



HONEYCOMB
GROUP

Right to Acquire Policy

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Document Revision History

Version	Date	Description of Change	Author
1.0	March 2025	Cyclical Review	Giles Parkyn

1. Introduction and Purpose

This policy outlines how Staffs Housing customers can purchase their home through the Right to Acquire scheme.

Our homes help many people to get on in life, by providing our customers with a safe, secure home as a foundation for work and education. But by giving our customers who aspire to own their own homes the opportunity to do so, we can provide them with greater financial security, and the support the need to build a long-term future.

The Right to Acquire is a government scheme offering eligible housing association tenants the opportunity to buy their home at a discount. This policy is intended to provide clear information on purchasing a Staffs Housing home under the Right to Acquire scheme.

It is based on the legislation and regulations at the time of issue. If there are any changes to the legislation during the lifespan of this policy and it has not been updated, the legislation will apply in any given situation.

The Voluntary Right to Buy (VRTB) Midland's pilot launched in August 2018, giving eligible housing association tenants in the East and West Midlands the opportunity to purchase their homes at Right to Buy level discounts. The pilot concluded in 2021 and applications to take part in the scheme are currently closed.

2. Policy Objectives

The policy meets Staffs Housing's objectives which are:

- To provide quality affordable homes that are economical to run, safe and a place that customers can feel proud of
- To provide effective services that help break down barriers to a happy home for customers.

3. Eligibility for Right to Acquire

The main eligibility requirements for the Right to Acquire are:

- The customer must have lived in a home that was bought or built by Staffs Housing after 1 April 1997 and the property received specific grant funding.
- The customer has been a public sector resident for over 3 years.
- The tenancy is an assured or secure tenancy (some Assured Shorthold Tenancies are also eligible)
- The property must not be in a Designated Rural Area

There are other eligibility requirements and exemptions such as:

- The customer must not be an undischarged bankrupt, have a bankruptcy petition pending against you or have obtained a debit relief order.

- The customer must not have any outstanding possession orders for rent arrears.
- They must not have any suspension orders in place such as those for antisocial behaviour or any demotion orders.
- Assured shorthold tenancies for a fixed term of less than two years, periodic and those where the rent payable under the tenancy is Intermediate Rent; or Mortgage Rescue rent are not eligible for the Right to Acquire

4. Reasons for Denying a Right to Acquire Application

Right to Acquire applications can only be denied in accordance with the Housing Act 1985. The grounds for denying a Right to Acquire application are as follows:

- The applicant has not satisfied the qualifying period of three years holding a public sector tenancy.
- A final demolition notice was served upon the property before the date of the Right to Acquire application.
- The applicant for the Right to Acquire does not occupy the property as their only or principal home.
- The applicant is subject to an order of the court for possession (of the property).
- Staffs Housing has applied for and received a suspension order in accordance with Section 121(a) of the Housing Act 1985.
- The property type is classed under the exceptions, for example, sheltered accommodation, or properties on land bought for development.
- The applicant has problems with debt as defined by the Housing Act 1985, 121(2).

The application may also be refused when:

- The applicant does not legally have the preserved Right to Buy/Right to Acquire
- Where one or more of the tenants does not signify their agreement, the other tenant(s) will not be able to exercise their Right to Buy/Right to Acquire
- Any tenant or family member is subject to the following orders:
- Possession order with a fixed date including Suspended Possession Order
 - Criminal nuisance order
 - RTB suspension order
 - Bankruptcy order
 - Demotion order

5. Discounts

Right to Acquire discounts are between £9,000 and £16,000 depending where in the UK the property is located. There are different discount levels depending on where in the UK the property is located. The current discounts available by area can be found here <https://www.gov.uk/government/publications/right-to-acquire-discounts-by-location>

6. The Cost Floor

Staffs Housing will apply the cost floor rule to all Right to Acquire applications as outlined in the Housing Act 1985, Section 131, and The Housing (Preservations of Right to Buy) (Amendment) 1999.

7. Valuation of the Property

Once Staffs Housing has admitted a Right to Buy or Right to Acquire application, we will respond to the applicant in writing to confirm eligibility and admit the application.

At this stage, the property must be valued. Valuation of the property must be conducted by an RICS qualified surveyor. Staffs Housing will provide a list of surveyors available locally and will give the customer a reasonable choice. Staffs Housing will pay the cost of the valuation.

The surveyor will be provided with the following information:

- The length of any lease and ground rent on non-freehold properties
- Details of known structural defects
- Estimates of service charges and improvement contributions
- Details of tenant's improvements
- Specific covenants and conditions
- Details of any third-party interests
- A plan indicating the boundaries of the property.

If either party wishes to appeal a valuation they will meet their respective costs. Disputed valuations must be referred to the District Valuer.

We must send the Section 125 offer notice within 8 weeks of admitting the application for a freehold property and within 12 weeks for a leasehold property.

The customer has 12 weeks from the date of the Section 125 notice in which to respond in writing whether they wish to proceed with the Right to Buy and accept the offer or withdraw their application using the Notice of Intention.

Photovoltaic Panels

Staffs Housing has installed Photovoltaic Panels on a number of properties. These are owned by Staffs Housing, or its subsidiary company, Stillness 924 Ltd

(Stillness). The Photovoltaic Panels will not form part of the Voluntary Right to Buy property sale.

The Right to Acquire purchaser will be asked to enter into a fixed-term licence agreement with Staffs Housing or Stillness. This will be at no cost to the purchaser and will permit them to benefit from the free electricity generated by the panels. Staffs Housing or Stillness will maintain the panels and collect the feed-in tariff for the energy generated.

At the end of the term of the licence, the property owner will be offered the option of either the Photovoltaic Panels to be transferred to their ownership, or, for the Photovoltaic Panels to be removed from the property. The costs of either option will be paid for by Staffs Housing or Stillness.

8. The Conveyancing Process

Once an applicant has accepted the offer made on Staffs Housing's behalf by our valuers, our solicitors will handle the conveyancing process (the legal sale of the property). Staffs Housing will not complete on a Right to Acquire sale until all monies owed to the organisation are paid.

9. Repairs during the Right to Acquire Process

Once a Right to Acquire application is received no further planned improvements or renovation work will be completed, other than emergency or health and safety repairs to the property. If an application is denied or cancelled, this restriction will be lifted.

10. Cancellation of the Right to Acquire

Applicants can cancel their application at any point in the process, providing that it is done so in writing. There are no time restrictions on a tenant submitting a further application for the Right to Acquire.

11. Money Laundering Regulations & Right to Acquire Fraud

Staffs Housing will conduct money laundering checks on all Right to Acquire applications where the purchase is funded by means other than a mortgage.

Staffs Housing will deal with Right to Acquire fraud under the tenancy fraud policy. All instances of suspected and proven Right to Acquire fraud will be fully investigated and reported to Governance team.

Staffs Housing will take all necessary and appropriate steps to identify and prevent fraud and money laundering. We will report any incidents of fraud or money laundering to the relevant authorities.

To prevent and identify potential fraudulent applications we will ask customers to:

- Attend a face-to-face interview to allow documentation to be checked.
- Provide written evidence of the length of tenancy in the social rented sector.

- Provide evidence of 12 months occupation for all parties involved in the purchase.
- Provide photographic identification.
- Supply copies of bank statements and utilities for the past year

All applicants for the Right to Acquire must provide information to confirm the source of funding. All third-party companies funding the purchase must be registered with the FCA (Financial Conduct Authority).

12. Selling the Property

Any property sold through the Right to Acquire must be offered back to Staffs Housing before the property can be sold on the open market, within ten years of the original sale.

Where Staffs Housing does not wish to exercise the right of first refusal, the case will be referred to our Solicitor to provide a certificate of compliance for the vendor. The vendor is responsible for paying all the costs incurred for the certificate.

Section 155 of the Housing Act 1985 requires former tenant who bought their home under the right to acquire to repay part or all of the discount if they sell their property within a specified period.

Any former tenants who have exercised the Right to Acquire and wish to sell their property within the first five years following purchase, will have to pay back a percentage of the discount awarded as follows:

- Year 1 – 100% of the discount
- Year 2 – 80% of the discount
- Year 3 – 60% of the discount
- Year 4 – 40% of the discount
- Year 5 – 20% of the discount

For Right to Acquire the discount paid back will be a percentage, proportionate to the value of the property at the time the property is purchased back.

Section 185 of the Housing Act 2004 clarifies that landlords have discretion to waive all or part of the discount in certain exceptional circumstances.

13. Discretionary Power on Repayment of Discount

Staffs Housing will exercise its discretion to waive part of all of the discount repayable only in exceptional circumstances and where the former tenant can demonstrate that they cannot afford to repay part or all of the discount which such a payment leading to demonstrable personal hardship.

We will deal with all requests to waive repayment of the discount in an open, fair, and transparent way, taking into account any government guidance.

In making any decisions to waive the repayment of the discount in part or full, we will take account of the financial implications of a decision to not demand repayment of the discount.

Exceptional circumstances include:

- Where the former tenant wishes to move because otherwise, they or family members face a demonstrable threat of violence or significant harm. This could include:
 - relationship breakdown involving actual or threatened domestic violence.
 - racial, religious, or homophobic abuse or harassment.
 - extreme anti-social behaviour.
- Where the onset of a severe medical condition or the serious deterioration of an existing condition makes a move essential on medical grounds.
- Where a traumatic personal event (e.g. sudden bereavement) makes a move essential for emotional or psychological grounds.

14. Monitoring and Complaints

All Right to Acquire applications will be recorded to enable monitoring of enquiries received.

Decisions to refuse a Right to Acquire sale due to property exclusions and eligibility criteria will be made by the Head of Customer & Neighbourhood.

Should an applicant feel that the policy or procedure relating to the Right to Acquire has been misapplied to their application they may request a review of the decision by using Staffs Housing's complaints procedure.

Where the internal complaint process has been completed, and the applicant wishes to appeal they can refer the matter for review by the Housing Ombudsman Service in accordance with the complaint's procedure.

15. Data Protection

All personal data processed, stored, shared and when responding to the rights of data subjects will be carried out in accordance with current data protection legislation (UK GDPR and the Data Protection Act 2018).

16. Review

This policy will be reviewed every three years, or more frequently as required by changes in legislation and regulations.

March 2025