

Rent to Buy Policy	
Document Owner: Director of Development	Document No: DR-PL-003
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1.0 Purpose

- 1.1 The policy sets out Beyond Housing’s approach for the allocation, reservation, sale and management of rent to buy homes. This low-cost home ownership scheme allows working households to rent a home at an intermediate rent providing them the opportunity to save for a deposit over time to purchase their first home.

2.0 Scope

- 2.1 This policy has been developed to outline how Beyond Housing will allocate and manage its rent to buy homes.
- 2.2 The policy explains;
- Who is eligible to apply
 - How a customer will apply and be assessed
 - What happens once a customer has been accepted
 - The approach to fairness, transparency and value for money
 - How sustainable home ownership is supported, with tenants proceeding to purchase the rent to buy home either by purchasing outright at the end of the initial five-year letting period or by entering a shared ownership lease and encouraging full staircasing to 100% ownership.
- 2.3 Key performance indicators (KPI’s) in relation to the rent to buy scheme will be reported to development committee and the executive team.

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- 2.4 Where rent to buy homes are developed with funding from Homes England (HE) the requirements and procedures of the capital funding guide and funding conditions will be met. Where rent to buy is developed without funding from HE, the capital funding guidance regarding funding will be used as a framework for our approach.
- 2.5 Specific requirements applied by the local authority and through planning obligations will also be considered.
- 2.6 Beyond Housing will provide a plain English summary of its tenancy agreements for any prospective rent to buy customer. Translations of the summary in other languages will be available on request.

3.0 Definitions

- 3.1 For the purpose of this policy please refer to the following definitions;

Rent to buy tenant - a person who has been granted a tenancy including an option to purchase the property after the initial five-year letting period

Landlord - Beyond Housing

Assured shorthold tenancy – a fixed term tenancy granted for the initial period, allowing working households to rent a home at an intermediate market rent providing the opportunity to save for a deposit over time to purchase their first home

Intermediate rent - a value above social rent but below market levels not exceeding 80% of the current market rent (inclusive of service charges)

Affordable rent – a value of 80% of the current market rent (inclusive of service charges)

Initial rent - the rent charged upon commencement of the first tenancy

Essential repairs – are repairs to installations in the property for making use of the supply of water, gas and electricity for sanitation, pipes and drainage, and for space heating and hot water

4.0 Responsibilities

- 4.1 The director of development is responsible for ensuring that this policy is implemented and that any procedures relating to it are drawn up and applied with contributions from the directors of customer service and ICT, and housing appropriate to relevant sections of the policy. The policy author is the development manager – sales & performance.

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- 4.2 Marketing and sign up to an assured shorthold tenancy agreement (including relets) will be managed by the development directorate. The development directorate will also be responsible for the review of the financial status of the tenant during the initial 5-year period to ensure rent to buy remains suitable for their needs. Tenancy management, anti-social behaviour and income management will be managed by the customer service and ICT, and housing directorates in accordance with relevant policies and controls.
- 4.3 Beyond Housing will ensure that relevant staff are trained to understand the policies and procedures relating to rent to buy. All other employees have a responsibility to ensure that their work is carried out in line with this policy and related procedures.
- 4.4 Beyond Housing will fully engage with rent to buy tenants to ensure that they are consulted on any change to policy and practice that will affect the management of their homes.
- 4.5 Beyond Housing will make full and factual information available to customers enquiring about rent to buy.
- 4.6 Rent to buy homes being purchased on a shared ownership basis will be sold on the model lease which includes a 10-year period when the costs of essential repairs will be met by Beyond Housing.
- 4.7 Once a tenant has purchased under rent to buy, the landlord safety checks and repairs (except essential repairs) become the responsibility of the purchaser.

5.0 Legislative and statutory requirements

- 5.1 A strategic objective of Beyond Housing is to 'provide affordable homes, where people feel safe and secure'. We deliver affordable homes by building different tenures to meet a range of customer needs. To contribute to this we endeavour to include a number of rent to buy homes within any new development.
- 5.2 All tenancies will be managed in line with the tenancy agreement, relevant policies and procedures.
- 5.3 Voluntary right to buy and the right to shared ownership are not applicable for homes developed under rent to buy.

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- 5.4 Applications from employees/board directors of Beyond Housing or their immediate family will be accepted provided they meet the eligibility and qualifying criteria. However, prior to any application for the rent to buy scheme being accepted, approval will be sought in accordance with relevant sections of the Beyond Housing probity policy.
- 5.5 As a registered provider with the regulator of social housing, Beyond Housing is able to own and/or manage rent to buy homes.

6.0 Policy detail

- 6.1 Beyond Housing will adopt the following criteria for confirming customer eligibility:
- Customers will be considered on a first come first served basis
 - Applications will be processed and assessed fairly, consistently and accurately and we will not refuse applications without valid justification
 - Beyond Housing will take a reservation fee which will be deducted from the price of the home when the customer proceeds to purchase. If the customer does not proceed to purchase the home, the reservation fee will be refunded less any reasonable administrative and other costs incurred in processing and managing the application
 - Tenancies will include the option to allow the tenant to purchase the property after the initial five-year period
 - Homes England HE) permits initial rents to be set on an intermediate basis, which includes affordable rents. Beyond Housing will charge initial rents at an affordable rent level
 - A tenant could also purchase the property within the five-year period at the discretion of Beyond Housing, a purchase under shared ownership during this period is also permitted subject to meeting eligibility criteria
 - During the initial five-year period Beyond Housing will review the financial status of the tenant to ensure rent to buy remains suitable for their needs
 - After the initial five-year letting period, Beyond Housing will offer to sell the home on an outright basis with the tenant being given the right of first refusal
 - Where the tenant does not exercise their option to buy outright, Beyond Housing may sell the property on a shared ownership basis, continue offering the home as rent to buy, or retain and convert the home as rented housing on either an affordable or market rent basis. Development will consult with housing to agree the

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appropriate affordable option based on individual customers circumstances.

Conversion to market rent may be considered by exception and will be subject to approval. The tenancy will be managed in accordance with relevant policies

- Beyond Housing reserve the right to, and may choose to, end the tenancy after 7 years, or earlier where the customer chooses not to take up a home ownership option
- Rent to buy homes will be sold at current market value and there will be no additional affordability assessment required by Beyond Housing over that which may be required by a mortgage lender.

6.2 Potential customers will be asked to complete a rent to buy application form. The form can be obtained by telephone request, post, email or via the web site. Translations into a number of languages will be made available on request.

6.3 All applications received will be assessed against the standard qualifying criteria. Those falling outside these criteria will be advised in writing within 14 days of receipt of the application.

In order to qualify, potential customers must satisfy the following:

- must be at least 18 years old
- be working households and intending to buy their own home in the future at the time of letting
- must be first time buyers or returning to home ownership following a relationship breakdown
- will be financially assessed by an independent financial advisor to ensure they meet eligibility criteria
- acceptable references received from previous landlord
- there are no local or other prioritisation criteria to be applied to the rent to buy product other than on rural exception sites.

7.0 Underpinning procedures

7.1 This policy is underpinned by the rent to buy procedure and the following policies:

- Development policy
- Shared ownership policy
- Tenancy management policy

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- Empty homes policy
- Anti-social behaviour policy
- Income management policy
- Complaints and compliments policy

8.0 Controls and reporting

First line control	Responsible (Job role)	Reported to:
Gateway 1 approval – new business/concept opportunities	New business manager (with Development manager sign off)	Development appraisal group (DAG)
Gateway 2 approval – feasibility stage Includes; strategic and business plan compliance financial hurdle rates compliance policy compliance rent setting and property categorisation compliance	Project Managers (with Development manager sign off)	Development appraisal group and if over £5m (or outside delegated criteria) to development committee
Gateway 3 approval – land banking	Project Managers (with Development manager sign off)	Development appraisal group and if over £5m (or outside delegated criteria) to development committee
Gateway 4 - contract	Project Managers (with Development manager sign off)	Development appraisal group and if over £5m (or outside delegated criteria) to development committee
Gateway 5 – committed programme monitoring (KPI's)	Development manager with	Development committee. KPI's to senior leadership

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	development director sign off)	team operational meetings
Committed programme - Rent setting		
Rents sent to finance for checking and approval before being entered onto Housing Management System	Development Support Manager/Head of Finance	Proposed rents are checked and approved by Finance team
Report from sequel to monitor valuation dates to ensure these are valid and updated promptly when required	Standard system report	Development Support Manager
Report from Sequel to validate rents entered into the system	Standard system report	Development Support Manager
Committed programme - Financial control		
Monthly income and expenditure monitored and reforecast from board approved level to actuals	Project Manager with support from Finance	Development Director
Gateway 6 – post scheme evaluation	Project Managers (with Development manager sign off)	Development appraisal group and customer voice quarterly to development committee.
Related policies		Include quality control

9.0 Consultation

- 9.1 Customers were consulted to establish if this home ownership option is meeting their expectations. Whilst feedback hasn't influenced the policy, it will contribute to the rent to

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buy procedure particularly in terms of customer engagement supporting their journey to home ownership.

10.0 Approval and revision

10.1 This policy will be subject to a review every three years, or in response to a change in legislation or best practice, whichever happens sooner.

Accountable:	Chief Executive
Responsible (policy owner):	Director of Development
Approval body:	Development committee

Version	Date	Information
1	May 2022	New policy for Beyond Housing
2	July 2025	Back stop review

