

North East Derbyshire District Council

Cabinet

1 August 2018

Right to Buy – Buy Back Policy

Report of Councillor E A Hill, Deputy Leader and Portfolio Holder for Housing Strategy

This report is public

Purpose of the Report

- To seek approval of the draft Right to Buy - Buy Back Policy
- To agree the delegated decision making process

1 Report Details

- 1.1 The Right to Buy scheme is a government incentive which gives eligible social housing tenants the right to buy their home.
- 1.2 The Housing Act 2004 introduced the Right of First Refusal by implementing The Housing (Right of First Refusal) (England) Regulations 2005 which came into force in August 2005.
- 1.3 The regulation stipulates that Right to Buy owners who wish to resell or dispose of the property within 10 years from the date of the original purchase (whether freehold or leasehold) will in the first instance have to offer the property to the former landlord (or to another social landlord), this being the Council.
- 1.3 The policy will provide a framework in delivering the Council's statutory duties under housing and related legislation when repurchasing properties and sets out the Council's procedure and the delegated decision making process.
- 1.4 The policy may also be applied when considering a request to purchase properties outside the Right of First Refusal time frames and for non-former Council homes in areas within the district to allow for the wider regeneration.
- 1.5 The Policy will also have due regard and work in line with the Councils and Rykneld Homes policies and strategies, including the;
 - Affordable Social Housing Acquisitions and Disposals Policy
 - Empty Properties Strategy

- 1.6 There is no legislation that states the Council must buy the property back, however this policy will be used by the Council and Rykneld Homes Ltd to consider buying former Council properties or properties to enable regeneration, development or to help alleviate housing need through current housing schemes.
- 1.7 Regulation 8 of the Housing (Right of First Refusal) (England) Regulations 2005 states that the Council can nominate another person (meaning housing provider) to accept the offer of sale.
- 1.8 The Council will reserve its right to nominate “another person” to accept the offer of sale, however the Council will stipulate that any nomination must benefit the community to help with housing need or comply with current housing schemes, such as the Private Sector Leasing scheme, or enable development/regeneration.
- 1.9 The Council will only nominate to organisations registered as a social landlord, including Registered Housing Providers or other bodies who fulfil the landlord condition set out in section 80(4) of the Housing Act 1985.
- 1.10 When making a decision to buy, refuse or nominate to another housing provider each property will be assessed on its own merit.
- 1.11 Assessments will be carried out by the Council’s Housing Strategy team in Partnership with Rykneld Homes Limited (RHL) using various resources to determine viability.
- 1.12 Full property inspections to determine value and any works required will be carried out by Rykneld Homes Limited.
- 1.13 Once the assessment and property inspection is complete the evidence will be presented to the Joint Asset Management Group (RHL and NEDDC) for consultation.
- 1.14 The Joint Strategic Director – Place in consultation with the Council’s Portfolio holder for Housing Strategy will make the final decision to approve or refuse the sale offer or nomination to another housing provider.
- 1.15 The strict statutory timeframes must be adhered to, therefore in order to meet deadlines on occasions this can be agreed via email.
- 1.16 The Council’s legal team will send the relevant notices and oversee the purchase of the properties in line with housing law.

2 Conclusions and Reasons for Recommendation

- 2.1 It is recommended that the draft Right to Buy - Buy Back Policy is agreed to comply with the Councils Statutory Duty under the Housing Act 2004, the Housing (Right of First Refusal) (England) Regulations 2005.
- 2.2 The reason for the recommendation is that in the past properties were not bought back by the Council and the Right of First Refusal was not implemented.

- 2.3 Currently no policy and procedures are in place to comply with the Statutory Duty.
- 2.4 The policy will give the Council scope to re purchase properties to help with housing need and regeneration including, where necessary, those properties that are not former council properties.
- 2.5 A review date of 3 years has been set, however if any future legislative or operational amendments are required then a review can be conducted before the term ends.

3 Consultation and Equality Impact

- 3.1 There will be no equality impact as it is the property viability that will be assessed not the owner/residents of the property.
- 3.2 Consultation with the Legal Department and Rykneld Homes Limited has been conducted and both agree to this policy and procedure.

4 Alternative Options and Reasons for Rejection

- 4.1 The alternative option is to not have a policy in place, however this was rejected because without a policy, and procedures, the Council and its partners may not be able to fulfil the statutory duty efficiently.
- 4.2 Also the policy enables the Council to assess, purchase properties and make a decision through a formatted route in a line with the legal obligations.
- 4.3 The policy enables the Council to buy properties or nominate to a housing provider to increase the districts housing supply or for regenerations purposes.

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Each property will be assessed on its own merit and a viability assessment will be carried out for properties that are subsidising the Council's housing stock, the assessment will include: value of property, rental income, repairs, costs to bring up to a lettable standard which will minimise financial risk.
- 5.1.2 Properties that are being purchased for regeneration purposes will be assessed for viability against the wider scheme.
- 5.1.3 There will be no financial risk to the Council for properties that are nominated to another housing provider.
- 5.1.4 There is no up-front costs for implementing this policy, therefore no immediate financial risk.

5.2 Legal Implications including Data Protection

- 5.2.1 Data protection will be in accordance with the Council's usual policies and procedures.

5.2.2 The Council's legal team will oversee the purchase of properties and forward any legal notices to owners or nominated housing providers in line with current housing law.

5.3 Human Resources Implications

5.3.1 There are no Human Resources implications as the policy will be implemented by existing staff.

6 Recommendations

6.1 To agree the draft Right to Buy - Buy Back Policy.

6.2 That authority be delegated to the Joint Strategic Director – Place in consultation with the Portfolio Holder for Housing Strategy to make the final decision to approve or refuse the offer of sale or to nominate another housing provider, as set out within the report.

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All - The policy will apply to the whole district, but will only affect a very small number of residents sporadically.
<p>Links to Corporate Plan priorities or Policy Framework</p>	<ul style="list-style-type: none"> • Enabling housing growth • Providing good quality social housing • Unlocking development potential

8 Document Information

Appendix No	Title	
1	Right to Buy – Buy Back Policy	
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>		
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AGIN 8(a) (CAB 0801) Right to Buy/AJD