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Date: 02/02/2024

**Chief Finance Officers of all stock holding local authorities in England**

**Annual increase in Right to Buy discounts**

This letter provides the updated figures for maximum Right to Buy discounts from April 2024 (in line with the Consumer Prices Index) and outlines the duties of Right to Buy landlords towards their tenants.

**Discounts**

The *Housing (Right to Buy) (Limit on Discount) (England) Order 2014 (the Order)* provides for an annual change to the maximum Right to Buy discounts. This change is calculated in line with the percentage change in the Consumer Prices Index (CPI) published by the Office of National Statistics (ONS) from the September before the previous year to the September of the previous year. **This increase takes effect on 6 April each year**.

The Department indicated it would inform Right to Buy landlords in January each year of the new maximum Right to Buy discounts for the following financial year, based on the relevant September CPI figure. In respect of the financial year 2023/24, the relevant **September 2023 CPI figure is 6.7 per cent** and the new maximum discounts will be:

London: £136,400

Outside London: £102,400

These discounts will apply to applications which are served on the landlord by the tenant on or after 6 April 2024**.**

The discounts do not apply retrospectively to applications made before 6 April 2024**.**

**Information for Tenants**

To ensure social housing tenants continue to know about the Right to Buy, landlords are legally required to issue an information document:

* Immediately to all their new secure tenants
* At least once every 5 years to all their secure tenants

This document must contain specific information including:

* Eligibility for, and exclusions from, the scheme including discounts
* How to apply for the Right to Buy
* The delay notice procedures
* Homebuying costs e.g. stamp duty, legal and survey fees, costs associated with taking out a mortgage
* Costs and responsibilities associated with home ownership e.g. mortgage payments, service charges, maintenance of the property

Alongside the statutory provision on information, it may be helpful for tenants to be provided with wider details about the Right to Buy on a more regular basis as well as information about the correct way of applying. A better understanding of the scheme is likely to help tenants work out if buying their home might be an affordable and sustainable choice for them; and increase the likelihood that landlords would deal with both fewer enquiries and fewer abortive applications. It will also reduce the number of applications incorrectly sent to the Department.

One way landlords might wish to do this would be to signpost tenants to the Right to Buy Agent service:

<https://www.ownyourhome.gov.uk/scheme/right-to-buy/contact-an-agent/>;

to the Right to Buy website:

<https://www.ownyourhome.gov.uk/scheme/right-to-buy/>;

or to the relevant page on your organisation’s own website.

The Government guidance*, Right to Buy – A Guide for Local Authorities*, is aimed at helping landlords manage the scheme and includes information on how landlords can meet their legal obligation to provide information to their secure tenants. The Guide can be found at:

<https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1166104/Right_to_Buy_-_A_Guide_for_Local_Authorities_-_April_2023.pdf>

Thank you for your continued work on the Right to Buy scheme and supporting more people to become homeowners.

Yours sincerely,



Victoria Latham.

Deputy Director, Council Housing