Contents

1. **Purpose and scope**
2. **Eligibility**
3. **Discount rules**
4. **How to apply**
5. **Our responsibilities**
6. **Sale progression and other considerations**
7. **Resale**
8. **Monitoring and controls**
9. **Related policies**
10. **Legislation and Regulation**
11. **Equality, diversity, and inclusion**
12. **Communication**

1. Purpose and scope

* 1. Section 121AA of the Housing Act 1985 says that landlords must provide their secure tenants with information about the Right to Buy. This document is designed to give the required information.
  2. The purpose of this policy is to confirm London Borough of Lewisham’s (LBL) approach regarding properties they sell under the Right to Buy. It confirms the rules and eligibility surrounding the initial Right to Buy sale, along with any subsequent sale of a property which was purchased under the Right to Buy.
  3. This policy helps to deliver our corporate plan, which includes delivering high quality service, ensuring transparency, and effective management of finance.
  4. The Right to Buy scheme does not apply to all tenants, leaseholders, or shared owners, or to all properties. Therefore, this document is limited in scope to:
  + Secure tenants of the London Borough of Lewisham, where the property and tenure criteria has been met, and who wish to exercise their right to buy.

2. Eligibility

2.1The Right to buy is available to a current tenant(s) who has been a secure tenant of a public sector landlord for at least three years. This does not have to be three consecutive years. The property must be self-contained and must be the tenant’s only or main home.

2.2 Any period spent in armed forces accommodation can also count towards the three-year qualifying period for the Right to Buy and the qualifying period for the discount. A tenant can also count this time if their spouse or civil partner was a member of the armed forces and they lived with them in this accommodation. If, however, a tenant currently lives in armed forces accommodation they do not have the Right to Buy.

2.3 A tenant may make a joint application with:

* Someone who shares their tenancy
* Their spouse or civil partner
* Up to 3 family members (which may include a spouse or civil partner) who have lived with them for the past 12 months (even if they do not share the tenancy)

2.4 Some properties are not eligible for the Right to Buy. For example, where a property is due to be demolished, sheltered housing, housing for the over 55’s (with warden call equipment installed), specially adapted dwellings for disabled residents, and some tenancies linked to a place of employment.

2.5 Certain legal processes may impact on eligibility for Right to Buy. This includes but is not limited to:

* Possession order with a fixed date - including Suspended Possession Order
* Ground 2 criminal nuisance order
* Right to Buy suspension order
* Bankruptcy order
* Demotion order
* Tenancy breaches

2.6 Where a tenant is unsure whether they have eligibility for a Right to Buy we encourage them to contact their housing officer in the first instance.

3. Discount rules

3.1 Those eligible for Right to Buy may qualify for a discount on the market value of their home when they buy it. The percentage and value of the discount is based on:

* How long they have been a tenant
* The type of property being bought – flat or house
* The value of their home, and whether it is inside or outside of London
* If they have bought under Right to Buy previously
* The cost floor rule, i.e. the amount of money spent on an individual property in the 10-year period prior to receipt of the RTB1. If the property was built or acquired after 1st April 2012, the Cost Floor period increases to 15 years.

3.2 Some or all of the discount applied will need to be repaid where the property is resold within five years.

3.3 See also [Your right to buy your home: a guide - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/your-right-to-buy-your-home-a-guide--2)

4. How to apply

4.1 In order to exercise a claim to buy a property under the Right to Buy, the applicant will need to complete the application form (RTB1) and send it to: [hos@lewisham.gov.uk](mailto:hos@lewisham.gov.uk)

4.2 The application form and more information about applying can be found at: [Right to Buy: buying your council home: Overview - GOV.UK (www.gov.uk)](https://www.gov.uk/right-to-buy-buying-your-council-home) More details can be found from the Right to Buy Agents: <https://righttobuy.gov.uk/agent-service/>

* 1. The date on which we receive an application is called the relevant date. This is the date the council will use to work out the value of the home and the discount entitlement.
  2. If the value of the property changes while the application is being processed, for the purpose of the Right to Buy, the value will remain the same as it was on the relevant date.
  3. The discount entitlement will also be set at the relevant date and does not change during the application process.
  4. An application can be cancelled at any time. The council will not charge an applicant for this, but an applicant’s solicitor and mortgage provider may charge for services they have provided up to the date that they are told that the Right to Buy is not proceeding.

**5. Our responsibilities**

5.1 Where we receive a Right to Buy enquiry or Resale enquiry we will:

* Respond to enquiries in line with statutory timescales
* Respond to all other enquiries and correspondence in line with our agreed timescales (unless stipulated 10 working days)
* Notify the enquirer promptly of any information we require to process the enquiry
* Notify the enquirer of any known or potential restriction to the sale, such as where the eligibility criteria are not met
* Keep any buyer or seller informed of progress and next steps
* Where agreeing to buy back the property, accept to do so within 8 weeks, as required. Otherwise, the property can go on the open market
* Signpost the enquirer to other sources of advice and assistance as appropriate

**6. Sale progression and other considerations**

6.1 Once a Right to Buy application is submitted by the tenant, it is their responsibility to ensure that they provide the necessary information required to complete the process and to respond within legal timescales, to avoid the application being aborted. For example, once we have agreed to the sale, and sent the offer, the tenant has 12 weeks from receiving the offer to confirm that they still want to buy.

6.2 The tenant must ensure they continue to meet the eligibility criteria while the sale is in progress.

6.3 LBL have the right to terminate the application. We will inform the tenant of the reason/s for terminating the application.

6.4 There is no limit to the number of Right to Buy applications a tenant can make and there is no charge for processing the application.

6.5 A tenant can [appeal to a tribunal](https://www.gov.uk/housing-tribunals) if they are stopped from buying a home because it is suitable for housing elderly people. The appeal must be within 56 days of the application being turned down.

6.6 Where a Right to Buy application has been submitted, we will only carry our essential repairs and maintenance to the property as the value of the property is based on the condition of the property on the date of the application.

6.7 Buying a property is a major financial commitment and brings with it different legal implications to renting. The type and extent of service provided thereafter will differ from the experience of being a tenant. We strongly encourage tenants to take legal advice before proceeding with a sale. Typical costs and responsibilities will include:

* Mortgage payment or loan, unless paid upfront
* Repair and maintenance of the property including regular safety checks
* Service charges
* Contributions to major building works
* Insurance
* Where a tenant plans to rent out a property after it has been sold, they become a landlord and have certain responsibilities to and for their tenant

**7. Resale**

7.1 Where a tenant has purchased the property from the LBL under the Right to Buy scheme, and subsequently proposes to resell or dispose of it within 10 years, by law it must first be offered to the Council before offering it on the open market. The Council have the right of first refusal.

7.2 Where a property is resold within the first five years of the Right to Buy, the discount will need to be repaid. This is calculated on a sliding scale between 20% and 100% depending on the time since the initial sale. If a property is resold after five years, there will be no requirement to pay back the discount.

**8. Monitoring and controls**

8.1 This policy will be implemented through our approved Right to Buy procedure.

8.2 We will request documentation and run checks as an essential part of the sale process. These will include, but not be limited to, anti-money laundering and fraud.

8.3 We will monitor a Right to Buy sale throughout its progression, and in line with our performance reporting. This may include seeking feedback as part of satisfaction monitoring, to help us to continue to check and improve our service delivery.

8.4 We are required to report the number of completed Right to buy sales and receipts.

**9. Related policies**

Related policies include but are not limited to:

* Service Charge policy
* Breach of Lease policy
* Debt Management policy

**10. Legislation and regulation**

Relevant legislation includes but is not limited to:

* Housing Act 1985
* Housing and Regeneration Act 2008
* Commonhold and Leasehold Reform Act 2002
* Housing and Planning Act 1986
* Anti-Social Behaviour, Crime and Policing Act 2014
* Anti-Money Laundering Act 2018

**11. Equality, diversity, and inclusion**

11.1 We carried out an Equality impact assessment as part of the development of this policy. Not all people or all properties will meet eligibility criteria. However, we follow statutory requirements, which includes eligibility criteria, and is outside of our control.

11.2 Our equality assessment considered the checks we undertake, which include checking for Vulnerability and Safeguarding concerns, in line with our wider duties.

11.3 We also considered how we communicate the process to eligible residents. This policy is designed to benefit all residents as it sets out the key points clearly. We also offer an interpreting service if required.

**12. Communication**

12.1 This policy will be made available on the London Borough of Lewisham website.

12.2 The policy and associated processes will be made available to staff, as well as promoted through relevant training and briefings, to ensure effective and consistent application of this policy.

12.3 Complaints regarding the application of this policy will be handled under our Housing Services Complaints policy and procedure.

12.4 For more information see [Your right to buy your home: a guide - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/your-right-to-buy-your-home-a-guide--2)

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| **New Policy document:** Document replaces existing information held and published in other places, with no change to implementation. | |
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| **Approved by:** Executive Director for Housing | |
| **Policy owner:** *Director for Resident Engagement and Services* | |