

Draft Order laid before Parliament under section 129(2B) of the Housing Act 1985, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2014 No. XXXX

HOUSING

The Housing (Right to Buy) (Maximum Percentage Discount) (England) Order 2014

Made - - - - - XXX

Coming into force in accordance with article 1

The Secretary of State for Communities and Local Government makes the following Order in exercise of powers conferred by sections 129(2A) and (2B) of the Housing Act 1985⁽¹⁾ and with the consent of the Treasury.

A draft of this Order was laid before Parliament in accordance with section 129(2B) of the Housing Act 1985 and approved by resolution of each House of Parliament.

Citation, commencement, application and interpretation

1.—(1) This Order may be cited as the Housing (Right to Buy) (Maximum Percentage Discount) (England) Order 2014 and shall come into force on the day after the day on which it is made.

(2) This Order applies to England only⁽²⁾.

(3) In this Order, a reference to a numbered section is to the section of the Housing Act 1985 bearing that number.

Maximum percentage discount

2. In the case of a house, the maximum percentage discount is 70 per cent.

Transitional Provision

3.—(1) Subject to paragraph (2) this Order also applies where before the date on which the Order comes into force a notice pursuant to section 122 has been served but the conveyance or grant under Part V of the Housing Act 1985 has not yet taken place.

(1) 1985 c.68.

(2) The National Assembly for Wales was given legislative competence in relation to the disposal of land to which Part 5 of the Housing Act 1985 applies by the National Assembly for Wales (Legislative Competence) (Housing and Local Government) Order 2010 (S.I. 2010/1838).

(2) Paragraph (1) does not apply where the tenant has informed the landlord in writing within 21 days of the date on which the Order comes into force that the maximum percentage discount to be used when calculating entitlement to discount pursuant to section 129 should be the maximum percentage discount applicable before the date on which this Order comes into force.

(3) If—

(a) notice under section 125 (“the section 125 notice”) has been served on the tenant on or before the date on which the Order comes into force; and

(b) the tenant is entitled, by virtue of article 2, to a higher percentage discount under section 129(2)(a) than that specified in the notice,

the landlord must, as soon as is reasonably practicable, revise and serve an amended section 125 notice which includes the higher percentage discount.

(4) Where section 136 applies any notice under paragraph (2) given by the former tenant shall not have effect.

Signed by authority of the Secretary of State for Communities and Local Government

Date

Name
Parliamentary Under Secretary of State
Department for Communities and Local
Government

EXPLANATORY NOTE

(This note is not part of the Order)

A person exercising the right to buy a house under Part V of the Housing Act 1985 (“the Act”) may be entitled under sections 129 to 131 of and Schedule 4 of the Act to a discount equal to a percentage of the price before discount.

The discount is a percentage calculated by reference to the qualifying period calculated in accordance with Schedule 4 of the Act up to a maximum percentage prescribed by the Secretary of State. This Order prescribes the maximum percentage discount in respect of houses as 70%.

Transitional provisions in Article 3 provide that the maximum percentage discount prescribed in this Order also applies where an application for the right to buy under section 122 of the Act was served before the date this Order came into force but the conveyance under Part V of the Act has not taken place on or before that date.

Article 3(2) provides that Article 3(1) does not apply where, within 21 days of the date of the Order coming into force, the tenant has given written notice to the landlord to state that the maximum percentage discount to be used to calculate their discount entitlement under section 129 is the maximum percentage discount which applied before the date this Order came into force.

Article 3(3) provides that where a section 125 notice was served on or before the date this Order comes into force but the conveyance under Part V of the Act has not taken place on or before that date and as originally served the price applicable due to the new maximum percentage discount in section 129 has changed then the landlord must, as soon as reasonably practicable, served an amended notice. The amended notice must reflect the new maximum percentage discount entitlement under section 129(2)(a).

Article 4 provides that, where section 136 of the Act applies and the former tenant wrote to their landlord pursuant to Article 3(2) stating that the discount entitlement under section 129 should be calculated by reference to the maximum percentage discount applicable before the date on which this Order came into force this notice has no effect and the new tenant’s discount entitlement is to be calculated using the higher percentage under section 129(2)(a).

An impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.