



Access Ownership Acquisitions and Management Policy

**December 2020
December 2023**

This policy applies to

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

Policy Summary

The policy sets the objectives and principles for the Access Ownership programme – a unique approach to enabling disabled households to find or stay in a home suitable for their needs, and operating with no government subsidy. It covers the eligibility criteria for the scheme, partnership arrangements, and the decision making and financial frameworks which support implementation of the scheme

Any reference to “Link” includes all partner organisations within the group to which this policy applies. Where specific posts are mentioned, the equivalent in each of the partner organisations should be substituted.

Equalities

An Equalities Impact Assessment has been carried out. The programme targets housing inequalities for disabled people and their families.

Financial eligibility criteria integral to the programme design means that it is not open to all: it is an additional option, not a replacement one..

Privacy

A privacy impact assessment has been carried out and this policy fully complies with the Data Protection Act 1998 and Link’s Data Protection Policy

Revision History

Date	Version Number	Comments
December 2020	2	

Policy Owner
Chief Executive – Horizon
Housing

Review Manager
Head of Housing - Horizon
Housing

Approved By
Horizon Board

1.0 INTRODUCTION

Link Group's [Link] overarching aim is to improve lives. Horizon's purpose is to promote and provide affordable housing and services that enable people, irrespective of impairment, to live full independent lives in the community of their choice.

Link, is aware of the particular barriers experienced by disabled people and their families in accessing suitable housing. Disabled people are disadvantaged in the housing market for a number of reasons, including difficulties in accessing the type of property required in the area where they need or want to live, and face additional financial barriers.

Originally operated by Link and Housing Options Scotland, Horizon has further developed the Access Ownership model such that each element can be tailored to individual circumstances to assist disabled people and their families to overcome barriers to accessing suitable housing in the owner occupied sector. This is a shared ownership scheme with a difference: it is entirely financed by investment by Link and the sharing owner or family on their behalf. The approach offers more flexibility and choice of property type, level of share purchased, and services included in the occupancy agreement than traditional grant aided shared ownership. The scheme also lends itself, for lower priced properties, to individual house purchase for rent.

This policy sets out the objectives and principles of the scheme and the policy for its implementation and further development.

2.0 PRINCIPLES

The following principles govern the operation of this policy:

Link and Horizon's vision and values have led to the development and support for the scheme, and this policy is governed by a set of principles:

Accessibility: The scheme is open to any disabled person or household that contains a disabled person, with simple, easy to understand eligibility criteria; and simple referral routes.

Adaptability: The scheme is designed to adapt to individual household needs and circumstances; properties purchased under the scheme will be suitable or adaptable (at affordable cost) to meet the applicant's needs in the short and medium term.

Affordability: This is an ownership project where financial risks are shared between Link and the sharing owner. A key part of the financial appraisal process is consideration of the short and long-term affordability of the occupancy charge, of reasonably predictable maintenance costs, and of Link's capacity to make the

financial investment. Link will not approve a purchase where this principle cannot be demonstrated.

Person-Centred: Working with Housing Options Scotland and other housing advice and advocacy services, Link will work in a person-centred way with applicants. This means actively listening to their needs and aspirations, being clear about the options available and any constraints on these, and working with the client to tailor the agreed property specification, service offer and property share to their particular circumstances.

Fair: By definition this scheme is varied to suit individual needs and requirements. Link aims to be consistent in deciding eligibility and to financial and property appraisal and is open to challenge if any applicant thinks our decision is unfair or inconsistent.

Sustainability of the arrangement: Link aims to support Access Ownership sharing owners with maintenance of their home, and with managing the financial commitments of home ownership. Link will offer advice and assistance with benefit claims, and with carrying out minor and major repairs within the financial provisions agreed at the outset. Where a disabled person or household lives in a property adapted for their needs and is at risk of losing this, Access Ownership may offer a solution.

Self financing: This scheme operates outside traditional housing models and social housing finance models. A full cost recovery approach will be applied to providing the resources required for administering and managing the scheme at each stage

3.0 OBJECTIVES

The objectives of this policy are to ensure that:

- The design of the scheme and its principles are set out for any prospective partners or funder.
- Levels of delegation to staff are clear.
- The decision-making framework, including eligibility criteria, financial and property assessment, is set out and can be shared with partners and prospective sharing owners.
- The basis for financial assessment protects Link and prospective sharing owners from undesirable levels of financial risk.
- The scheme is operated consistently with Link's vision and strategic objectives.

4.0 APPROACH AND METHOD

4.1 Applications for the scheme

Applicants to the scheme will complete an Access Ownership application form, providing information required to assess eligibility and feasibility of an individual house purchase.

Link will work in partnership with Housing Options Scotland, and other housing advice and advocacy services, to promote the scheme and to ensure that all applicants for the scheme have benefited from a full housing options appraisal, prior to or in tandem with assessment of eligibility for and suitability of the Access Ownership scheme. In any case where it is clear that the applicant has not had the benefit of a full housing options appraisal, the applicant will be referred to Housing Options Scotland or alternative suitable advice provider in the first instance.

4.2 Eligibility criteria

Eligibility for the scheme will be assessed by reference to simple eligibility criteria is as follows:

- Person or member of the family/permanent household is in receipt of DLA/PIP or other recognised disability benefit or is over pensionable age with a housing need resulting from age or health-related condition.

and

- Person or family requires housing more suitable for their needs as a disabled person than where they live now; *or* person/family lives in housing adapted or otherwise particularly suitable for their needs as a disabled person and is at risk of being forced to move to less suitable accommodation.

and

- The person or family has or can access sufficient funds to cover the start-up costs including project management and administration, legal and survey costs and, if applicable, Land and Buildings Transaction Tax. (This may be achieved by adjustment to the equity share arrangement depending on financial appraisal.)
- The person or family has or can access sufficient funds to purchase a minimum 25% share of a property. These may be from:
 - A traditional mortgage
 - Savings

- Family funds
- Equity from the sale of the applicant's current property
- A combination of the above

4.3 Property selection and assessment

Before approving a purchase, Link will ensure that the location of the property can be accommodated within our management arrangements and that the property size, type and condition is appropriate for the needs of the disabled person or people in the household and for the rest of the family; or that it can be adapted or improved within financial constraints. This assessment will consider short and medium-term needs, and the impact of property condition or construction on immediate, medium and long-term asset management requirements and costs.

4.4 Financial and affordability appraisal

Link are not permitted to provide advice on financial products, the applicant must ensure that any mortgage or funding advice is from a regulated firm. Regulated firms can be checked through the Financial Conduct Authority (FCA) and their Financial Services Register.

Financial assessment and appraisal will be carried out at several different stages in the progress of a project to minimise the risk of a purchase proceeding which is not affordable to the applicant or Link over the medium term.

- A first appraisal will be carried out when an application is received and accepted to establish the likely financial investment required by both parties and confirm this is acceptable and affordable at that point. This will involve appraisal of the affordability of the proposition in terms of initial capital purchase, reasonableness and affordability of the consequent occupancy charges, and affordability of the upkeep of the property.
- A second appraisal will be carried out when a property has been identified and inspected, again requiring confirmation from both parties that this is acceptable and affordable at that point.
- A third appraisal is carried out immediately prior to an offer to purchase.

The financial appraisal process will include:

- Equity stakes will be calculated on the total capital and ancillary costs that need to be funded from the equity contributions of both parties, including, where applicable, project management and administration, legal and

survey costs and the costs of any required or projected improvement or adaptation works to properties.

- If investment is required in the property which will not be reflected in an adjusted valuation, then the value for the purposes of calculating the equity stakes shall be set as the valuation less the estimated works costs.
- The minimum equity stake for Link will be 25%.
- The maximum equity stake for Link will be 75%.
- Between these parameters, the equity share will be set such that the applicant purchases the maximum affordable share, which may be any level between 25% and 75%
- The required occupancy charges to meet the investment costs plus management and maintenance charges shall be no greater than the relevant local housing allowance figure which would otherwise apply to the household. Link will carry out a risk assessment on the sustainability and affordability of the required occupancy charge by reference to housing benefit/Universal Credit eligibility and/or the applicant's financial situation and other circumstances.
- The maximum amount of investment per property shall be £100,000. It is acknowledged that this limit may mean the scheme cannot meet the needs of some applicants.
- In exceptional cases, should an investment of more than £100,000 be proposed, or an occupancy charge in excess of the LHA figure is proposed, the case for this shall be the subject of a separate assessment report and will require the approval of the Head of Housing and the Group Finance Director.

4.5 Tenure and ownership arrangements

The default tenure for the Access Ownership scheme will be shared ownership, generally with the occupiers. Where legal capacity of the occupier presents a barrier, the shared ownership and occupancy arrangements may be considered separately, accommodating arrangements with Trusts or relatives. Individual circumstances may mean that although a project is financially feasible there are legal or other barriers to shared ownership. Subject to meeting all financial appraisals, a property may be purchased for rent under a Scottish Secure Tenancy and let at a rent level which shall not exceed the local housing allowance.

4.6 Authority to purchase

The scheme has a limited budget, which will be set as part of the annual budget approval process at the start of each year and reviewed during the year. At any point during the year, Link reserves the right to close the scheme to further applications, and to suspend activity on the scheme.

Where capital funds are being made available by Link, Horizon will manage all aspects of the project appraisal and purchase on Link's behalf. Link will become the sharing owner and Horizon will be its Managing Agent.

Offers to purchase **must** be authorised by a member of the Executive Team (Head of Housing or Chief Executive), following review of the financial appraisal and supported by confirmation by Horizon's Finance Business Partner/Link's Group Finance Director that funds are available to complete the purchase.

4.7 Setting and review of occupancy and service charges

This scheme does not receive any government subsidy. To run the programme, Link will charge a project administration fee, including legal costs. This charge, which may be reviewed from time to time, contributes to the cost of staff time working with the applicants to ensure they get the right home for their needs, including managing any repairs or adaptations needed before they can move in.

An occupancy charge will be levied comprising a 'basic charge', a management charge and service charges.

The basic charge will be calculated to cover the costs of Link's loan or investment, and is based on the capital investment times, the long term loan interest rate or 5% whichever is highest rate at the time of purchase. The basic charge is calculated at the outset and is not changed throughout the ownership term.

The management charge is a fixed amount and is intended to cover the cost of the ongoing management of the property and is reviewed annually.

Service charges are separate from the rent and calculated in a different way and are intended to pay for the actual costs or to ensure a provision is made for :

- Essential day to day repairs
- Annual servicing of the central heating system and any repairs to it
- Cyclical repairs (such as external redecoration)

- Planned or major repairs or improvements
- Buildings Insurance

These costs shall be set initially based on technical appraisal and thereafter reassessed annually for each property based on known information about the property condition, location and experience of costs. Services and charges may be varied in discussion with individual owners to suit particular circumstances, owner or property.

Where there are insufficient funds to support required or desired repairs or improvements, equity levels may be adjusted by agreement, subject to Link's revised share not exceeding 80% of the original property value.

Management charges will be increased each year by the same % as agreed following the rent review.

Other service charges such as building's insurance will increase annually to reflect the actual amount spent or anticipated spend on reactive and planned repairs. Any surpluses on maintenance service charge income will be transferred into a sinking fund for future works held on the sub account for each individual property. These will not be interest bearing and will be reviewed annually by the Asset Manager and the Finance Business Partner.

Where funds accrue without plans for expenditure in the following five years, a fresh stock condition survey will be carried out to establish if the maintenance service charge should be maintained or reduced. Decisions on reductions or other significant adjustments to charges will be made in conjunction with the Asset Manager and Finance Business Partner.

4.8 Property sales and equity return

If the property increases in value over time and is sold, the shared owners will benefit in accordance with their share of the property. If the property falls in value, the shared owner's mortgage will be paid off first, followed by the value of Link's loan or investment and finally any investment by the shared owner or their family.

If requested, Link will sell the property on behalf of the shared owner and assist them to buy a replacement if they so wish. This will be treated as a new transaction, with legal costs, survey and valuation fees, and project management and administration charges included in the new transaction financial appraisal.

Where Horizon or Link make a capital return, this shall be returned to Horizon for properties that were originally purchased by Horizon and will be returned to the general reserves. For Link owned properties the Group Finance Director will decide how best to allocate any proceeds.

4.9 Property adaptation or improvement

Sharing owners will need permission from Link to carry out any adaptation or improvement which could affect the property value. Where applicable, Link may help with adaptations grant applications, identifying funding routes and project management of works. Link will need to be paid for this work, as it can involve significant time and commitment and this will be agreed with the owner before any work is carried out on their behalf. A one-off administration fee of not more than 1.5% of the works costs or £1,000 whichever is the highest will apply.

4.10 Policy Implementation

Link Group and Horizon Boards, in formally approving this policy, acknowledge that full responsibility for its implementation. Responsibility for the operation and monitoring of this policy is delegated to Horizon's Executive and Management Team.

The policy will be implemented through:

- A range of internal control systems operated by Horizon to minimise the risks of individual property acquisitions.
- Maintaining partnerships with Housing Options Scotland and organisations of and for disabled and older people in order to promote and obtain support for the scheme.
- Promotion of the scheme to health and social care partnerships in terms of this potential housing contribution to integration.
- Supporting procedures which ensure relevant staff are aware of their responsibilities and obligations.
- Monitoring adherence to policy requirements.

5.0 Default of Occupancy Charge payments and Debt Recovery

- 5.1** If an owner defaults on payments and accrues arrears, staff will get in touch with the owner promptly to discuss and offer an affordable repayment agreement where appropriate. Owners will also be signposted to in house advice services for advice and assist, and where necessary, signposted to other sources of debt advice.

5.2 Legal action to recover debt will only be taken as a last resort however, where the owner fails to engage or does not maintain agreed payment agreements, Link will undertake debt recovery in line with the provisions contained in the owner's Exclusive Occupancy Agreement.

6.0 MONITORING, PERFORMANCE MEASUREMENT AND REPORTING

Horizon's Board will receive reports of Access Ownership acquisitions and outcomes within half-year and end-of-year Business Plan monitoring reviews.

An annual review of the Access Ownership programme will be provided, including equalities monitoring, to the Horizon Board.

An annual review of the financial position of the programme will be provide to Horizon's Board and Link's Group Finance Director as part of the annual capital budgeting process.

7.0 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.

The SPSO does not normally review complaints about our factoring service. If a factoring customer is dissatisfied after using the CHP, the complaint may be referred to the Homeowner Housing Panel.

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

This policy is available on request free of charge from Link. 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 within three years to take into account changes in applicable legislation, rules and guidance, changes in the organisation and continued best practice.

The review will be led by Horizon's Head of Housing, in conjunction with the other partner landlords.

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:

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

- 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) protected characteristics? Yes No

- | | | |
|-----------------------------------|---|--|
| 1. Age | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Disability | <input checked="" type="checkbox"/> Yes | <input 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.