



Title	Voluntary Right to Buy Policy
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## 1. Introduction

In 2015 the Government made a commitment to extend the Right to Buy to Housing Association (HA) eligible tenants who did not already have that right under existing statutory purchase schemes.

In September 2015, the National Housing Federation, on behalf of the HA sector, made an offer to Government to extend the level of discounts available through the statutory Right to Buy scheme to eligible tenants through a voluntary rather than statutory approach. The offer was accepted by the Government and the product that is being offered is called the Voluntary Right to Buy scheme (VRTB)

VRTB is not yet available nationally but is being piloted by a number of Midlands housing providers including WH Housing Group<sup>1</sup>.

This policy is in respect of the Voluntary Right to Buy pilot scheme for the Midlands. We have a separate Home Ownership Policy which covers the statutory schemes in place

## 2. Policy statement

This policy is designed to support our vision of 'Creating places where people are proud to live and work'. It sets out the framework within which we will deliver our services to our residents in respect of VRTB and complies with the guidance issued to housing providers by jointly by the Ministry of Housing Communities and Local Government (MHCLG) and the National Housing Federation (NHF) with regard to the Voluntary Right to Buy pilot.<sup>2</sup>

Our staff will work within the policy framework and our values while completing this work.

## 3. Policy Principles

VRTB will allow all eligible applicants selected via the Government Gateway process the voluntary right to buy a property at a discount. In most circumstances we will sell eligible applicants the property in which they live.

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<sup>1</sup> Throughout this Policy WM Housing Group will be referred to as "Our" "We" "Us" as appropriate

<sup>2</sup> Throughout this Policy the joint MHCLG NHF guidance will be referred to as "the guidance"

However, the scheme allows housing providers to have the discretion to exempt some property types from being available for sale, where a home falls into one of those property types which are exempt we have the discretion to refuse a sale.

Where the property they live in is exempt the applicant will have the opportunity to take (port) their discount to another of our vacant properties or to a vacant property owned by another HA where we have an agreement in place with that HA. This is called portability.

### **3.1 Who can Apply**

In order for a tenant to be able to make a VRTB application to buy their property they must log their interest on the Government Portal which can be found at <https://midlands.righttobuy.gov.uk/>

Applicants on the portal may be issued with a Unique Reference Number (URN) by the Government. Numbers of URN's issued are limited so it is likely that not all those who register an interest will be allocated a URN.

Being issued with a URN does not mean the applicant is eligible nor is there any checking at this point to establish if they are entitled to purchase a property, it only means that the person is able to make a VRTB application to us.

We will not accept any VRTB applications where the applicant does not have a URN, any application without the URN will be automatically declined.

### **3.2 Eligibility, Verification and Processing the Application**

We will follow the eligibility, verification and processing criteria as set out in the guidance.

This guidance will be used to assess if an applicant is eligible for the scheme and sets out how we will process applications.

### **3.3 Application Fee**

Once a basic eligibility check has been completed the applicant must pay a fee. The application cannot proceed, and a valuation of the property cannot be carried out until this fee is paid.

If any debt is owed to us at the point the application fee is due, the debt must be cleared in full as well as the application fee paid to allow the application to proceed. If the debt is not cleared we will not accept the application fee and the application deemed to be withdrawn. We will not accept staged payments of any debt, it must be cleared in full.

The current fee will be advertised on [www.wmhousing.co.uk](http://www.wmhousing.co.uk). The fee can only be paid by debit or credit card directly to us. Cheques or cash are not accepted.

If the applicant is unable to proceed because they fail the detailed eligibility test, or because the property is subject to the discretion not to sell, this fee is refundable. The fee is also refundable on successful completion of the sale. The fee is not refundable

after the valuation has been completed and as a result of this the applicant decides to withdraw their application.

### **3.4 Exempt Properties**

The VRTB scheme allows HA's to exercise discretion as to which properties are available to buy.

We have exercised that discretion and have decided not to make certain property types available for sale. Appendix 1 outlines the circumstances where a property will not be sold and the rationale for that decision. There is no appeal process in respect of the types of properties that have been excluded and any application to purchase one of these properties will be denied.

### **3.5 Portable Discounts**

Where we have exercised our discretion not to sell a property to an eligible applicant, that applicant has the option of using their discount to buy an alternative home under the terms of our Portability Policy.

Only applicants whose properties are exempt can use their discount to buy another property. The alternative property must be owned by us or by another HA where we have an agreement in place with that HA. Applicants are not able to port their discount to a property on the open market.

For more information please see our Portability Policy.

### **3.6 Valuing the Property**

Valuations will be carried out by an independent RICS qualified valuer. We will give the applicant a choice of valuers approved by us. The eligible applicant must choose one of the valuers from the list provided and confirm their choice of valuer within the timescale notified to them. We will meet the cost of this valuation.

### **3.7 Disputing the Valuation**

The applicant can dispute the valuation. The second valuation must be carried out by a valuer from the approved list and the cost will be met by the applicant.

If we dispute the valuation then there will be no additional cost to the applicant for the second valuation.

Where a second valuation has been obtained this will be used to calculate the sale price. There is no further right to dispute the valuation once the second valuation has taken place.

### **3.8 Repayment of Discount**

The voluntary scheme sets out where a discount will be repayable on a sliding scale if the property is sold or sublet within a set number of years from the date of sale. We will apply the amount of discount repayable as set out in the guidance.

We will explain this requirement during the purchase process and a charge will be placed on the title deed when the property is sold. The documentation to support this must be completed by applicants at the point of completion.

Applicants must then apply and register the charge at the Land Registry within 21 days of completion, and must provide a copy of the registered title.

We have the discretion not to require pay back some or all of the discount if the former owner would suffer hardship as a result.

### **3.9 Buy Back**

If an owner decides to sell their home within 10 years of buying it through the VRTB scheme we have the right of first refusal. The owner must offer it to us first, if we do not want the property, we can instead nominate another HA to carry out the purchase.

The property should be sold at the full market price agreed between us and the former owner. An RICS qualified surveyor will undertake the valuation.

### **3.10 Leases**

Applicants who buy a flat or a maisonette from us will become leaseholders. We will normally offer 125-year leases as standard, however we reserve the right to offer leases on other terms where this may be appropriate, for example where we do not hold the freehold. More information on leaseholders is set out in our Leaseholder and Freeholder Management Policy.

### **3.11 Service Charges**

Purchasers of leasehold or freehold properties may become liable to pay on-going service charges following completion. These will be clearly set out in leases and covenants. More information is set out in our Service Charge and Leaseholder and Freeholder Management policies. Where Service Charges are due and a VRTB sale completes we expect payment of the first 12 months charges as a requirement of completion and future charges then to be paid by Direct Debit.

### **3.12 Fraud and exploitation**

If at any time during the application process there is any suspicion of fraud or money laundering we will suspend the application to carry out investigations.

### **3.13 Appeals**

If the applicant disputes a decision made by us then this should be dealt with in accordance with our complaints policy.

If the applicant is still not satisfied then they can write to the Housing Ombudsman.

## **4. Roles, responsibility and authority**

It is the responsibility of the parent board to monitor this policy and Executive Leadership Team (ELT) are responsible for ensuring that this policy is successfully implemented.

The Senior Leadership Team are responsible for ensuring that all staff understand the importance of this policy and related guidance and procedures and comply with them. The effective implementation of this policy is the responsibility of directors

Any changes to this policy must be agreed ELT.

## 5. Policy Management and Delivery

Advice will be taken as necessary to ensure compliance with legal and regulatory responsibilities.

We will provide relevant training; capacity building and support across all levels of the organisation (including staff, boards and partners). The level of training offered will be considered in proportion to an individual's role within the organisation, the customers they work with and the risks they are potentially dealing with.

## 6. Policy monitoring and review

This policy will be reviewed at least every three years, unless:

- Legislation/regulation or sector developments require otherwise, ensuring that it continues to meet its objectives and takes account of good practice developments.
- We identify deficiencies or failures in this policy, as a result of complaints or findings from any independent organisations

## 7. Equality analysis

In framing this policy, our staff are committed to not discriminate adversely against any group and will respect the diversity of the communities we are working within.

A detailed equality analysis is being completed and will be appended to this policy when completed.

### Version Control

Version 1	Approved at Board of Management	14/05/2018
Version 2	Approved by ELT	<u>15/08/2018</u>