

Voluntary Right to Buy

Midlands Regional Pilot



This leaflet aims to help you understand the Voluntary Right to Buy pilot, the areas involved, eligibility criteria and how to apply.

What is Voluntary Right to Buy?

During the 2015 general election campaign, the government committed to extend the Right to Buy scheme to housing association tenants. Since then, housing associations have offered to work voluntarily with the government to make this a reality. This is why it is called **Voluntary** Right to Buy

An initial pilot ran in 2016-17 with five housing associations across England chosen to take part. This pilot was used to help design the Midlands regional pilot, which aims to test in practice how a main scheme could work.

Will Voluntary Right to Buy mean we lose social/affordable housing?

A key part of the housing associations' agreement with the government is that we will replace every home sold with another affordable home and continue boosting the nation's housing supply. This is because we will get full compensation for each home sold through the pilot.

When does it start?

The pilot will be launched by the Ministry of Housing, Communities and Local Government in August 2018 and will run for two years (subject to the availability of funding).

How do I register my interest?

If you are interested in purchasing a property through the Voluntary Right to Buy scheme, you need to register on the government's website <http://midlands.righttobuy.gov.uk> to enter the ballot for a Unique Reference Number (URN).

Those who are successful in the ballot will be assigned a URN. **Without an official URN, you will not be able to apply to buy your home through this scheme.**

Which areas are included?

Properties located in the local authority areas listed on page 5, and mapped on pages 6-7, may be eligible to take part in the scheme. If you are unsure of which local authority your property falls under, you can check on your council tax bill.

How does the ballot process work?

Because this is a pilot, the number of sales is strictly limited. Not everyone who enters will be able to receive a URN. Successful entrants will be selected at random through a computer ballot.

- **Week 1:** The ballot is officially launched on Thursday 16 August 2018.
- **Weeks 1-4:** You can register to enter the ballot at <http://midlands.righttobuy.gov.uk>. You will receive confirmation of your entry via email.
- **Week 4:** The ballot officially closes on Sunday 16 September 2018.
- **Weeks 5-9:** If you are successful, you will receive a Unique Reference Number (URN) via email. The URNs will be released over the course of four weeks. Please note, your URN will be valid for four weeks from the date you receive it. After the four weeks is up, the URN will no longer work.

What costs are involved?

All Housing Associations involved in the pilot will charge a £250 administration fee to tenants as part of the application process. We cannot process the application and instruct a valuation of your home until this fee has been received. Please note, if you withdraw from the application process, or wish to make any changes to the applicants listed on your application form, you will not be eligible for a refund and you will need to

start a new application and pay again.

What other fees are involved?

Buying a home is probably the biggest financial decision you will ever make – so take time to consider if it's right for you.

You will need to consider the cost of legal fees, mortgage set-up fees and ongoing payments, stamp duty (where applicable), buildings insurance and the cost of maintenance to the property.

We recommend that you seek independent legal and financial advice about your individual circumstances and to help with the legal process of buying a home. You should also seek independent financial advice about the different types of mortgage available.

It is advisable that you get a 'decision in principle' when you have a confirmed URN so you know how much you could borrow.

More information and advice about the costs involved in purchasing your home can be found on www.righttobuy.gov.uk.

If I am successful in the ballot, how long will the whole process take?

From filling out the application form to completing the sale should take approximately a year.

For more complex cases, the total time may be considerably longer depending on the individual circumstances.

Why is the pilot only in the Midlands?

The Midlands was chosen by the government, working with housing associations, as the most effective location for the pilot because it includes a range of large and small housing associations and both urban and rural areas. Holding the pilot in the Midlands, will help the government and the National Housing Federation decide if it will be successful elsewhere.

What if I don't live in the region of this pilot?

The government committed in the last general election to extend the Right to Buy to housing association tenants across England in a national scheme. When the national scheme has launched, tenants from inside and outside of the pilot region will be able to apply for a government Right to Buy discount.

For updates on the national scheme, you can visit the government's website, www.righttobuy.gov.uk.

I was unsuccessful in the ballot. Can I appeal?

Unfortunately not. The number of sales in the pilot is limited and successful applicants for URNs were selected by a strictly random ballot.

I missed the window for entering the ballot for URNs. Is there anything I can do?

There are no immediate plans to reopen the ballot. However, any decision by the government on this would depend on the level of demand. You can sign up for more information on the government's website at www.righttobuy.co.uk, and you will receive any new information.

Local Authority areas involved in the pilot

Amber Valley Borough Council	North West Leicestershire District Council
Ashfield District Council	Northampton Borough Council
Bassetlaw District Council	Nottingham City Council
Birmingham City Council	Nuneaton and Bedworth Borough Council
Blaby District Council	Oadby and Wigston Borough Council
Bolsover District Council	Redditch Borough Council
Boston Borough Council	Rugby Borough Council
Bromsgrove District Council	Rushcliffe Borough Council
Broxtowe Borough Council	Rutland County Council
Cannock Chase District Council	Sandwell Council
Charnwood Borough Council	Shropshire Council
Chesterfield Borough Council	Solihull Metropolitan Borough Council
Corby Borough Council	South Derbyshire District Council
Coventry City Council	South Holland District Council
Daventry District Council	South Kesteven District Council
Derby City Council	South Northamptonshire Council
Derbyshire Dales District Council	Newcastle-under-Lyme Borough Council
Dudley Metropolitan Borough Council	North East Derbyshire District Council
East Lindsey District Council	North Kesteven District Council
East Northamptonshire Council	North Warwickshire Borough Council
East Staffordshire Borough Council	South Staffordshire Council
Erewash Borough Council	Stafford Borough Council
Gedling Borough Council	Staffordshire Moorlands District Council
Harborough District Council	Stoke-on-Trent City Council
Herefordshire Council	Stratford-on-Avon District Council
High Peak Borough Council	Tamworth Borough Council
Hinckley and Bosworth Borough Council	Telford and Wrekin Council
Kettering Borough Council	Walsall Council
Leicester City Council	Warwick District Council
Lichfield District Council	Wellingborough, Borough Council of
Lincoln – City of Lincoln Council	West Lindsey District Council
Malvern Hills District Council	City of Wolverhampton Council
Mansfield District Council	Worcester City Council
Melton Borough Council	Wychavon District Council
Newark and Sherwood District Council	Wyre Forest District Council

Pilot Area



Am I eligible?

You are eligible to apply if:

- you can prove you have been a tenant of social or public sector housing for at least three years (this doesn't need to have been with the same landlord, or continuous)
- you currently hold an un-demoted secure tenancy, an assured tenancy, or a Localism Act fixed-term tenancy
- you can demonstrate that the property is your main home and you have resided in it for at least the last 12 months
- when applying jointly with up to three family members, these applicants can also demonstrate that it is their main home and it has been their residence for at least the last 12 months.
- you and any joint applicants, have the right to reside in the UK and can demonstrate that you meet the immigration status checks.

(You need to be able to tick all of the above).

You are not eligible if:

- you have the Preserved Right to Buy or Statutory Right to Buy
- at the time of application, you hold an assured short hold tenancy (other than a Localism Act fixed term tenancy), a contractual (non-assured, non-secure) tenancy or are a licensee
- you have a fixed term tenancy of less than 2 years, or if you have a periodic

assured shorthold tenancy (including a starter tenancy which has not converted)

- you do not have the right to reside in the UK, and cannot demonstrate that you meet the immigration status checks
- you have rent arrears
- you are currently subject to the mortgage rescue scheme. You will become eligible if you move to a new property or are granted a new tenancy
- you are a resident of an almshouse
- you or any joint applicants are subject to bankruptcy proceedings or unfulfilled credit arrangements
- you have committed antisocial behaviour as defined in the Paragraph 11 of Schedule 11 to the Antisocial Behaviour, Crime and Policing Act 2014 and Sanctuary has initiated legal proceedings. You would become eligible if such legal proceedings were withdrawn or discontinued
- you are currently subject to legal proceedings, for example injunction proceedings have been issued or a notice of seeking possession (NOSP) has been served. You would become eligible if such legal proceedings were withdrawn or discontinued, or if Sanctuary failed to send papers to the court for issue within 6 months of expiry of the NOSP, or Sanctuary loses the case in court (including following any appeal)
- you are subject to legal proceedings at any point between application and completion. You would become

eligible if such legal proceedings were withdrawn or discontinued

- you already own a property at the point of application and will not end your ownership on or before the completion of the Voluntary Right to Buy
- you hold an assured fixed term tenancy where the original term was 21 years or more (for example a long-term tenancy)
- you occupy only a room, or rooms, in a shared house or flat, even if the terms of the occupancy amount to an assured tenancy
- you are a shared ownership tenant.
- Please note, eligibility for the scheme is determined by the government and not Sanctuary Housing.

If I'm eligible, will I be able to buy the home I'm living in now?

If you meet the government's eligibility criteria you may be entitled to a Voluntary Right to Buy discount and, in most cases, it is expected that you will be able to use your discount to buy the home that you live in.

However, there may be cases where we cannot sell that particular property. To find more see page 13. If your home cannot be sold, we will explain why this is the case.

Do I need to provide ID?

Yes, you will need to provide the following current and valid documents:

- Current and valid passport, UK or EEA passport
- Residence permit and relevant documents issued by the Home Office (this applies to non-UK citizens only).
- Current photo card driving licence
- UK Citizen card from the Police
- Two forms of proof of address which must be current and valid, for example council tax certificate, utility bill or bank statement

If you are unable to provide one of the above, a birth certificate may be acceptable (only with another form of photographic identification, please contact us for further information). ID will also be required for any family members joining your application. They will need to provide evidence of the family relationship (birth certificate showing family connection) and proof that they have lived at the property you wish to purchase for the last 12 months.

How does Voluntary Right to Buy work?

On receiving your URN you have four weeks to complete the online application form at www.sanctuary-housing.co.uk/right-to-buy.
Without a URN you are unable to complete the form.
If you are unable to access the website above, please call us on **0800 131 3348** (**0300 123 3511** from a mobile) and we will send you a paper copy.

Once the application form has been completed you will need to take proof of your valid ID and address evidence to your nearest local office:

164 Birmingham Road, West Bromwich, B70 6QG
20 Ketley Park Road, Telford, TF1 5BF
Knight House, 2-4 Woodhouse Street, Stoke-on-Trent, ST4 1EJ
Bodicote House, White Post Road, Banbury, OX15 4AA
Sanctuary House, Chamber Court, Castle Street, Worcester, WR1 3ZQ (by appointment only)

If you are not able to get to one of our offices, please call us on **0800 131 3348** (**0300 123 3511** from a mobile) and we will be able to make alternative arrangements.

Our Right to Buy Team will conduct basic eligibility and property checks and notify you if there are any issues with your application. This may take up to four weeks to complete.

Following initial eligibility checks, full eligibility and property checks will be carried out. Depending on your circumstances, the complexity of the checks and how many different parties we need to collect information from, this may take up to 8 weeks to complete.

Once the full checks have been carried out, we will then write to you to advise you of the outcome. We will send you a list of surveyors for you to choose from to conduct your property valuation. It is at this stage that you will be asked to pay the £250 administration fee, which will be payable within four weeks.

We commission a valuation of your property using your preferred surveyor from the list provided.

If you are unhappy with the valuation you may pay to have a second valuation from another surveyor from the list we provided earlier in the process.
Please note, the second valuation will be binding and you will be unable to ask for a third.

If you are happy to proceed following the valuation, we will calculate the discount you are eligible for and ask Homes England for permission to sell your property.
This may take up to 12 weeks.

Once we have permission from Homes England we send you a written formal offer.

If you are happy with the offer, you will need to accept it and advise us of the details of your solicitor within four weeks of the offer date. Failure to do so within the allotted time may result in a cancelled application.

You will need to pay for your own solicitor to conduct the conveyancing process – this may take up to 12 weeks to complete. At this point in the process, you will need to have your source of funds at the ready so you can instruct your solicitor to complete the sale.

Congratulations! You now own your home.

How is the discount calculated?

Your discount will be calculated by subtracting your awarded percentage from the market value of the home you are buying. Your home will be valued by an independent, RICS-qualified, surveyor. Please note, there is a maximum discount of 70%, or £80,900, whichever is lower.

Houses:

You will be awarded a 35% discount for the first five years of tenancy and a further 1% for each additional complete year up, to a maximum of 70%.

For example:

Ms W lives in a three-bedroom house in Warwickshire. She has been a social housing tenant for 20 years and her house has been valued at £230,000.

Ms W's percentage discount is calculated as follows:

35% discount for the first five years + 15% for the remaining 15 years = 50%

50% of the value of her house is £115,000. In this case, the financial cap would take effect, restricting her discount to £80,900.

The total she would pay for her home is £149,100.

Flats:

You will be awarded a 50% discount for the first five years of tenancy and a further 2% for each additional complete year, up to a maximum of 70%.

For example:

Mr J lives in a one bedroom flat in Stoke. He has been a social housing tenant for 10 years and his flat is worth £70,000.

Ms J's percentage discount is calculated as follows:

50% for the first five years + 10% for the remaining 5 years (2% per year x 5) = 60%
60% of his flat's value is £42,000.

Mr J would therefore pay £28,000 for his home.

If you have previously received funding under Right to Buy, Preserved Right to Buy or Right to Acquire, your discount will be reduced by that amount.

Are any properties not for sale?

Some homes are not eligible for purchase under the Voluntary Right to Buy pilot as a result of government requirements, our own criteria, legal and contractual barriers or financial reasons. We can only sell you your home when we have the necessary permissions, consents and agreements we need from Homes England.

The government has decided that certain properties, which are traditionally described as 'sheltered' or 'supported housing', do not form part of the pilot. As a result, tenants of the following properties will be automatically ineligible and unable to 'port' their discount to another property:

- properties which are not fully self-contained. Properties with shared facilities or services, for example a shared kitchen or bathroom
- properties designed for older people, grouped in a scheme with significant shared facilities
- properties into which we provide housing-related support services.

The portability scheme is described in the Voluntary Right to Buy - Housing Policy which can be found on our website.

We have decided not to sell:

- properties that are let in connection with employment
- any property in a regeneration area that is earmarked for demolition as part of a larger scheme
- any other properties that we consider would be inappropriate to sell, taking into account all reasonable considerations and circumstances.

For legal and contractual reasons, we will not be able to sell:

- properties subject to sales restrictions under planning agreements, also known as Section 106 agreements
- properties that are found to have restrictive covenants registered on their titles which prevent sale
- properties that are pledged as security against the loans that we borrow, but are unable to be released
- properties that are subject to restrictive nomination agreements which prevent sale
- almshouses
- properties provided through charitable or public benefit resource or bequeathed
- flats in which we do not have sufficient legal interest to be able to grant a lease of greater than 50 years
- properties for which clawback arrangements exist.

In line with the government's guidelines, houses that we lease from another organisation or individual are ineligible for the pilot. This does not affect flats that we lease. For financial reasons, we will also be unable to sell a property with a market value lower than the amount we have invested in it.

There will be occasions where we are unable to sell you your home as your property is not eligible for the pilot. However, tenants may still be eligible and able to 'port' their discount to another property owned by Sanctuary.

I have a URN, but my property is excluded from the pilot. Can I buy a different one?

It may be the case, under certain circumstances, that your property is not eligible for purchase under this scheme and you have decided that you would like to purchase another property. You may be able to use (port) your discount on another property owned by us and we promise to make you a reasonable offer from our available housing stock if we have a property that meets your needs. (Please note that you will be unable to port your discount to another property if your current property is eligible to be sold).

The following will be considered when identifying an appropriate alternative property:

- it is currently empty
- it is due to become empty
- it is currently under construction.

We cannot promise that the alternative property offered will be the same size or in the same location, however if possible we will endeavour to take into consideration the following factors:

- where you and your family currently live and work
- how many people live in your household
- where our available and eligible properties are located

- which of our available properties are ready for occupation.

If we are able to make you an offer of an alternative property, where possible you will have four weeks to decide whether to accept it. If the property is already available to move into, this time period will be reduced.

If you are purchasing an agreed alternative property, the discount available to you will be based on the value of that alternative property rather than the property that you currently live in.

My property is excluded from the pilot. Can I appeal this decision?

If you are advised that your property is not eligible under this policy and you wish to appeal this decision, please write to us to explain the concerns that you have along with any supporting information at the following address within 10 working days:

Email: VRTB@sanctuary-housing.co.uk

Write to:
Legal Services
Sanctuary House
Chamber Court
Castle Street
Worcester
WR1 3ZQ

The appeal will be referred to the Operations Director – Housing Services, who will consider your concerns and supporting evidence and then write to

you with their findings.

You cannot appeal against the policies we have set up about exclusions and portability, but you can complain to the Housing Ombudsman if you think we haven't properly followed those policies. More information about the Housing Ombudsman can be found at www.housing-ombudsman.org.uk. You can call them on **0300 111 3000** or write to them at: **Housing Ombudsman Service, PO Box 152, Liverpool L33 7WQ**

I cannot buy my property, and I don't want to buy another Sanctuary one. What happens next?

In the event that you decline our offer of an alternative property, your application will be cancelled and your allocated funding from Homes England in relation to the VRTB pilot scheme will be withdrawn. You may be able to make a new application at a later date, however this will be dependent on securing new funding from Homes England.

If an alternative property has not been agreed or a related mortgage secured within three months of original application date, your application will be cancelled as your allocated funding from Homes England in relation to the VRTB pilot scheme will be withdrawn. In the case of a property that we are currently building, the date of completion of the property must be within that three-month period.

What is Homes England?

Homes England is a government agency which funds affordable housing.

Where can I get more information and advice?

The following websites provide lots of useful information about the Right to Buy pilot and finance related advice:

www.righttobuy.gov.uk
www.facebook.com/righttobuy
www.moneyadvice.service.org.uk
www.mortgageadvicebureau.com

Think twice before getting advice from any agency that asks you for money to help you. They may be asking you to pay for advice you could just as easily get free from one of the above.

This leaflet can be translated into other languages, large print and Braille or recorded on to an audio CD. Please contact us for details.

If you need to speak to a Sanctuary member of staff in your own language, please contact your local office and they will arrange an interpreter for you.

0800 131 3348 (landline) 0300 123 3511 (mobile)

contactus@sanctuary-housing.co.uk

www.sanctuary-housing.co.uk

 @HelloSanctuary

Sanctuary Housing Services Limited is a subsidiary of Sanctuary Housing Association, an exempt charity.