

Home Ownership policy

1.0 Introduction

1.1 The purpose of this policy is to set out how the Wrekin Housing Group (the 'Group') will market and sell shared ownership (including Rent to Buy) properties purchased under the Right to Shared Ownership, low cost and affordable home ownership properties under its Inreach brand.

2.0 Policy Statement

2.1 The primary aim of this policy is to ensure that the Group develops and offers a range of home ownership products to meet the diverse needs of potential customers. In doing so, the different products need to be managed to ensure that the properties are financially viable for the Group while offering effective tenant sustainability.

2.2 The Home Ownership Policy aims to meet the following objectives:

- To meet local housing need and to offer customers and tenants a range of housing options for affordable home ownership;
- To ensure that homes are promoted and sold openly and fairly without discrimination and in accordance with any relevant planning conditions or Local Authority Affordable Housing Policy;
- To provide good quality homes built to a high standard
- To ensure that the Group meets its obligations to provide a route to home ownership through the Right to Share Ownership set out by the Government.

2.3 This policy was produced in conjunction with Right to Acquire, Right to Buy, Right to Shared Ownership and Rural Exemption tenancy policies and procedures.

3.0 Policy Scope

3.1 This policy applies to Group tenants who live in an In-Reach / Shared Ownership (including Rent to Buy) property, a property that is subject to the right to shared ownership and prospective Group tenants.

4.0 Definitions

4.1 In-Reach – the Group's brand name for shared ownership. Inreach is an intermediate affordable tenure that allows people the opportunity to rent a shared ownership property on a weekly periodic 'Assured Shorthold' tenancy agreement, initially on an 80% market rent with a contractual commitment to purchase an initial 25% share of the property within a period of 3 years.

4.2 Shared Ownership - an alternative to renting and full ownership allowing the occupant to buy equity shares in the property ('staircasing') though the amount will

be dependent on the terms of the planning consent and/or lease. The applicant buys a share in a property (usually a minimum of 25%, or 1% for properties purchased under the Affordable Homes Programme 2021-26) and will pay a rent for the remaining share.

4.3 Rent to Buy - a government scheme designed to ease the transition from renting to buying a home. The homes will be let at an intermediate rent for a minimum of five years. During this time it is anticipated that the tenant(s) will save for a deposit to allow them to buy the home. After five years, the Group can continue to offer the home as rent to buy, sell the home with the tenant having first refusal, or convert the home to shared ownership, market rent or another form of affordable rent.

4.4 Intermediate Rent – Homes developed without Homes England funding, which have rents not exceeding 80% of market rent with service charges payable in addition.

4.5 Affordable Rent - Homes developed with Homes England funding or under the Affordable Homes Programme which have rents not exceeding 80% of market rent including service charges.

4.6 The Right to Shared Ownership – allows eligible tenants who occupy eligible properties to purchase their social or affordable rented home on shared ownership terms. Tenants will be able to buy an initial share of between 10% and 75% of their home. The price of the home will be based on a percentage of the full market value as determined by a Royal Institution of Chartered Surveyors (RICS) qualified independent valuer. The scheme does not involve a discount for the tenant. The tenant will then be able to buy further shares (at a minimum of 1% on an annual basis) and staircase to full ownership, in line with the new shared ownership model.

5.0 Roles and Responsibilities

5.1 The Group Chief Executive will be responsible for:

- Ensuring sufficient resources are provided for those working directly with the Group's customers and tenants;
- Ensuring the policy is applied consistently and aligns with the Group's vision and values;
- Creating the sufficient structure with delegated organisational responsibilities for the implementation of this policy.

5.2 The Executive Director and Director of Development will be responsible for:

- Ensuring new homes are sourced and delivered in line with demand;
- Ensuring the necessary level of focus is given to the delivery and development of new homes;
- Ensuring the sufficient allocation of resources are available to deliver the development programme for home ownership products.

5.3 The Head of Housing will be responsible for:

- Ensuring the sufficient allocation of resources are available to deliver all the necessary activities in the letting and sales of these homes;
- Ensuring suitable monitoring and reporting mechanisms are in place to measure activity, performance and satisfaction with both service and product.

5.4 The Tenant Services Manager will be responsible for:

- Reviewing the policy and making sure it recognises changes in statutory and legal requirements;
- Ensuring the policy is up to date and relevant in terms of best practice, both within and outside of the sector, with a particular focus on new and emerging government initiatives;
- Ensuring that there is appropriate training, guidance and support available to allow for the contents of the policy to be delivered on a day to day basis.

5.4 The Home Ownership Team will be responsible for:

- The day to day management and marketing of all products in accordance with the policy;
- Ensuring that the best practice promoted in the policy is delivered on a daily basis;
- Ensuring that the necessary focus on tenancy sustainment is applied and keeping tenants aware about all options open to them.

6.0 Lease Extensions

6.1 Whilst there is no statutory obligation to extend a Shared Ownership lease, the Group will look at any application to do so and will consider granting extensions on these leases on a voluntary basis if:

- There is currently a shared ownership lease with the Group;
- There are no breaches in the terms of the lease.

6.2 All costs in relation to the lease extension will be met by the shared owner. This will typically include:

- Valuation fees;
- The Group's administration costs and legal fees;
- The premium;
- Solicitors fees.

6.3 If the Group were to consider a lease extension, the shared owner will be advised to seek independent legal advice and more information about lease extensions on the Leasehold Advisory Service website: www.lease-advice.org

7.0 Re-purchasing properties sold through In-Reach and the Right to Buy / Right to Acquire

7.1 The Group is occasionally approached by owner-occupiers who have purchased their property under Shared Ownership, the Right to Buy or the Right to Acquire,

with a view to the Group repurchasing the property from them. Cases may arise where a former tenant has difficulty maintaining their mortgage payments and they require a buy-back on the basis that they again become tenants.

7.2 The Group will not normally repurchase a property sold under Shared Ownership, the Right to Buy or the Right to Acquire but does have a right of first refusal. The Group will only consider an option to repurchase a property where it is an advantage to do so – for example, if the valuation and the potential rental income make it an attractive option or if the property is less than two years old and there are good management reasons to repurchase.

7.3 Each request will be based on its individual merits and a report, which will include a full appraisal of the proposal drawn up by the Development Team, will be presented to the Executive Management Group. The Executive Management Group have the same delegated authority for these purchases as under the Asset Renewal policy for Section 106 purchases.

The Wrekin Housing Group	Policy control sheet Home Ownership (Shared Ownership, Low Cost and Affordable Ownership) policy Policy reference number – 2021/008
Policy Author	Andy Johnson Head of Housing
Direct Lead	David Wells Executive Director of Operations
Version	1.1 - September 2021
Target audience	Employees of The Wrekin Housing Group In-Reach tenants & prospective tenants. Tenants who have purchased their homes through In-Reach / RTB / RTA.
Consultation	Legal Team, Finance Team, Housing Team Shared Ownership Team, Tenants Panel
Date of Equality Impact Assessment	March 2021
Date of Data Privacy Impact Assessment	March 2021
Approving Body	Executive Management Group
Date of final approval	15 th April 2021
Implementation date	April 2021
Monitoring arrangements	Weekly – Home Ownership Team
Reporting	Monthly monitoring – Management Monitoring Board
Review date	October 2023
Expiry date	April 2024
Review cycle	Three year review cycle
Policy category	Home Ownership and Leaseholder
Associated policies and procedures	Asset Renewal Strategy Asset Renewal policy Leasehold Management policy Right to Buy and Right to Acquire policy Shared Ownership procedures Tenancy Policy Tenancy Debt & Income Management Policy
Policy location	Intranet The Wrekin Housing Group website

Summary of changes table

Revision history			
Author	Summary of changes	Version	Authorised by & date
Andy Johnson	Policy review	1.0 – April 2021	Executive Management Group (EMG) – 15 th April 2021
Simon Thompson	Policy updated to reflect the Right to Shared Ownership	1.1 – September 2021	EMG – 2 nd September 2021