



## **Shared Ownership Policy**

**Approved: February 2021**  
**Review: February 2024**

## This policy applies to

- Link Group       Link Housing       Link Living       Link Property  
 Horizon       Larkfield       West Highland       Lintel Trust

## Policy Summary

The Shared Ownership Management Policy will make sure Link's stock of Shared Ownership properties is well managed in accordance with appropriate Scottish Government guidance, Link Policy and the terms of the Occupancy Agreements. References to Link in this document refer to all Link Group companies to which this policy applies, listed above.

## Equalities

There are no equalities implications from the policy. Affordability may be an issue for disadvantaged groups and the policy ensures that affordability assessments form part of the application criteria and that Advice Services are made available to sharing owners in financial difficulty. Appeals against Occupancy Charge increases are settled via an independent Valuer.

## Privacy

There are no specific privacy implications. The policy will be implemented in accordance with all related policy and procedures in relation to data protection and records management.

### Policy Owner

Group Commercial  
Director

### Review Manager

Head of Private Initiatives

### Approved By

Operational Management  
Group/SMG

### Revision History

Date	Version Number	Comments
27 October 2017	2	To bring the existing policy into the new policy template and refer to the Asset Management Strategy and applicable Scottish Government guidance.
January	3	To bring the existing policy on to the new policy template; to harmonise with Horizon and West Highland Housing Associations' policies; to enhance the debt recovery section; to simplify the assessment criteria, clarify insurance obligations and requirements on death of sharing owner; and to incorporate the previously separate Shared Ownership Buyback Policy.

## 1. INTRODUCTION

This policy has been devised to show how Link Group will operate and administer Shared Ownership arrangements. Link Housing Association Ltd, West Highland Housing Association Ltd and Horizon Housing Association Ltd (Horizon) manage Shared Ownership properties in mixed tenure developments. Link's Access Ownership properties are managed by Horizon on Link Group Ltd's behalf which is governed by a separate Access Ownership Acquisition and Management Policy.

Link Group Ltd is the overall parent company. Link Housing Association, West Highland Housing Association and Horizon will have access to resources available in the group to support their provision of high quality, cost effective services. References to 'Link' henceforth refer to all group members to which this policy applies, listed on page 2.

## 2. SCOTTISH SOCIAL HOUSING CHARTER, LEGAL AND REGULATORY FRAMEWORK

Link will ensure that the Scottish Government's Guidance is adhered to including:

HSGN 2014/06 which confirms that Non-United Kingdom nationals are eligible to apply provided they do not have a home elsewhere.

HSGN 2012/10 which confirms that purchasing equity in 10% bands (as opposed to 25% increments) is subject to the RSL's agreement; and that permission to let can be granted where owners require to work away for a limited period.

HSGN 2012/02 which covers the setting and reviewing of occupancy charges including a template Occupancy Charge Increase Letter and appeals process involving an independent Valuer; confirms permission to the sharing owner to let out the property could be agreed where the RSL has opted not to buy the property back, an attempt at direct onward sale by the RSL has been unsuccessful and the property has been on the open market for six months, with the mortgage lender's permission, approved Landlord Registration and annual review. It includes Post Sale Information guidance including template letters about purchasing additional equity at five yearly intervals and the expiry and renewal of Occupancy Agreements.

SHGN 2000/15 sets out the legal framework, Housing Association Grant rules and administrative guidance on Shared Ownership. The Scottish Social Housing Charter requires factored owners' satisfaction rates to be monitored.

## 3. PRINCIPLES

The following principles govern this policy:

- Link will manage and administer all Shared Ownership transactions and related business promptly, fairly and impartially.

- Link will carry out its obligations to sharing owners and lenders under the relevant Scottish Government guidance, Minute(s) of Agreement and the sharing owner's Occupancy Agreement. Link will use best endeavours to make sharing owners aware of their obligations and options.
- Link will collect the Occupancy Charge and carry out arrears processes in accordance with the applicable conditions in the Occupancy Agreement and Link Policy.
- Link will liaise with external agencies and lenders to ensure division and sale actions (repossession) are in accordance with the Occupancy Agreement, Scottish Government guidance and this policy.

## 4. OBJECTIVES

The objectives of this policy are:

- To ensure that existing Shared Ownership properties are well managed in accordance with the applicable Scottish Government guidance, this policy, and Occupancy Agreements.
- To facilitate the transfer of Shared Ownership properties when owners intend to sell their share.
- To facilitate increases in equity share from existing shared owners.
- To ensure that requests to buy back Shared Ownership properties are appropriately assessed and managed.

## 5. APPROACH AND METHOD

The Senior Management Group [SMG] in its formal approval of the policy acknowledges that it accepts full responsibility for its implementation. Day-to-day responsibility for the operation of this policy lies with the appropriate directors and managers of the Link group of companies. All relevant employees have a responsibility to ensure that this policy is applied as instructed.

Link through its legal advisors, will comply with all relevant Financial Services legislation and regulation.

### 5.1 Resale of Shared Ownership Properties

Sharing owners can sell their home or their share of the property at any time, after first informing Link in writing that they intend to do so.

Sharing owners must produce a current Home Report and offer Link the opportunity to buy back their share. Link will not normally exercise its right of pre-emption. A decision to buy back must be made and communicated to the sharing owner within 42 days otherwise Link is deemed to have agreed to a joint sale on the open market. If the right of pre-emption is being taken, Link must settle the sale within 8 weeks.

The separate Shared Ownership Buy Back Section of this policy outlines the limited circumstances in which Link will buy back Shared Ownership properties.

Sharing owners are responsible for selling their share of the property on the open market and associated costs. Details of such properties can also be added to Link's website upon request.

Sharing owners may request 100% sale of the property on the open market and any such requests would be referred to the Group Finance Director, in keeping with Link's Asset Management Strategy unless it has already been on the market for 12 weeks; or in the case of an RSL Group Member with the approval of the Senior Officer of that Group Member.

Any potential buyer of a Shared Ownership property must approach Link to be assessed through the criteria at 5.2 and 5.3 before progressing with the purchase.

If the assessment criteria are met, the applicant will be approved to proceed with the conveyancing.

## **5.2 Applications for Shared Ownership Properties**

Prospective sharing owners should submit a Shared Ownership application form to Link prior to making an offer to purchase. Applications will be considered promptly using the assessment criteria detailed at 5.3. Anyone to be named on the Title Deeds must be included on the application form.

Shared Ownership application forms will contain an appropriate Privacy Notice regarding the processing of personal and sensitive data.

Applicants must be at least 16 years of age (or 18 years where a mortgage is required). Applications made by a board member, former board member, staff member, and former staff members or closer relatives thereof, are subject to additional scrutiny by the relevant Group Member Board. Allocations to people from these groups must be approved by the Board as meeting all requirements of this policy and documented in accordance with the Housing (Scotland) Act 2001, Schedule 7.

## **5.3 Assessment Criteria**

When assessing applications, Link will investigate the applicant's financial standing and their ability to meet their combined housing costs. Link will endeavour to ensure that all applicants can financially sustain themselves in the Shared Ownership tenure. This selection process minimises the likelihood of a sharing owner falling into arrears with mortgage and/or Occupancy Charge payments and potentially losing their home through a legal action for Repossession or Division and Sale.

Applicants should have a minimum income of £15,000 per annum however exceptions can be approved by the relevant Director where sensible taking account of the following information which will be assessed for all applications:

- The monthly occupancy charge plus any mortgage payment must not exceed 40% of the applicants' gross income.
- If a mortgage is not being taken, the applicant must supply a credit reference from a provider of their choice; or 3 consecutive months' bank statements and references from their current or former landlord and / or employer.

#### **5.4 Marketing**

When marketing any Shared Ownership properties purchased by Link under the Shared Ownership Buy Back Section of this policy, Link will provide information about all associated costs including the Occupancy Charge, property valuation and factoring fees in addition to the Scottish Government's Information Leaflet for applicants.

#### **5.5 Increases in Share**

When a sharing owner requests to increase their share of the property's equity, Link will instruct a valuation and give the sharing owner the option to purchase additional equity, based on the current market valuation, in accordance with the Occupancy Agreement and Scottish Government guidance. The sharing owner will be responsible for the cost of this valuation and for their own legal costs. Link will amend the occupancy payment according to the new Occupancy Agreement.

Link will write to remind owners that they can purchase additional equity every five years from the anniversary of commencement of their Occupancy Agreement.

#### **5.6 Repairs and Maintenance**

Sharing owners will be responsible for all internal and external repair costs and ongoing maintenance. If a factoring service is provided by Link or an external party, sharing owners will be responsible for paying the accounts for services carried out in the common areas in accordance with a published Written Statement of Services.

#### **5.7 Occupancy Charge**

The Occupancy Charge will be set in accordance the applicable Rent Policy and the applicable Scottish Government guidance, and is payable monthly in advance by standing order or direct debit. This Occupancy Charge is reviewed annually and any changes advised in accordance with the notice within Scottish Government Guidance. When calculating this charge, Link will also take into account the fact that the sharing owner is responsible for meeting the cost of all repairs and maintenance.

Disputes and appeals about Occupancy Charges will be handled in accordance with the Occupancy Agreement and Scottish Government guidance with reference to an independent Valuer where appropriate.

#### **5.8 Prevention of Arrears and Management of Debt**

Any Occupancy Charge arrears will be notified to sharing owners promptly, in writing, with payment options. Any sharing owners with arrears or potential debt issues will

be signposted to appropriate advice providers including the in-house Advice Service. Welfare benefits may be available to sharing owners who qualify due to low income.

Should arrears persist, available debt recovery options will be promptly identified and taken in line with procedures and legal advice. Sharing owners will be notified promptly in writing of the actions intended and taken, which can include (but may not be limited to):

- Referral to external solicitor and/ or debt collection agencies
- Summary Diligence if there is a relevant clause in the Occupancy Agreement and it has been registered in the Books of Council and Session
- Arrestment of Earnings
- Arrestment of Debtors' Bank Account after Court Decree

**Repossession** - Link will initiate repossession as a last resort after all other debt recovery options are exhausted. Either Link or the mortgage lender can initiate a repossession action if a default in payment occurs. In both cases, either party will make a request to the other in the repossession action. In cases of default by the sharing owner (whether by non-payment of occupancy payment or mortgage or otherwise), Link will consider along with the bank or building society (lender) methods of providing advice and debt counselling to the sharing owner including the possibility of re-negotiating terms of mortgage repayment, claiming benefits and tax allowances and general budgeting. If an occupancy payment is in arrears and the debt recovery attempts have failed, Link can warn the sharing owner that it intends to inform the lender of the position. If there is no subsequent reduction in the level of arrears, the lender can be informed. Non-payment of the occupancy payment is default under the lender's security. In each case the lender and Link (and where possible the sharing owner) are required by Scottish Government guidance to seek to agree the course of action to be followed. Once repossession action is completed, the property will be sold on by either party as agreed. Link will notify the Scottish Government in accordance with the applicable guidance and if Link is marketing the property, it will do so at the earliest opportunity to minimise the accrued arrears (which would be deducted from the proceeds of sale).

## **5.9 Requests for Alterations**

Any requests for alterations within Shared Ownership properties will be dealt with in accordance with the Occupancy Agreement and not unreasonably withheld. The sharing owner is responsible for carrying out any approved alterations. Sharing owners may be entitled to a Local Authority grant for adaptations.

## **5.10 Requests to Let**

Applicants must intend to use the property as their sole residence. Any requests to let out Shared Ownership properties (via long term or short term holiday lets) will be assessed at the point of request and thereafter reviewed annually in accordance with the Occupancy Agreement and Scottish Government guidance. Requests can be approved only where a) the sharing owner requires to work away from home for a limited period; or b) the sharing owner has been unable to sell and Link has opted not to buy the property back; an attempt at direct onward sale by Link has been unsuccessful and the property has been on the open market for six months.

Additional criteria also apply including mortgage lender's permission and Landlord Registration.

### **5.11 Expiry of Occupancy Agreements**

Link will write to sharing owners around 12 months prior to the expiry of the Occupancy Agreement to offer to renew the agreement, in accordance with Scottish Government guidance and associated template letter. When entering into a new Occupancy Agreement, the sharing owner is responsible for meeting their own costs (including Link's own reasonable administrative costs) together with all registration costs. If a sharing owner does not enter into a new Occupancy Agreement with Link then the property can be sold to a third party. It would be open to both parties to mutually agree other arrangements, such as extending the agreement for a further period. Exclusive Occupancy Agreements will be registered in the Books of Council and Session when renewed to protect Link's interests in the event of needing to recover debt.

### **5.12 Insurance**

Sharing owners are obliged to have buildings insurance in place, to the full reinstatement value of the property, in accordance with the title deeds and Occupancy Agreement which in some cases requires to be via Link's factoring service or an external factor.

### **5.13 Death of Sharing Owner**

The Occupancy Agreement terminates immediately on the death of the Sharing Owner. Link can purchase the remainder of the property or agree to enter with the Executors in a joint sale of the property or allow them to sell their share on the open market. Link must serve a notice on the Executor within 42 days if it wishes to purchase, failing which it will be deemed they have agreed to join with the Sharing Owner in the sale of the Property. The occupancy charges and any other costs incurred during the period in between the sharing owners' death and the sale of the share will be met from their estate at the conclusion of the sale. Any decision in relation to purchase will be made in line with the separate Shared Ownership Buy Back section of this Policy.

### **5.14 Shared Ownership Buy Back**

Situations when a buyback may take place are determined by the terms of the exclusive occupancy agreement and Scottish Government guidance.

Link will principally aim to support sharing owners who find themselves in financial hardship and unable to maintain their occupancy as a sharing owner by reviewing their suitability for a buy back.

Link will only exercise a buyback with approval of the Group Finance Director if a sound business case can be established in accordance with the operating procedures and taking account of:

- alternative options;
- availability of funds for the purchase and all foreseeable costs;

- future receipts from onward sale and/ or rental
- whether the acquisition will help meet business objectives.

Priority consideration for buy back will be given to sharing owners in the following categories:

- a) Those in immediate danger of losing their home due to an irrecoverable mortgage default or unsustainable debt with no realistic prospect of increasing their income, in order to remain in the property as a tenant;
- b) The surviving partner, spouse or parent following the death of a joint sharing owner if the survivor is unable to maintain mortgage payments;
- c) A sharing owner who wishes to remain in the property having been subject to domestic violence and the violent partner has left the property;
- d) Sharing owners with increasing disability or serious health problems. The share may be repurchased to facilitate a move to a more suitable property or to enable the sharing owner to become a tenant and access any necessary adaptations;
- e) At the expiry of the 20 year shared ownership agreement.

Link's Operating Procedures will ensure we will:

- Assess risk in relation to both individual and cumulative buybacks;
- Evaluate applications for buyback promptly and present proposals or a final decision to the sharing owner as soon as practicable.
- Ensure sharing owners have explored a range of options prior to requesting Link buy back their share (including where applicable, any Government-funded support such as the Mortgage to Rent scheme); and that they are directed to Link's in-house Money and Welfare Rights Advice Service and/or external advisors, where appropriate. This includes assessing potential affordability of future rent.
- Carry out a technical assessment of the property to ensure that it meets the Scottish Housing Quality Standard or that any upgrading to meet the same can be accounted for in the financial appraisal;
- Apportion the cost of legal fees in the transition from owner to tenant in accordance with the Occupancy Agreement.
- At the end of any tenancy following a buyback, review relative demand for the property from prospective tenants and sharing owners in order to determine the future tenure type. In the case of isolated properties under Link's management, consideration will be given to selling the property outright.

## 6. MONITORING OF THE POLICY

The following areas will be subject to monitoring on a regular basis:

- Adherence to policy requirements and procedures
- Risk levels
- Provision of training and / or information to staff
- Expenditure, income and arrears monitoring.

These areas will be monitored by appropriate Managers within Link and reported on regularly to the relevant group member's Senior Officer. If any significant issues of concern arise these will be dealt with by the Senior Officer who will report such matters to his/her Board if the matter remains unresolved. Any matter which demonstrates a serious failure of internal controls should also be reported immediately to the Group Director of Corporate Services.

## **7. COMPLAINTS AND APPEALS**

Link welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. We use a complaints handling procedure (CHP) developed by the Scottish Public Services Ombudsman (SPSO) and the Scottish Housing Regulator.

The CHP allows for most complaints to be resolved by front line staff within a five day limit (first stage), or if the complaint is complex, a detailed investigation will be made by a manager within a 20 day limit (second stage). At the end of the second stage our response will be made by a director. If the customer remains dissatisfied he/ she may then refer the matter to the SPSO.

If a sharing owner is dissatisfied with Link's factoring service after using the CHP, the complaint may be referred to the First-tier Tribunal for Scotland (Housing and Property Chamber).

Anyone receiving care or support service from us has the right to complain either direct to the Care Inspectorate or to us.

At each stage Link will advise the customer how the complaint should be taken forward, and advise which agency would be most appropriate to consider the case.

## **8. POLICY AVAILABILITY**

A summary of this policy can be made available in a number of other languages and other formats on request.

## **9. POLICY REVIEW**

Link undertakes to review this policy regularly, at least every three years, with regard to:

- Applicable legislation, rules, regulations and guidance
- Changes in the organisation
- Continued best practice

## Privacy Impact Assessment Screening Questions

Carrying out a Privacy Impact Assessment [PIA] will be useful to any project – large or small – that:

- Involves personal or sensitive data about individuals
- May affect our customers' reasonable expectations relating to privacy
- Involves information that may be used to identify or target individuals

Please tick the applicable statement(s) below. Will your project involve:

1. A substantial change to an existing policy, process or system that involves personal information  Yes  No
2. A new collection of personal information  Yes  No
3. A new way of collecting personal information (for example collecting it online)  Yes  No
4. A change in the way personal information is stored or secured  Yes  No
5. A change to how sensitive information is managed  Yes  No
6. Transferring personal information outside the EEA or using a third-party contractor  Yes  No
7. A decision to keep personal information for longer than you have previously  Yes  No
8. A new use or disclosure of personal information you already hold  Yes  No
9. A change of policy that results in people having less access to information you hold about them  Yes  No
10. Surveillance, tracking or monitoring of movements, behaviour or communications  Yes  No
11. Changes to your premises involving private spaces where clients or customers may disclose their personal information (reception areas, for example)  Yes  No

*If you have answered 'Yes' to any of these points, please complete a full Privacy Impact Assessment. If you have answered 'No', you need take no further action in completing a Privacy Impact Assessment.*

## Equality Impact Assessment Screening Questions

Will the implementation of this policy have an impact on any of the following protected characteristics?

- |                                   |                              |  |
|-----------------------------------|------------------------------|--|
| 1. Age                            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Disability                     | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Gender reassignment            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Marriage and Civil Partnership | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 5. Pregnancy and Maternity        | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 6. Race                           | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 7. Religion or belief             | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 8. Sex                            | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 9. Sexual orientation             | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

*If you have answered 'Yes' to any of these points, please complete a full Equality Impact Assessment. If you have answered 'No', you need take no further action in completing an Equality Impact Assessment.*