



Equality Impact Assessment

Shared Ownership Policy

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Document details

Title	Shared Ownership Policy
Document type	Policy
Version submitted for decision	TBC
New or Existing document	Existing document
If this is an existing document, is this a major or minor change?	Major change
Decision makers	Cabinet
Type of decision	Approval and implementation
Date of decision	TBC

Responsible department	Strategic Housing
Are other departments or partners involved in delivering this strategy, policy, plan, or project? If 'Yes' please provide details.	<p>Yes</p> <p>Officers in the following teams will be involved to some extent in the Policy's implementation and delivery:</p> <ul style="list-style-type: none"> • Leasehold Services • Asset Management • Accounts • Income Recovery and Tenancy Sustainment • Housing Management • Legal department

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1.0 Purpose of the Equality Impact Assessment

The Equality Act 2010 replaced the previous anti-discrimination laws with a single Act simplifying the law by removing inconsistencies, making it easier to understand and therefore comply with it, and strengthens it to help tackle discrimination and inequality. The Act came into force on 1 October 2010.

The Public Sector Equality Duty (PSED) came into force on 5 April 2011. The duty ensures that all public bodies, including the Council:

- play their part in making society fairer by tackling discrimination and providing equality of opportunity for all; and
- consider the needs of all individuals in their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

PSED encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet the needs of different groups of people. Where activities may have an impact to one particular group of people, public bodies are required to identify mitigations that will either lessen the impact or provide an alternative solution to meet the needs of that particular group.

By understanding the effect our activities have on different groups of people, and how inclusive our services can support and increase people's opportunities, the Council will be better placed to deliver policies and services that are efficient and effective.

This Equality Impact Assessment (EIA) helps the Council to ensure that we fulfil our legal obligations as per the PSED and to have due regard to:

- a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

2.0 Applicable legislation and regulations

The following legislation applies to the proposed policy:

- Housing Act 1985, 1996 & 2004
- Landlord and Tenant Act 1985
- Human Rights Act 1998
- Commonhold and Leasehold Reform Act 2002
- Equality Act 2010

- General Data Protection Regulations (GDPR) 2018
- Data Protection Act 2018
- The Housing (Shared Ownership Leases) (Exclusion from Leasehold Reform Act 1976 and Rents Act 1977) (England) Regulations 2021
- Building Safety Act 2022

The following regulations apply to this policy:

- Capital Funding Guide
- Shared Ownership Homes: buying, improving and selling

The following Council strategic documents relate to this policy:

- Leasehold Management Policy
- Rent Setting and Income Recovery Policy
- Corporate Plan 2020-2024
- Complaints Policy

3.0 Summary

Providing a range of affordable housing choices is one of the key priorities of Dover District Council's Corporate Plan 2020-2024, and the Local Plan 2020 – 2040.

The Shared Ownership Policy sets out the Council's approach to its shared ownership properties, including the criteria around household eligibility, marketing, allocation, initial sale, resale and staircasing of this type of housing scheme.

The Policy does not apply to shared ownership homes provided by other Registered Providers (RP), though it is expected that RPs have established shared ownership policies and procedures in place.

This equality impact assessment (EIA) has been undertaken in accordance with the public sector equality duty (PSED) as stipulated in Section 149 of the Equality Act 2010. The EIA has identified some potential negative impacts for protected characteristics 'age' and 'disabled'. Mitigations for these potential impacts have been provided.

4.0 Information

4.1 Aim of the decision

The aim of this decision is to gain Cabinet approval for the implementation of the proposed and updated Shared Ownership Policy that is reflective of current legislation and regulation, and the Council own operational practices. This will enable Council Officers involved in the oversight of shared ownership sales, resales and staircasing to make informed decisions. The document will also provide clear and concise information to both applicants and leaseholders on the Councils approach to the sale of shared ownership.

4.2 Aim of the policy

The key priorities of the policy are to:

1. Ensure that shared ownership properties are sold in a fair and consistent way in adherence to current legislation and regulation (in particular the Capital Funding Guide).
2. Ensure that the rights and responsibilities of both DDC and the leaseholder under the terms of their lease agreement are clear and unambiguous.
3. Ensure the understanding of the eligibility, affordability, priority, and allocation of shared ownership properties is clear and concise.

4.3 Intended outcome(s)

The intended outcomes of the policy would be:

1. Properties are sold compliantly in accordance with current legislation and regulations.
2. Correct governance and due diligence are conducted throughout the sale, resale or staircasing processes.
3. Properties are sold and allocated to eligible individuals who can afford the costs associated with the upkeep of the property.

The intended outcomes from the implementation of the policy are:

1. Staff, leaseholders, and applicants can take guidance from the document on how the properties are sold.
2. Leaseholders are aware of their rights and responsibilities throughout the sales process.
3. The Council has an operational document to refer during the sales, resale and staircasing processes.

4.4 Impact of the decision

The Council currently has 34 shared ownership properties within its housing stock, of which 29 are flats and are 5 houses. There are also plans to increase the Council's shared ownership portfolio in the coming years.

The Policy will generally have an impact on current shared owners (leaseholders) and residents of the district applying to purchase a Council owned shared ownership property.

4.5 Internal consultations

An internal consultation with several teams was conducted during the development to review the content of the Policy to ensure that it was reflective of current practices, sharing of good practice and where improvements to services could be made. The teams involved included:

- Strategic Housing
- Asset Management
- Housing Services
- Accounts
- Legal

4.6 Intended beneficiaries

The intended beneficiaries of this policy are existing shared owners (leaseholders), Council staff, and district residents applying for Council shared ownership.

4.7 Main stakeholders

The main stakeholders in relation to this policy are:

- Existing shared owners (leaseholders)
- Family members of leaseholders
- District residents
- Council staff
- Councillors

5.0 Information

5.1 What is shared ownership?

Shared ownership is an affordable housing product that is designed to help eligible persons who wish to get onto the property ladder but are unable to afford a home of adequate size on the open market.

There are currently two models of shared ownership in existence. The 'older model' refers to properties built and leased under the Shared Ownership and Affordable Homes Programme (SOAHP) 2016 – 2021; the 'new model' refers to properties built and leased under the Affordable Homes Programme (AHP) 2021 – 2026. The 'new model' offers more by way of affordability to leaseholders, such as better staircasing options, and the repair and maintenance rights. The differences between the two products are stated definitively in the Policy.

All 34 properties owned by the Council fall under the 'older model' of shared ownership.

The Capital Funding Guide has set eligibility and affordability criteria for shared ownership properties. Providers are expected to assess applicants on their eligibility and suitability for the scheme. To ensure that this need will be met by those who require it most, the following eligibility requirements must be met by applicants:

Criteria	Detail
Age	Over 18 years of age and resident in the UK.
Income	A household income £80,000 or less. Applicants must be able to afford their purchase and sustain the housing costs (i.e., rent and service charges). Applicants must be able to demonstrate that they have a sufficient deposit. Sufficient evidence must demonstrate that applicants are unable to purchase the home they need on the open market.
Existing homeowners	The existing property must have already been sold or will be sold at the same time as buying through shared ownership. The other general eligibility criteria for the scheme must also have been met.
Arrears	If applicable, applicants must be able to demonstrate that they are not in rent arrears or in breach of their tenancy agreement at the time of application.

For some Shared Ownership properties, a local connection to the area may be required. This generally applies in rural areas and small villages where land has been made available for affordable housing to meet the needs of local people, rather than for private investment.

Quite often, these sites are referred to as 'rural exception sites' or 'designated protected areas' (DPA) and are controlled by Section 106 Agreements.

The aim of a local connection test is to help local people and families afford homes in the area they currently live, work or have a family connection to, and for that home to remain affordable to and in that community.

The local connection criteria can vary between different developments, but is usually based on the following:

- The applicant(s) was born in the area and has lived there for several years.
- The applicant(s) has permanently lived in the area for several years.
- The applicant(s) used to live in the area for several years but had to move away because of a lack of affordable housing.
- The applicant(s) has been permanently employed in the area for several years. The number of years is usually between 2 and 5.

In these cases, priority usually works in the following order:

1. Applicants with a local connection to the parish/village
2. Applicants with a local connection to the surrounding parishes/villages
3. Applicants who are residents of the district

Applicants must also be assessed on their affordability. This must be conducted by an independent mortgage broker or financial advisor.

5.2 Research

In conducting research for the development of the Policy it was noted that many Shared Ownership providers, varying from Registered Providers, Private 'for profit' Organisations and Local Authorities, had an established Policy in place which covered the marketing, allocation, prioritisation, sales, resale and staircasing of properties.

Some policies also include the leasehold management of the properties, such as repairs, maintenance, rent and service charge settings, enforcement, and complaints. This provided a comprehensive document but did not provide enough clarity to advice both staff and leaseholders.

Other examples had two documents: one focusing on shared ownership sales, and another on the leasehold management.

Strategic Housing, in conversations with Asset Management have agreed to establish two policies. The Shared Ownership Policy will focus on the marketing, allocation, prioritisation, rent setting, sales, resales and staircasing of the properties, while the

Leasehold Management Policy (yet to be approved) will focus on the post-sale management of the properties, including repairs, maintenance, home improvements, service charge setting, ground rents, complaints, and enforcement.

5.3 Considerations

Several considerations regarding the allocation of shared ownership properties must be highlighted since all applications will face some form of 'discrimination' due to the nature of the shared ownership properties product around eligibility, affordability and government legislation.

Local connection tests

Where a development is in a rural exception site or Designated Protected Area (DPA), a local connection test will apply. The priority order is defined in the previous section.

Our authority to prioritise in this way is in accordance with the provisions stated in the Capital Funding Guide. This means that we will need to prioritise residents living within that community or who have ties to that community, even above district residents who may be eligible.

Members of the Armed Forces

Applications received by Members of the Armed Forces will also be given priority over residents of the district. However, the Council will not forfeit a property officially sold to an eligible applicant(s) to fulfil this obligation.

Eligibility and affordability assessments

By nature of the Shared Ownership product, the Council will need to conduct assessments on eligibility in accordance with our due diligence as stated in the Capital Funding Guide. This will mean that while the Council is open to all individuals applying for its Shared Ownership properties, some applicants may not be eligible for the scheme, and therefore their applications rejected.

Likewise, the results of affordability assessments conducted by an independent mortgage broker or financial advisor may mean that some applications are rejected by the Council if they are not able to demonstrate they can afford the upkeep of the property as stated by their affordability assessment or are not able to afford the minimum share amount.

It is also plausible that older persons (55+) may find it harder to secure a mortgage from a lender, since mortgage terms are only valid until the national retirement age (67). Many lenders do not approve mortgages where the term would carry over the age of 70. This would limit the term to a maximum of 12 – 15 years, and therefore

could impact on older persons obtaining a local enough to buy a share in one of our shared ownership properties.

Where a mortgage is approved for an applicant(s) 55+, the interest on the mortgage may be higher than for someone younger (unless the former has a large deposit available for the purchase, which in itself will require further assessment by the Council). This may have a financial impact on the affordability of an older person's application, especially when considering additional costs such as rent and service charges.

Suitability of shared ownership units

Not all shared ownership properties will be suitable for every applicant and household. Where an application shows there will be over-crowding, the Council will reject the application, even if the applicant(s) is eligible, and it is affordable for them to afford and buy an initial share. In such cases, the Council will ensure that it provides a clear rationale to applicants on our reasons for rejecting an application.

Likewise, many of the properties built are for general needs housing and may not have specific adaptations that can support the needs of elderly persons or persons with an identified disability as defined by the Equality Act 2010.

Some shared ownership schemes provided by Homes England cater to persons with these characteristics: Older Person Shared Ownership (OPSO) and Home Ownership for people with long-term disabilities (HOLD). While the Council does not currently own properties under these schemes, we will consider accessing funding from the Affordable Homes Programme 2021-2026 where there is a clear demand and need.

6.0 Assessment of the decision

The table below assesses if the decision is likely to be relevant to the three aims of the Equality Duty.

If the decision is relevant to the three aims of the Equality Duty, the Impact and Mitigations table must be completed to show how it is relevant and what the impact(s) will be.

Aim	Relevance Yes/No
Eliminate discrimination, harassment, victimisation.	Yes
Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not.	Yes

Foster good relations between persons who share relevant protected characteristics and persons who do not share it.	Yes
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7.0 Impact and Mitigations

Characteristic	Relevance High/Medium/Low	Impact of the decision Positive/Neutral/ Negative	Reasons for impact	Mitigations
Age	Medium	Negative	<p>All DDC owned shared ownership will be sold online either on our own website, or through a third-party website. This may deter older persons from applying online due to unfamiliarity of online processes.</p> <p>It is acknowledged that not all properties for the scheme will be suitable for older people to access.</p>	<p>When carrying out our due diligence, our staff will make sure that all applications and affordability assessments are assessed fairly, in accordance with our PSED duties.</p> <p>Contact details will be added where shared ownership properties are sold, including telephone and email details, so that applicants can contact Officers via their preferred method. DDC can also provide paper applications, large print applications, or braille applications if individuals request this, rather than online.</p> <p>Where there is an interest from older people in shared ownership, the Council may consider accessing and developing properties under the Older Persons Shared Ownership scheme (OPSO).</p>
Disability	Medium	Negative	All DDC owned shared ownership will be sold online either on our own	When carrying out our due diligence, our staff will make sure that all

			<p>website, or through a third-party website. This may deter persons with disabilities who may not be able to complete an application online and /or may require assistance to do so.</p> <p>It is acknowledged that not all properties will be suitable for disabled people to access.</p>	<p>applications and affordability assessments are assessed fairly, in accordance with our PSED duties.</p> <p>Contact details will be added where shared ownership properties are sold, including telephone and email details, so that applicants can contact Officers via their preferred method. DDC can also provide paper applications, large print applications, or braille applications if individuals request this, rather than online.</p> <p>Where there is a clear need and interest from disabled individuals to access the shared ownership scheme, the Council will consider developing properties under the Home Ownership for People with Long Term Disabilities (HOLD).</p>
Gender	Low	Neutral	<p>It is not anticipated that the Council would need to take further action to enable access for this group.</p> <p>Regular monitoring and analysis may identify reasons that have not been anticipated. Action will be taken to mitigate any barriers identified.</p>	No mitigations are needed.

Gender reassignment	Low	Neutral	<p>It is not anticipated that the Council would need to take further action to enable access for this group.</p> <p>Regular monitoring and analysis may identify reasons that have not been anticipated. Action will be taken to mitigate any barriers identified.</p>	No mitigations are needed.
Marriage and Civil Partnership	Low	Neutral	<p>It is not anticipated that the Council would need to take further action to enable access for this group.</p> <p>Regular monitoring and analysis may identify reasons that have not been anticipated. Action will be taken to mitigate any barriers identified.</p>	No mitigations are needed.
Pregnancy and Maternity	Low	Neutral	<p>It is not anticipated that the Council would need to take further action to enable access for this group.</p> <p>Regular monitoring and analysis may identify reasons that have not been anticipated. Action will be taken to mitigate any barriers identified.</p>	No mitigations are needed.
Race	Low	Negative	All of our paperwork will be presented in English and it is	We will work with applicants / shared owners to ensure that

			<p>acknowledged that some eligible applicants' / shared owners' first language may not be English, and may require additional support.</p>	<p>documents and information is provided to them in a format that works for them, which may include translated versions.</p> <p>We will ensure that as many documents are written in plain English.</p>
Religion, Belief or Lack of Belief	Low	Neutral	<p>It is not anticipated that the Council would need to take further action to enable access for this group.</p> <p>Regular monitoring and analysis may identify reasons that have not been anticipated. Action will be taken to mitigate any barriers identified.</p>	No mitigations are needed.
Sexual Orientation	Low	Neutral	<p>It is not anticipated that the Council would need to take further action to enable access for this group.</p> <p>Regular monitoring and analysis may identify reasons that have not been anticipated. Action will be taken to mitigate any barriers identified.</p>	Not mitigations are needed.

