

FORTH HOUSING ASSOCIATION LIMITED

NEW SUPPLY SHARED EQUITY POLICY

Governance: Housing Management

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Shared Ownership HM 17
Factoring HM 08



This document can be made available in various formats such as in larger print, audio-format and Braille. It can also be made available in other languages, as appropriate.

Policy Summary

This policy has been developed to show how Forth Housing Association deal with applications to buy properties through the New Supply Shared Equity (NSSE) scheme.

Equalities

There is no requirement to do a full Equality Impact Assessment.

Privacy

There is no requirement to do a full Privacy Impact Assessment.

Policy Owner

Name: Mareta Greig

Date of Next Review: September 2026

FORTH HOUSING ASSOCIATION LIMITED

NEW SUPPLY SHARED EQUITY POLICY

1.0 Introduction

- 1.1 New Shared Equity is a scheme supported by the Scottish Government to help people on low incomes who wish to own their own home but who cannot afford to pay the full market price.

Grants are given to Housing Associations to build new homes specifically for New Shared Equity. The scheme allows the prospective home owners to buy an initial share in the property (between 60% - 80%), with the Government retaining the remainder.

2.0 General Principles

- 2.1 The NSSE scheme is available across Scotland. It's open to first-time buyers and these priority access groups:

- people aged 60 and over
- social renters (people who rent from the council or a housing association)
- disabled people
- members of the armed forces
- veterans who have left the armed forces within the past two years
- widows, widowers and other partners of service personnel for up to two years after their partner lost their life while serving

The NSSE scheme is also available to people who have previously owned a home and have experienced a significant change in circumstances – for example, a marital breakdown.

3.0 Aims and Objectives

- 3.1 The main aims of the policy are as follows:

- (a) To establish a clear, impartial and comprehensive system of processing all applications in respect of New Shared Equity.

- (b) To take into account relevant Legislation and Scottish Government Guidance.
 - (c) To make best use of the Association's New Shared Equity stock.
 - (d) To enable houses to be conveyed quickly and efficiently, reducing the incidence of incurring unnecessary costs.
- 3.2 The Association will aim to give priority to applicants whose total household income is such that they could not afford to buy a suitable new property in the normal way. The Association will follow the procedures set by the Scottish Government in the document New Supply Shared Equity Scheme Administrative Procedures.
- 3.3 Within the above category, the Association will aim to give particular priority to:
- (a) First-time buyers (this may include applicants who were joint owners of property but are being forced to sell because of marriage breakdown etc).
 - (b) Public Sector Tenants i.e. applicants renting property owned by Local Authorities and Housing Associations.
 - (c) Public Sector Applicants i.e. those on the waiting list of the above landlords.
 - (d) Armed Services Personnel i.e. personnel due to leave within the next year or those who have already left

4.0 Policy Framework

Access to New Shared Equity

- 4.1 Forth's New Shared Equity housing list is open to anyone aged sixteen or over. Applicants will complete Forth's New Shared Equity application form.
- 4.2 Applications will be acknowledged in writing. Acceptance onto the list does not in any way guarantee an offer of New Shared Equity housing.
- 4.3 Applications will be accepted from anyone wishing to apply for a home under the New Supply Shared Equity (NSSE) scheme. However, those not in any of the above categories may be accorded lower priority as their present housing circumstances will be taken into account when their applications are assessed. It should also be noted that applicants who already own or part own a residential property will not be eligible for consideration for New Shared Equity until they

have sold or relinquished their interest in that property.

- 4.4 Applicants under consideration will be asked to pay a non-returnable deposit of £500.
- 4.5 Where there is more than one applicant for a property and they fall into the same priority category, the Association will enter all applicants into a ballot and a supervised draw will be made by a representative from the Management Committee and the Tenant Services Team. The number of allocations will be reported to the Management Committee.
- 4.6 The Association reserves the right to make any enquiries it considers necessary to establish confirmation of information given in applications. Allocations will be preceded by an office or home interview to confirm the housing circumstances of the applicant.

Size of Dwelling

- 4.7 Forth Housing Association aims to ensure that there is no statutory overcrowding or gross underoccupation in its housing.
- 4.8 Applicants will be asked to tell the Association the size of dwelling they would prefer. However, each person should have their own single bedroom except in the following circumstances:
- (a) A couple living as partners sharing a double bedroom.
 - (b) Two children under ten sharing a double bedroom.

Bedrooms can be doubles or singles. Forth Housing Association will take this into account and will not allocate dwellings to applicants where there would be more people, than the number of bedspaces. For example, a three person family would not be allocated a house with only two single bedrooms.

Responsibilities

- 4.9 Much like purchasing any other home, home owners will be responsible for paying the associated bills including the mortgage, council tax, utility bills and any factoring fees. Homeowners will also be responsible for furnishing the home, undertaking repair work and organising their own building and contents insurance.

Repaying the Share

- 4.10 Homeowners are able to increase their share upwards, also known as 'tranching up' at any time after the purchase of the property. Homeowners must however tranch up at a minimum 5% share each time. A share cannot be reduced. If a property is sold, the Government will recover its share of the sale value of the property at that time.
- 4.11 Homeowners cannot choose the level of share in a property they wish to buy as the exact share will normally be determined by the maximum mortgage obtained, together with the level of savings which can be contributed, under guidelines set by the Scottish Government.
- 4.12 In certain circumstances, the Scottish Government via the RSL will be allowed to keep a 20 per cent stake in the property. This is known as the 'golden share'. This applies in areas where there are fewer affordable homes. This ensures the property cannot be re-sold outright and can be made available to others wishing to move into home ownership.
- 4.13 Where homeowners wish to purchase an additional share in the property, they will be responsible for covering all costs in relation to this, including costs which will be chargeable to the Scottish Government.

Selling your property

- 4.14 Homeowners can sell the property at any time on the open market, however will be expected to re-pay the equity stake to the Scottish Government.
- 4.15 Homeowners should contact Forth Housing Association if they wish to sell the home in the first instance. Once a home report has been obtained, the property can be marketed.
- 4.16 If an offer on the property is received which is less than 95% of the market value, the homeowners will be required to obtain permission from the Scottish Ministers before accepting such an offer.
- 4.17 Homeowners are due to repay the current percentage share of the final selling price i.e. if the share was 20% then it will be 20% of the selling price not the initial purchase price.

Subletting

- 4.18 Subletting will not be permitted in any circumstances, and if homeowners are found to be subletting, this will be a breach of the shared equity agreement and enforcement action could be taken.

Home Improvements

- 4.19 If homeowners wish to undertake minor improvements to their home such as kitchen or bathroom replacement works this can be done without prior permission. However, if they wish to undertake more extensive home improvements, homeowners should contact Forth Housing Association to discuss this in more detail prior to commencing works.

Changes to the Agreement

- 4.20 If a homeowners wishes to add someone to the agreement, please contact Forth Housing Association in the first instance for advice on how to progress this.
- 4.21 If a homeowners wishes to remove someone from the agreement, they should contact their mortgage lender and solicitor in the first instance to discuss their position. They should then contact Forth Housing Association to advise.
- 4.22 Any costs associated with making changes to the agreement will be met in full by the homeowner.

Re-mortgaging

- 4.23 If a homeowner wishes to re-mortgage, i.e. change lender and not make an application for additional borrowing, they must inform both Forth Housing Association and the Scottish Government as consent is required.
- 4.24 If a homeowner wishes to re-mortgage and add more borrowing, they must contact Forth Housing Association to advise and seek permission/advice on the next steps.
- 4.25 Re-mortgaging can only be on a re-payment basis and not on an interest only basis.
- 4.26 Any costs associated with re-mortgaging will be met in full by the homeowner.

Financial Difficulties

- 4.27 If homeowners are facing financial difficulties they should contact their mortgage lender in the first instance. They can also contact Forth Housing Association where we can refer onto Citizens Advice Bureau for debt advice.

Appeals against the New Shared Equity Allocations Policy

- 4.28 Any applicant wanting to appeal against a decision taken in line with this policy should make their complaint in writing to the Director stating the grounds of their appeal. Appeal cases will be dealt with in line with our complaints policy.

5.0 Monitoring of the Policy

- 5.1 The Management Committee will review this policy at least every 3 years and staff are responsible for ensuring that it meets legal and good practice requirements.
- 5.2 The Head of Tenant Services will monitor and report the application of this policy through our quarterly performance reports.

6.0 Complaints and Appeals

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

The complaints procedure 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.

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

7.0 Equalities

- 7.1 Equality and diversity underpin all our activities and services. When delivering our services, we never discriminate on the basis of sex or marital status, race, disability, age, sexual orientation, language, social origin, or of other personal attributes, including beliefs or opinions such as religious beliefs or political opinions. Full details of our Equalities Policy can be found on our website www.forthha.org.uk or can be obtained from our office.

8.0 Data Protection - Privacy

- 8.1 We recognise the importance of data protection legislation, including the General Data Protection Regulation, in protecting the rights of individuals in relation to personal information that we may handle, use and disclose about them, whether on computer or in paper format. We will ensure that our practices in the handling, use and disclosure of personal information as part of the processes and procedures outlined in this policy comply fully with data protection legislation. More information is available from our Data Protection Officer

9.0 Availability

- 9.1 This policy is available on our website and can be made available in a number of other languages and other formats on request.

10.0 Review

- 10.1 This policy will be reviewed at least every 3 years by the Management Committee and staff are responsible for ensuring that it meets legal and good practice requirements.

Appendix 1 Equality Impact Assessment Screening Questions

Forth Housing Association Ltd Equality Impact Assessment Screening Questions

Shared Equity

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

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

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

Appendix 2 Equality Impact Assessment Screening Questions

Forth Housing Association - Privacy Impact Assessment

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.