

Right to Buy – Buy Back

Stevenage Borough Council

2025

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1. Purpose

1.1 This policy sets out the council's approach to the re-purchase of properties previously sold by the council under the Right to Buy (RTB) scheme.

1.2 It replaces the previous version of this policy, approved in September 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 and Housing Options.

2.3 This policy will impact homeowners of properties in Stevenage previously owned by the local authority, 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](#)

2.4.1 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 new homes (with some exceptions) from their local authority landlord.

3.2 The Housing Act 2004, which came into force in 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 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 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.
- 3.6 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 to prevent homelessness wherever possible.
- 3.7 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.
- 3.8 The Domestic Abuse Act 2021 established that victims of domestic abuse who are homeless are now automatically considered in priority need under homelessness legislation.

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 Councils approach to handling information please see [Data Protection Act \(stevenage.gov.uk\)](https://www.stevenage.gov.uk/data-protection-act).

6. Policy

6.1 Aims and Context

One of The Housing Revenue Account Business Plan objectives 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 or through buy-back opportunities. This policy sets out the council's approach to the re-purchase of properties previously sold by the council under Right to Buy (RTB).

6.2 The aims of the policy are:

- to make best use of the housing to meet local needs.
- to enable qualifying vulnerable tenants to move into more suitable accommodation.
- to support the council's approach to the prevention of homelessness.
- to support qualifying residents facing financial hardship.
- to increase the supply of affordable housing within Stevenage through the acquisition of properties that will be let as social housing through the council's Housing Register.
- to provide a framework for assessing the viability and value for money of acquiring property, while ensuring the flexibility to act promptly as opportunities arise.
- to ensure that the council complies with legislation; and
- to ensure that the council spends receipts raised from RTB sales, to avoid having to repay them to the government.

6.3 Since the 2012 Housing Revenue Account (HRA) self-financing settlement, councils have been able to retain part of Right to Buy (RTB) receipts to fund new affordable housing, subject to rules set out in Reinvigorating the Right to Buy and One-for-One Replacement (DCLG, 2012).

6.4 Under the government's October 2024 Budget, which came into effect for RTB applications received on or after 21 November 2024, the national RTB discount caps were significantly reduced, rolling them back to pre-2012 regional levels. Stevenage is within the Eastern region. Under the new regional cap, East of England properties, including Stevenage, are capped at a maximum discount of £34,000.

6.5 As of March 2024, temporary arrangements introduced in 2022 allowing local authorities to retain 100% of Right to Buy receipts were ended. Instead, councils can keep transaction costs, allowable debt repayments, and the local authority share around 75%, with the remainder going back to the Treasury under the standard pooling arrangements introduced with Housing Revenue Account (HRA) self-financing in 2012.

6.6 In July 2024, local authorities were given greater flexibility in the use of the receipts they do retain. The government formally allowed 100% of scheme costs to be funded from retained receipts for financial years 2024/25 and 2025/26. Councils can effectively direct receipts towards almost any affordable housing solution and combine receipts with grant funding. Acquisition caps were also removed, allowing councils to spend on both new builds and buy-backs. The five-year deadline to spend receipts, initially increased from 3 years in March 2021, was retained. The government indicated in July 2025 that these flexibilities were confirmed as continuing into 2026–27 and beyond, making them permanent.

- 6.7 The policy sets out the circumstances under which the council may consider the re-purchase of former council homes. It applies to properties identified from the following sources:
- Properties sold by the council under the RTB since January 2005, which are offered back to the council within ten years of purchase under the 'right of first refusal'.
 - Properties previously owned by the council and the purchase would have a positive financial impact on the HRA Business Plan.
 - Other limited circumstances where the council has the 'right of first refusal' on former council owned 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 Independent Living schemes.
- 6.8 The policy does not apply to the compulsory purchase of properties that are included in the council regeneration schemes.
- 6.9 The policy does not apply to the re-purchase of an occupier's share in a Low Start Shared Ownership (LSSO) property.
- 6.10 The decision whether to buy a former council is at the discretion of the council. Each potential purchase will be considered on a case-by-case basis and purchase will depend on the property offering the council value for money and on funding being available for that purpose.

7 Right of first refusal

- 7.1 All council properties sold under the RTB (or sold voluntarily at a discount by the council if applicable) since 18 January 2005 are subject to the covenant of the 'right of first refusal'. If an owner wishes to sell their property within 10 years of purchase, they must first offer the property back to the council by submitting a formal offer notice.
- 7.2 There are other limited circumstances under which a council may have the 'right of first refusal', where the property was sold by a registered social landlord or Housing Action Trust and:
- in the case of a leasehold property, the interest in the property has been transferred from the former landlord to the council; or
 - in the case of a freehold property, the former landlord is no longer in existence, and the property is situated in the local authority's area.
- 7.3 On receipt of the offer notice, the council has a period of 8 weeks in which to either accept the offer, nominate another Registered Social Landlord who may accept it, or reject the offer.
- 7.4 In considering and responding to such offers, the council will ensure its procedures comply with the requirements and statutory timescales set out in the Housing (Right of First Refusal) (England) Regulations 2005 (SI 2005/1917).
- 7.5 If the decision is to accept an offer, the Council will send an acceptance notice either accepting the offer or nominating a Registered Provider (RP) to accept the offer. The acceptance notice does not give any right that means the Council or RP is required to purchase the property until a binding contract is entered into.

8 Buy Back Criteria

- 8.1 In all cases, the council's decision to make use of its powers to buy properties will be determined by the following factors:
- a) The property must previously have been sold by the council under the RTB and be available for purchase free of encumbrances;
 - and
 - b) Purchase of the property would free up land or enable access to a site suitable for the development of the affordable housing;
 - or
 - c) Housing need and demand is established for the type of property being offered and in the area in which it is located; and
 - d) The initial cost of any refurbishment work required to bring the property up to the council's lettable standard is minimal; and
 - e) The property must have a positive financial impact on the HRA Business Plan.
- 8.2 Where the property is available for purchase the decision to proceed would be subject to the property being sold with vacant possession and the purchase must not lead to any existing tenants being made homeless.
- 8.3 Properties meeting the criteria above will only be considered for purchase where capital funds have been identified for this purpose.

9 Financial 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 buy back properties would have to be considered within the overall new provision capital budget. The proposed increase in the new build and regeneration plans for Stevenage may limit the funds available to acquire properties.
- 9.2 A financial assessment of each property under consideration will be made, to ensure that there is not a significant adverse financial implication for the HRA, based on the gross purchase cost, the gross post-purchase investment cost and the net revenue stream.
- 9.3 The costs of any works required to bring the sold property up to the council's lettable and decent homes standard will be reflected in the purchase price.
- 9.4 Administration and legal fees will also be considered when making an offer.

10 Repayment of the discount

- 10.1 Should the council buy back the property within 5 years of the 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 2004. If the owner would face demonstrable personal hardship 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.

11 Approval

- 11.1 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.
- 11.2 The Council is not required to purchase back any property that is offered back 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.

12 Process

- 12.1 Officers will use an evaluation matrix, to assess viability and to establish the Net Present Value (NPV) and the impact on the HRA Business Plan.

13 Consultation

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

14 Monitoring and Review

- 14.1 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.
- 14.2 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.

15 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 \(stevenage.gov.uk\)](https://www.stevenage.gov.uk/data-protection-act)
- [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](#)

16 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

17 Appendices

Appendix 1 – Equality Impact Assessment (EqIA)

18 Version History

Date	Outlined Amendments	Author
September 2022		Simon Nuttall
October 2025	Update	Simon Nuttall