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<b>REPORT TO:</b>	<b>HOUSING AND COMMUNITY SERVICE COMMITTEE</b>	<b>AGENDA ITEM:</b> 8
<b>DATE OF MEETING:</b>	<b>THURSDAY 27<sup>TH</sup> APRIL 2006</b>	<b>CATEGORY:</b> <b>RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KAREN TALBOT (ext 5797)</b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>RIGHT TO BUY SALES AND FIRST RIGHT OF REFUSAL</b>	<b>REF: HCS01</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

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### **1.0 Recommendations**

1.1 Housing and Community Services are asked to delegate powers to the Head of Housing, after consultation with Chair and Vice Chair of Housing, for future decisions to utilise or forego the Council's right of first refusal where properties purchased under the Right to Buy scheme are available to buy back.

### **2.0 Purpose of Report**

- 2.1 To advise members of the amendment to Right to Buy legislation and the introduction of the Council's right of first refusal if a former Council property is resold within 10 years.
- 2.2 To ask for delegated powers to accept or decline any opportunity to buy back former council stock

### **3.0 Background**

3.1 Prior to commencement of the Housing Act 2004 anyone who had been a tenant with the district council for two or more years could exercise their Right to Buy their council home. The property could be bought at a discounted rate and if sold within 3 years, a proportion of the discount was repayable to the Council.

### **4.0 Detail**

- 4.1 The Housing Act 2004 has made several amendments to the Right to Buy regulations for all applications made after January 18th 2005.
- 4.2 Firstly new tenants will have to have been tenants for five years rather than two before they have the Right to Buy their home.
- 4.3 Secondly the discount repayment period has been extended from 3 years to 5 years. In addition the repayable discount will now be a percentage of the current market value of the property rather than a proportion of the original discount given.

- 4.4 Finally the Act saw the introduction of the Council's right of first refusal. Anyone who has bought or buys their home from us since January 18<sup>th</sup> 2005, and wishes to sell within 10 years of purchase will have to offer to re-sell it to the Council at market value.
- 4.5 If the Council decides not to buy the property back, the former tenant will be free to sell the property on the open market but the discount repayment provisions will still apply if the sale is made within the first five years.
- 4.6 Our Legal Services Department anticipate that in light of these amendments, most of our tenants will not attempt to move house for 5 years from their date of purchase
- 4.7 However procedures should be agreed for the odd occasion that we receive any offers as the offer to the Council will only be open for 8 weeks.
- 4.8 It is therefore proposed that given the limited timescale, powers to accept or decline each offer based upon its own merit and subject to available funds, should be delegated to the Head of Housing (Director of Community Services in Head's absence) in consultation with the Chair and Vice-Chair of Housing and Community Services Committee.

## **5.0 Financial Implications**

- 5.1 There is no designated budget for this process so it is anticipated that we would need to consider the Council's financial position as each opportunity arose.

## **6.0 Corporate Implications**

- 6.1 Increasing our provision of housing stock, even one property at a time contributes to at least two themes within the Corporate Plan
- 6.2 Theme 3: Prosperity for All – By increasing our stock we increase our ability to meet the housing needs of residents within South Derbyshire. Buying back our former properties will contribute to increased provision of decent homes at affordable rent.
- 6.3 Theme 5: Rural South Derbyshire – There is the potential within this proposal to increase the provision of affordable housing in our rural areas as well as the urban core.

## **8.0 Conclusions**

- 8.1 Amendments to Right to Buy legislation present the opportunity that, albeit in the future as properties are resold, the District Council may be able to increase its housing stock.
- 8.1 The opportunity afforded by the right of first refusal will only be available for 8 weeks.
- 8.2 Delegated powers to the Head of Housing, in conjunction with Chair and Vice Chair of Housing and Community Services will ensure that the opportunity can be given due consideration within the limited timeframe.