

Partnerships Policies & Procedures



Shared Ownership First Come First Served Policy

1.	Policy objectives
<p>1.1</p> <p>1.2</p> <p>1.3</p> <p>1.4</p> <p>1.5</p> <p>1.6</p>	<p>The aim of this Policy is to support the Group’s key strategic priorities of:</p> <ul style="list-style-type: none"> (i) Providing affordable quality homes in communities where people wish to live; (ii) Growing and developing our asset base to provide housing opportunity and choice for current and future residents of the Group. (iii) Promoting vibrant, mixed and sustainable communities <p>An important way in which we strive to meet these objectives is through our shared ownership housing schemes.</p> <p>In line with Regulatory guidance, it is imperative that we are clear in how we allocate and offer our shared ownership homes to prospective customers.</p> <p>This Policy sets out the Group’s provision for the allocation of shared ownership properties it has developed in an efficient, transparent, fair and effectively controlled way and in compliance with applicable financial and regulatory controls and Homes England (HE) guidance.</p> <p>This Policy & Procedure does not cover shared ownership properties inherited from Watford Borough Council under the 2007 stock transfer.</p> <p>This Policy & Procedure applies to Watford Community Housing Group, including its subsidiary and joint venture companies.</p>
2.	Legislative or regulatory requirement
<p>2.1</p> <p>2.2</p>	<p><u>Legislative:</u></p> <ul style="list-style-type: none"> • Homes England (HE) Capital Funding Guide • Data Protection Act 2018 and General Data Protection Regulation 2018 (“together Data Protection Law”) • Housing Act 2004 • Section 106 Agreements (terms may be set out by the area’s LA) <p><u>Regulatory:</u></p>

	<p>RSH Governance and Financial Viability Standard 2015 (2.1): “Registered providers shall adopt and comply with an appropriate code of governance.”</p> <p>National Housing Federation Code of Governance (2020)</p>
3.	Scope and definitions
3.1	<p><u>Scope</u></p> <p>Shared ownership properties are developed or acquired by the Group to help people purchase a home of their own. The aim of the scheme is to meet identified housing needs and develop a mixed tenure sustainable community through the inclusion of people otherwise unable to purchase a home outright in the required location. In this way it offers a first step into home ownership.</p> <p>This policy applies to every allocation of a shared ownership home to a prospective purchaser.</p> <p>To ensure transparency, The Group will ensure a copy of this policy is made available to all prospective purchasers, so they are aware of the process prior to expending any cost to themselves.</p> <p>The purchaser buys an initial (generally mortgaged) share of between 10% – 75% in the property on a leasehold basis and pays rent on the unowned share at a discounted rate.</p> <p>The term of the lease can vary depending on the scheme.</p> <p>The shared owner will have full responsibility as an owner-occupier, for example they are obliged to pay 100% of the outgoings relating to the property and to keep the property in good and substantial repair and condition. The Group requires buyers to purchase a maximum share value based on their affordability.</p> <p>Our first come first serve policy is based upon:</p> <ul style="list-style-type: none"> • Prospective purchasers from Priority Groups as defined by Homes England in the Capital Funding Guide. • A S106 – Local Planning obligation to offer homes to those with a local connection for an initial marketing period. Local Connection – prospective purchasers may have to live, or work, in a specific locality to qualify. • Whoever is first to pass their full assessment and make a confirmed reservation. <p>The Group will ensure any HE grant conditions, regulatory requirements or other (e.g. funding / section 106) requirements are met.</p>
3.2	<p><u>Definitions</u></p> <p>Rental Element: HE encourages registered providers to set rents which average no more than 2.75% of the value of the unsold/remaining equity at the point of initial sale</p> <p>Section 106 Agreement: Local planning obligation(s) imposed by a local authority for affordable housing.</p>

Shared Owner: a person who has purchased an equity share in a shared ownership property. Although the property may not be owned outright, the shared owner has the responsibility of a full owner-occupier. In flats the shared owner has the responsibility of lessee including liability for service charges and contributions for major works.

Market Value: The value at which additional shares are purchased when staircasing.

Local Connection – prospective purchasers may have to live, or work, in a specific locality to qualify

Advisor – Regulated, qualified Mortgage Advisor or Independent Financial Advisor

4. First Come First Served Process

Our plot to applicant ratio is: 1:1 (one prospective purchaser: each property)
We will introduce the plot to prospective purchaser ratio at Stage 1 of the assessment.

Stage 1: Initial Assessment

The advisor will confirm your eligibility for a SO property in accordance with HE's guidance. This stage will request purchasers' detail of income and expenditure and determine what share is affordable. The Group will provisionally accept your application based on the Advisors professional advice.

Documents required for Stage 1:

1. **Proof of ID** - Valid Passport/s or full UK Driving License showing the current address of each applicant. EU Settled Status Code - <https://www.gov.uk/settled-status-eu-citizens-families/applying-for-settled-status>. Valid VISA - for non-UK / non-EU Nationals
2. **Proof of Address** – Utility Bill, Council Tax Statement, Bank Statement. Dated in the last 3months with name and address showing.
3. **Credit Report**
4. **Bank Statements** – Last 3-months consecutive bank statements showing salary credit. Last 3-months consecutive business bank statements if self-employed.
5. **Employed Proof of Income** – Last 3-months consecutive payslips. Last 13-weeks consecutive payslips if paid weekly.
6. **Self-Employed Proof of Income**
 - Sole Trader- Last 3-years Self-Assessment Tax Return and Tax Overviews
 - Limited Company – Last 3-years final certified company accounts.
7. **Full Proof of Deposit** – Bank or savings account
8. **Gifted Deposit** - if any of the deposit is gifted a letter stating the amount being gifted along with the gift donors' proof of ID and a statement showing the money in their account.

	<p>If the purchaser successfully completes Stage 1 of the assessment they will then proceed to Stage 2 of the assessment process.</p> <p>Stage 2: Full Assessment</p> <p>The full assessment is a detailed assessment of the income and expenditure which will include an Advisors final sign off and a budget planner completed by the Advisor.</p> <p>If Stage 1 and 2 are completed satisfactorily, a reservation will only be deemed confirmed on payment of a £500 reservation fee.</p> <p>The Group will not prioritise purchasers based on the initial share being purchased.</p> <p>The Group reserve the right to hold a property for a limited time if an applicant requires special consideration and cannot complete the assessment process in the usual timeframe.</p>
5.	<p>S106 – Local Planning Obligations</p>
	<p>In some instances, there may be additional rules dictating the allocation of our properties. This can include:</p> <ul style="list-style-type: none"> • A s106 – Local Planning obligation to offer homes to those with a local connection for an initial marketing period. Local Connection – prospective purchasers may have to live, or work, in a specific locality to qualify <p>In these cases, we will market exclusively to these groups for a set marketing period (usually the initial 3months) Prospective purchasers will be offered on a first come, first served basis as stated above subject to meeting the Local Connection criteria.</p>
6.	<p>Priority Groups</p>
	<p>Prospective purchasers from Priority Groups as defined by Homes England through the Capital Funding Guide and an exemption to the First Come, First Served policy.</p> <p>Military Personnel will be prioritised for Shared Ownership schemes where:</p> <ul style="list-style-type: none"> • They have completed their basic (phase 1) training, and they are one of the following: <ul style="list-style-type: none"> • Regular service personnel (including Navy, Army and Air Force) • Clinical staff (except for doctors and dentists) • Ministry of Defence Police Officers • Uniformed staff in the Defence Fire Service • They are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, and can produce a Discharge Certificate (or similar

	<p>documentation) as proof, where they apply within two years (24 months) of the date of discharge from service or</p> <ul style="list-style-type: none"> • They are the surviving partners of regular service personnel who have died in service, where they apply within two years (24 months) of the date of being bereaved. Read about surviving partners in the MOD surviving partners guidance. <p>There will be some service personnel, such as the Gurkhas and those from Foreign and Commonwealth countries, that qualify under the criteria but do not have indefinite leave to remain in the UK. A Gurkha is guaranteed indefinite leave to remain on completion of their term of service, but no such guarantee applies to Foreign and Commonwealth Office personnel. Immigration status will be taken into account when deciding whether an applicant can sustain the costs of home ownership.</p> <p>Prospective purchasers will be offered on a first come, first served basis as stated above in section 4 subject to meeting the Military Personnel criteria.</p>
8.	Adoption & compliance monitoring
8.1	This Policy will be monitored and reviewed considering any significant changes implemented by the HE.
8.2	The Policy shall be reviewed every 3 years or earlier as policy/legislation dictates.
9.	Diversity and Inclusion Considerations
	WCH will act fairly and consistently in the application of this Policy and will not discriminate against any person on the grounds of their age, race, ethnicity/nationality, gender, religion, sexual orientation, marital/civil partnership status, pregnancy status or disability.
10.	Data Protection Considerations
10.1	The Group will process personal information relating to prospective and current shared owners through the application and subsequent management of the shared owner's property. When doing so, the Group will handle customer's names, addresses, contact details, proof of identity and any other necessary information. The legal basis for processing this information is to support the contract with the shared owner.
10.2	The Group will keep all information secure and confidential and will process it in accordance with both Data Protection Law and WCH's Data Protection Policy. We will hold information only for as long as reasonably necessary and always within the maximum timescales set out under the Group's Retention Policy.
10.3	A general privacy notice to shared ownership applicants summarising the information we collect directly and via third party agents who may market these properties on our behalf, how we process it during their relationship with us and who we may share it with (such as professional advisers), and why, during this time is known as the 'Leaseholder, Freeholder and Garage Tenant Privacy Notice'. Copies of the Privacy Notice are available from the WCH website or the Company Secretary, Governance & Regulation Manager.

10.4	The Group may use the services of a sales and marketing agent to progress initial shared ownership sales enquiries to full completion via solicitors acting for both parties. In this context, the sales and marketing agent will be acting as a Data Processor for the Group and, as such, will be subject to The Group's Data Processor due diligence process.
11.	Related documents
	Shared Ownership Policy & Procedure Adverse Credit Policy Monthly Minimum surplus Income Policy Cash Purchasers Policy HE Capital Funding Guide
12.	Approval
	Approved by: EMT
	Date of approval: August 2024
	Review date: August 2027
	Policy 'owner': Assistant Director of Partnerships