

Preserved Right to Buy and Right to Acquire Policy

1.	SCOPE
	Purpose
1.1	This document sets out whg's Policy towards administering the Preserved Right to Buy (PRTB) and Right to Acquire (RTA) schemes.
	Legal and regulatory framework
1.2	The following legislation contains the framework in which to operate the PRTB and RTA schemes: • Housing Act 1985, Schedule 5 • Housing Act 1988, Part V • The Housing (Preservation of Right to Buy) Regulations 1993 • Housing Act 1996, Chapter II • The Housing (Right to Acquire) Regulations 1997 • Housing Act 2004, Part VI • Localism Act 2011 • Charities Act 2011 • Housing (RTB) (Limit on Discount) Order 2013 • Housing and Planning Act 2016
1.3	The PRTB or RTA is the right of a tenant to purchase the freehold of the house or long lease of the apartment they reside in. The customer is entitled to buy the property after a qualifying period of occupying either public sector or armed forces accommodation, or a mix of both. The discount awarded depends upon the number of qualifying years and the scheme under which the property is purchased. The discount and details of how to calculate it are set out in legislation and associated statutory documents.
1.4	To access any of the schemes, the customer must be occupying the home as their only and principal home. Family members will only be included in an application to buy if they can provide evidence that they have been resident at the property for at least 12 months prior to the application. Family members can be added or removed to PRTB and RTA applications at any stage of the process.
1.5	As set out in legislation, customers do not qualify for the PRTB or RTA in the circumstances listed below: • The property is one of a group that has been substantially built or adapted for physically disabled persons with social or other support services provided nearby • The property is one of a group that are usually let to persons with a mental disorder and there is the provision of social or other support services nearby • The property is one of a group where due to the location, size, design, heating systems and other features are usually let to persons over the age of 60 and there is a resident warden or non-resident warden and common room • There is a final demolition notice in force in respect of the property • There is a court order for possession of the property

	• There is an undischarged bankruptcy order, a pending bankruptcy petition, a debt relief order, or an outstanding arrangement with creditors • The tenancy type is one of those listed at section 1.6 in this Policy
1.6	This Policy does not apply to the following customers: • Market Rent • Rent to Buy • Those on a Starter/one year fixed term probationary tenancy • Mortgage Rescue • Those on an Assured Shorthold Periodic Temporary tenancy • Shared Ownership
1.7	The Social Housing Regulator's Governance and Financial Viability Standard requires that Governance arrangements protect social housing assets and that resources are managed effectively to ensure viability is maintained and that social housing assets are not put at undue risk. Whilst there is a statutory requirement for eligible properties to be sold to eligible customers under the PRTB and RTA, this Policy seeks to protect social housing assets where possible.
2.	POLICY STATEMENT
	Proving the Qualifying Period
2.1	For all schemes, customers are required to prove their length of qualifying tenancies. The following will be considered as proof of residency: • Electoral register copies • Council Tax bills • Utility bills • Wage slips • Benefit letters • Bank statements
2.2	We will not accept statutory declarations where the customer makes a declaration confirming length of tenancies.
	The Preserved Right to Buy
2.3	To be eligible for the statutory RTB a customer must be a secure tenant and have held a secure tenancy with a Registered Provider of social housing for at least three years. The three year period does not have to be successive. Any time spent as a non-tenant adult (from age 16 onwards) in a parental home where they later succeed to the tenancy, will be included. None of the exclusions in section 1.5. must apply.
2.4	Customers who were secure tenants of Walsall Council, and who transferred to whg under the stock transfer in 2003, have the PRTB, so long as they have continued to be an assured tenant (with the PRTB).
	The Right to Acquire

2.5	To be eligible for the RTA a customer must have held an assured tenancy (not including assured shorthold) with a Registered Provider of social housing for at least three years. The property must have been built or acquired by whg with grant funding or transferred to whg from a council. The three year period does not have to be successive and any previous secure tenancies held with a Registered Provider will count towards the qualification period and discount. Any time spent as a non-tenant adult (from age 16 onwards) in a parental home where they later succeed to the tenancy, will be included. None of the exclusions in 1.5. must apply.
2.6	Customers wishing to exercise the PRTB or RTA will be required to pay an application fee. The amount of the fee is set by Government. The application fee will be taken once it has been confirmed that the customer is eligible for PRTB or RTA. It is not refundable if the sale does not complete.
	Property valuations
2.7	Property valuations for the PRTB and RTA will be completed by a RICs certified surveyor identified and paid for by whg. If the customer disputes the valuation, whg will request another valuation from the District Valuer. The District Valuer's valuation will then be used in the offer notice to the customer, regardless of whether it is less or more than the original.
2.8	The discount applied may be reduced by a rule called the 'cost floor' which is defined in legislation. Where the cost floor is higher than the sale price or higher than the market value, the discount amount will be adjusted.
	Disposals
2.9	PRTB and RTA disposals (sales) do not have to be reported to the Social Housing Regulator nor do they require Charity Commission consent to be disposed of.
	Repairs and Improvements
2.10	Once an application is submitted for any of the PRTB or RTA schemes, no repairs or improvements will be completed at the property unless they are required for whg to comply with: • Homes Act 2018 • Section 11 Landlord and Tenant Act 1985; or • Environmental Protection Act 1990; or • Section 4 Defective Premises Act 1972
	Prevention of Fraud
2.11	For the PRTB and RTA schemes, all appropriate checks will be carried out by whg or whg's solicitors in order to prevent fraud or money laundering.
	Post-Sale
2.12	After a property has been sold under any of the schemes, the discount or a proportion of it is repayable if the property is sold within the first five years.

2.13	During the first ten years after purchasing the property, if the property is resold, whg has the right of first refusal. Any 'buy back' will be completed in line with the Acquisitions and Disposals Policy.
	Complaints and appeals
2.14	Customers can appeal against a decision made under this policy. Appeals must be made in writing within 28 days of the date of the notification of decision, and any additional evidence the customer wishes to be considered must be received with the appeal request. We will not consider appeal requests or evidence received after 28 days unless there are mitigating circumstances. The case will be reviewed by a colleague more senior than the one who made the original decision, and an outcome will be provided within 14 days. If a customer feels there had been a service failure in respect of the appeal process, e.g. whg did not respond within the timescales outlined above, they can make a formal complaint, please see the Customer Complaints Policy.
3.	PERFORMANCE MEASURES
3.1	whg will measure the number of PRTB and RTA applications and completions in order to project future sale and to identify any unusual trends in sales that may suggest that agents are operating in a particular geographic area.
3.2	whg will ensure that all applications for the PRTB or RTA are processed fairly, consistently, accurately and within prescribed timescales. Timescales relating to the PRTB and RTA are set out in legislation.
3.3	PRTB and RTA sales are reported to Board
4.	EQUALITY AND DIVERSITY
4.1	The Preserved Right to Buy and Right to Acquire, are Government schemes that are being administered by whg. We ensure that we are compliant with legislation but have no influence regarding eligibility of applicants. By ensuring that all applications are dealt with in line with legislation we can ensure that they are treated fairly and in line with this Policy.
4.2	We continue to monitor the geographic distribution of sales until such time that an EDI dashboard will allow us to analyse the applicants in further detail and report accordingly
5.	TRAINING AND DISSEMINATION
5.1	Colleagues will be distributed the new Policy to ensure that they are up to date. If required additional training by specialists PRTB and RTA will be provided.
6.	MONITOR AND REVIEW
6.1	This Policy will be monitored by the Director of Housing and reviewed every three years by the Policy Group.
7.	ASSOCIATED DOCUMENTS, POLICIES AND PROCEDURES
7.1	Documents, policies and procedures associated with this Policy are:

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| | <ul style="list-style-type: none">• Housing Act 1985, Schedule 5• Housing Act 1988, Part V• The Housing (Preservation of Right to Buy) Regulations 1993• Housing Act 1996, Chapter II• The Housing (Right to Acquire) Regulations 1997• The Big Switch 2003• Housing Act 2004, Part VI• Localism Act 2011• Housing (RTB) (Limit on Discount) Order 2013 |
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Document author	Assistant Director of Housing - Customer
Document owner	Director of Housing and Customer Services
Version and status	V1.1 LIVE
Legal advice	Due to minor amendment, will not be required until full Policy review
Consultation	Due to minor amendment, will not be required until full Policy review
Approved by	v1.0 - GEXEC- August 2024 v1.1 - Customers and Operations Panel
Review Date	August 2027
Transformational Programme	• Data-driven decisions • Forward-thinking services • Making places
Equality Assessment	Not required
Key changes made	v1.0 – Added reference to Homes Act 2018 in section 2.9 - Removal of all references to VRTB - Added trends analysis in section 3.1 - Enhanced section 4.1 and added 4.2 both sections in regard to equality and diversity - Specified what customer consolation took place - Added section on cost floor at 2.8 - Minor wording change v1.1 - Appeal and complaints information updated.

