

# Chichester District Council

Full Council

26 September 2023

## Housing Covenants

### 1. Contacts

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### 2. Recommendations follow the Corporate Governance and Audit Committee who received this report on 17 July 2023:

- 2.1 That the Director of Housing and Communities be authorised to consider and determine applications for release of s37 and s157 covenants in respect of previous Right to Buy properties and the conditions of any release.
- 2.2 That officers develop a policy on the matter to be brought forward in due course.

### 3. Background

- 3.1 Since the advent of the **Housing Act 1985** Right to Buy (RTB) provisions (including **s19 of the Housing Act 1980** which pre dates the 1985 Act), the council has imposed covenants on RTB properties pursuant to s157(3) of that Act with the intention that ex council houses situated in the council's AONBs would remain occupied or owned by people who could demonstrate that they live or work in the area.
- 3.2 These covenants work so that the buyer of the house gives a covenant to the council that it will not dispose of the house by way of a sale, a tenancy or a licence except to a qualifying person. Each time the house is disposed of, consent will be needed from the council before a transaction can complete.
- 3.3 A qualifying person is a person who (if the disposal is to more than one person then at least one of those), has throughout the period of three years immediately preceding the application for consent
  - had his place of work in the designated region; or
  - had his home in such a region; or
  - has had one or the other concurrently.
- 3.4 The designated region is found in the **Housing (Right to Buy) (Designated Regions) Order 1980**.

## 4 Proposal

- 4.1 That the recommendations from the Corporate Governance and Audit Committee at section 2.1 and 2.2 are recommended to be approved by Council and taken forwards by officers respectively. 2.1 has been amended to include s37.
- 4.2 The ability to determine applications for removal of the covenant will enable decisions in exceptional circumstances in lieu of a formal policy being put in place.

## 5 Resource and Legal Implications

- 5.1 Implementation of the recommendations will be within existing resources of the Legal and Housing divisions.

## 6 Community Impact and Corporate Risks

- 6.1 There is some risk that a change of policy will result in complaints or claims from residents who have previously sold properties which were subject to the restriction and consider that they have incurred financial loss. In the event of such claims, each case would have to be considered on its own merits. However, any vendor who has suffered from a possible loss of value at sale time is likely to have benefited in the same way from a reduced price at the time of purchase.
- 6.2 This risk is mitigated by the fact that the council has discretion to change its policy on this matter, within the framework of the law and would, if the recommendation is followed, be consulted upon to support the position that all decisions were made on a logical considered basis at each particular point.

## 7 Other Implications

Are there any implications for the following?		
	Yes	No
<b>Crime and Disorder</b>		X
<b>Climate Change and Biodiversity</b>		X
<b>Human Rights and Equality Impact</b> – equalities will be considered as part of the policy making process	X	
<b>Safeguarding and Early Help</b>		X
<b>General Data Protection Regulations (GDPR)</b>		X
<b>Health and Wellbeing</b>		X

## 8 Appendices

None

## 9 Background Papers

None