

Shared Ownership Rights Policy

Date written: March 2011

Date(s) reviewed: March 2013, July 2018, September 2021

Last Executive/Board reviewed (approved) date: N/A

Purpose: To set out our policy with regard to the sale and management of Shared Ownership properties across the Bernicia Group.

Scope: All Bernicia Shared Ownership Properties

Definitions: Shared Ownership is a Homes England initiative offering new homes for sale on a part buy/part rent basis.

Associated documents:

Shared Ownership Allocations Policy
Sales Exclusion Policy
Shared Ownership Application Form
Shared Ownership Application Process New Build
Shared Ownership Application Process Resales
Shared Ownership Leasehold Guide
Shared Ownership Staircasing Guide
Leaseholder Guide to Extending Your Lease

Date for review: September 2024

Responsibility: Home Ownership Manager

Departments for mandatory read: Home Ownership Team

Policy

1. Introduction

- 1.1 Bernicia provides shared ownership properties throughout the North East of England. The Group builds or purchases the properties specifically for allocation via low cost home ownership initiatives.
- 1.2 We support the development of shared ownership as one aspect of helping to create places where people want to live and our policies represent the current guidance from Homes England.
- 1.3 This policy document sets out how we will sell and manage our shared ownership properties in line with our regulatory and statutory obligations

2. Policy statements

- 2.1 All shared ownership properties will be sold by way of a lease. The lease term and fundamental clauses will be in accordance with the Homes England standard model relevant to the time of issue.
- 2.2 We will provide the following rights in relation to rent and service charges:
 - Bernicia will set out the initial rent, service charge and any other fees payable prior to the property being reserved for purchase.
 - Bernicia will give at least four weeks written notification of changes in rent.
 - Bernicia will allow a recognised Resident Association to appoint a surveyor to inspect the Group's documents in relation to rent and service charges. The associated costs are to be met by the requesting shared owners.
- 2.3 Where either former shared owners (fully staircased) or current shared owners have the post final staircasing right of pre-emption contained within their purchase agreements, we are able to remove this restrictive covenant as since 2015 it has not been a Homes England requirement. Any costs incurred by doing so will be met by the home owner requesting the removal.
- 2.4 Where a shared owner has not staircased to 100%, the obligation to offer their home back to Bernicia before selling on the open market will continue to apply.
- 2.5 We reserve the right to nominate a prospective purchaser. Where we are unable to make a nomination within the specified timescale within

- the relevant model lease, or we choose not to exercise this right, the shared owner will be free to advertise the property on the open market.
- 2.6 When marketing the property, the shared owner must ensure that the market value is determined by an independent RICS Registered Valuer and based on vacant possession of the whole of the property. The valuation should be less than 3 months old at the time of completion of sale.
 - 2.7 With the agreement of the shared owner, Bernicia can arrange the valuation with an independent RICS Registered Valuer. The cost of which is payable in advance by the shared owner. In certain circumstances (such as inheritance) we may consider the valuation fee to be repaid on completion of sale.
 - 2.8 We will process initial and resale applications in line with our Shared Ownership Allocations Policy and Sales Exclusion Policy.
 - 2.9 The assignment of leases will not be unreasonably withheld and will be authorised in accordance with the relevant covenants contained in the lease agreement.
 - 2.10 In all instances shared owners will be responsible for any resale costs incurred including valuation, assignment and legal fees.
 - 2.11 Shared owners have the right to staircase in tranches or to 100% ownership, subject to there being no restrictions contained in the lease. A copy of our Shared Ownership Staircasing Guide will be sent to shared owners who are considering this option. The process for staircasing and the tranches in which additional shares can be purchased will depend on the terms contained in the relevant Homes England model lease at the time it is granted.
 - 2.12 For the purpose of valuations relating to staircasing any improvements to the property or failure to keep the property in good repair will be disregarded by the valuer.
 - 2.13 Shared owners do not have a statutory right to lease extension. However, where the Freehold of the property is owned by the Group, we will voluntarily agree to a lease extension when the term remaining is likely to adversely affect the ability to mortgage or sell the property. Extensions will be granted in line with our Leasehold Guide to Extending your Lease and Board Paper dated 26th May 2015, or any subsequent updates.
 - 2.14 We will not unreasonably withhold consent for shared owners to carry out improvement works to their property, providing they seek prior written approval. Requests must contain full details of the shared owner's proposed works and payment of Bernicia's administration fee for dealing with the consent.

- 2.15 Details of our reasonable administration fees are available in our Shared Ownership Administration Fees summary sheet.
- 2.16 All recovery action for non-payment of rent or service charges will be taken in accordance with our Shared Ownership Arrears Policy.
- 2.17 Where we have an obligation as per the lease agreement to maintain buildings, where applicable, we will carry out Section 20 Consultation as per the Landlord & Tenant Act 1985 and the Commonhold and Leasehold Reform Act 2002.
- 2.18 Upon request, we will forward to shared owners a copy of Bernicia's buildings insurance policy.
- 2.19 We will offer advice to shared owners of their rights to refer disputes about the reasonableness of variable service charges to the First Tier Tribunal (Property Chamber)
- 2.20 We shall advise shared owners of their rights to seek redress through the courts where the complainant believes Bernicia is breaking the law.
- 2.21 We shall advise shared owners of Bernicia's complaints policy and the right to refer their complaint to a Designated Person or to the Housing Ombudsman Service, once our internal complaints procedure has been exhausted.
- 2.22 We will store and process shared owner's personal information in accordance with the Data Protection Act 2018, General Data Protection Regulation and any other relevant legislation.

3. Responsibility for implementation

- 3.1 All front-line staff are required to sign post customers so they can access information on shared ownership, where necessary.
- 3.2 Home Ownership Officers are responsible for following the policy in relation to the sale and management of shared ownership properties.
- 3.3 The Home Ownership Manager is responsible for the effective implementation of this policy and for ensuring that staff are aware of and appropriately trained in the Group's policies and procedures relating to the sale and management of shared ownership properties.
- 3.4 The Assistant Director, Development will take overall responsibility for ensuring the policy is adhered to.

4. Actioning the policy

- 4.1 This policy will be actioned when a shared owner wishes to exercise their legal rights

5. Monitoring the policy

- 5.1 Implementation of this policy will be monitored by the Home Ownership Manager and any approvals, consents or legal transactions will be recorded.

6. Resources

- 6.1 There should be no additional resources required in order to fulfil the commitments of this policy.

7. Equality and Diversity

- 7.1 An equality and diversity impact assessment has been undertaken in relation to this policy. In implementing the policy, we are committed to:
- Treating all customers and employees positively regardless of any personal characteristics including gender, age, ethnicity, disability, sexuality, gender reassignment or religion.
 - Taking seriously all complaints, investigating and responding accordingly.
 - Using plain language and providing information in other languages, large print, audio and braille on request.

Policy Risk and Compliance Assessment

“Policies are documents devised to advise individuals as to a set of behaviours required on a specific topic. Within an organisation they provide a “voice” to the organisation and ensure consistency as well as providing a mechanism for performance management and monitoring.”

As part of reviewing or developing a new policy it is important you complete one of these Policy Risk & Compliance Assessments to tell us a little more about what you are planning so we can support you and your teams appropriately.

Please answer the following questions as honestly and openly as you are able.

This assessment is not to prevent you doing anything, but to centrally offer you the best advice and support in developing and reviewing your policies whilst minimising risk from the outset.

All policies will require this document prior to being hosted on Connect and the review being logged as complete.

Policy Risk & Compliance Assessment	
Name and Job Title	Lois Tams, Home Ownership Manager
Department	Development & Regeneration
Title of new policy / policy to be reviewed	Shared Ownership Rights
Brief description of the policy, its purpose, and the areas of the business it covers	<p>To summarise Bernicia's responsibility and commitment to ensuring that shared owners rights are adhered to.</p> <p>This policy is applicable to activities by the Home Ownership Team within the Development & Regeneration function.</p>

Policy Title: Shared Ownership Rights		
Date: September 2021	Name: Lois Tams	
	Yes	No
1. Equality and Diversity, Will the policy be likely to impact or involve... (if yes to any questions please complete an EDI Impact Assessment)		
Any individual specifically because of one of their protected characteristics?		No
The collection or processing of information relating to the protected characteristics?		No
An event or initiative only open to certain people or groups of people?		No
The processing of any information relating to a persons protected characteristics?		No
The monitoring of a service take up, by protected characteristics?		No
2. Data Protection, Does the policy relate to / involve...		
Collecting data (electronically, with a form or face to face)?		No
Using, sharing or sending data?		No
Taking photos?		No
Sending any information outside of Bernicia?	Yes	
Asking for any information about children?		No
Any sensitive information (sexuality, ethnicity, race, religion etc.)?		No
Technology that will automatically makes decisions or evaluates data?		No
Any systematic monitoring – such as CCTV or tracking?		No
The large scale processing of data? (there is no definition of large scale, so please use of your discretion in line with Bernicia's business)		No
Using electronic communications (text, email)?		No
3. Money Laundering		
Will you be collecting any cash as part of the activity covered in the policy?		No
4. Health and Safety, Will the policy involve...		
Any predominantly any offsite activity?		No
Undertaking an activity with members of the public?		No
Using any PPE?		No
Vehicles (or their use) as a key component?		No
Vulnerable adults, young people or children?		No
Bernicia staff be working on their own or out of hours?		No