

LEASEHOLD HARDSHIP BUY BACK POLICY

Responsible Officer

Director of Finance

Aim of the Policy

Phoenix aims to prevent homelessness and increase the supply of social housing in the Phoenix area. This policy sets out how we will use the Right of First Refusal Regulations 2005 to support leaseholders in hardship whose circumstances fit within Phoenix's charitable objectives.

Policy Scope

This policy applies to residential leaseholders who purchased their home under the Right to Buy or Right to Acquire schemes within the previous ten years and who are residential leaseholders experiencing extreme financial hardship. Absentee landlords are excluded from this policy. This policy was created at the request of Leaseholders who were subject to major works, with the sole aim of preventing homelessness.

The Policy

Phoenix will:

1. Consider the purchase of a property under the Right of First Refusal Regulations 2005 where the property might assist with asset management or meeting housing need.
2. Consider applications by Leaseholders for Phoenix to purchase their property and converting their tenure to a form of tenancy, each case to be considered on its own merits against the policy criteria below and in the context of Phoenix's charitable objectives.
3. Ensure that any purchase is affordable within Phoenix's business plan.
4. Not consider an application to purchase from a leaseholder who is not resident in the property.
5. Leaseholders whose property is purchased by Phoenix and converted to a form of periodic fixed term tenancy will not be eligible for the Preserved Right to Buy or Right to Acquire and will be aware that the valuation of their home will reflect a tenant in-situ.
6. Only purchase a property where the Board have consented to do so.

Phoenix has charitable status and decisions by the Board must reflect its charitable objectives. Any decision to purchase a leaseholder's property can only be taken if the Board considers that it furthers Phoenix's charitable objectives.

Absentee landlords do not meet the charitable beneficiary test and are excluded from the policy.

Criteria for assessment of application for Phoenix to purchase a leaseholder's property

In considering whether to purchase a leaseholder's property, the leaseholder must fall within Phoenix's charitable objectives set out in its rules:

"The business of providing housing, accommodation, and assistance to help house people and associated facilities and amenities for poor people or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people"

Phoenix will consider applications by leaseholders for Phoenix to purchase their property and converting their tenure to a form of periodic tenancy on the following grounds:

- Facing repossession by the mortgage company.
- Severe illness or disability.
- Extreme financial hardship.

The policy only applies to leaseholders who occupy their property as their principal home and do not have any other property interests.

In order to assess whether the leaseholder falls within Phoenix's charitable objectives, they must submit a full income and expenditure report with bank statements and (if necessary) be willing to submit to a full independent financial assessment. They must be able to demonstrate that they cannot access housing suitable for their needs in the market without financial assistance.

Officers will prepare a report summarising the above with a recommendation to the Board as to whether to purchase the leaseholder's property and the basis of any future tenancy in each case. The Board's decision will be final and there will be no right of appeal.

Monitoring and review

This policy will be monitored by annual performance reports to Board and will be reviewed every three years or sooner if there are changes to legislation or good practice.

Legislation

Right of First Refusal Regulations 2005.

Reference to other documents and associated policies and procedures

- Leasehold Management Policy
- Right of First Refusal Regulations 2005
- Coronavirus Act 2020

Definitions

Term/acronym	Description
Resident	Includes tenants, freeholders and leaseholders.
Phoenix	Phoenix Community Housing.
Leaseholder	Anyone who holds a residential lease with Phoenix.

Document Type:	Policy
Title:	Buy Back Policy
Author	Head of Home Ownership & Income Services
Department Owned By	Finance
Equalities Impact Assessment:	Yes
Approval Date:	30-07-2020
Approved By:	Board
Implementation Date :	03-08-2020
Status:	FINAL
Version No:	V3
Last updated:	09/06/2020
Issue Date:	03-08-2020
File Path:	\\pchfile01.Phoenixch.local\shared\Policies and Procedures Manual\Department- CS Specialist Housing Services\Buy Back Policy\CS Leasehold Hardship Buy Back Policy FINAL V3 July 2020.docx