



# Right To Buy Policy

HLSPOL

Housing Resident Services

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# Introduction

The Right to Buy (RTB) scheme, governed by Part V of the Housing Act 1985 (as amended), enables secure public sector tenants to purchase the homes they rent from their local authority at a government regulated discount. New Forest District Council (NFDC), as a social landlord, is responsible for administering the scheme locally and supporting eligible tenants who wish to move from renting to home ownership.

This policy sets out NFDC's position on Right to Buy and provides a clear framework for the consistent and lawful management of applications. The Council aims to balance its statutory obligations with the need to protect the long term sustainability of its housing stock.

NFDC recognises that many tenants aspire to own their homes. Through the Right to Buy scheme, the Council offers eligible tenants a fair and transparent route to home ownership in line with national legislation and the wider government objective of promoting social mobility.

Recent government reforms to Right to Buy focus on ensuring the scheme remains fair and sustainable. These include reductions in maximum discount levels, strengthened protections for newly built social housing, and measures to support councils in replacing properties sold under the scheme. Together, these changes aim to maintain opportunities for long-standing tenants while safeguarding the future supply of affordable housing.

# Legislative and Regulatory Context

This section outlines the statutory framework and regulatory requirements that govern the Right to Buy scheme. It ensures that NFDC administers the scheme in full compliance with national legislation, statutory instruments, and government guidance.

## **Relevant Legislation:**

The following legislation underpins NFDC'S responsibilities when administering Right to Buy and includes:

- The Housing Act 1985 (as amended), Part V – Right to Buy
- The Housing (Right to Buy) (Limits on Discount) (England) Order 2024
- Housing (Preservation of Right to Buy) (Amendment) Regulations 1999
- Housing (Right of First Refusal) (England) Regulations 2005
- The Fraud Act 2006
- Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- The Leasehold Reform Act 2024 (post sale for leaseholders)

NFDC also has regard to the following official guidance documents issued by the Ministry of Housing, Communities and Local Government (MHCLG).

## **Relevant Government Guidance:**

- Right to Buy: a guide for local authorities
- Your right to buy your home (Tenant facing guide).

## Policy Aims and Objectives

New Forest District Council's Right to Buy (RTB) Policy sets out the Council's approach to administering the statutory RTB scheme in accordance with the Housing Act 1985 (as amended) and all other relevant legislation and government guidance.

This policy aims to balance tenant aspiration for homeownership with the Council's responsibility to protect, manage, and sustain its social housing stock for current and future residents.

To provide clear guidance and support to tenants. Ensuring tenants receive all necessary information required throughout the RTB process, including:

- Eligibility criteria
- Available discounts
- Information on the responsibility & costs of homeownership
- Post Sale restrictions

In addition to the above, the policy sets out NFDC's approach to discretionary areas not covered by legislation.

To offer equal and transparent access to the RTB scheme for all qualifying tenants.

## Eligibility Criteria

To ensure the Right to Buy scheme is applied consistently, transparently, and in full accordance with national legislation, NFDC operates a clear set of eligibility criteria. These criteria reflect the statutory requirements set out in the Housing Act 1985 (as amended) and are intended to confirm that tenants have a legitimate and sustained connection to the public housing sector.

### Secure Tenancy Requirement

Applicants must be secure tenants of NFDC at the date RTB1 is received.

Introductory, demoted or non-secure tenants are not eligible until the tenancy converts to secure.

### Qualifying Period

Tenants must have a minimum of 3 years in public sector tenancies.

Periods can be non-consecutive and include time with landlords listed in Schedule 4 of the Housing Act.

### Principle Home Requirement

The property must be the Tenant's only or principal home. This means the tenant must live in the property as their main place of residence and must not sublet the entire property.

### Joint Tenancies

All joint tenants must be named on and sign the RTB1. A joint tenant may consent to the purchase proceeding without joining as a purchaser, but non-consenting joint tenants will prevent the application progressing.

### Family Members

NFDC may allow up to three family members to join the Right to Buy, providing they are 18+ and meet all the eligibility criteria set out in the Part V of the Housing Act.

## Eligibility Verification

NFDC will assess eligibility in accordance with the relevant statutory provisions and may require tenants, and any family members seeking to join the Right to Buy application, to provide appropriate evidence to confirm identity, residency, tenancy history and any other information necessary to complete eligibility checks. As part of this verification process, NFDC may also contact external organisations, previous landlords or other relevant agencies where required to validate information or clarify an applicant's eligibility.

## Statutory Restrictions

The Right to Buy cannot be exercised where statutory restrictions apply. These restrictions are primarily set out in Sections 118–121A and Schedule 5 of the Housing Act 1985. NFDC will assess all applications against these legislative requirements.

### Circumstances Right to Buy Cannot be Exercised

Under Sections 121 and 121A of the Act, a Right to Buy application cannot proceed where a tenant or family member:

- Is subject to a possession order.
- Is an undischarged bankrupt, has a pending bankruptcy petition, has made a bankruptcy application, or is subject to a Debt Relief Order (DRO).
- Has entered into an Individual Voluntary Arrangement (IVA) or composition with creditors which has not yet been satisfied.
- Is subject to a suspension period under Section 121A in relation to anti-social behaviour.

### Property Exemptions

The Right to Buy does not arise in the circumstances listed in Schedule 5 of the Housing Act, which include (summary):

- Certain sheltered or specially adapted dwellings.
- Dwelling particularly suitable, having regard to its location, size, design, heating system and other features, for occupation by elderly persons.
- Dwellings let in connection with employment (service tenancies);
- Properties required for demolition/redevelopment.
- Where the landlord has insufficient interest to convey a long lease.
- Properties let by the Crown, among others.

A full list of exemptions is provided within Schedule 5 of the Housing Act 1985.

NFDC will assess each RTB application on a case-by-case basis, applying Schedule 5 exemptions strictly in line with legislation and relevant statutory guidance. Where an exemption is applied, NFDC will:

- Provide the tenant with a written decision,
- Clearly set out the statutory grounds relied upon,

Tenants who disagree with NFDC's decision to deny a Right to Buy application on the basis of a Schedule 5 exemption may request a review of that decision.

Information on how to do this, including NFDC's internal complaints procedures and any formal routes that may be available, such as First-tier Tribunal (Property Chamber) proceedings or County Court appeals can be found in the **Appeals and Tribunals** and **How to feedback** sections of this policy.

# Application Process

NFDC will determine all Right to Buy applications in accordance with the Housing Act 1985 (as amended) and relevant statutory guidance.

## Tenants Notice Claiming the Right to Buy

To exercise the Right to Buy, tenants must submit a valid Notice Claiming Right to Buy (RTB1 form) to NFDC.

For the purposes of this policy, a valid RTB1 is one that:

1. Is made on the prescribed RTB1 form.
2. Signed by all secure tenants named on the tenancy, and any eligible family members who intend to join the purchase in the prescribed places.
3. Identifies the dwelling and the tenants clearly and completely.

### **Right to Buy: application form (RTB1) - GOV.UK**

Where a joint tenant does not wish to buy, they must indicate this and sign the relevant section of the RTB1 form acknowledging the consequences.

Applications with material omissions or missing signatures will be treated as invalid and returned for correction.

The 'relevant time' is the date NFDC receives a valid RTB1, which determines both the statutory timescales and the valuation.

## Over 60s

For all Right to Buy applications received for tenants over the age of 60, a 1-1 interview will take place to ensure they are aware of the obligations of purchasing.

## Amendments to RTB Application

Where a secure tenant requests to add, remove or amend any person wishing to join the Right to Buy application, a new RTB1 form must be submitted. In such circumstances, the existing application will be treated as withdrawn, and any purchase price previously issued in a Section 125 Offer Notice will be forfeited. A new application will restart the statutory process in full.

While this is the standard procedure, NFDC reserves the right to exercise discretion in exceptional circumstances and may allow an application to continue with amended purchasers where it is lawful, appropriate and does not compromise statutory requirements.

## Notice Admitting or Denying Right to Buy

NFDC will issue RTB2 within 4 weeks of receiving a valid RTB1, or 8 weeks where one or more previous public sector tenancies needs verification.

## Section 125 Offer of Sale

If admitted, NFDC will issue the Section 125 Offer Notice within 8 weeks for freehold and within 12 weeks for leasehold properties.

The Section 125 Offer Notice outlines:

- the valuation
- discount entitlement
- terms of sale
- estimated service charges (where applicable)
- leaseholders – contribution estimates for repairs in the next 5 years

Tenants may request an independent valuation by the District Valuer. Details

## Rural Restrictions

Section 157 of the Housing Act 1985 provides that local authorities in certain areas can impose certain restrictions on the subsequent resale of homes acquired under the Right to Buy scheme.

This legislation will be applied in appropriate cases, alongside NFDC's own Rural Restrictions Policy.

## Section 125D Tenants Notice of Intention

The tenant has 12 weeks from receipt of the Section 125 Offer Notice to confirm whether they wish to proceed with the purchase or withdraw their application. If no response is received within this period, NFDC may issue the appropriate statutory notices, as prescribed in the Housing Act, to progress or bring the application to an end.

Tenants are advised to seek their own financial advice and have their own property survey conducted prior to accepting any offer of sale.

## Completion

Not less than 3 months after service of the Section 125, if the sale has not completed, NFDC may serve a first notice to complete allowing at least 56 days, followed (if necessary) by a second notice to complete granting a further 56 days. If the purchaser does not complete, the application may be deemed withdrawn.

NFDC will consider any reasonable requests for additional time and will exercise its discretion fairly and lawfully, having regard to the legislation, relevant guidance, and the circumstances of the case.

NFDC will not consider any requests for an extension to the second notice to complete, if they are submitted on or after the notice expiry date.

## Tenant Notice of Delay

If a secure tenant believes that the progress of their Right to Buy application is being delayed due to NFDC not meeting its statutory responsibilities, they may initiate the formal delay notice process provided for in the Housing Act.

These notices are intended to address landlord delays or failures to meet required timeframes, particularly during the early stages of the application.

**Right to Buy: initial notice of delay form (RTB6) - GOV.UK**

## Discount Rules

NFDC will determine discounts in accordance with Part V of the Housing Act 1985 and the Housing (Right to Buy) (Limits on Discount) (England) Order 2024 (as amended).

The discount available is subject to:

- The statutory percentage rules based on years of qualifying public sector tenancy and property type; and
- the regional maximum cash cap in force at the time of decision.

The maximum discount an eligible tenant may receive is the lower of:

- 70% of the dwelling's market value; or
- the prescribed regional maximum.

NFDC homes are in the South-east region. The applicable maximum discount under the 2024 Order is £38,000.

The statutory cost floor applies, meaning discount cannot reduce the price below qualifying landlord expenditure within the statutory period of account.

Where a tenant or family member joining the Right to Buy has previously received a Right to Buy discount, this will be deducted from any discount now due in accordance with legislation.

NFDC will apply the current legislation and central guidance at the time of assessing discount entitlement. Where national rules change, NFDC may make minor amendments to this policy to reflect updated statutory discount levels, approved by the Strategic Director Housing and Communities, in liaison with Housing and Homelessness Portfolio Holder.



## Cost Floor Determination

From 21 November 2024, the statutory cost floor period increased to 30 years. This means NFDC must take account of qualifying capital expenditure incurred on the property (or by predecessor landlords) within the last 30 years when determining the minimum lawful sale price.

The types of expenditure that may be included are those set out in the Housing (Right to Buy) (Cost Floor) Determination 2024.

The cost floor establishes the minimum price at which the property can be sold. Where the market value minus the tenant's calculated discount would fall below this minimum, NFDC must reduce the discount so that the sale price does not go below the cost floor.

In cases where substantial investment has been made within the 30-year period, the cost floor may significantly reduce or remove the discount available.

## Repairs During a Right to Buy

Once NFDC has received a valid RTB1, they will continue to meet its statutory repair obligations under Section 11 of the Landlord and Tenant Act 1985 until completion. NFDC will not normally carry out non-essential or discretionary repairs during this period, as responsibility for the property transfers to the purchaser on completion.

Properties scheduled for modernisation, improvement or planned maintenance may be removed from such programmes once an application is submitted, unless works are already underway.

For leasehold purchases, NFDC will continue to manage and repair communal areas in accordance with the lease. After completion, the leaseholder will be responsible for service charges and contributions toward major repairs and planned works as set out in the terms of the lease.

# Mortgage and Financial Assistance

NFDC is unable to provide financial or legal advice to tenants in relation to the Right to Buy process.

Tenants are strongly encouraged to seek independent professional advice and to instruct their own solicitor to support them throughout the property purchase.

Tenants are responsible for all associated fees with purchasing their property under the Right to Buy.

# Appeals and Tribunals

## Informal Resolution

Should a decision be made by NFDC which provides an adverse outcome tenants are encouraged to seek clarification and attempt informal resolution with NFDC in the first instance. NFDC will review concerns and respond within reasonable timescales in accordance with their corporate complaint's procedure. This procedure is separate from the statutory Right to Buy processes.

Details on raising a corporate complaint or escalation to the Housing Ombudsman can be found in the [How to Feedback](#) section of this policy.

Use of the complaint's procedure does not replace or alter any formal statutory routes available to tenants under the Housing Act 1985.

## Valuation Disputes

Where a tenant disagrees with the value stated in the S.125 Offer of sale notice, the Housing Act 1985 allows them to request an independent valuation by the District Valuer (DV). Under Section 128, valuation disputes must be referred to the District Valuer, and their determination is final and binding on both NFDC and the tenant. Matters of valuation fall solely within the DV's jurisdiction and cannot be appealed to the County Court, as confirmed by Section 181.

Tenants must request a referral to the District Valuer within 3 months of receiving the Section 125 Offer notice.

Following the DV's determination, NFDC will issue a revised Section 125 Offer Notice as soon as practicable, in line with Section 128(5). To support clarity and service standards, NFDC will normally aim to provide the revised notice within 4 weeks of receiving the determination; however, this timescale is indicative only and may be adjusted where required.

Issuing a revised Section 125 Offer Notice resets the statutory 12-week period for tenants to serve their Tenant's Notice of Intention.

## First-tier Tribunal (Property Chamber)

Where NFDC refuses a Right to Buy application on the grounds that the property is “particularly suitable for occupation by older people”, an exemption under Schedule 5 of the Housing Act 1985, the tenant has a statutory right to appeal the decision to the First-tier Tribunal (Property Chamber).

It is the tenant’s responsibility to initiate this appeal. The appeal must be submitted in writing, in accordance with the Tribunal’s application process, and within 56 days of receiving the RTB2 notice.

## County Court Appeals

Under Section 181 of the Housing Act 1985, the County Court has jurisdiction to decide certain legal questions arising under the Right to Buy scheme, such as disputes concerning eligibility or interpretation of statutory requirements.

A tenant may choose to initiate County Court proceedings where they dispute a decision and seek a formal legal ruling. NFDC will respond to such proceedings in accordance with legal requirements and any timescales set by the Court.

This route does not apply to matters that the legislation assigns elsewhere most notably valuation disputes, which must be determined exclusively by the District Valuer.

# Post Right to Buy

## Ending of Secure Tenancies

The secure tenancy ends automatically on completion of the Right to Buy sale.

All rights and obligations attached to the previous tenancy, such as rent liability, reporting repairs, or rights of succession, will cease.

Any arrears or recharges relating to the former tenancy remain payable and will be pursued by NFDC where appropriate.

## Homeowner Responsibilities

Following completion, the former tenant becomes fully responsible for:

- Mortgage payments, where applicable.
- Buildings and contents insurance.
- Utility bills, council tax, and any other household outgoings.
- Repair, maintenance and safety of the property, including structural elements and services.
- Ensuring compliance with any restrictive covenants, planning conditions, or obligations in the transfer or lease.

This is not a comprehensive list of the extensive costs related to homeownership.

Leaseholders remain responsible for service charges, major works contributions and any costs set out in their lease.

## Leaseholder Obligations (Where Applicable)

Key responsibilities include:

- Payment of service charges, ground rent (if applicable) and contributions to planned major works.
- Compliance with the lease

Failure to adhere to lease conditions may result in enforcement action by NFDC as freeholder.

## Right of First Refusal (First 10 Years)

In line with current legislation and regulations, anyone wishing to sell or dispose of the home they purchased under the RTB scheme within 10 years, will be required to offer it back to NFDC to purchase at full market value.

Each case will be looked at on an individual basis, with no expectation that NFDC will purchase each property offered

## Repayment of Discount

Where the property is sold or otherwise disposed of within five years of purchase, the homeowner may be required to repay some or all of the discount, in accordance with current legislation and guidance. The amount repayable depends on the year of resale and is calculated as a percentage of the resale market value.

NFDC won't normally waive the repayment of some or all the discount, except in exceptional circumstances. In these circumstances, NFDC has the right to use their discretion.

## Deed of Postponement

NFDC holds a statutory charge against the property to protect any future repayment of discount, as set out in the Housing Act 1985 (as amended). This statutory charge is automatically registered at the Land Registry on completion of the sale and secures NFDC's right to recover discount should the property be disposed of within the five-year repayment period.

Where a mortgage lender requires priority for its own charge, the borrower may request that NFDC enter a Deed of Postponement. This deed has the effect of postponing NFDC's statutory charge behind the lender's first legal charge, enabling the lender to have priority security for the loan they are advancing.

Approval is considered on a case-by-case basis and may require the tenant (now purchaser) to provide evidence to support their request.

Administrative and legal fees associated with this process may be payable by the purchaser.

# Fraud and Anti Money Laundering

The Council is committed to tackling fraud, bribery and corruption and will not tolerate these acts in the administration of its responsibilities, whether from inside or outside the Council. It will deal openly and robustly with anyone who acts dishonestly, in accordance with the Fraud Act 2006, which makes it a criminal offence to obtain RTB through false representation, failing to disclose information, or abuse of position.

## Internal Checks

In line with government Right to Buy guidance, verification checks to confirm eligibility will be conducted, which will include:

- Secure tenancy status
- Minimum qualifying period
- Main and principal residence requirement

NFDC will carry out internal verification checks to prevent fraud and ensure compliance with anti-money laundering requirements. This may include reviewing existing NFDC records where this is relevant and lawful, for example Council Tax or Electoral Services.

Where tenants or family members wishing to join the Right to Buy are in receipt of Housing Benefit and/or Council Tax Support, further checks will be undertaken by the appropriate internal NFDC teams, to confirm the legitimacy of the information provided and to identify any potential discrepancies or risk indicators.

## Verification of Applicant Information

As part of the Right to Buy process, tenants and family members wishing to join may be asked to complete additional forms providing details about the proposed purchase. NFDC may request evidence to support the information provided, including but not limited to:

- Evidence of funding (e.g. mortgage agreement, proof of savings for cash buyers)
- Evidence of residency or occupancy as their main home of all those applying, which could include partner or parent, (such as recent utility bills or bank or building society statements)
- Evidence of identity for all applicants, such as a valid passport or UK driving licence
- Evidence relating to family members who are contributing financially or intending to be joint purchasers
- Confirmation that the applicant(s) are not bankrupt

NFDC may undertake additional checks, such as credit reference checks via external agency, where necessary to confirm eligibility, occupancy or verify financial information. The Council may undertake home visits, for example where home residency is in doubt.

## Investigation and Referral

Where there are concerns about the accuracy, completeness, or legitimacy of information provided, referrals may be made to NFDC's Corporate Fraud and Compliance Officer who may conduct further investigations, information gathering, or interviews if appropriate.

Cases may be referred to relevant external agencies, including but not limited to the Department for Work and Pensions (DWP), HM Revenue & Customs (HMRC), or law enforcement bodies, where fraud is suspected.

NFDC may pause or withdraw a Right to Buy application where fraud is found, eligibility verification is required under the Housing Act 1985, where false or misleading information is suspected under the Fraud Act 2006, or where money laundering concerns arise requiring further checks in accordance with the authority's fraud and anti-money laundering responsibilities.

If fraud is proven, NFDC may take enforcement action, which may include, civil recovery of any discount obtained, tenancy enforcement, including possession proceedings where relevant, or other legal remedies including criminal prosecution, with financial penalties or imprisonment.

## Administration & Legal Fees

NFDC reserves the right to recover any reasonable administrative or legal fees incurred in the reissue of documents or the processing of a Deed of Postponement.

# Helpful Resources for Tenants

There are a number of resources available to support tenants who wish to exercise their right to buy their Council home. These include:

- GOV.UK website [Your right to buy your home: a guide - GOV.UK](#)
- GOV.UK [Right to Buy: summary booklet - GOV.UK](#)
- GOV.UK Website [Right to Buy: buying your council home: Help and advice - GOV.UK](#)
- Money and Pension Services [Money and Pensions Service](#)
- Leaseholder Advisory Service [Home - The Leasehold Advisory Service](#)
- Citizens Advice [Citizens Advice](#)
- MHCLG Email: [RTB@communities.gov.uk](mailto:RTB@communities.gov.uk)

## How to feedback

You can get this policy in large print, Braille, audio or in another language by contacting our Housing Business Development Team

Email: [Righttobuy@nfdc.gov.uk](mailto:Righttobuy@nfdc.gov.uk)

Telephone: 02380 285222.

## Compliments

To help us provide the best service we can. We would like to hear tenants' views on the services that they use. If the customer wishes to highlight positive contributions from a member of staff or service, please let us know.

Email: [Righttobuy@nfdc.gov.uk](mailto:Righttobuy@nfdc.gov.uk)

Telephone: 02380 285222

## Complaints

If a tenant is unhappy with the service, they can refer to our Corporate Complaint procedure – [Corporate Complaints Procedure](#)

Email: [complaints@nfdc.gov.uk](mailto:complaints@nfdc.gov.uk)

Telephone: 02380 285000

## Housing Ombudsman

If a tenant is unhappy, they can escalate to the Housing Ombudsman Service.

Online complaint form: [Online complaint form | Housing Ombudsman Service](#)

Service Telephone: 0300 111 300

## Review

The Government reviews the maximum discounts annually and this policy will be updated with any changes to the maximum capped discount with approval from the Strategic Director of Housing and Communities.

The Strategic Director for Housing and Communities has authority to make minor amendments in consultation with the Portfolio holder for Housing.

A full review of this policy will be carried out every 5 years, or amendments will be implemented sooner if required due to legislation changes or feedback from tenants.

This policy will be available on the council's website at [www.newforest.gov.uk](http://www.newforest.gov.uk)