Hinckley & Bosworth Borough Council

RIGHT TO BUY POLICY 2026

Glossary of Terms

Cost Floor: The minimum price at which a property can be sold under RTB, based on the total cost of works carried out in the past ten years.

Council Tenant: A person who rents their home from the local council and may be eligible to exercise the Right to Buy.

Demolition Order: A legal order for the demolition of a property, making it exempt from RTB.

Discount: A reduction in the market value of the property, determined by length of tenancy and capped by central government.

District Valuer: An independent official who determines the market value of a property if there is a dispute.

Exempt Property: Certain types of dwellings (e.g., elderly persons' housing, disabled persons' dwellings) that are not eligible for RTB.

Hinckley & Bosworth BC: Hinckley & Bosworth Borough Council, the local authority responsible for administering the RTB process.

Housing Assets & Support Teams Manager: The council officer responsible for implementing, monitoring, and reporting on the RTB policy.

Joint Tenancy: A tenancy held by more than one person, all of whom must be named on the RTB1 form.

Leasehold Service Charges: Charges payable by leaseholders for services and works to the property, detailed in the S125 offer document.

Notice of Delay: A notice tenants can issue if the council does not meet statutory timescales in processing RTB applications.

Possession Order: A court order requiring a tenant to leave the property, which disqualifies them from RTB.

Principal Home: The main residence of the tenant, which must be the property being purchased under RTB.

Public Sector Tenancy: A tenancy held with a public body (e.g., local authority, housing association) that counts towards RTB eligibility.

Relevant Family Member: Family members (as defined in the policy) who may join an RTB application if they meet specific criteria (e.g., spouse, civil partner, parent, child, etc.).

Repayment of Discount: A requirement to repay some or all of the RTB discount if the property is sold within five years of purchase.

Right of First Refusal: A requirement for the former tenant to offer the property back to the council if selling within ten years of purchase.

Right to Buy (RTB): A statutory scheme introduced by the Housing Act 1985, allowing eligible council tenants to purchase their home at a discount.

RTB1: The official Right to Buy application form used by tenants to apply for the scheme.

S125 Offer Document: A formal offer notice issued to the tenant, detailing the terms of sale, including price, discount, and service charges.

Section 121AA Notice: A statutory notice (now called the RTB Information document) issued to secure tenants, outlining the effect of RTB provisions.

Secure Tenant: A tenant with a secure tenancy agreement, typically required for RTB eligibility

Introduction

The Right to Buy (RTB) scheme was introduced by the Housing Act 1985 and was established to promote home ownership. Under the scheme eligible council tenants have the right to buy their home at a discount. Hinckley & Bosworth BC has a statutory duty to provide information to tenants and administer the RTB process.

Aim

This policy sets out the Council's principles for the delivery of the RTB service, including new applications which will be in strict accordance with the rules, regulations and time limits set out in the relevant legislation.

This policy will also focus on those aspects of the RTB where we are able to exercise discretion as well as post-sale consent requests and other post-sale enquiries issues.

Scope

This policy applies to Council tenants, those eligible to share the RTB and/or appointed agents acting on behalf of tenants, enquiring about or applying to exercise their statutory RTB their home.

Information, Advice & Support

The Council will ensure that it provides information, advice and practical support to tenants wishing to exercise their RTB. Information and RTB application forms (RTB1) will be made available online via the Councils website which will also have links to the Right to Buy pages of the Ministry of Housing, Communities and Local Government (MHCLG) website. RTB information booklets and application forms (RTB1) will also be posted out on request and/or available from the Council offices.

Duties within the RTB legislation require the Council to issue an up-to-date RTB Information document to all secure tenants, formerly known as a Section 121AA Notice. This document will be issued to former introductory tenants when their tenancies are made secure, and thereafter, issued to all secure tenants once every 5 years. The document will be revised to keep it up to date as far is practical; and the revised document issued to all secure tenants within 1 month of any revision.

The mandatory document will contain the following:

1. An outline of the effect of the RTB provisions in part 5 of the Housing Act 1985.
2. The fact that initial costs are likely to be incurred by tenants exercising their RTB for example
3. That tenants will be likely to have to make regular payments as an owner of a dwelling-house,
4. The risk of repossession of the dwelling-house if regular mortgage payments are not made.
5. That in order to keep the property maintained and in good repair, an owner of a dwelling – house will be likely to have to incur expenditure which may include payment of services charges in respect of major works.

Support will be provided to tenants applying to or exercising their RTB, this will include face to face or telephone advice or signposting to online resources for example, Council Webpages, Ministry of Housing, Communities and Local Government, Money Advice Services.

Processing

Legal/Regulatory Framework

The key legislation relevant to the Right to Buy is:

- Housing Act 1985
- The Housing (Preservation of Right to Buy) Regulations 1993 (Statutory Instrument 2241),
- Housing Act 2004
- General Data Protection Regulation 2016
- Money Laundering Regulations 2017
- The Leasehold Reform Act 2022

Responsibility

The Housing Assets & Support Teams Manager is responsible for the implementation and monitoring of this policy.

Policy

1. Eligibility

1.1 The tenant must have held a minimum of 3 years public sector tenancy and the house or flat must be the tenant's only/principal home and is self-contained.

1.2 The tenant may be able to purchase the property with direct family members who have lived in the property for a minimum of 12 months or with whom they hold joint tenancies.

1.3 The latest list of landlords considered public bodies can be found on the MHCLG RTB website.

1.4 The tenant cannot exercise the Right to Buy if:

- A court has made a possession order against the tenant.
- The tenant is subject to a bankruptcy petition, is an undischarged bankrupt, an IVA or other official arrangement with creditors.
- A demolition order has been served.
- The property is exempt from the Right to Buy.

1.5 Joint Tenancies

Where a tenancy is issued in joint names, all tenants names and signatures must be included in the RTB1 regardless of whether they wish to exercise their RTB or not.

Only one of the joint tenants has to be living at the property as their only or principal home. The other tenant(s) may live away from the property and retain their RTB or agree to the other tenant(s) buying without them joining in, provided they indicate and sign the RTB1 form.

In the event that one or more of the tenants does not signify their agreement, the other tenant(s) will not be able to exercise their RTB and the application will be denied.

1.6 Eligibility of family members

Certain family members have the right to join in a RTB application, even if they are not tenants. In order for a family member to exercise their right to join in the RTB they must satisfy all 3 of the following requirements:

1. They must be a relevant family member who are specified as:
   - The spouse or civil partner of the tenant; or the tenant and that person live together as if they were husband and wife or civil partners, or
   - The tenant's parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew or niece.
2. They must live at the property as their only or principal home.
3. They need to have been living at the property for 12 months immediately preceding the date of application, except in the case of spouses or civil partners where the 12-month residential requirement does not apply.

   The following family members will also be accepted as relevant family members:
   - A relationship by marriage shall be treated as a relationship by blood.
   - A relationship of the half-blood shall be treated as a relationship of the whole blood.
   - The stepchild of a person shall be treated as his/her child.
   - An illegitimate child shall be treated as the legitimate child of his/her mother and reputed father.

   Family members are automatically excluded from the RTB if they are subjected to any Court Orders outlined below.

2. Court Orders affecting eligibility

2.1 Any tenant or family member who is subject to one of the following orders will not be allowed to join in the RTB:

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

3. Property Exemptions

3.1 The Housing Act 1985 exempts certain types of properties from the RTB, these are:

- Elderly persons dwellings
- Dwelling houses for persons of pensionable age (Sheltered & Supported Housing)
- Dwellings for disabled persons
- Dwellings for people suffering from a mental disorder
- Property scheduled for demolition

3.2 Before denying tenants RTB, the Council will ensure that all of the criteria set out within he act are met.

3.3 In addition, and specifically to Elderly person's dwellings the decision to deny will also consider Circular 7-2004 – Right to Buy Exclusions of Elderly Persons Housing, which requires the Council to consider individual characteristics, location and lettings history of the property, when making a decision to accept or deny the tenants RTB.

4. Discount rules

4.1 The Right to Buy scheme gives tenants a discount on the market value of their home. The longer the tenancy the more discount they are entitled to up to the maximum discount value.

4.2 The maximum discount is determined by central government. Any changes to the maximum discount will come into effect from the date deteremined by the government.

5. Qualifying period

5.1 The amount of discount for which the tenant is eligible depends on the time they have been a public sector tenant, with either:

- Hinckley & Bosworth Borough Council
- another 'Right to Buy landlord'
- any other public bodies considered as a landlord (the latest list can be found on the MHCLG RTB website).

5.2 The discount is calculated accordingly to whether the tenant lives in a flat or house. The current percentages a tenant is entitled to:

- House; discount of 35 percent after 3 years tenancy. 35 percent after 4- and 5-years tenancy. For each extra year after that, 1 percent is added for each year of tenancy up to a maximum of 70 per cent.
- Flat; discount of 50 percent after 3 years tenancy. 50 percent after 4- and 5-years tenancy. For each extra year after that, 2 percent is added for each year of tenancy, up to a maximum of 70 per cent.

5.3 The qualifying period for discount can include time spent in different homes and with different landlords. This doesn't have to be continuous, but the tenant must have held an eligible tenancy.

6. Cost floor

6.1 Any discount awarded will be subject to the cost floor of the property. The cost floor is the accumulative total spent for a property during the last ten financial years (from date the application to buy was received) including any costs in development or purchasing the property. Items of expenditure can include kitchens & bathrooms, improvements work, and eco renovation work.

6.2. Once the cost floor as been calculated. The value shall be deducted from any discounts the tenant is entitled.

7. Repayment of discount

7.1 If the tenant sells the property within the first 5 years after completion. A proportion of the discount shall be repaid back to Hinckley & Bosworth Borough Council.

7.2 The calculation for repaying the discount is carried out using the market value of the property at the point of sale and sliding scale format, where the original percentage discount is divided equally between 5 and 1 fifth representing the point within the 5 years the tenant is from purchasing their property. Specific detailed information will be provided upon request or more general information about the calculation and percentages can be found on the MHCLG RTB website.

8. Tenants' previous RTB discount

8.1 If the tenant has bought a property previously under the RTB scheme, then any discount received prior will be deducted from any discount currently entitlement.

9. Right of first refusal

9.1 If the tenant wishes to sell or dispose of the property within the first 10 years after the RTB purchase. They must offer it back to Hinckley & Bosworth Borough Council, under the right of first refusal.

9.2 The market value must be agreed by both parties. However, if an agreement cannot be made then the District Valuer can decide as to the value of the property.

10. Leasehold Service Charges

10.1 The Housing Assets & Supports Team Manager will ensure the calculations contained in the S125 offer document and pertaining to leasehold properties will be an accurate reflection of the cost of works and/or services to be undertaken to the property within a 5-year period. The S125 will also contain details of standard annual service charges which are typically Buildings Insurance contributions and Management service charge.

10.2 Annual leasehold charges will be reviewed and re calculated at the end of each financial year, this will also include any retrospective repairs or maintenance works carried out at the property and that is a condition of the lease. It is the responsibility of the Housing Repairs Manager to ensure that lessees are informed of any works prior to them taking place and/or any statutory consultations are carried out.

11. Timescales

11.1 We will ensure that all legislative timescales are adhered to in administering and processing all RTB applications. However, if timescales are not met tenants have the option of issuing a RTB Notice of Delay.

12. Fraud

12.1 As part of the application process the Council will take all reasonable measures to ensure tenancy fraud or other forms of financial fraud are identified and investigated accordingly.

12.2 If fraud is identified, then the case will be passed across for the relevant legal action to be initiated against the parties identified.

13. Complaints

13.1 If the tenant disagrees with the market value appraisal. The tenant has the right to request a redetermination by the District Valuer. The District Valuer will determine the market value. The value determined by the district valuer will be binding on all parties.

13.2 Any complaints regarding the service provided by Hinckley & Bosworth Borough Council as part of the RTB process will be dealt with in line with the Councils Housing Complaints Policy.

14. Monitoring and Reporting

14.1 The Housing Assets & Support Teams Manager will retain the overall responsibility for the implementation of this policy including the monitoring and reporting of performance.

14.2 They will also be responsible for the operational delivery of this policy and the associated procedures; this will include ensuring the accuracy of statutory notices and issuing legal instructions relating to the RTB process.

15. Customer Engagement

15.1 We will actively seek tenant views and insight into the RTB process before the implementation and during reviews of this policy. To ensure that it meets customer expectations.

15.2 We will ensure that information relating to the RTB is easily available and accessible to all.

16. Accessibility

16.1 Hinckley and Bosworth Borough Council is committed to ensuring that all tenants can access and understand this policy, regardless of disability, language, or communication needs.
We will provide the policy and related documents in alternative formats upon request, including but not limited to:

- Large print
- Braille
- Audio format
- Easy-read versions
- Translations into other languages

We will also make reasonable adjustments to support tenants with disabilities in understanding and engaging with tenancy-related processes, in line with the Equality Act 2010.

Staff will be trained to identify and respond to accessibility needs and will offer support or signposting to appropriate services where necessary.

17. Review

17.1 This Policy will be reviewed every 3 years by the Housing Assets & Support Teams Manager.
If necessary, this Policy will be reviewed sooner to incorporate legislative, regulatory, best practice developments, council decisions or address operational issues.