



# Acquisitions (Right to Buy: Buy Back) and Disposals Policy

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1.0

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## 1 Accessibility of Document

Our aim is to make our services easy to use and accessible for everyone.

We will take steps to make any reasonable adjustments needed for you to contact us, access our policies, or any requests to provide responses in other formats.

Depending on the individual's needs, these might include:

Using larger print, or a specific colour contrast

- Giving more time than usual to provide information or comments on a complaint
- Using the telephone rather than written communication
- Communicating with a person through their representative or advocate
- Arranging a single point of contact
- Having an 'easy read' version of the document

If you would like to contact us about reasonable adjustments or alternative formats, please email [edi@dacorum.gov.uk](mailto:edi@dacorum.gov.uk) or call us on **01442 228000**

If you prefer to write to us, send your letter to:

**Equality, Diversity and Inclusion Team**  
**Dacorum Borough Council**  
**The Forum, Marlowes, Hemel Hempstead**  
**Hertfordshire**  
**HP1 1DN**

You can find information on Advocacy support here:

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## **2 What is the goal of the policy?**

This policy sets out Dacorum Borough Council's (DBC's) approach to buying back properties previously sold under Right to Buy.

The policy also outlines considerations in respect of the disposal of housing properties within the Housing Revenue Account (HRA) – the rationale for doing so, the options appraisal considerations and the approvals process.

## **3 Who and what does the policy impact?**

This Policy allows the Council to make best use of its assets to help create a sustainable HRA.

## **4 How does the policy comply with the law and other requirements?**

The legislation listed below will be complied with when implementing this policy:

- [Land Compensation Act 1973](#)
- [Housing Act 1985](#)
- [Planning & Compensation Act 1991](#)
- [Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations 2008](#)
- [Human Rights Act 1998](#)
- [Data Protection Act 1998](#)
- [General Data Protection Regulations \(GDPR\) 2018](#)
- [Equality Act 2010](#)
- [Local Government Act 2000](#)
- [General Disposal Consent \(England\) 2003](#)

## 5 Supporting Policies or Procedures

1. Procedures / Guidance / Impact Assessments	2. Dependent policies / strategies
<p>This policy links to and should be read in conjunction with the following policies and strategies:</p>	<ul style="list-style-type: none"> <li>• Leasehold Management Policy</li> <li>• Acquisitions Strategy</li> <li>• <a href="#">Asset Management Strategy</a></li> <li>• Development Strategy</li> <li>• <a href="#">Housing Strategy</a></li> <li>• <a href="#">Private Sector Housing Strategy</a></li> </ul>
<p>The following appendices form part of this policy:</p>	<ul style="list-style-type: none"> <li>• Appendix 1: Repayment of Discounts: Sliding Scale</li> <li>• Appendix 2: Disposals Policy information</li> <li>• Appendix 3: Review and Change Control</li> </ul>

## 6 EDI Statement

The Council is committed to promoting equality of opportunity. The Council has procedures in place to ensure that all individuals are treated fairly and without unlawful discrimination.

## 7 Policy Statement

This policy supports the council's corporate priorities which are set out in our Corporate Plan 2020 – 2025: 'Delivering for Dacorum'.

- Ensuring economic growth and prosperity
- Providing good quality affordable homes, in particular, for those most in need
- Delivering an efficient modern council

In addition, this policy supports the aims of the Council's [Housing Strategy](#), which will be refreshed in 2024.

### 7.1 Right to Buy: Buy Back

If the owner bought the property under Right to Buy within the last ten years and wishes to sell it, they must first offer the property back to DBC (see [Right of First Refusal](#)).

The owner must submit an offer notice to DBC including the information outlined below (see [Submitting an Offer Notice](#)).

DBC's decision to reject or accept the offer will depend on the buy back criteria outlined below. Financial considerations will apply (see [Buy Back Criteria](#) and [Financial Considerations](#)).

DBC and the property owner must follow the given timeframes when accepting/rejecting an offer and selling the property/completing the purchase (see [Accepting/Rejecting an Offer](#) and [Completion of Purchase](#)).

If the property is offered for sale within five years of Right to Buy completion, the owner must pay back a percentage of the discount applied (see [Re-Payment of Discounts](#)).

Owners can appeal by following the Appeals Procedure (see [Appeals Procedure](#)).

#### 7.1.1 Disposals

The Council is subject to certain constraints when it comes to selling its property. Some of these are legislative, others arise out of a general expectation that the Council must be seen to act fairly when disposing of land and property.

The Council will therefore seek to:

- Sell any property within the HRA that helps the Council achieve its agreed goals to balance the demand for social housing with the associated costs in managing and maintaining it.
- Follow the Council's approved 'Method of Disposal' that ensures that the process is fair and transparent and that the Council receives the best consideration that, in the given circumstances, can be reasonably obtained, except where it has identified a legitimate and lawful exceptional circumstance.

- Achieve the best outcome with regard to the provision of affordable housing whilst balancing the required investment in existing stock.

## **7.2 Right to Buy: Buy Back Policy Detail**

### **7.2.1 Right of First Refusal**

If the owner of a freehold or leasehold property sold under the Right to Buy wishes to sell their property within ten years of purchase they are bounded by the 'Right of First Refusal' and must offer the property back to their former landlord.

### **7.2.2 Submitting an Offer Notice**

The Housing (Right of first refusal) (England) Regulations 2005 set out the procedures that owners wishing to sell their property must follow.

The owner wishing to sell the property must submit an Offer Notice to the Council, which should:

- State the wish to sell the property and give its full postal address;
- State that there is a covenant requiring the property to be offered to the Council first; and,
- Specify whether the property is a house, a flat or maisonette;

The Offer Notice must also include the following information:

- The number of bedrooms
- Details of the heating system
- Specify any improvements or structural changes which have been made since purchase
- Specify contact details: email and telephone number

The Council will send an acknowledgement of receipt within ten working days. This acknowledgement will specify the date on which the Offer Notice was received and give more details regarding the Right of First Refusal. In accordance with the [Buy Back Criteria](#), DBC will decide whether to:

- Accept the offer and purchase the property
- Accept or Reject the offer.

### **7.2.3 Buy Back Criteria**

When considering purchasing any former Council-owned property offered for sale, the following criteria are taken into account:

- Availability of the council's annual capital budget of £1 million for property purchases.
- Ground-level access to the property.
- Whether the property is part of a communal block owned by Dacorum Borough Council.
- The risk of homelessness if the property is purchased.
- Whether purchasing the property would free up land or provide easier access to a site suitable for developing affordable housing or existing housing stock.
- Demand for the type of property offered, based on current housing needs.
- The cost of any necessary refurbishment work required to bring the property up to the [Council's Standard for Letting Empty Homes](#).
- A financial viability assessment will be undertaken to assess whether the purchase is affordable to the Council and offers value for money.

DBC will only consider properties that meet the above criteria if the council has available funds to purchase a property.

Properties will be considered on a case-by-case basis and any decision to buy back a property will be subject to approval by the Strategic Director of Housing & Property Services or an Assistant Director, in line with the Council's scheme of delegation and subject to the values that will be determined from time to time.

### **7.2.4 Financial Considerations**

The financial resources available for this policy depend on the ability of the HRA Business Plan to fund any acquisitions.

The cost of any works required to bring the sold property up to the Council's Standard for Letting Empty Homes will be deducted from the proceeds of the sale.

### **7.2.5 Accepting/Rejecting an Offer**

The Council will notify the owner in writing to confirm acceptance of the offer within eight weeks of receipt of the Offer Notice. The nominated valuer will value the property. The value must be agreed by both parties. If no agreement can be reached, the District Valuer will determine the value.

If DBC has not served Acceptance/Rejection notice within eight weeks of receipt of the Offer Notice, the owner may proceed with selling the property as they see fit.

If the owner has not sold the property after 12 months and then wishes to do so, they must serve a new Offer Notice to the Council. This only applies if still within ten years of the property being purchased under Right to Buy.

### **7.2.6 Completion of Purchase**

If the Council make an offer to purchase the property, they must enter into a binding contract with the owner:

- No later than 12 weeks after the date on which the Acceptance Notice is served on the owner or
- No later than four weeks after receipt of written confirmation from the owner that they are ready to complete. (Whichever is later)

### **7.2.7 Re-Payment of Discounts**

If the property is offered for sale within five years of Right to Buy completion (in accordance with the Housing Act 1985), the Council may demand the pay back of a percentage of the discount applied on a sliding scale (see Appendix 1). This applies whether the property is sold to the council or another party.

If the owner cannot afford to repay part or all of the discount, then the Council can exercise discretion and not demand this payment. This will be subject to certain criteria and documentary evidence. Certain transfers are exempt from the requirement to repay the discount, e.g. transfers between certain family members or a spouse.

### **7.2.8 Appeals Procedure**

Appeals must be received within 28 days of the decision letter. Appeals in respect of how the policy and procedure have been applied, and against decisions, will be considered by the Assistant Director of Strategic Housing and Delivery, whose decision is final.

## **7.3 Disposals Policy Detail**

### **7.3.1 Criteria for Assessment**

The following list provides the criteria against which each property is assessed:

- The property/block is in need of major structural works to ensure the long-term stability of the structure. Examples of these works include underpinning, extensive replacement of decayed or infested structural timbers, roof deflection or instability, etc.
- The property is in need of major works to remedy penetrating or rising damp especially if part of the property is below ground i.e. a basement.
- The property is in need of major work to remove any [Housing Health and Safety Rating System \(HHSRS\)](#) hazards or asbestos-containing materials that require a high level of ongoing management in conjunction with extensive works to comply with Decent Homes provision e.g. installation of a central heating system, rewiring, new kitchen and bathroom, new windows.



- Properties with an SAP rating below 35 or those below 55 where the construction, location and design make it difficult to thermally upgrade or improve the properties in order to improve the energy efficiency and thermal performance e.g. properties which do not have mains gas supply or which are of solid wall or system built construction, or are Listed Buildings
- Properties that due to their age, design and/or location command a higher than average market value, and due to their age and condition will incur higher than average costs to maintain over the 30-year Business Plan.
- Properties which due to their original design, location and designation are no longer fit for purpose and have associated level of difficulty re-letting. These criteria may affect more than one property, for example those contained in a Cat 2 sheltered schemes, so would therefore be considered on a scheme-by-scheme basis rather than individually.
- Properties, which if they were to be demolished, provide access to an identified development site in the case that lack of access would otherwise prevent that site from being viable for development.
- Block of flats where 100% of the flats are owned by leaseholders, thereby allowing the freehold to be disposed of to reduce future liability for the Council.
- Flats within blocks where sale of the flat would make the block 100% leasehold and allow the sale of the freehold.

### **7.3.2 Options Appraisal**

Those properties identified as fulfilling any of the criteria outlined above will be subject to a full financial assessment. The financial assessment will be considered when determining a reserve price for those properties disposed of. The assessment includes the elements detailed below and will be used to support any recommendation for disposal:

- The market valuation based upon both internal and external valuations of the property when disposed of on the open market using the services of online estate agents. Costs associated with the fees for advertising or managing the disposal will need to be considered in the assessment, along with any decant costs/homelessness payments.
- Total costs of disposal to be considered in the assessment including any fees and loss of rent in the cases where the property is being disposed of due to a higher than average market value.
- To provide a transparent process, including a fair assessment of ongoing costs if the property were to be retained. In the event that the Council were to be faced with a disposal at less than market value, great care would need to be exercised to ensure that appropriate legislation, both UK and European where appropriate is complied with and Property Services will liaise closely and at an early date with Legal Department in such cases. In particular the provisions of Local Government Act 2000 or the 2003 General Disposal Consent (England) 2003 shall be followed.

The timing of any marketing of disposals will be considered against the background of the Housing self-financing budgetary requirements together with the current state of the market.

### **7.3.3 Approval to Dispose of a Property**

The recommendation will initially be considered by the Assistant Director of Property in consultation with other relevant Assistant Directors/Heads of Service.

In the event of the recommendations being supported by the Strategic Director of Housing & Property Services, a report will be prepared for the Portfolio Holder for Housing to seek Council authority to dispose of a property.

As set out in 7.3.1, any proposal to dispose of property at a price below open market value may require the consent of the Secretary of State under the provisions of the Local Government Act 1972, although such disposals will usually be exempt if they fall within 'General Consents' rules applying to any land disposal to a Housing Association.

## **7.4 Roles and Responsibilities**

### **The Portfolio Holder for Housing and Property Services:**

- To sign off any disposal from £15k up to £750k on the advice of the Chief Finance Officer and recommendation of the Strategic Director of Housing and Property Services

### **The Strategic Director of Housing & Property Services:**

- To support the recommendation of an Assistant Director to dispose of a property.

### **The Assistant Director of Property Services:**

- Has responsibility for the Process and the development of the Asset Management Strategy and Business Plan, which will incorporate details of the required level of disposals to support the plan.
- Monitoring the timescale and effectiveness of the policy and make recommendations where required to fulfil the objects of the Business Plan.
- Make recommendations for disposals.

### **The Head of Service (Housing Operations):**

- Provides advice on the housing management implications of any decision to acquire or dispose of a property. Has responsibility for ensuring the Housing management system is amended to reflect the sale.

### **Asset Manager:**

- Is responsible for conducting the financial assessment in conjunction with the Head of Financial Services and responsible for ensuring that the processes are followed in accordance with the policy and supporting procedures.

### **Legal Team:**

- Is responsible for the drafting of the legal documentation associated with the sale of the property and for undertaking the conveyancing.

**Estates Surveyors:**

- Are responsible for providing the open market valuation of the properties and providing details to the Asset Manager.

## **8 Compliance**

Any disposals or acquisitions will be included in the HRA Business Plan narrative annually.

## **9 Review**

The current version of this policy will be held on the Council's intranet (SharePoint).

Policies and strategies are continually monitored, and reviewed either at specified intervals or in response to changes to legislation.

## 10 Appendices

### 10.1 Appendix 1

#### Repayment of Discounts: Sliding Scale

Property sold within one year	100% discount must be repaid
Property sold during second year	80% of discount must be repaid
Property sold during third year	60% of discount must be repaid
Property sold during fourth year	40% of discount must be repaid
Property sold during fifth year	20% of discount must be repaid
Property sold after five years or more	No repayment of discount required

The amount of discount to be repaid if the owner sells within five years of purchase will be a percentage of the value of your home when you sell it, disregarding the value of any improvements. For example, if the property was valued at £100,000 at the time of purchase and the tenant received a discount of £20,000 that means their discount was 20%.

As illustrated by the table above, if the property was valued at £120,000 at the point at which the owner wished to sell and this was within 2 years of purchase they would be required to pay back 80% of the percentage discount they received i.e £19,200 (80% of £24,000 which is 20% of £120,000).

### 10.2 Appendix 2

#### Disposals Policy Information

Document Owner	Service	Approval Body
Mark Pinnell	Property Services	Cabinet
Author	Directorate	Date of Publication:
Mark Pinnell	Housing & Property Services	January 2024
Team	Version no.	Date of Review:
	1.0	January 2026
Non-executive partners: (any team, external body contributing to policy/strategy)		
Simon Walton, Interim Head of Service – SQA Matt Angus, Senior Manager – Strategic Housing, Investment & Regeneration		

### 10.3 Appendix 3:

#### List of Version Control

Revision Date	Previous Revision Date	Previous Revision Level	Summary of Changes	Approved By (e.g. named officer, SLT, Cabinet)	Next Review Date
DD/MM/YY	DD/MM/YY	0.0	What has changed? E.g. new personnel or positions mentioned, or substantive policy changes.	List all that apply	MM/YY
Add rows as necessary					

This Policy has amalgamated the standalone disposals policy with acquisitions. It is therefore a new policy and will be amended above as it evolves over time.