

<b>KNOWES HOUSING ASSOCIATION LTD</b>	
<b>Policy Name</b>	Buy Back
<b>Policy Category</b>	Finance
<b>Policy Number</b>	FP07
<b>Date to Finance Sub</b>	30 <sup>th</sup> January 2024
<b>Last Review Date</b>	February 2021
<b>Next Review Date</b>	February 2027
<b>Links to other policies</b>	Mortgage to rent policy
<b>Consultation</b>	Finance Sub Committee

## **1. INTRODUCTION/BACKGROUND**

**1.1** This policy deals with the conditions under which the Association would consider buying back a property from an owner. Buy backs under the Mortgage to Rent Scheme or via auction are dealt with in separate policies.

**1.2** A buy back is the term Knowes will use within this policy and others to represent the situation where the organisation can purchase a property from an individual or a company which can be added to Knowes existing rental stock and rented at social housing rents. The property may have been originally sold under the right to buy scheme or be an ex-council property or have been built at one time by a private developer.

**1.3** The Association introduced a buy back policy in June 2000 to consider requests made by owners within the Faifley and surrounding areas to buy their property from them when they have been unable to find a buyer on the open market.

**1.4** To assist owners who are having difficulty selling their house on the open market, Knowes' policy is to consider buying back the properties based on a number of criteria as follows: -

1. Cost and economic viability to Knowes of property.
2. The property is a size or type which is in high demand and Knowes has a shortage of – for example – four in a block or a cottage type or a two-bedroom flat or a conversion.
3. The property was once an ex Scottish Homes property, or an ex Knowes property originally bought through the right to buy scheme.
4. The house is preferably situated within the community that Knowes operates and provides services.
5. The facilitation of future development programmes
6. Condition of house and demand for location
7. Relief of poverty – marital breakdown, financial difficulties, employment reasons, dependent children, other viable social/medical reasons

8. Owner wishing to rent property back from Association.
9. This list is not exhaustive, and the Association will take into account any other relevant factors to the decision.

**1.5** If there are several applicants in a financial year, then each applicant to Knowes H.A. is placed within a register held on Knowes' common server and a decision on whether to purchase made based on the points in 1.4 above.

## **2.0 Legal Framework**

**2.1** Knowes is legally allowed to buy properties if it meets the charitable purposes within its rulebook. Hence any properties bought back should be let for social housing purpose and comply with our existing rental structure.

## **3.0 Risk Assessment/Management section**

**3.1** The risks of buying houses from owners are as follows: -

**3.2** The income from the rental income streams does not outweigh the costs to Knowes of purchasing the property. To minimise this risk a financial appraisal of each property will be carried out before the purchase is made. The general rule of thumb will be that the property cost should not exceed the cost to build that property less any HAG funding which may be available at this time. The present value of future cash flows will also be taken into consideration.

**3.3** The owners are unhappy with the price offered for their property. The owners will be encouraged to have their independent valuation of their property carried out if they have not already chosen to do so. Owners will be sign posted to money advice and to the mortgage to rent route if considered appropriate. Knowes will also be upfront with owners letting them know that we will be unable to offer full market value for the property as the property has an existing use in social renting value to us not a market value.

**3.4** The repairs outstanding to bring the property into lettable condition have not been assessed correctly and the Association must pay more on repairs once the property is purchased. To minimise this risk the Association's Maintenance Inspector will inspect each property prior to offer. Separate gas and electricity checks will be carried out.

**3.5** The Association's solicitors will be asked to complete all conveyancing work on the property in question.

**3.6** There is no demand for the property and void costs may be high. The Head of Housing will assess the demand for that property from the current waiting list and will provide an assessment of the ability to let the property before an offer is made.

#### **4.0 Appeals Procedure**

- 4.1 Any customer who feels aggrieved by their treatment under this Policy can ask for a copy of the Association's Complaints Policy which is available at the Associations office.
- 4.2 Customers also have a right to complain to the Public Services Ombudsman (First Tier Tribunal in the case of factored owners). The Complaints Policy details the way in which Customers can complain and the timescales for responding.

#### **5.0 Policy**

- 5.1 It is proposed that Knowes should consider each buy back case individually on the merits given in para 1.3 above.
- 5.2 Any property considered will be likely to be within our current area of operation. Owners should always be encouraged by our staff to seek independent financial advice and look for eligibility under the mortgage to rent scheme in the first instance and also to obtain an independent valuation for their property where appropriate.
- 5.3 It is proposed that any two members of the management team, any two of Chief Executive, Head of Finance, Head of Property Services and Head of Housing, should have the delegated authority to make an offer for a property if an owner should apply to Knowes HA and also to refuse to make an offer if it is considered that the purchase would be detrimental to the organisation.
- 5.4 The budget for buy backs will be set at the start of each year and may be increased during the year. The Senior Management Team at Knowes has the delegated authority to decide to purchase a property out with the budget limits with the retrospective approval of the Finance Subcommittee at the quarterly meeting. The reason for this is to allow the Management Team to respond within the correct time limits to requests to the Scottish Government for Mortgage to rent property purchases (see policy on Mortgage to rent) and to take advantage of good business opportunities to increase the housing stock of the Association. This delegated authority is for purchases of up to £100,000 over budget as approved by Committee. Any further spends will be required to be agreed by the Committee as part of the midyear budget review process or as a specific virement request.
- 5.5 The Head of Finance will report on buy back purchases on a quarterly basis to the finance subcommittee giving the number of properties purchased and the cost.

## **6. EQUALITIES COMMITMENT**

- 6.1 Knowes Housing Association Ltd is committed to tackling discrimination on the grounds of sex or marital status, racial grounds, or grounds of disability, age, sexual orientation, language, social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions.
- 6.2 Knowes' seek to embrace diversity, promote equal opportunities for all and eliminate any unlawful discrimination in all areas of our work.

## Equality, Diversity, and Inclusion Equality Impact Assessment

<b>Name of Policy / Project / Event being assessed</b>	Property Buy Back		
<b>Summary of aims and objectives of the Policy / Project / Event</b>	The purpose of this policy is to set out the conditions under which the Association would consider buying back a property from an owner		
<b>What involvement and consultation has been done in relation to this Policy (e.g. consultation)</b>	Staff and Committee		
<b>Who is affected by the Policy / Project / Event?</b>	Staff and Committee		
<b>What are the arrangements for monitoring and reviewing the actual impact of the Policy / Project / Event?</b>	Policy reviewed every 3 years or before if any changes in legislation		
<b>Protected Characteristics Group</b>	<b>Is there a potential for positive or negative impact</b>	<b>Please explain and give examples of any evidence / data used</b>	<b>Action to address negative impact (e.g. adjustment to the policy)</b>
<b>Disability</b>	No		
<b>Gender Reassignment</b>	No		
<b>Marriage / Civil Partnership</b>	No		
<b>Pregnancy and Maternity</b>	No		
<b>Race</b>	No		
<b>Religion or Belief</b>	No		
<b>Sexual Orientation</b>	No		
<b>Sex (Gender)</b>	No		
<b>Age</b>	No		

### EVALUATION

<b>Question</b>	<b>Explanation / Justification</b>
Is it possible the proposed Policy / Project / Event or	No

change in Policy / Project / Event could discriminate or unfairly disadvantage people?		
<b>Final Decision</b>	<b>Tick the relevant Box</b>	<b>Include any explanation / justification required</b>
No barriers identified, therefor the activity can <b>proceed</b>	X	
You can decide to <b>stop</b> the Policy / Project / Event at some point because the data shows bias towards one or more groups		
You can <b>adapt or change</b> the Policy / Project / Event in a way which you think will eliminate the bias		
Barriers and impact identified, however, having considered all available options carefully, there appear to be no other proportionate ways to achieve the aim of the policy or practice (e.g. in extreme cases or where positive action is taken) Therefore you are going to <b>proceed with caution</b> with the Policy / Project / Event knowing that it may favour some people less than others, providing justification for this decision.		
<b>Will this EIA be published</b> (*EIA's should be published alongside relevant Policy / Project / Event)	Not Required	
<b>Date Completed</b>	February 2024	
<b>Review Date (if applicable)</b>	February 2024	

### CHANGE / REVIEW LOG

Name	Date	Version	Change / Review

