

**North East Derbyshire District Council**

**Cabinet**

**11 July 2019**

**Right to Buy – Buy Back Policy Amendments**

**Report of Councillor R Welton, Portfolio Holder for Housing**

This report is public

**Purpose of the Report**

- To seek approval of the Right to Buy - Buy Back Policy subsequent amendments

**1 Report Details**

- 1.1 On 1 August 2018 Cabinet agreed the draft Right to Buy – Buy Back Policy, and resolved 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.
- 1.2 A review has been conducted to ensure the policy and procedures in place are robust enabling legislative timeframes to met.
- 1.3 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.
- 1.4 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.
- 1.5 The policy provides 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.
- 1.6 The policy is also 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 or to add to housing stock.
- 1.7 There is no legislation that states the Council must buy the property back, however this policy is 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.

- 1.8 When making a decision to buy, refuse or nominate to another housing provider each property is assessed on its own merit.
- 1.9 The Joint Strategic Director – Place in consultation with the Council’s Portfolio holder for Housing Strategy makes the final delegated decision to approve or refuse the sale offer or nominate to another housing provider.
- 1.10 The strict statutory timeframes must be adhered to for the right of First Refusal.
- 1.11 The Outcome of the review was;
- Under the current procedures legislative timeframes were struggling to be met for the properties obligated to the Right of First Refusal.
  - Procedures for properties that were not obligated to the Right of First Refusal where confusing.
- 1.12 The proposed amendments to the policy are;
- Not to formally consult with the Asset Management Group for these types of properties as stated in the policy - members of the group are already initially assessing the properties and are actively involved in the procedures.
  - Split the policy into section A and B inputting clearer operational procedures for properties obligated to the Right of First Refusal and for those that are not.
- 1.13 There is no proposed changes to the delegated decision procedures.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 It is recommended that the proposed amendments to the Right to Buy - Buy Back Policy is agreed to ensure the Council continues to comply with the Statutory Duty under the Housing Act 2004, the Housing (Right of First Refusal) (England) Regulations 2005.
- 2.2 The amendments will be more robust and give a clearer direction in term of the operational procedures across departments and Rykneld Homes Limited.

## **3 Consultation and Equality Impact**

- 3.1 An Equality Impact Assessment was carried in August 2018 and will still apply.
- 3.2 Consultation with the Legal Department and Rykneld Homes Limited has been conducted to propose these amendments.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 The alternative option is to continue to take each property through the Asset Management Group, however this was rejected due to the tight legislative timeframes and the dates of the meeting not aligning. Members of this group already take an active role in the assessment of the property and the procedures outlined in the policy.

- 4.2 To continue to have the same procedure for properties not obligated to the Right of First Refusal, this was rejected due to the unnecessary burden on the Council's workload and the more flexible approach that can be implemented for these types of properties.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 Each property will continue to 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 assessments include: value of property, rental income and repairs, which will minimise financial risk.
- 5.1.2 Properties that are being purchased for regeneration purposes will continue to be assessed for viability against the wider scheme.
- 5.1.3 There is 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's amendments, 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 to the Right to Buy - Buy Back Policy subsequent amendments.

## 7 Decision Information

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

## 8 Document Information

Appendix No	Title
1	Right to Buy – Buy Back Policy
<p><b>Background Papers</b> (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>	
Report Author	Contact Number
Diane Parker	01246 217292