

Housing Corporation Circular

Number: 03/99	Date First Issued: 28/02/1999
	Date Revised: November 2002

Note: 'Housing association' is used as a generic term for registered social landlords.

'Corporation' means Housing Corporation.

Title: Right to Buy - changes to discount and Cost Floor

Summary: Informs registered social landlords of amendments to the cash discount limits on Right to Buy, Preserved Right to Buy and voluntary sales by registered social landlords and local authorities; extends the Right to Buy Cost Floor from eight to ten years and introduces the inclusion of repair and maintenance costs in excess of £5,500 over this extended period.

This Circular Is For The Attention Of:

(tick to indicate which)

- ✓ Registered Social Landlords; more than 250 properties
- ✓ Registered Social Landlords; less than 250 properties
- Co-ownership Societies
- Co-ownership Equity Sharing Societies
- Almshouse Charities
- Abbeyfield Societies
- Co-operatives
- ✓ Local Authorities
- ✓ Registered Social Landlords' Auditors
- Registered Social Landlords' Solicitors

- **Relevant Legislation:**

The Housing (Right to Buy) (Limits on Discount) Order 1998, SI 1998 2997.
The Housing (Right to Buy) (Cost Floor) (England) Determination 1998

- **Regulation and/or Policy Requirements:**

N/A

- **This circular replaces circular number:**

N/A

Housing Corporation Circular

1 Definitions

N/A

2 Corporation Expectations and/or Policy

For applications received on or after 11 February 1999, the maximum discount limit on Right to Buy, Preserved Right to Buy and voluntary sales by registered social landlords (RSLs) and local authorities was replaced by regional limits. Effective the same date, the Right to Buy Cost Floor was extended to ten prior years plus the current financial year and now includes repair and maintenance costs in excess of £5,500 over this extended period.

Maximum discount limits

Previously, a £50,000 maximum discount limit on Right to Buy, Preserved Right to Buy and voluntary sales by RSLs and local authorities applied across England. For applications received on or after 11 February 1999 this was replaced by regional limits ranging from £22,000 in the North East to £38,000 in London.

A schedule of the limits for each area is at Appendix 1.

Full details are included in The Housing (Right to Buy) (Limits on Discount) Order 1998, SI 1998 2997.

Extension of Cost Floor

The period in which costs incurred by the landlord count towards the Right to Buy Cost Floor has been increased to ten prior financial years plus the current financial year. (There is no change to the rule for Preserved Right to Buy.)

The Cost Floor has also been extended to include repair and maintenance costs which in total exceed £5,500 over the extended period. (Again there is no change to the rule for Preserved Right to Buy.)

Full details of these changes are included in The Housing (Right to Buy) (Cost Floor) (England) Determination 1998.

3 Assessing Compliance

N/A

4 Enquiries about this circular should be directed to:

The appropriate field office of the Housing Corporation.



Housing Corporation Circular

Appendix 1

Right to Buy Regional Cash Limits:

London £38,000

South East £38,000

Eastern £34,000

South West £30,000

West Midlands £26,000

North West £26,000

East Midlands £24,000

Yorkshire & Humberside £24,000

North East £22,000