



Open Market Acquisitions Policy

Stevenage Borough Council

2025

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1. Purpose

- 1.1 What One of the objectives of the Housing Revenue Account Business Plan is to invest in the provision of new affordable housing. The provision of new affordable housing can be achieved by either direct investment in purpose-built new build housing or through strategic acquisitions on the open market.
- 1.2 This policy sets out the council's approach to the purchase of properties to enable qualifying vulnerable homeowners to move into more suitable accommodation and support the council's approach to the prevention of homelessness. It will allow the Council to increase the supply of affordable housing within Stevenage through the acquisition of properties. It will also enable the Council to spend receipts from Right-to-Buy sales, to avoid repaying them to the Government.
- 1.3 This policy replaces the previous version approved in 2022.

2. Scope

- 2.1 The Assistant Director of Land & Development is responsible for:
 - The effective implementation and delivery of the policy.
 - Monitoring performance and delivery.
 - Reviewing the policy.
 - Developing processes and procedures in line with the policy.
 - Ensuring that the policy aims and terms are adhered to.
- 2.2 This policy will be administered by the following teams: Land & Development, Specialist Accommodation, Lettings and Housing Options.
- 2.3 This policy will impact homeowners of properties in Stevenage, tenants of Stevenage Borough Council (SBC), applicants for social housing in Stevenage, Staff and Councillors.
- 2.4 This policy links to and should be read in conjunction with the following policy:
 - Right to Buy – Discount Policy: [Right to Buy - Discount Policy](#)
- 2.5 This policy supports the council's corporate priorities, which are set out in the Corporate Plan: [Corporate Plan: Making Stevenage Even Better \(2024-2027\)](#)
In particular: Maintaining Good Quality Homes.

3. Legal Framework

- 3.1 The Right to Buy scheme was introduced by the Housing Act 1980 and amended by the Housing Act 1985 and allows secure tenants to buy their homes (with some exceptions) from their local authority landlord.

- 3.2 The Housing Act 2004, which came into force 2005, made several significant changes to the Right to Buy scheme, including extending the qualifying period for a tenant wishing to purchase their home from two to five years. The period during which a property could not be sold without the owner paying back a proportion of their discount was increased from three to five years.
- 3.3 The Housing Act 2004 also introduced a requirement for a covenant to be included in the conveyance of a freehold or the grant of a lease, giving the local authority landlord the 'right of first refusal' on resale within a prescribed period. The Housing (Right of First Refusal) (England) Regulations 2005 set out the procedures that must be followed in such circumstances.
- 3.4 The Deregulation Act 2015 (Section 28) reduced the qualifying period for Right to Buy from five to three years for tenancies beginning on or after 26 May 2015.
- 3.5 Under the Local Government Act 1972 the Council has powers to acquire any property or rights which facilitates, or is conducive or incidental to, the discharge of any of its functions.
- 3.6 Section 1(1) of the Localism Act 2011 provides that 'a local authority has the power to do anything that individuals generally may do'. This 'general power of competence' was brought into force on 18 February 2012.
- 3.7 The council has a statutory duty under the Housing Act 1996 as amended by the Homelessness Act 2002 to assist certain vulnerable households at risk of homelessness and prevent homelessness wherever possible.
- 3.8 The Homelessness Reduction Act 2017 significantly broadened local authorities' obligations and introduced duties to prevent and relieve homelessness for all eligible individuals, not just those in priority need.
- 3.9 The Domestic Abuse Act 2021 established that victims of domestic abuse who are homeless are now automatically considered in priority need under homelessness legislation.
- 3.10 An acquisition or purchase is defined as taking of a freehold, leasehold or licence in land and property.

4. Equalities

- 4.1 Under the Equality Act (2010) the Council has a legal duty to fulfil the requirements of the Public Sector Equality Duty (PSED). Through this duty and in the application of this policy, the council will carry out its functions in a way that:
 - a. Removes discrimination, harassment, victimisation and any other conduct that is unlawful under the Equality Act (2010)

- b. Promotes equal opportunities between people who have a protected characteristic(s) and those who don't
- c. Encourages good relations between people who have a protected characteristic(s) and those who don't

Further information on the Council's fulfilment of the Equality Act (2010) is set out in the Equality, Diversity and Inclusion (EDI) Policy (2022) and Reasonable Adjustment Policy (2024).

5. Data Protection

- 5.1 The council regards respect for the privacy of individuals and the lawful and careful treatment of personal information as very important to delivery of services.
- 5.2 The council will ensure that it treats personal information lawfully and proportionately as set out in the General Data Protection Regulation (GDPR) and Data Protection Act (2018). For further information on the Council's approach to handling information please see [Data Protection Act \(stevenage.gov.uk\)](https://www.stevenage.gov.uk/data-protection-act)

6. Policy

- 6.1 The Housing Revenue Account Business Plan sets out several objectives, one of which is to invest in the provision of new affordable housing. It is identified that this can be achieved by either direct investment in purpose built new build housing or through strategic acquisitions on the open market.
- 6.2 This policy sets out the council's approach to the purchase of properties to enable qualifying vulnerable homeowners to move into more suitable accommodation and support the council's approach to the prevention of homelessness.
- 6.3 It will allow the council to increase the supply of affordable housing within Stevenage through the acquisition of open market properties and will also enable the Council to spend receipts from Right to Buy sales, to avoid repaying them to the Government.
- 6.4 The policy sets out the circumstances under which the council may consider the purchase of homes within Stevenage. It applies to properties identified from the following sources:
 - Properties owned and occupied by persons who purchased their homes directly from the council, where those persons are assessed as being in extreme financial difficulty, threatened with homelessness as a result and in priority need; or
 - Properties, owned and occupied by persons who are assessed as needing support and eligible to move to a property within one of the council's sheltered schemes.
- 6.5 The policy provides a framework to assess viability and value for money for acquiring a particular property and delivers the flexibility to be able to act within limited timescales, as opportunity arises.

- 6.6 The decision whether to acquire a property is at the discretion of the council. Each potential acquisition will be considered individually, based on whether it offers value for money and whether funding is available for the purchase.

7. Households threatened with repossession and homelessness

7.1 In exercising its homelessness duties, the Council may buy a property and offer the vendor an introductory tenancy of the same property, where this would prevent them from losing their home through repossession. The council may consider such a purchase where the vendor meets the following criteria:

- a) They live in the property and use it as their principal home and do not have an alternative residence
- and
- b) They are at risk of homelessness through repossession as a result of severe financial difficulties.
- c) They would be considered eligible for assistance under Part 7 of the Housing Act 1996 (as amended by the Homelessness Reduction Act 2017), and, where applicable, are owed a prevention, relief or main housing duty, and are assessed in respect of priority need and intentionality.
- d) They have discussed repayment options with their bank or building society and investigated all alternative solutions to their financial difficulties.
- e) The household income is less than £60,000 per annum.
- f) There are no outstanding charges or ownership disputes on the property that would prevent it from being sold.
- g) The property is appropriate for continued occupation by the household, based on their housing need and affordability concerns.
- h) They are not in negative equity.

8. Households vulnerable through age or disability

8.1 In exercising its general power of competence, the council may buy a property and offer the vendor an introductory tenancy of a suitable alternative property via a direct let. The council may consider such a purchase where the vendor meets the following criteria:

- a) The vendor, lives in their property and use it as their principal home and do not have an alternative residence.
- b) They are assessed as being in immediate need of support and suitable for an adapted property or a property within a sheltered housing scheme.

- c) The household income is less than £60,000 per annum.
- e) There are no outstanding charges or ownership disputes on the property that would prevent it being sold.
- f) They are not in negative equity and there are financial interests or other debt attached to the property.

9. Financial and other material considerations

- 9.1 The financial resources available for this policy will be dependent on the ability of the HRA Business Plan to fund acquisitions. Any proposal to purchase properties would have to be considered within the overall capital budget. The proposed increase in new build and regeneration plans for Stevenage may limit the funds available to acquire properties.
- 9.2 A proposed purchase will only be progressed if certain financial criteria are met and the financial benefits to the HRA can be demonstrated.
- 9.3 If a vendor and his or her household following a formal assessment by the Council's Housing Options Team or Specialist Support Team meet the criteria set out in paragraphs 7 and 8, the case will be referred on to the Council's Housing Development Team.
- 9.4 The Housing Development Team will conduct a financial assessment for each property under consideration to ensure there is no negative impact on the Council's Housing Revenue Account (HRA). This assessment will consider the gross purchase cost and the gross post-purchase investment cost, excluding revenue. All properties acquired on the open market will be rented in accordance with the Council's Rent Policy.
- 9.5 All valuations must be carried out or verified by a fully qualified member of the Royal Institution of Chartered Surveyors with sufficient current local knowledge of the housing market, and the skills and understanding necessary to undertake/verify the valuation competently.
- 9.6 Where the vendor is to be housed by the council in either their existing property or an alternative Council property, the price paid will reflect a maximum of 80% of the open market value.
- 9.7 Other costs to be reflected in the offer will include:
 - The costs of any works required to bring the sold property up to the council's lettable and decent homes standard.
 - Administration and other charges associated to a purchase.
- 9.8 The Council is not responsible for paying off the mortgage or any other debt secured against the property (this is the responsibility of the vendor).

- 9.9 The Council will only purchase leasehold flats, where the Council is the freeholder, reducing the risk to the HRA, for example in the identification and the subsequent collection of Section 20 charges.
- 9.10 The Council may not choose to proceed with a sale if structural or environmental issues are identified.
- 9.11 Should the Council buy back a former Council property within 5 years of a RTB purchase the owner will be required to pay back a percentage of the discount, applied on a sliding scale, in accordance with the Housing Act. If the owner would face demonstrable personal hardship by having to repay the discount, the council's [Right to Buy - Discount Policy](#) will be applied. Under this policy, the Council's discretion to waive part or all the discount repayable is exercised only in exceptional circumstances.

10. Approval

- 10.1 Properties will be considered for buy back on a case-by-case basis. Subject to an appropriate business case for each prospective transaction being in place, a decision will be made by the Assistant Director - Land and Development to determine whether to re-purchase suitable former RTB properties.
- 10.2 The Council is not required to purchase back any property and therefore if the decision is not to purchase the property, there is no right of appeal. However, if a resident feels that officers have not applied the policy correctly or followed the correct procedures, they may register a complaint within 28 days of receiving the Council's decision.

11. Process

- 11.1 This policy will be supported by robust process and procedure documents. Officers will use an evaluation matrix assess viability and to establish the Net Present Value (NPV) and the impact of the HRA Business Plan.

12. Consultation

- 12.1 As part of the implementation of this policy, we will actively seek feedback from residents on the operation of this policy and provide feedback on how we have taken this on board when reviewing this policy.

13. Monitoring and Review

- 13.1 This policy will be reviewed by the relevant Business Unit's Head of Service or Service Manager every 2 years (see page 1 for details of Business Unit) or earlier if there is a change in legislation. Where more than 10% of the policy content is

changed the Assistant Director and appropriate Portfolio Holder will be required to decide if the policy needs to be formally reconsidered by the Cabinet or appropriate decision-making body.

- 13.2 Where there is a request for the content of the policy to be reviewed in response to a complaint, the relevant Business Unit's Assistant Director will be notified. If the Assistant Director agrees that a review of policy is required, this will be discussed with the appropriate Portfolio Holder. The Head of Service or Service Manager will be responsible for implementing a subsequent policy review.

14. References and Resources

Internal:

- [Corporate Plan: Making Stevenage Even Better \(2024-2027\)](#)
- [Right to Buy - Discount Policy](#)
- [Right to Buy](#)
- [Equality, Diversity and Inclusion Strategy 2022-2026](#)
- [Data Protection Act \(stevenage.gov.uk\)](#)
- [Housing Revenue Account](#)

External:

- [Localism Act 2011](#)
- [Housing Act 1980](#)
- [Housing Act 2004](#)
- [Deregulation Act 2015](#)
- [Housing Act 1996](#)
- [Homelessness Reduction Act 2017](#)
- [Domestic Abuse Act 2021](#)
- [The Housing \(Right of First Refusal\) \(England\) Regulations 2005](#)
- [Equality Act 2010](#)
- [Reinvigorating Right to Buy and One for One Replacement: Information for Local Authorities](#)

15. Abbreviations and Definitions

RTB	Right to Buy
SBC	Stevenage Brough Council
PSED	Public Sector Equality Duty
EDI	Equality, Diversity and Inclusion
GDPR	General Data Protection Regulation
HRA	Housing Revenue Account
LSSO	Low Start Shared Ownership
RP	Registered Provider
NPV	Net Present Value

16. Appendices

Appendix 1 – Equality Impact Assessment (EqIA)

17. Version History

Date	Outlined Amendments	Author
November 2025	Update	Tracy Jackson/Simon Nuttall