

# Right to Buy and Right to Acquire Policy

## 1. Introduction

- 1.1 Where the qualifying criteria are met, MHA tenants may be able to buy their property at a discount through either the Preserved Right to Buy (RTB) or the Right to Acquire (RTA) schemes. Those that qualify have a legal right to buy their home.

## 2. Purpose of the policy

- 2.1 The RTB and RTA Policy and accompanying procedures are in place to enable MHA to manage RTB and RTA applications efficiently and correctly; the documents provide the framework for establishing eligibility. They ensure that all applications are administered fairly, within the legal framework, and are completed using the statutory process, which MHA must adhere to.

## 3. Scope

- 3.1 This Policy and accompanying procedures apply to any properties purchased from MHA through the RTB or the RTA schemes.

## 4. The Policy Detail

- 4.1 **Legislation:** Monmouthshire Housing Association (MHA) will work within the statutory framework and timescales laid out for the processing of RTB and RTA applications as detailed in the RTB and RTA Procedures. The RTB process will be administered in accordance with Part V of the 1985 Housing Act and any amendments made to this Act. The Right to Acquire will be administered in accordance with the statutory requirements of 1996 Housing Act and any amendments made to this Act.
- 4.2 **Right to Refuse RTB and RTA:** Refusals of RTB and RTA requests will be made in line with legislation. Reasons will include, but not be limited to, the property being suitable for occupation by elderly people, planned demolition of the property or a tenant holding a possession order.
- 4.3 **Raising Awareness of RTB and RTA:** MHA will promote the RTB and RTA schemes. We will promote the services through media outlets such as our website and tenant magazine. We will provide straight forward information to those who enquire about the RTB and RTA process.

- 4.4 **Advice and Support:** Tenants will be advised to take time to consider all the costs involved, the choices available and to obtain independent financial advice before committing themselves to the RTB or RTA. Purchasers will also be advised of their liability to repay discounts if a resale takes place within the discount period. Tenants who need additional support can have face to face interviews with the Leasehold and Home-ownership Coordinator.
- 4.5 **Valuation of a Property:** The valuation requirements for the RTA will be identical to those under the RTB.
- 4.5.1 Where repairs or an improvement programme is being carried out to a property being valued, MHA will agree with the tenant how the situation is to be dealt with on a case by case basis. MHA will expect the valuer to reflect the actual position adopted in their valuation and record it in their report. Where no agreement can be reached the valuer should value the property under the likelihood of MHA completing works in progress or carrying out other work contracted for the future.
- 4.5.2 Where reasonable, the valuation of flats will be adjusted to reflect the length of lease, ground rent and implied covenants by MHA. These are likely to be more favourable to the tenant than comparable private sector sales. Further adjustments are likely to be required to reflect the type of structure and size of block, the locality and level of demand.
- 4.5.3 Where a tenant purchases a flat, MHA will continue to be responsible for repairs and improvements carried out to the structure of the building and in communal areas. For further information on the tenant's responsibility to pay service charges refer to the Leasehold Management Policy.
- 4.5.4 Tenant improvements should be agreed between MHA and the tenant(s). The Valuer should be notified of the improvements. On inspection improvements should be checked by the valuer and reflected in the valuation report. In considering evidence of open market sales of similar private houses, due regard will need to be given to any enhancement of the price that may be due to improvements.
- 4.5.5 All valuers will be expected to keep abreast of their local mortgage market and be aware of the lending policy towards prefabricated reinforced concrete properties.
- 4.6 **Photovoltaic Solar Panels:** MHA own a number of properties where photovoltaic (PV) solar panels have been installed. Where a RTB/RTA application is made and there are PV panels present, we will offer the potential buyer the option of taking ownership of the PV system. Alternatively

MHA will retain ownership of the PV panels and the feed in tariff and have a lease in order to occupy the roof space. Where the potential buyer wants to keep ownership of the installation, the PV panels and associated equipment will be included in the valuation. The feed in tariff will also be reflected in the valuation.

- 4.7 **RTB and RTA Fraud:** MHA acknowledges that RTB and RTA schemes can attract fraudulent applications and we will carry out verification checks, to counter-act this risk. Though not an exhaustive list, examples of checks that will be made include: confirming a tenant's signature matches our records, checking wages slips and confirming that additional applicants have resided at a property for at least 12 months prior to the RTB or RTA application.

## 5. Definitions

- 5.1 **Preserved Right to Buy:** This enables tenants who qualify, to buy their home with a discount off the full market value. MHA grants a Preserved RTB to those tenants of Monmouthshire County Council who held secure tenancies at the time of stock transfer (21<sup>st</sup> January 2008). The RTB provides the right of a secure tenant to buy the freehold or, as appropriate, a long lease of the house or flat of which he or she is the tenant, subject to certain exclusions and provisions. A tenant is entitled to buy the property after a qualifying period, at a discount determined by the length of his or her qualifying period.
- 5.2 **Right to Acquire:** For other tenants who do not have a preserved RTB the RTA enables tenants who qualify, to buy their home with a discount off the full market value. RTA is potentially applicable to those with assured MHA tenancies, who do not have a preserved Right to Buy. The RTA is less advantageous to tenants than the RTB with restricted discounts and designated areas where the right does not apply.

## 6. Definitions

- 6.1 **Links to Legislation:** The Right to Buy and Right to Acquire Policy and Procedure is framed by relevant legislation, which includes:
- a) Part V of the Housing Act 1985, amended by the Housing Act 2004
  - b) RTA - Sections 16 and 17 of the Housing Act 1996, amended by the Housing Act 2004
  - c) RTA - Housing (Right to Acquire) Regulations 1997

## 7. Links to Internal Policies and Procedures

7.1 The Policy and Procedure should be used in conjunction with other relevant MHA policies, procedures and documentation, which include:

- a) Leaseholder Policy and Procedures
- b) Development Strategy
- c) Value for Money Policy
- d) Recharge Policy
- e) Concerns, Complaints and Compliments Policy.

## **8. Roles and Responsibilities**

8.1 The Partnerships and Projects Manager has overall responsibility for MHA's RTB and RTA Schemes. The management of the schemes is delivered by the Leasehold and Home Ownership Officer. Neighbourhood Officers provide information to assist with the verification of applications. MHA's Asset Management Department verify the structural integrity of a property.

## **9. Record Keeping and IT**

9.1 MHA will use internal IT systems to maintain accurate and comprehensive records. This will include a record of all RTB and RTA sales, a record of all properties MHA has repurchased (i.e. buy backs) and capital receipts.

## **10. Complaints**

10.1 MHA will deal promptly with all complaints or disputes from RTB and RTA applicants. If an applicant is dissatisfied with a decision or any aspect of our service this will need to be dealt with via MHA's Concerns, Complaints and Compliments Policy.

## **11. Equality and Diversity**

11.1 MHA will ensure that all tenants applying to purchase their home under this policy receive a fair and consistent service. No person should be discriminated against because of their race, skin colour, religious or cultural beliefs, or because of their gender, sexual orientation, age, disability or health. For further information see MHA's commitments, refer to our Equality and Diversity Policy.

## **12. Monitoring, Review and Performance Monitoring**

12.1 The RTB and RTA Policy and Procedure will be reviewed every 3 years. A review may need to be undertaken earlier should there be any legislative changes affecting the RTB or the RTA schemes. The accompanying

procedures will be reviewed, amended and updated as is necessary in order that they remain relevant and fit-for-purpose.

- 12.2 RTB and RTA sales will be reported within the year-end financial reports and the impact of sales will be reflected in the review of the Business Plan.
- 12.3 MHA will use internal software to monitor performance, including that we are meeting statutory time frames for preserved RTB and RTA applications and also the number of applications accepted and sales made.