

## Shared Ownership Policy



### 1. BACKGROUND AND OBJECTIVES

- 1.1. The aim of this policy is to outline how Alliance Homes Group will sell homes to qualifying applicants in a fair and transparent way. The policy aims to provide a framework for accommodating any requirements which may be placed on the allocation process by local authority partners, the regulator, and our funders.
- 1.2. This policy outlines Alliance Homes approach to the sale and allocation of shared ownership homes. Shared ownership provides a solution to the housing needs of those who would otherwise not be eligible for social housing nor be able to buy on the open market. Such households often work in sectors where income has not increased in line with inflation. This policy supports housing solutions obligations relating to sales allocations in accordance with the Homes England capital funding guide.
- 1.3. The purpose of this policy is to ensure that Alliance Homes Group develops the right homes for sale at the right price and in the right location to meet our customer's requirements.
- 1.4. To establish a sales process that is nondiscriminatory and responsive to demand, while contributing to the need to be inclusive and ensure sustainable communities.
- 1.5. To establish an efficient, transparent, fair, and effectively controlled basis for acceptance and processing of applications for low-cost home ownership.
- 1.6. To provide a system for prioritizing applicants on a first come first serve basis with exception to priority groups identified by Homes England or local authorities, who meet affordability criteria.
- 1.7. To ensure that Alliance Homes meet their social objectives whilst recognizing the financial importance of selling properties promptly.
- 1.8. To ensure that Alliance Homes complies with all financial and regulatory controls including those set out in the Homes England Capital Funding Guide.
- 1.9. To comply with all their financial and regulatory controls that Alliance Homes must satisfy.

### 2. POLICY DETAIL

#### Risks

- 2.1. The failure to deliver the necessary homes to our customers.
- 2.2. The financial risk of incurring costs on unsold properties.

- 2.3. The risk to the Alliance Homes Groups' reputation by having properties standing empty for long periods.
- 2.4. The Development Programme failing to generate the necessary capital receipts from low-cost home ownership.

### **Who this Policy Applies to**

- 2.5. Applicants wishing to purchase generic and older person shared ownership homes (including extra care) which have been constructed for sale by Alliance Homes Group.
- 2.6. Applicants wishing to purchase any generic and older person shared ownership (including extra care) homes being offered for re-sale or assignment.

### **Compliance**

- 2.7. The policy has regard to our status as a Community Benefit Society, registered and regulated by the Regulator of Social Housing (RSH). We consider the guidance on the housing need and affordability of customers for our homes as set out in the Homes England Capital Funding Guide.

For more information about this follow this link:

<https://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership>

- 2.8. Our regulatory obligations are to ensure that generic and older person shared ownership is allocated in line with capital funding guidance, overseen by the Homes England.

For further information then click on below link:

<https://www.gov.uk/government/organisations/homes-england>

- 2.9. Alliance Homes Group will also comply with any planning conditions listed within a Section 106 agreement.

### **Eligibility Criteria**

- 2.10. For applicants to qualify for generic and older person shared ownership Alliance Homes Group must undertake eligibility checks in line with current regulation, planning restriction and Homes England guidance.

### **Generic Shared Ownership**

- 2.11. To qualify for generic shared ownership an applicant must:
  - Be over the age of 18 of age.
  - Be unable to afford a suitable property on the open market that will meet the applicant's needs.

- Have enough savings, or access to sufficient funds, to put towards the deposit and other purchasing expenses.
- Be able to afford the ongoing costs of homeownership.
- Have a gross household income of less than £80,000 per year.
- Be registered through the Help to Buy agent.
- Have a debt-to-income ratio of less than 45%.
- Be able to demonstrate no mortgage or rent arrears.
- Comply with Alliance Homes Group's affordability procedure.
- Be first time buyers, although some applicants who own or have previously owned a home may be eligible. This includes older people and people who have lost a home through relationship breakdown and shared owners whose families need a larger home but cannot have their need met on the open market.
- Have no other property within their ownership at the time of completing on their new shared ownership home. Meet the relevant local authority eligibility criteria (if applicable).
- Applicants must reside or be eligible to reside within the UK.

2.12. Applicants must be able to reside or be eligible to reside within the United Kingdom.

### **Older Person Shared Ownership**

2.13. In addition to the generic shared ownership criteria, applicants for older person shared ownership should be:

- Expected to have no more than £200,000 in equity and savings, however this will be treated on a case-by-case basis.
- Over the age of 55.

2.14. Priority will be given to:

- Serving military personnel and former members of the British Armed Forces discharged in the last two years.
- They have completed their basic (phase 1) training and they are one of the following:
  - Regular service personnel (including Navy, Army and Air Force)
  - Clinical staff (except for doctors and dentists)
  - Ministry of Defence Police Officers
  - Uniformed staff in the Defence Fire Service
- They are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, and can produce a Discharge Certificate (or similar documentation) as proof, where they apply within two years (24 months) of the date of discharge from service or
- They are the surviving partners of regular service personnel who have died in service, where they apply within two years (24 months) of the date of being bereaved.

- Where there are no priority groups, applications will be assessed on a first come first serve basis. To ensure that the first come first serve policy is fair and transparent applications and financial information will not be accepted until the advert is made live.

### **Allocation Criteria**

2.15. Alliance Homes Group will allocate property based on:

- 1) The priority groups listed in the capital funding guide and any
- 2) Local authority conditions
- 3) On a first come first serve basis

This will be made clear to applicants when schemes are marketed.

2.16. All applicants will have an affordability assessment for homeownership as per the allocation procedures.

2.17. All applicants who wish to buy a home with someone else can only proceed on the condition that all joint applicants become joint owners.

2.18. We are unable to accept applications from people who:

- Have not supplied us with a mortgage, proof of capital or landlord reference.
- Would be named on an existing mortgage or property deeds when the sale of the shared ownership property completes, this includes properties outside the UK.

### **Affordability**

2.19. Affordability will be measured on the following criteria:

- Income to debt ratio of less than 45%.
- Suitable savings to afford homeownership and the cost of the purchase
- Applicants will need to have £15,000 or less of unsecured debt.
- Secured debt of £15,000 or more will be assessed on a case-by-case basis.
- Disposable income per month of £150 for a single applicant, £200 per couple, £250 per family.

2.20. All prospective purchasers are subject to a financial assessment carried out by a qualified Independent Financial Advisor. The financial assessment is to establish affordability based on criteria set by the Homes England. The assessment of affordability to buy will be based on net income, which is the deduction of child tax credits, child benefit, student loan, student bursary, salary bonus payment and overtime which does not count towards the mortgage multiplier and are not accepted forms of payment. The homeownership costs will include mortgage repayments, rent and service charges. It will also include:

- Repayment of any outstanding debt.
- Size of family.
- Age of applicant.

2.21. We would expect all applicants to fall within the current Homes England thresholds for shared ownership affordability. These stipulate that a minimum of 25% of an applicant's net wage and 2.5x their gross income should be used as a minimum towards homeownership. There is also an upper limit of 45% of net wage and 4.5x gross salary; this is to ensure long terms sustainability. Applicants who fall outside of the lower end caps may be considered in exceptional circumstances at the discretion of Alliance Homes. The higher end limit is an absolute limit and cannot be breached, however consideration will be given on a case by case basis.

### **Re-sales**

- 2.22. If applicants have a property to sell, Alliance Homes Group will accept the buyer for the scheme subject to the applicant being approved by the help to buy agent.
- 2.23. Applicants purchasing shared ownership through resales are required to broadly fit the Homes England financial eligibility criteria as mentioned above and should be able to sustain the share they are to purchase.

### **Applications that Require Mortgages**

- 2.24. Alliance Homes Group will not be able to take an application or provide a formal offer unless applicants have received confirmation from an Independent Financial Advisor that they can obtain an affordable mortgage.

### **Applicants that Do Not Require Mortgages**

- 2.25. Applicants that do not require a mortgage are still required to undertake affordability checks with an Independent Financial Advisor.
- 2.26. All shared ownership homes are sold leasehold and the sale prices are based on independent valuations of market value at the sale stage. While properties remain on the market valuations are updated in line with Homes England requirement.

### **Offers & Reservations**

- 2.27. Alliance Homes Group will invite applicants to attend viewings of the property they have applied for.
- 2.28. A non-refundable payment of £250 will be placed to secure reservation until the Reservation Expiry Date. The buyer has a 14 day 'cooling off' period from date of reservation should they wish to no longer proceed with the purchase, and only during this 'cooling off' period will Alliance Homes refund the full £250 reservation fee.

- 2.29. The reservation will hold the sale value for 12 weeks, after which a new valuation will be instructed. The reservation period will commence from the date the Memorandum of Sale is issued.
- 2.30. Reservations can be placed off plan.
- 2.31. Alliance Homes Group will not sell, attempt to sell, or accept any other reservation of the property/plot before the Reservation Expiry Date.

### **Property Compliance**

- 2.32. Alliance will ensure that all property compliance documents are handed over to the customer upon sale completion. These are to include plot specific and communal certificates where applicable.
- 2.33. Alliance will ensure that all internal compliance checks are undertaken prior to sale completion.

### **Lease terms**

- 2.34. Key documents that provide the buyer information about the main terms of their lease will be provided with the reservation agreement.

### **Sale Particulars**

- 2.35. Alliance Homes Group will confirm sales particulars in line with current procedures and in accordance with advertisement, consumer, and marketing law.

### **Rent**

The level of rent that a customer will pay will be defined within the lease and will comply with Homes England and/or the local planning authority requirements.

- 2.36. All rent is initially set by the open market value at a given point of sale; this includes at the point of selling and/or upon staircasing. At each purchase point a valuation is required; rent is then recalculated based on the unsold equity of the open market value.

After the point of purchase, rents are reviewed in line with RPI +0.5%, the terms and process of this calculation are defined within the lease.

- 2.37. For older people shared ownership, where a 75% share has been purchased, no rent will be payable on the unsold equity. Where a share is less than 75% share the rent on the unsold equity will be based at 2.75%.

### **Information**

- 2.38. Under the Data Protection Act 2018 and the Human Rights Act 1998, all personal and sensitive information supplied to Alliance Homes, however received, is treated as confidential. This includes anything of a personal nature that is not a matter of

public record about a resident, client, or applicant. We are obliged to adhere to the Money Laundering Regulations 2017 to ensure that all personal information submitted to us is stored safely and securely for up to 5 years post sale completion.

2.39. We have a duty to keep information secure and confidential and held only for as long as necessary for the purpose it is intended for. Alliance Homes reserves the right to contact third parties to request information for the purposes of assessing eligibility of applicants.

2.40. Alliance Homes will ensure that they only involve other agencies and share information with the consent of the applicant concerned, unless:

- To help prevent fraud or if required to do so by law, to comply with this legislation, we must safely and securely store information on file for up to 5 years post sale completion.
- The information is necessary for the protection of children and or vulnerable adults.
- Alliance Homes Group will ensure that all data regarding sales details are logged with the Department of communities and Local Government CORE system, which is linked below:

<https://core.communities.gov.uk/>

2.41. For further information on how applicant's information is used, how we maintain the security of information, and rights to access information we hold on, is included on the Alliance Homes Data Protection Policy .

### 3. **MONITORING, CONSULTATION AND REVIEW**

The Board and our regulator will receive regular reports on the performance against agreed targets and indicators.

Key Performance Indicators are the time the property has remained empty for; Sales and income forecasting.

In line with our involvement, tenants, leaseholders, and stakeholders will be included in:

- monitoring our performance
- reviewing this policy, to reflect their needs and priorities

Further details about how this will be achieved are set out in separate tenant and leaseholder involvement agreements.

The Manager is responsible for the implementation and review of this policy.

This policy will be reviewed within two years of its approval by The Manager and will be approved by our Executive Team.

### 4. **EQUALITY AND DIVERSITY**

This policy is subject to a periodic Equality Impact Assessment.

The purpose of such an assessment is to consider the effect of the policy regarding the recognised protected characteristics of equality and ensure that it does not directly or indirectly unfairly impact any individual or group. The protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, pregnancy and maternity or other grounds set out in our Equality and Diversity Strategy and Single Equality Scheme. Remedial action will be undertaken if a detrimental effect is identified.

This policy and any other related Alliance Homes Group's publications can be provided in other formats for those with visual, literacy or language difficulties.

## 5. ASSOCIATED DOCUMENTS

Home Resale Policy  
Staircasing Policy  
Counter Fraud, Corruption and Bribery Policy  
Data Protection Policy

## 6. VERSION CONTROL AND APPROVAL DATES

### Name and date

Helen Napierski January 2021

Existing policy approved at	
<b>June 2017</b>	<b>H Napierski</b>
February 2022	H Napierski

<b>Approval stage</b>	<b>Date completed</b>
Equality Impact Assessment completed	03/02/2021
EIA reviewed by Equality & Diversity Manager	February 2022
ET review / approval	TBC
Board or Cttee approval	March 2022
Review date	March 2024

<b>APPENDICES</b>
<ul style="list-style-type: none"><li>• EIA</li><li>• Glossary</li></ul>



**An Equalities Impact Assessment must be conducted  
Alongside the review of an existing policy or the creation of a new one.**

**Appendix 1**

<b>Equality Impact Assessment</b>	
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- 1. Name the Strategy, Policy, Procedure or Function (SPPF) being assessed and name of author.**

Shared Ownership Policy

- 2. Aims of the SPPF being assessed.**

- *Whose need is it designed to meet?*
- *Are there any measurable elements such as time limits or age limits?*

For individuals who are unable to have their housing needs met on the open market.

- 3. Who has been consulted in developing the SPPF?**

- *Make reference or links to consultation/evidence documents*

Internal staff within Housing Management, sales, and development

- 4. Identify potential impact on each of the diversity “groups” by considering the following questions (the list is not exhaustive but an indication of the sort of questions assessors should think about):**

- *Might some groups find it harder to access the service?*
- *Do some groups have needs that are not well met by the current SPPF?*
- *What evidence do you have for your judgement (e.g., monitoring data, information from consultation/research/feedback)?*
- *Have staff/residents raised concerns/complaints?*
- *Is there local or national research to suggest there could be a problem?*

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Protected Characteristic	No impact	Negative impact	Positive impact	Information source/s **	Comments/evidence
Race	x				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.
Disability			x		Most shared ownership properties have been designed for wheelchair access as part of the 106 requirements.
Gender	x				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.
Transgender	x				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.
Sexual orientation	x				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.
Religion or belief	x				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.
Age	x				Need to be over the age of 18, Generic & Older Person shared ownership is also available for older people
Marriage & Civil Partnership	X				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.
Pregnancy and Maternity	x				Allocation procedures are non-discriminatory, fair, and equitable. Allocation is based on first come first serve basis, unless a priority group.

**An Equalities Impact Assessment must be conducted  
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Protected Characteristic	No impact	Negative impact	Positive impact	Information source/s **	Comments/evidence
Rural issue	x				No evidence
Socio-economic			x		The policy aims to ensure affordability and sustainable tenancy for the long term.

\*\* Possible information sources for assessing impact or understanding issues related to target group, such as:

- Demographic data, studies of deprivation, statistics on health etc.
- results of consultations, results of equality monitoring data, complaints, customer feedback
- Information collected from partner agencies and groups, support groups, professional expertise, 'peer review', project leads/teams, inspection reports etc.

**5. Does this proposal have any potential Human Rights implications?**

If yes, please describe (if necessary, please refer to the Alliance Homes Group Human Rights Policy)

There are no Human Rights Implications

**6. Does the SPPF promote equality of opportunity?**

Yes

**Was there a negative impact identified in question 4? If yes go to question 7. If not go to question 8.**

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**7. If “negative impact” identified in table (4) above is it?**

**Legal -**

YES	NO
HIGH	LOW

**What is the level of impact? -**

If it is not legal and/or high impact – (i.e.: if you have highlighted **NO** to legal and **HIGH** to impact, then the document should be referred to E&D Champions Group)

**8. If positive impact has been identified in table 4 above, how can it be improved upon or maximised, either in this SPPF or others?**

The key aim of the policy is to ensure that Home Ownership is achieved in a fair and consistent way.

**9. Full EIA (or if you decide full EIA is not necessary but some changes should be considered)**


- *Are there changes you could introduce which would make this SPPF work better for this group of people?*
- *Is further research or consultation required?*

**DETAIL THE ACTIONS PLANNED AND THE OUTCOMES EXPECTED FOR ALLIANCE HOMES GROUP CUSTOMERS AND/OR STAKEHOLDERS (These will be fed into CorVu for monitoring)**

- *Consider target dates, resources implications, regular monitoring and reviewing of working/progress sheet*
- *If you are assigning actions to other people, please consult with them first.*

<b>Action/s</b>	<b>Positive Outcome/s</b>	<b>Start date</b>	<b>End date</b>	<b>Owner</b>
<b>Collect Information on all buyers and record in to CX</b>	<b>Yes</b>	<b>January 2022</b>	<b>On going</b>	<b>Sales Team</b>

**An Equalities Impact Assessment must be conducted  
Alongside the review of an existing policy or the creation of a new one.**

<b>Review/new EIA</b> (date or timeframe)	7.2.22
Name of persons completing form	H Napierski
Date assessment completed	03/02/22
Name (and signature) of manager approving	
E&D Manager approval (signature)	 7/2/22