

## APPENDIX 2

### What Right to Buy Receipts Can be Spent On (taken directly from the relevant guidance)

(a) Acquisition—

- i. Purchase price of land / site.
- ii. Stamp Duty Land Tax payable on the purchase of the land / site.

(b) Works—

- i. Main works contract costs (excluding any costs defined as “on costs”).
- ii. Major site development works. These include piling, soil stabilisation, road / sewer construction, and major demolition.
- iii. Statutory agreements, associated bonds, and Party Wall awards (including all fees and charges directly attributable to such works).
- iv. Additional costs associated with complying with archaeological works and Party Wall awards (including all fees, charges, and claims attributable to such works).
- v. Irrecoverable VAT on the above.

(c) On costs—

- i. Legal fees and disbursements.
- ii. Net gains / losses via interest charges on development period loans.
- iii. Building society or other valuation and administration fees.
- iv. Fees for building control and planning permission.
- v. Fees and charges associated with compliance with any legal requirement that it is necessary to meet before the property may be occupied.
- vi. In-house or external consultants’ fees, disbursements and expenses (where the development contract is a “design and build” contract (in respect of which, see Note 1)).
- vii. Insurance premiums including building warrant and defects / liability insurance (except contract insurance included in works costs).
- viii. Contract performance bond premiums.
- ix. Borrowing administration charges (including associated legal and valuation fees).

- x. An appropriate proportion of the development and administration costs of the Authority or the body in receipt of funding from the Authority.
- xi. Irrecoverable VAT on the above.