



POLICY INSTRUCTION

Subject: Civilian Housing - Sales at a Discount to Sitting Tenants & Licensees

Number: PI 01/13

Strategy & Policy Directorate Sponsor:
Richard Yates – DIO StratPol-Policy 1a

Date of issue:
1 February 2013

Contact if different from above Sponsor:

Who should read this: All DIO Offices, Partnering Organisations & PPP/PFI Project Managers

When it takes effect: 1 February 2013

When it is due to expire:
When rescinded or changed

Estate Management

Equality And Diversity Impact Assessment

This policy has been Equality and Diversity Impact Assessed in accordance with the Department's Equality and Diversity Impact Assessment Tool against:

Part 1 Assessment Only (no diversity impact found)

Document Aim: The aim of this Policy Instruction (PI) is to advise of the change to the maximum cash discount applicable to sales of surplus MOD housing offered to qualifying sitting tenants and licensees in England under the MOD discounted house purchase scheme. This does not apply to Service Families Accommodation.

This PI supersedes PI 05/2002 which is now withdrawn.

Introduction

1. As a matter of policy the MOD administratively runs a voluntary discounted house purchase scheme on the lines of the statutory 'Right to Buy' schemes operated in the UK whenever its tenanted civilian housing is declared surplus to defence requirements.
2. Under this scheme, sitting tenants and licensees in possession of surplus housing that have spent at least 5 years as a public sector tenant and invited to purchase their home are entitled to a discount from the current market value of 35% plus an additional 1% for every extra complete year of their occupation up to a maximum of 60% or the prevailing maximum cash discount whichever is lower.
3. Previously maximum cash discounts under the statutory scheme in England and reflected in the MOD scheme varied regionally. These have since been withdrawn and replaced by a single discount cap applicable to anywhere in England.
4. So MOD tenants in England are not disadvantaged the discount cap under the MOD scheme has been revised to keep it in line with the rate now applicable under the statutory scheme.

Maximum Cash Discount - England

5. The maximum cash discount to apply to offers of sale to sitting tenants and licensees in possession of surplus housing anywhere in England is now **£75,000**. The discount cap is not to be applied retrospectively.

Wales, Scotland and Northern Ireland

6. The maximum cash discounts applicable in these countries remain unchanged:

Scotland	-	£15,000
Wales	-	£16,000
Northern Ireland	-	£24,000