- Documents relating to the tenancy or tenancy agreement.
- Letter from GP or other official source confirming that the property was registered with them as the tenant's principal home.
- Copies of relevant electoral register.
- Other ID showing the tenant's name and previous tenancy address which relates to the period in question.

Appendix E - Discount Percentages and Maximum Amounts

For freehold sales the tenant is awarded a 35% discount for the minimum 3 year qualifying period. The discount remains at 35% for the 4th and 5th year. There is then a further 1% for each additional complete year of confirmed tenancy, up to a maximum of 40 years which will give a 70% discount.

For leasehold sales the tenant is awarded a 50% discount for the minimum 3 year qualifying period. The discount remains at 50% for the 4th and 5th year. There is then a further 2% for each additional complete year of confirmed tenancy, up to a maximum of 15 years which will give a 70% discount.

The maximum discount amount that can be applied to either freehold or leasehold properties in England changes each year. Notification of this will be received from Central Government. All literature and the Council's website will be updated with the new discount within one month as per the legislation.

Appendix F – Cost Floor

A Cost Floor amount should include:

- a) The construction of the dwelling including site development works and acquisition of land.
- b) The acquisition of the dwelling.
- c) Those works initially required following the acquisition of the dwelling by the landlord to put it into good repair or to deal with any defect (exceptions apply where the property was acquired under Part XVI of the Housing Act 1985).
- d) Those works of repair/maintenance or works to deal with any defect affecting the property (except works within paragraph c) above) where the aggregate of the costs exceed the sum of £5,500 and
- e) Other works to the property, except works of repair or maintenance or works to deal with any defect affecting it which are not shown in paragraph c) and d) above.

Costs that are excluded from the Cost Floor calculation are also set out in the Determination. Costs to be excluded from the Cost Floor amount are:

- Costs paid on or after the relevant time unless:
 - (i) The landlord has before that date entered into a written contract for carrying out the works; or
 - (ii) The tenant has, before the date of service of the landlord's Section 125 offer notice, agreed in writing to the carrying out of the works
- Any costs to the extent that they are unreasonable incurred
- Any administrative costs
- Interest
- Costs of acquisition from:
 - (i) A Local Authority
 - (ii) A Registered Social Landlord
 - (iii) The Housing Corporation
 - (iv) Housing for Wales
 - (v) A Development Corporation
 - (vi) The Commission for the New Towns
 - (vii) An Urban Development Corporation
 - (viii) A Housing Action Trust established under Part 111 of the Housing Act 1988 (Housing Action Trust areas)
- Any costs recoverable by the landlord as a service charge or improvement contribution

Appendix G – Information contained within the Section 125 Offer Notice

- A description of the property including the address, property type and the number of bedrooms, plus any land which is also included.
- The price at which the tenant is entitled to buy the freehold or lease plus:
 - The market value based on the date the RTB1 was received by the landlord
 - Any improvements disregarded
- The discount amount to which the tenant is entitled.
- The qualifying period taken into account and, where applicable, any amount reducing or capping the discount amount.
- Provisions contained in the conveyance or lease (in draft form).
- A description of any structural defect known to the landlord affecting the property or the block in which it is situated (including any other building to which the purchaser will have rights).
- The tenant's right to have the value of the property determined by the District Valuer.
- The effects of serving the Section 125 offer notice, the notice of intention and notice in default.
- The effects of any change to a tenant or qualifying family member after serving the Section 125 offer notice.
- The effect of the landlord's notices to complete, the effects of failing to respond and any rights to defer completion.

For leasehold properties, the offer notice must also contain the following:

- The length and expiry date of the lease
- Reference to:
 - Ground rent
 - Responsibility for internal & external repairs
 - Non-Itemised repairs
 - Itemised repairs
- A draft lease or conveyance
- Estimates and information regarding limits on charges required by Section 125A or 125B where provision has been made in the offer notice enabling the landlord to recover service charges or improvement contributions.
- Service charges for repairs which may be incurred in the reference period (see below), showing the likely cost of, and the tenant's likely contribution for, each item. These may include amounts for specific items and may also give an annual figure to cover items not specifically anticipated.
- An estimate of works for improvement contributions within the reference period, showing the likely cost of, and the tenant's likely contribution for, each item.
- Water charges (if applicable)
- Insurances
- Payment methods and information
- The reference period:

- The reference period must be stated for the purpose of estimates for both repair and improvement contributions and information given as to the tenant's rights under paragraphs 16B and 16C of Schedule 6 (Housing Act 1985).
- The reference period is a period of 5 years which can begin on any date providing this date is not later than 6 months after the date of the Section 125 offer notice. This is generally a date by which the landlord reasonably expects the Right to Buy sale to be completed.
- This period is not necessarily exactly the same as the initial period during which charges are actually limited by Schedule 6.

The Council cannot charge more during an initial period than the stated amounts plus inflation.

For leasehold properties, the notice must state the provisions which enable the landlord to recover service charges or improvement contributions and other charges required by Section 125A or 125B.

Appendix H – Re-Determination Process

The Council must provide the District Valuer (DV) with any information the tenant has provided to support their request for a determination. A copy of the tenant's written request for a determination, the RTB1, the Section 125 offer notice and a plan of the property's boundaries marked in red shall be sent to the DV.

The Council may contact the valuer and have the right to include any comparables used in valuing the property when making a representation to the DV. This must be sent within 28 days.

In undertaking a determination, the DV has no connection with either the tenant or the Council or any party acting on their behalf. The DV will make their own inspection of the property and, alongside representations from the landlord, will invite representations from the tenant. The DV will share the representations made by the landlord and the tenant with each party to ensure that the determination process is transparent.

Once the DV has determined the value of the property, they will send their report on the valuation to both the Council and tenant. The issue of this determination report will normally end the involvement of the DV in the Right to Buy process.

The Council will contact the tenant, informing them of the outcome of the determination. If this is a different value from the original valuation, the Council will advise the tenant of the impact of this on the discount and the sale price.

The Council will advise the tenant of their right to ask the DV to review the determination. The Council will advise the tenant that the 12 week notice of intention period will begin again from the date of your letter.

The tenant or the Council can ask the DV to review the determination where they consider that there has been a significant error with the determination. Significant errors are errors of fact (e.g. a property has been valued as having 3 bedrooms instead of 2). DV's can also review their own determination if they become aware of new significant facts. A review of determination must be requested in writing within 28 days of the date of the Section 128(5) determination notice being served.

Following the review, which may conclude that the original determination was not significantly in error or alternatively make a further determination, the DV will issue a report. Again, the 12 week notice of intention period re-starts from the date that the tenant is advised of the effect of the DV's review by way of a new Section 128 notice.

9.0 Document History and Approval

Date	Version	Committee Name
6/6/18	1.0	Housing Committee
9/2/22	2.0	Housing Committee