



North Devon Homes

Shared Ownership Policy

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1. Purpose

This policy sets out the principles North Devon Homes will apply in marketing, allocating and managing properties developed under the New Build HomeBuy scheme for shared ownership and any similar shared equity schemes that promote home ownership.

The Company's commitment to working with the local housing authority and other partners to provide properties under different forms of tenure and capacity to deliver is set out in the Company's Development Strategy.

The principles set out in this Policy seek to ensure that, through careful marketing, allocation and appropriate ongoing management, shared ownership properties:

- are allocated fairly and in accordance with local authority and national government requirements
- meet local need for affordable housing
- are sustainable in the long term
- provide quality affordable housing to those people for whom it is best suited.

2. Principles

The following principles will apply to this policy:

- It will be open, fair and transparent
- It will reflect the current standards of operation and will be reviewed whenever industry standards, legislation or guidelines change
- It will promote consistency in the approach to allocating and managing shared ownership properties
- It will reflect the Company's staff, customer and Board members views
- It will be realistic, achievable and provide value for money
- It will be periodically reviewed as set out in section 5
- It will support all corporate customer care standards.

Marketing and allocations

North Devon Homes will market shared ownership properties fairly, robustly and efficiently to ensure all properties are sold to suitably eligible applicants, as soon as possible after practical completion. (check steve maybe needs to say about we will promote shared ownership See 1 below by area and

work with HB and others to establish and communicate to potential purchasers and keep them informed of schemes that are planned or being built etc)

We will make allocations and set rents in accordance with our business plan parameters which help meet local needs for affordable housing; comply with relevant planning agreements and other statutory and contractual requirements; are fair, non-discriminatory and transparent and which seek to ensure that the product is affordable and that buyers are able to meet their housing cost commitments into the long term.

Management

We will seek to provide a high quality, responsive and efficient management service to New Build HomeBuy leaseholders which will

(services are proportionate, fairly allocated, that service quality and delivery is appropriate for the scheme)

Customer care and response to enquiries will be in accordance with our service standards

- ensure that all rents and service charges payable under New Build HomeBuy leases are collected promptly and efficiently, but also ensure that procedures and assistance are in place to address situations where leaseholders have difficulties in meeting their financial obligations.
- deal promptly with applications to remortgage or obtain further advances, to staircase up and to carry out improvements.
- ensure that shared ownership leaseholders comply with their lease obligations in maintaining their properties and not causing nuisance to neighbouring residents.

Communication

We will communicate and consult effectively with shared ownership leaseholders, as required by law in respect of works or services for which service charges are payable and in general in respect of issues affecting leaseholders and the estates upon which they live.

3. Review

We will review this policy, procedures and staff training needs at least once every three years to ensure that it continues to operate within best practice, achieve measurable results, and achieve continuous service improvement.

Alternatively, the policy and all associated procedures will be reviewed immediately following any relevant change to government policy, regulation or legislation.

The Commercial Services Officer will be responsible for ensuring that policy reviews are undertaken, that appropriate consultation takes place and that revisions are reported to the Board for its approval.

4. Responsibilities

This policy sets out the responsibilities and obligations placed upon North Devon Homes in respect of the allocation of shared ownership properties and their ongoing management under the relevant lease terms.

The Commercial Services Officer will ensure that this policy is communicated and implemented. Detailed procedures will be developed and maintained by the Commercial Services Officer in line with this policy to provide further guidance during delivery of the shared ownership service.

We will provide training for staff to ensure that they fully understand the wider issues surrounding this policy and the procedure.

The policy has regard to relevant government law and regulatory guidance on the provision of shared ownership properties; relevant national and local planning restrictions and statutory law and regulation relating to the general management of leasehold properties.

Shared owners are also leaseholders unless and until they own a 100% freehold share in their home. They should therefore check our Leasehold Policy **(check where is this put in list at end of policy)** for full details on more general leaseholder issues, to include compliance with lease terms, consent for improvements and complaints about service charges.

5. Scope

This policy applies to North Devon Homes, including any of its subsidiary companies (collectively referred to as the 'Company').

6. Policy Statement

In establishing a clear policy position, we have identified each area of shared ownership management as a procedure or service area to the main policy which are summarised in the table below.

They reflect the approach and consistency required by the service to meet the policy aims.

1 Sales and marketing	We are committed to undertaking early and comprehensive marketing of shared ownership properties to give them full exposure to as many prospective buyers as possible and to achieve sales as soon as possible after physical completion.
2 Allocation and rent setting	We are committed to applying a rigorous but fair and transparent process in the allocation of shared ownership properties to ensure their long-term viability. (home buy and waiting list link here?)
3 Collection of rent and service charges	We are committed to ensuring that all rents and service charges collected efficiently , but also recognise that flexible payment options should be available to shared owners who have difficulty in paying their share of major repairs liabilities under the terms of the lease.
4 Dealing with shared ownership requests to the landlord	We are committed to dealing with shared owner requests under their leases promptly, consistently and fairly. (refer to service standard for general enquiries – where an owner wishes to increase their equity they should contact us and we will process the request in accordance (insert procedure or policy ref))
5 Communication and consultation	We are committed to consult with shared owners on all matters that affect them as required by statute and as a matter of good practice and to establish good working relations.
6 Equal Opportunities	We are committed to providing opportunities to become a shared owner to as many people as possible on a fair and equal basis and to manage shared ownership properties according to clear and fair procedures.

6.1 Sales and Marketing

We are committed to undertaking early and comprehensive marketing of shared ownership properties to give them full exposure to as many prospective buyers as possible and to achieve sales as soon as possible after physical completion occupation

Scope

To demonstrate how we market shared ownership properties.

Application

North Devon Homes will market and sell properties in compliance with its obligations under its service level agreement with South West Homes (the current HomeBuy Agent for North Devon Homes' area) or similar future agencies. (Check who etc

The Company will use information on interested applicants, collected by South West Homes, to assess the demand for shared ownership products at the time of the original assessment of the viability of new schemes.

A marketing scheme and timetable will be set up at the earliest possible time, working back from the date of practical completion.

Schemes will be posted on the South West Homes website as early as possible, firstly on a 'soon to be available' and secondly on an actual availability basis, when the scheme is proceeding and advertising literature has been produced.

The Company will use a number of media to advertise properties, dependent on the size of the development, anticipated demand and the current state of the housing market, to include

- South West Homes website
- North Devon Homes' website and Tenants Newsletter
- Site Boards
- Mail shots/telephone calls to existing tenants and eligible applicants identified by South West Homes
- Advertisements in the local press
- Open days

In our marketing material, we try to explain as clearly as we can, the eligibility criteria for the scheme in question, to include local planning requirements.

6.2 Allocation and rent setting

We are committed to applying a rigorous but fair and transparent process in the allocation of shared ownership properties to ensure their long-term viability

Scope

To demonstrate the key processes and considerations we apply when allocating shared ownership properties.

Allocations

The government's qualification criteria and its priorities for the allocation of shared ownership homes can change frequently and so before marketing any schemes, we will double-check the latest situation

We will also take into account:

- any local planning authority requirements
- any requirements of South West Homes or future similar organisations.
- any relevant nominations agreement with the local housing authority

During the allocation process, we will try to explain as clearly as possible, all the necessary eligibility requirements and how allocations will be prioritised.

We will require from prospective buyers full and clear evidence of their finances to assess their suitability as potential shared owners. We will then apply current government guidance on assessing financial viability.

We will make every effort to ensure that applicants can afford and are suited to acquiring and owning property on a shared ownership basis. This will include face-to-face interviews and help for applicants in working out their net income and likely expenditure as a shared owner.

In making allocations to shared ownership properties, we will have regard to our Equality and Diversity Policy to ensure that all applicants receive equal consideration regardless of their age, disability, sex, sexual identity, race, religion, colour or nationality.

Rent setting

Shared owners pay rent on the equity share of their home which is still owned by North Devon Homes. This rent will reduce as owners buy larger shares.

We will set affordable rents having regard to:

- current government guidelines

- consultation with the local housing authority about what are considered to be sustainable, affordable rents in the local housing market
- what levels of rent are acceptable to us and our customers to make each development scheme financially viable and affordable given the local market conditions

Rents will be reviewed annually in accordance with terms of the relevant shared ownership lease and currently will rise by RPI + 0.5% in line with rents for our affordable letting homes.

6.3 Collection of rent and service charges

We are committed to ensuring that all rents and service charges are rigorously and efficiently collected, but also recognise that flexible payment options should be available to shared owners who have difficulty in paying service charge bills.

Scope

To demonstrate how the Company has a robust but flexible approach to the collection of rents and service charges from shared owners.

Application

The Company will regularly review and adhere to its established service charge and debt collection procedures. *(Wording amended but intent unchanged)*

These procedures will seek to ensure compliance with all relevant legislation, regulations and known good practice having regard to

- the provisions of individual leases
- statutory timescales for the service of relevant notices and demands
- prescribed information which must be included in and provided with service charge statements
- timescales for payment
- procedures for pursuing and writing off arrears and criteria for taking legal action in respect of unpaid service charges.

We will ensure that payment of all rent and service charge debt is rigorously and efficiently pursued and collected, but we also recognise that some shared owners may have difficulty in meeting rent service charge bills.

The Commercial Services Officer in consultation with the Asset Manager can agree temporary lower payments, deferred payments and instalment

payments with shared owners who are experiencing genuine but not severe financial difficulties.

We will also encourage and assist shared owners to ensure that they obtain benefit assistance where this is available for low earners or in the case of unemployment.

This can include:

- Mortgage interest payments (but not capital payments)
- Rent due under the lease
- Service charges

Where shared owners are in severe financial difficulties we will consider other forms of assistance such as:

- temporary permission to sublet, which is otherwise prohibited under the terms of the shared ownership lease
- the purchase of the shared owner's full equity stake in the property
- the purchase of part or parts of the shared owner's equity stake ('staircasing down')
- the placement of a legal charge against the property for the sum of the debt plus accruing interest

Applications for such help will be considered on their merits and will be subject to the shared owner assisting the Company in undertaking a full financial assessment of his/her situation.

Applications will be considered and subject to the approval of the Company's Executive Team; the availability of funds in the case of repurchase by the Company and consultation with the shared owner's lender.

Forfeiture of the shared owner's lease will only be undertaken as a last resort where no other options are feasible or viable. Such action will be pursued by our solicitors in compliance with current legal requirements and best practice.

6.4 Dealing with shared owner requests to the landlord

We are committed to dealing with shared owner requests under their leases promptly, consistently and fairly

Scope

To demonstrate how we deal with shared owners' requests under the terms of their lease for consents from, or action by, North Devon Homes as landlord.

Application

Shared owners may make the following request to North Devon Homes, as their landlord

- consent to re-mortgage their properties
- consent to further advances from their lenders
- consent to carry out improvements
- notification on intention to staircase up under the terms of their lease
- notification of intention to assign their lease (sell their share in their home)

Remortgaging

North Devon Homes recognises that leaseholders may wish to re-mortgage to obtain more favourable terms. Provided that the proposed new loan is equal to or less than the existing loan and there are no serious debt issues relating to the leaseholder's account, the Company will consent to applications to remortgage.

Further Advances

North Devon Homes will not consent to further borrowing by the leaseholder, if this is to cover or consolidate personal debt.

Other than in exceptional circumstances, North Devon Homes will **not** consent to further borrowing where the Company is to postpone its charge over the property, so that the lender's charge ranks above the Company's charge.

North Devon Homes' Executive Team will consider applications for consent for further advances in the above circumstances. Approval may be given where the further advance is necessary to undertake urgent or essential repairs to the property.

Staircasing (the buying of additional equity shares by shared owners)

In order to ensure that North Devon Homes complies fully with the detailed requirements set out in shared ownership leases, the Commercial Services Officer will Review and keep updated our detailed procedures on the staircasing process.

All applications to staircase will be dealt with in strict accordance with these procedures to meet legal requirements and to deal fairly and consistently

with all requests to staircase.

The standard New Build HomeBuy lease contains no provisions for staircasing down and this will be allowed in exceptional circumstances only and at the Company's discretion – see above.

Assignment (the sale of the shared owner's equity share of the property)

Where shared owners wish to sell their full equity interest by assigning their lease, North Devon Homes can nominate a purchaser or buy the interest itself.

North Devon Homes will comply with the time limits for nominating a buyer or exercising its right to buy within the time-limits set out in the lease.

We will only buy the shared equity owner's share where we are satisfied that it is financially viable for us to do so and we have funds available from our Recycled Capital Grant Fund to do so.

Improvements

We will deal with requests for our consent to carry out improvements fairly and consistently by following the process and criteria set out in our Leasehold Policy.

7. Consultation

We are committed to consult shared owners on all matters that affect them as required by statute and as a matter of good practice and to establish good working relations

Scope

To demonstrate how we involve shared owners in all matters that affect them.

Application

The Company will consult shared owners individually and in groups with assured tenants and with leasehold owners who have bought their flats and maisonettes under the Right to Buy or Right to Acquire.

Consultation will include matters such as the Company's Shared Ownership Policy and associated procedures and repair, maintenance and management issues relating to the estate on which they live.

Shared owners (in particular those who live in flats and maisonettes) will be consulted on major works and long term agreements to provide works or services in accordance with the relevant legislation and the Leasehold Policy and associated procedures.

To help shared owners better understand the law and regulation relating to their form of ownership, we will produce and keep updated the following guides:

- General guide to shared ownership for prospective buyers
- Guide to staircasing
- Guide to selling an equity share

This policy will be consulted through our C90 framework

Date	Consultation methodology	Challenge / impact / result

8. Equality Impact Assessment

We are committed to providing opportunities to become a shared owner to as many people as possible on a fair and equal basis and to manage shared ownership properties according to clear and fair procedures

Scope

To demonstrate that we treat all prospective shared ownership buyers and owners equally.

Allocations

Properties have to be allocated according to share owners' ability to meet local and national qualification criteria and their ability to meet the financial and other obligations under the relevant lease.

Subject to these constraints we wish to make properties available to all regardless of race, colour, gender, religious beliefs, age, disability, sexual orientation, marital status or appearance.

We will use different media to advertise our properties to reach as many prospective buyers as possible and we will assist less well-off applicants to buy low percentage shares where these can be counter-balanced by other buyers buying higher percentage shares to retain overall scheme viability.

We apply strict selection procedures to ensure people are judged only by those criteria which we are obliged by law and regulation to apply.

Management

By setting out clear criteria and procedures to support this Policy and the Leaseholder Policy, we will treat all shared owners in a fair and transparent way. We will offer different payment options to assist less well-off shared owners to sustain home ownership and will, within Policy and legal constraints, consider requests for landlord's consent having regard to the individual circumstances of the shared owner.

1.1 Potential impact on each of the diversity "groups".

Strand	No impact	Negative impact	Positive impact	Comments / evidence (if negative impact, how does the policy address this)?
Race				
Disability				
Gender				
Gender Reassignment				
Sexual orientation				
Religion or belief				
Age				
Rural issues				
Social Inclusion issues				
Pregnancy and maternity				
Marriage and civil partnership				

Next review date:	Responsible Officer
March 2023	
Author	Related Documents
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