

## **HOMES & COMMUNITIES COMMITTEE**

**23 NOVEMBER 2020**

### **RIGHT TO BUY REPORT**

#### **1.0 What is Right to Buy?**

- 1.1 Right to Buy allows eligible council and housing association tenants in England to buy their home with a discount. The discount is currently capped at £84,200 for the Newark and Sherwood area, however this figure is set each year in line with CPI so can increase. The Level of discount is calculated using the number of year's tenancy for the applicant, currently this is 35% for the first 5 years and an additional 1% for each year (houses) and 50% for the first 5 years and an additional 2% for each year (Flats).
- 1.2 Eligibility requirements apply to the tenants and some properties are exempt from the Right to Buy.
- 1.3 Legislation balances the rights of the tenant's aspirations of home ownership whilst recognising the importance of protecting the housing stock to meet the needs of current and future residents.

#### **2.0 Tenant Eligibility**

- 2.1 Tenants must meet a qualifying criteria in order to be considered eligible for the Right to Buy and this is assessed upon receipt of the completed application. Tenants must be a secure tenant, and do not qualify until they have been a tenant for a minimum of 3 years with any qualifying tenancy. Family members wishing to share the Right to Buy must have been an occupant for a minimum of 12 months.
- 2.2 If a tenant or family member sharing the Right to Buy is subject to one of a selection of Court Orders, the individual will be unable to qualify for the Right to Buy, an example of these are a Suspended Possession Order or Possession Order, an Undischarged Bankruptcy order or an active Debt Relief Order.
- 2.3 There are certain types of tenancies which cannot be considered as secure for the purposes of Right to Buy. These include introductory tenancies, demoted tenancies and properties that provide homeless accommodation (Licenses). This list is not exhaustive but covers the key exceptions we would expect to see in the District.

#### **3.0 Property Exemption**

- 3.1 Property exemptions form the greater proportion of reasons why Right to Buy applications are denied. Each property is assessed as to whether it meets exclusion criteria when an application is made to ensure all relevant information is current and correctly assessed. The following extracts cover the core property exemptions where an assessment and interpretation of the legislation is required:

- 3.2 Schedule 5, paragraph 7 of the Housing Act 1985 with regards to exemptions for housing adapted to make it suitable for physically disabled persons:

*The right to buy does not arise if the dwelling-house has features which are substantially different from those of ordinary dwelling-houses and are designed to make it suitable for occupation by physically disabled persons, and—*

- (a) it is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by physically disabled persons, and*
- (b) a social service or special facilities are provided in close proximity to the group of dwelling-houses wholly or partly for the purpose of assisting those persons*

- 3.3 Schedule 5, paragraph 9 of the Housing Act 1985 with regards to exemptions for housing adapted to make it suitable for persons suffering from mental disorders:

*The Right to buy does not arise if –*

- (a) The dwelling-housing is one of a group of dwelling-houses which it is the practice of the landlord to let for occupation by persons who are suffering or have suffered from a mental disorder, and*
- (b) A social service or special facilities are provided wholly or partly for the purpose of assisting those persons.*

- 3.4 Schedule 5, paragraph 10 of the Housing Act 1985 with regards to exemptions for housing adapted to make it suitable for elderly persons:

*The Right to buy does not arise if –*

- (a) Which are particularly suitable, having regard to their location, size, design, heating systems or other features, for occupation by elderly persons and*
- (b) Which it is the practice of the landlord to let for occupation by persons aged 60 or more, or for occupation by such persons and physically disabled persons,*

*And special facilities such as are mentioned in sub-paragraph (2) are provided wholly or mainly for the purposes of assisting those persons.*

*(2) The facilities referred to above are facilities which consist of or include –*

- (a) the services of a resident warden, or*
- (b) the services of a non-resident warden, a system for calling him and the use of a common room in close proximity to the group of dwelling-houses.*

#### **4.0 Eligibility Assessment Process under Schedule 5 (Paragraph 7, or Paragraph 9)**

- 4.1 The primary area where individual dwelling assessment is required relates to general needs housing that has received adaptations to support either current or past tenants. Upon receipt of an application part of the process is to ascertain if there are adaptations present in the property, if there is adaptations present an assessment is undertaken against the legislation to enable a decision to be made in regards to property eligibility. This assessment is then sent to the Director of Housing Health and Wellbeing, along with the applicable RTB2 notice (Denial or Admittance Notice) to agree and approve the decision before it is issued to the applicant.

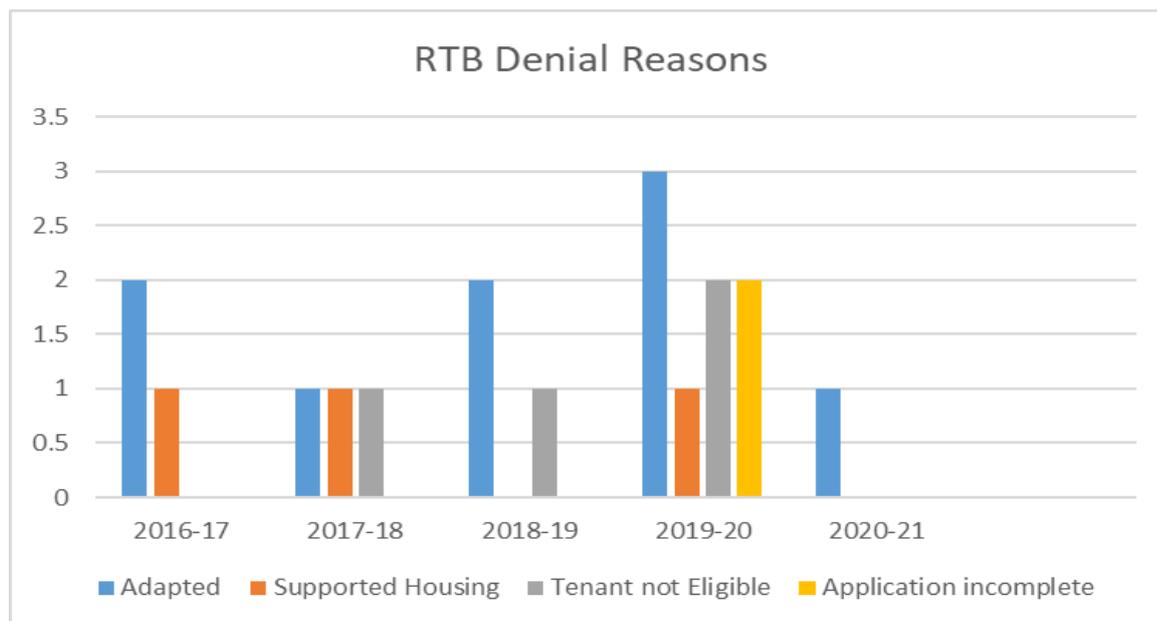
- 4.2 The Assessment includes details of the adaptations present in the property and property type, and why it either is, or is not suitable for occupation by physically disabled persons and if it satisfies this part of the legislation.
- 4.3 To address part a, each property is let in line with the Choice Based Lettings Policy whereby each property with adaptations is advertised as such and priority is given to applicants requiring the adaptation in place.
- 4.4 To address part b, the assessment covers what local social services and special facilities are provided that would impact the decision whether or not the dwelling would be exempt. Examples of the types of facilities and services in an area would include community centres, children’s centres or services and disability groups.
- 4.5 To be considered an exempt property the dwelling must fully meet the criteria of the relevant paragraph. Where an application for Right to Buy is denied using Schedule 5, paragraph 10, an appeal can be made to the Independent Residential Property Tribunal.
- 4.6 Where an application has been denied using Schedule 5, paragraph 7 or Schedule 5, paragraph 9 they can contact the Ministry of Housing, Communities and Local Government and ask them to look at the decision made. Details of how to submit an appeal are provided to applicants with the confirmation that their Right to Buy application has been denied.

## **5.0 Right to Buy and housing needs in the District**

- 5.1 The table below outlines the number of applications received annually over the past 4 years, the number of completed sales and the number of right to buys denied.

<b>Year</b>	<b>Applications</b>	<b>Sales</b>	<b>Average Market Value of properties sold.</b>	<b>Average Discount</b>	<b>Denied</b>
2016-17	52	29	£121,526	£59,915	3
2017-18	61	31	£126,115	£58,032	3
2018-19	43	35	£117,251	£58,051	3
2019-20	53	30	£119,333	£57,198	8
2020-21 (Until 30/09/20)	28	11	£156,113	£66,122	1

5.2 Below is a chart showing the breakdown for all 18 denied applications.



5.3 1876 of Council properties are classed as adapted. This does not mean that all these properties are automatically exempt from Right to Buy as the adaptation may not be of a qualifying type. Where a significant adaptation is planned, the tenant is informed as part of the process that the adaptation may result in their property being classed as exempt from Right to Buy in the future. In addition to this when a tenant is signed up to an adapted property they are advised the property may be exempt from the Right to Buy and sign a form to state they understand this.

5.4 38% of over 4000 applicants currently on the housing register have identified that they have a disability, however this covers all disabilities, including mental health, not just physical.

5.5 239 major and 340 minor adaptations have been completed in 2019/20.

5.6 The 2014 Strategic Housing Market Assessment for the District showed 27.5% of responding households as having one person with a long-term health problem or disability, an above average figure (20.3% average overall population), this is predicted to rise to 34% over time.

## 6.0 Summary

6.1 The correct assessment and exemption of adapted properties is important to help the Council meet the needs of future tenants, make best use of the housing stock available and to minimise the number of major adaptations required for future tenants.

6.2 Properties are assessed at the time of application to ensure that the legislation is being fully met in terms of either accepting or denying the application and determining if the property is exempt.

6.3 Tenant eligibility is assessed upon receipt of correctly completed applications and this is done in line with the legislation to ensure the Council is meeting its statutory obligations.

6.4 The Right to Buy process has a strict set of stages and timelines in place which must be adhered to in line with the legislation, there are internal processes in place to ensure these are fully met.

## **7.0 Equalities Implications**

7.1 There are no equalities implications.

*\*Properties with ramps are not included in this figure due to the way information is recorded.*

## **8.0 Digital Implications**

8.1 There are no digital implications arising from this report.

## **9.0 Financial Implications**

9.1 There are no financial implications arising from this report.

## **10.0 Community Plan – Alignment to Objectives**

10.1 No direct link to objectives of community plan.

## **11.0 Comments of Director**

11.1 In response to a request from the Committee, this report provides Members with a briefing about the Right to Buy which can apply to homes which are owned by the Council. In particular, the report explains the eligibility of properties which have been adapted to meet the needs of tenants.

## **12.0 RECOMMENDATION**

That the contents of the report be noted.

### Background Papers

Nil

Suzanne Shead  
Director - Housing, Health & Wellbeing