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STATUTORY INSTRUMENTS

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**2014 No. 1378**

**HOUSING, ENGLAND**

**The Housing (Right to Buy) (Limit on Discount) (England) Order 2014**

<i>Made</i>	- - - -	<i>29th May 2014</i>
<i>Laid before Parliament</i>		<i>5th June 2014</i>
<i>Coming into force</i>	- -	<i>21st July 2014</i>

The Secretary of State for Communities and Local Government makes the following Order in exercise of powers conferred by section 131 of the Housing Act 1985<sup>(1)</sup>:

**Citation, commencement, application and interpretation**

1. (1) This Order may be cited as the Housing (Right to Buy) (Limit on Discount) (England) Order 2014 and shall come into force on 21<sup>st</sup> July 2014.
- (2) This Order applies in relation to England only<sup>(2)</sup>.
- (3) In this Order—
  - (a) a reference to a numbered section is to the section of the Housing Act 1985 bearing that number; and
  - (b) “London authorities” means—
    - (i) a London borough council; and
    - (ii) the Common Council of the City of London.

**Maximum discount**

2. (1) The sum prescribed for the purpose of section 131(2) (“the prescribed sum”) for the period from the date this Order comes into force and ending on 5<sup>th</sup> April 2015 (“the initial period”) is—
  - (a) for dwelling-houses situated within the areas of London authorities, £102,700; and
  - (b) for dwelling-houses situated outside of the areas of London authorities, £77,000.

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(1) 1985 c.68.

(2) The National Assembly for Wales was given legislative competence in relation to the disposals 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) In relation to each subsequent period of 12 months following the initial period, the prescribed sum is calculated by—

- (a) increasing the prescribed sum of the previous year by the same percentage as the percentage change in the consumer prices index over the specified period; and
- (b) rounding down the result from sub-paragraph (a) to the nearest £100.

(3) In this article—

“consumer prices index” means the general index of consumer prices (for all items) published by the Statistics Board or, if that index is not published for any month, any substituted index or index figures published by that Board; and

“specified period” means the period of 12 months up to and including the September in the previous year referred to in paragraph (2).

### **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.

(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 sum prescribed for the purpose of section 131(2) should be the sum specified in the Housing (Right to Buy) (Limits on Discount) (England) Order 2012<sup>(3)</sup> for dwelling-houses not situated in the area of a London authority or the Housing (Right to Buy) (Limits on Discounts) (England) Order 2013<sup>(4)</sup> for dwelling-houses situated in the area of a London authority.

(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 prescribed sum in force pursuant to section 131(2),

the landlord must, as soon as is reasonably practicable, revise and serve an amended section 125 notice which includes the higher prescribed sum pursuant to section 131(2).

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

### **Revocation**

**4.** (1) Subject to Article 3(2) the Housing (Right to Buy) (Limits on Discount) (England) Order 2012 and the (Right to Buy) (Limits on Discounts) (England) Order 2013 are revoked.

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(3) [S.I. 2012/734](#).

(4) [S.I. 2013/677](#).

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

29th May 2014

*Kris Hopkins*  
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 dwelling-house under Part V of the Housing Act 1985 (c.68) (“the Act”) may be entitled, under sections 129 to 131 of and Schedule 4 to the Act, to a discount equal to a percentage of the price before discount.

The discount may not reduce the price by more than such sum as the Secretary of State may by order prescribe. This Order prescribes the maximum discount as £102,700 in respect of dwelling-houses situated within the areas of London authorities and as £77,000 in respect of dwelling-houses not situated within the areas of London authorities. These amounts increase each year (from the 6th April 2015) by the percentage change in the consumer prices index published by the Statistics Board from the September before the previous year to the September of the previous year.

The maximum discounts prescribed in this Order for the period commencing on the date this Order comes into force apply to applications for the right to buy made by notice under section 122 of the Act served after the date this Order comes into force.

Transitional provisions in Article 3 provide that the maximum percentage discount prescribed in this Order apply to applications where the notice served under section 122 was served before that date but the conveyance or grant 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 the tenant has informed their landlord in writing within 21 days of the date this Order comes into force, that the sum prescribed for the purpose of section 131(2) should be the sum specified in the Housing (Right to Buy) (Limits on Discount) (England) Order 2012 (S.I. 2012/734) for dwelling-houses not situated in the area of a London authority (“the 2012 Order”) or the Housing (Right to Buy) (Limits on Discounts) (England) Order 2013 (S.I. 2013/677) for dwelling-houses situated in the area of a London authority (“the 2013 Order”).

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 the tenant is entitled to a new price due to the higher prescribed sum in force pursuant to section 131(2) then an amended section 125 notice must be served by the landlord as soon as is reasonably practicable.

Article 3(4) provides that where section 136 of the Act applies and the former tenant has given notice pursuant to Article 3(2) this notice has no effect and consequently the new tenant’s prescribed sum is that provided for under section 131(2).

Subject to Article 3(2), Article 4 revokes the 2012 Order and the 2013 Order.

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