EXPLANATORY MEMORANDUM TO

THE HOUSING (RIGHT TO BUY) (PRESCRIBED FORMS) (AMENDMENT) (ENGLAND) REGULATIONS 2014

2014 No. 1797

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 These Regulations substitute the form of notice to be used by a tenant claiming to exercise the right to buy his or her dwelling-house. Section 176 of the Housing Act 1985 allows the Secretary of State to prescribe a form for this purpose, which he must do by negative resolution statutory instrument. The Regulations apply in relation to houses and flats in England only.

3. Matters of special interest to the [Joint Committee on Statutory Instruments *or* the Select Committee on Statutory Instruments]

3.1 None.

4. Legislative Context

4.1 A tenant may give notice of his or her intention to exercise the right to buy his or her dwelling-house, in accordance with section 122 of the Housing Act 1985. Section 176 confers a power on the Secretary of State to prescribe a form for this purpose, by means of regulations. The existing form of notice is set out in the Housing (Right to Buy) (Prescribed Forms) (England) Regulations 1986 (S.I. 1986/2194) ("the 1986 Regulations"), as amended by the Housing (Right to Buy) (Prescribed Forms) (Amendment) (England) Regulations 2005. These Regulations insert a new form in the Schedule to the 1986 Regulations, thereby replacing the existing form.

5. Territorial Extent and Application

5.1 This instrument applies to England only.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The Right to Buy scheme was introduced in 1980 and gives qualifying social tenants the opportunity to buy their rented home at a discount. The scheme is open to secure tenants of local authorities and non-charitable housing associations. It is also open to those assured tenants of housing associations who have transferred with their homes from a local authority as part of a stock transfer – this is known as the preserved right to buy. To date, nearly 2 million households have bought their homes under the Right to Buy.

7.2 To claim the Right to Buy, a tenant must apply in writing to their landlord and this is generally done using the application form (or a form to "the like effect") prescribed by the 2005 Regulations. The form requires tenants to confirm their tenancy details and to provide information on, amongst other things, whether any family members wish to share in the Right to Buy, previous tenancy periods and any discounts received under previous purchases from a public sector landlord.

7.3 In the 2013 Budget, the Government made a commitment to simplify the application process to ensure that applicants were not hampered by a burdensome administrative process. The application form was identified as one of main processes that could be simplified and streamlined to make it easier for applicants to understand and complete. The aim was to aid the application process by reducing the number of forms which were completed incorrectly, as well as improving Right to Buy completion rates.

7.4 The Department for Communities and Local Government employed behavioural science techniques to identify the most effective ways in which the Right to Buy application form could be redesigned. The new form has been drafted using these recognised

techniques to produce a form which is user-friendly and fit for purpose for both applicants and social landlords administering the Right to Buy/Preserved Right to Buy process.

7.5 The proposed changes to the form included: amending the notes sections in the new form by using simplified language detailing the exact and direct information that is required rather than going into the full detail which feedback has suggested can be confusing for applicants; listing the eligibility criteria required for the Right to Buy scheme so that applicants can see for themselves whether they qualify; introducing the statutory declaration before the signature section to help with deterring fraud; introducing a checklist to ensure applicants have fully completed all sections of the form; and a 'next steps' tear off page so that applicants are aware of what the next steps in the process will be.

8. Consultation outcome

8.1 Two alternative versions of the form were piloted with social tenants and 12 local authority landlords (spread geographically across the country) to test our assumptions on the changes which were likely to have the greatest impact. These versions were used alongside the existing form and the Department compared, using qualitative and quantitative feedback, how well they were understood and completed in relation to the existing form. The alternative forms also underwent user testing with volunteers and were discussed with local authorities at the Right to Buy peer to peer groups.

8.2 There was strong support for the simplified language used in the form and for making the form more user friendly. There was also strong support for the inclusion of increased anti-fraud protection measures such as the statutory declaration before the signature section. User groups and landlords supported the addition of capturing the direct contact details for tenants which should result in decreased delays in processing applications. Pilot landlords liked the inclusion of the 'authority to disclose' form which gives them consent to request and receive information relating to tenants' previous tenancies claimed towards applicant's qualification criteria and discount entitlement.

8.3 Following an analysis of the feedback, one of the two piloted forms was chosen as the basis for the new form. This was refined further to reflect the feedback and to include well-received elements of the other alternative form. The final form went back out to the user group and to the pilot landlords for final comments. No further suggested changes were received.

8.4 It was considered that a further wider formal consultation was not necessary, in light of the positive comments received during the pilot. None of the pilot landlords supported keeping the existing form, although one preferred the original format, albeit with the new content changes. This was not supported by the other pilot authorities.

9. Guidance

9.1 The new form has extensive guidance for tenants incorporated into the text. Following its introduction, the Department for Communities and Local Government will monitor the effectiveness of the form, via feedback from tenants and social landlords. Further guidance will be issued if necessary. As with the original form, this form does not require any guidance for social landlords.

10. Impact

10.1 An Impact Assessment has not been prepared for this instrument. The application form is provided free of charge to social landlords.

11. Regulating small business

11.1 The legislation does not adversely impact on small businesses.

12. Monitoring & review

12.1 The proposed reduction in the eligibility period for the Right to Buy from five years to three years via the Deregulation Bill is expected to come into force in early 2015. The information on eligibility provided in the application form will be updated, as appropriate, to reflect this change. We will use this opportunity to consider whether further amendments to the form would be beneficial.

13. Contact

13.1 Relwyn Reffell at the Department for Communities and Local Government (Tel: 0303 444 1249 or email: relwyn.reffell@communities.gsi.gov.uk) can answer any queries regarding the instrument.