Right to Buy Process – Overview (chart 1)

Tenant Requests a RTB Pack including an application form (RTB1) and information leaflets. Tenant completes RTB1 form, and submits to Home Sales Team

RTB1 application form received by the Home Sales Team, details entered on Northgate Home Sales Team interrogate records including Data Warehouse and issue a RTB2 document to either accept or deny the application. Processed within **4 Weeks** If the RTB1 is accepted the process continues to next stage. In cases where the RTB1 is denied the process ends. (Applications denied as the property is suitable for the elderly do have an option to appeal)

Tenant has **12 Weeks** in which to accept the offer and return the Option Form including details of Legal Representative, Mortgage Lender or Source of Cash (chart 8)

Alternatively tenant can request a redetermination within these timescales if not happy with the valuation. (chart 7)

Home Sales Team issue S125 Offer Notice which includes:-

- •Description of the property
- Valuation
- •Details of discount and how calculated •Offer price
- •Energy Performance Certificate
- •Structural defects if applicable
- •Tenants right to have the value of the property determined by the District Valuer(chart 7)
- •Service charge and major works information
- •Option Form to accept the offer

Home Sales co-ordinate collection of information detailed below. FREEHOLD (8 Weeks) or LEASEHOLD (12 Weeks) to complete process.

- •Valuation and plans from Birmingham Property Services (chart 2)
- •Energy Performance Certificate from Repairs Contractor(chart 3)
- •Total Debt check details from the Rent Service (chart 4)
- •Service charge and major works information from the Leasehold Team when applicable (chart 5)
- •Cost Floor information from Finance when applicable (chart 6)

If no response received Home Sales will issue a "28 day letter", giving a further **4 week** deadline for the tenant to respond. If no response received application cancelled



Home Sales receive completed option form and arrange a Home Visit with Landlord Services (chart 9) they also send Terms of Sale documentation to Legal Services (chart 10) Home Sales issue Completion Notices :-

 First – 26 Weeks after S125 offer issued – giving 12 weeks notice to complete
Second – 12 Weeks after first notice, stating deadline to complete. If not completed application cancelled



Sale of Property Completed by Legal Services (chart 10) If the Tenant wishes to sell the property, legal charges will apply (chart 11)

Right to Buy Process – Birmingham Property Services – Valuation of Property and Production of Plans (chart 2)

Prior to issue of S125 Offer Notice Home Sales will request a Property Valuation and Plans from Birmingham Property Services. Request will be sent electronically to BPS group email address, who will then arrange for the valuation to be completed. The request will include details of the tenant, address, tenure of property, any known defects, tenant improvements

BPS will acknowledge receipt of the request and allocate the valuation to a valuer within the team. Birmingham Property Services have **20 working days** to complete the valuation



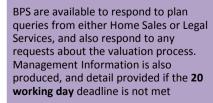
BPS will provide a valuation, including a report, of the property (not a structural survey) and plans. This will be sent back to the Home Sales team electronically via email. The valuer will make 2 further visits to the property, and if on the third attempt access is still not available an external valuation will be completed, and acknowledged on the valuation report



The valuer will visit the property to complete an internal inspection, and provide a valuation. If the tenant is unavailable a card will be left to arrange an appointment



The Home Sales team issue a S125 Offer Notice to the tenant (chart 1)



Right to Buy Process – Repairs Contract regarding Energy Performance Certificate (chart 3)

Prior to issue of S125 Offer Notice the Home Sales team will request an Energy Performance Certificate from the Repairs Contractor Request will be sent electronically to the repairs contractor (Wates, Willmott Dixon or Keepmoat), who will then arrange for the EPC inspection to be completed. The request will include details of the tenant, address, tenure of property, any known defects, tenant improvements

The Repairs Contractor will acknowledge receipt of the request and allocate the EPC to an inspector within the team. The Repairs Contractor have **20 working days** to complete the inspection



The Repairs Contractor will provide an EPC Certificate for the property . This will be sent back to Home Sales electronically via email The inspector will continue to make attempts to gain access to the property. If they fail to gain access the Home Sales team will be notified, who will liaise with the tenant about access.

The EPC inspector will visit the property to complete an internal inspection, and provide an EPC certificate. If the tenant is unavailable a card will be left to arrange an appointment



The Home Sales team issue a S125 Offer Notice to the tenant (chart 1)

Right to Buy Process – Rents Service – Total Debt Check (chart 4)

Home Sales team will inform the tenant that any outstanding debts must be cleared before the sale of the property can be completed. Home Sales receive completed option form and request a Total Debt Check from the Rents Service.

Request will be sent electronically to the Rents Service, who will then arrange for the Total Debt Check to be completed



Rents Service will inform the Home Sales team within **5 working days** of any debts which fall within the following accounts, as these can be pursued under legislation governing the RTB process:-

Rent arrears Court costs Housing Benefit Overpayments Former/Pre-tenancy debts Council Tax arrears Sundry Debts



Legal Services will perform a further Total Debt Check with the Rents Service to ensure the information issued to the tenants solicitor is as accurate as possible, detailing all outstanding debts. Deadline for this check to be completed is **2 working days**.

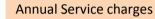
Prior to completion a final Total Debt Check is requested from the Rents Service, deadline of **2 working days**. The completion of the sale is dependent on full payment of outstanding arrears. Failure to pay arrears in full will result in the cancellation of the RTB application. Home Sales will send details of the debts to Legal Services within the Terms of Sale documentation

Right to Buy Process – Leasehold Services – Production of Service Charge and Major Works Figures (chart 5)

Prior to issue of S125 Offer Notice Home Sales will request Service Charge and Major Works figures from the Leasehold Service.



Request will be sent electronically to Leasehold Service Manager or Senior Leasehold Assistant, who will then arrange for the Service Charge and Major Work figures to be collated Leasehold Services will provide the following information to the Home Sales team within **10 working days**:-



5 year forecast of maintenance and repair work to the block

5 year forecast of improvements to the block

Insurance Premiums



Home Sales team issue S125 Offer Notice (chart 1) Home Sales team will include this information in the S125 Offer Notice to the Tenant, and if the offer is accepted in the Terms of Sale documentation to Legal Services

Right to Buy Process – Finance – Collation of Cost Floor for BMHT Properties (chart 6)

For BMHT Properties, prior to issue of S125 Offer Notice, Home Sales will request Cost Floor figures from Finance

If Finance have this information, it will be provided directly to Home Sales. When not available Finance will obtain figures from Regeneration and Development within **10 working days.**

If necessary Regeneration and Development will obtain figures from Property Developer, and respond to Finance



Home Sales team issue S125 Offer Notice (chart 1)



Once figures are checked by Finance they are issued to Home Sales to include within the S125 Offer Notice

Right to Buy Process – District Valuer - Redetermination of Property Value (chart 7)

When tenant is not happy with the valuation of the property they can request a redetermination by the District Valuer.



The tenant has to contact the Home Sales team within **3 months** of the S125 offer notice being issued to pursue this option



The Home Sales team will issue a redetermination form to the tenant for completion. When this is received it will be sent to Statutory Valuations Team, with the RTB1, S125 offer notice and property's plans

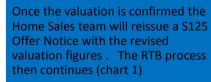


If the value by the District Valuer is more than 10% less than the original valuation Home Sales will contact BPS to seek their opinion on whether a review is appropriate Once the District Valuer has determined the value of the property, they will send their report on the valuation to both BCC and the tenant. The value and determination are binding on both the landlord and the tenant.

The Statutory Valuations team will arrange for an independent valuer to visit the property and prepare their own valuation. There are no timescales governing this process.



BPS will review the case and inform the Home Sales team whether a review is necessary. BPS also liaise with the Statutory Valuations Team as and when necessary



Right to Buy Process – Money Laundering Checks (chart 8)

Tenant returns the Option Form including details of Legal Representative, and method of payment for the property – either Mortgage Lender and/or Cash



Home Sales team will seek additional information to confirm the source of funds for the purchase of the property

If the source of funds is a mortgage, the tenant will be asked to provide a copy of their mortgage offer. If the tenant wishes to purchase the property with cash the tenant will be asked to provide details including bank statements recording where the money is coming from. If third parties are involved they will need to provide the names, addresses, monetary contribution, when money given to tenant, how provided and repayment terms. The RTB application will not progress until this information is provided.



RTB application continues either because there are no issues, or whilst audit investigation ongoing. RTB application is only cancelled if investigation determines that this is the most appropriate legislative course of action. Further money laundering checks are completed by Legal Services

An investigation will be completed and either:-

(a) The investigation concluded, no further action needed, or

(b) Investigation concluded, further action taken which may result in RTB application being denied Money Laundering checks identify an issue requiring further investigation by Audit

The case will be referred to Audit if:-

(a) The tenant is paying by mortgage but does not have the income to support a mortgage application as they are in receipt of Benefits

(b) The tenant is paying by cash, however they are again onBenefits, but savings to pay for the property are over £10K

(c) The source of funds is suspicious

Right to Buy Process – Landlords Service – Annual Visit Process (chart 9)

Once the Home Sales team receive a completed option form they instruct Landlord Services electronically, via email, to complete an unannounced annual visit. Response needed in **4 weeks**, deadline will be included in the request



Annual Visit completed by Landlord Services . Evidence of residents living at the property provided to Home Sales. If tenancy or fraud issue identified by Landlord Service or Home Sales Audit referral process followed



Annual Visit identifies as issue requiring further investigation by Landlord Services and/or Audit



RTB application continues either because there are no issues, or whilst audit investigation ongoing. RTB application is only cancelled if investigation determines that this is the most appropriate legislative course of action



An investigation will be completed and either:-

(a) The investigation concluded, no further action needed, or

(b) Investigation concluded, further action taken which may result in RTB application being denied

Right to Buy Process – Legal Services – Conveyancing Process (chart 10)

The Home Sales team receive a completed option form from the tenant and instruct Legal Service. Terms of Sale documentation is issued to Legal Service which includes:- Details of tenant and property Valuation, Discount levels, Sale price Plans Outstanding debts or arrears Leasehold service charges and major works Methods of Payment Tenant's Solicitor Details	•	Legal Service prepare the legal sales pack and send it to the tenant's solicitor, within 8 weeks from receipt of the Terms of Sale document and satisfactory resolution of any title or money laundering issues	•	Legal Services complete the conveyancing process, gathering information about any queries raised and liaise directly with BPS about Plan Queries	•	Legal Services complete money laundering checks, and confirm that the funds to purchase the property are coming from a legitimate source. If any issues arise these are referred to Audit.
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Home Sales then terminate the Rent Account and inform all relevant BCC parties of the sale within 24 hours of being updated by Legal Services. On completion the sale price and any outstanding arrears are telegraphically transferred to BCC. Once this process has been completed Home Sales are informed via electronic transfer of sale documentation When all matters of the conveyance or lease are confirmed and agreed, the sale can proceed towards completion. The sale is finalised on a date agreed between the tenant and BCC. Prior to completion a final Total Debt Check is requested from the Rents Service, deadline of **2 working days**. The completion of the sale is dependent on full payment of outstanding arrears. Failure to pay arrears in full will result in the cancellation of the RTB application.

Right to Buy Process – Subsequent Sale of Property by Tenant (chart 11)

If the ex-tenant wishes to sell the property, they must write to the Home Sales Team



Home Sales team will check the following:-

Discount Repayment will be applicable within 5 year of the completion date (prior to 18th January 2005 a 3 year discount repayment period applied). If this charge is applicable Home Sales will write to the ex-tenant seeking valuation details to calculate appropriate level of discount to be repaid.

<u>Right to First Refusal Charge</u> needs to be checked as the ex-tenant has an obligation to offer the property back to the council within 10 years of the completion date. Currently permission is being granted for the property to be sold on the open market as its not cost effective to repurchase the property