

Shared Ownership First Come, First Served Policy

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| Department | Flagship Homes |
| Policy Owner | Head of Service |
| Approved Date | 22/08/2024 |
| Date for Review | July 2025 |
| Approving Body | Flagship Leadership Team |
| Associated Legislation/Regulation | Homes England's Capital Funding Guide – updated May 2024 |
| Equality Impact Assessment Date | 14 August 2024 |
| Version Number | 1.1 |

Purpose / Principles

This policy ensures that Flagship allocates its shared ownership homes in a way that is transparent and fair. It outlines the steps and order in which applications are processed and properties are allocated to prospective buyers, aiming to:

- A. Ensure fairness in high-demand housing opportunities.
- B. Define clear procedures for application handling.
- C. Specify actions in case of policy breaches.

Roles / Responsibilities

The Head of Service is responsible for monitoring the relevant guidance and legislation to ensure Flagship Group meets its legislative and regulatory obligations.

The Shared Ownership Sales Manager is responsible for implementation of the policy and related procedures with the Sales Advisors.

Main Content

This policy applies to all shared ownership homes funded by the government's Affordable Housing Programme managed by Flagship Group and is designed to ensure fairness in the allocation process. This policy covers the entirety of Flagship's operations, including all subsidiaries.

The demand for our shared ownership homes far outstrips the supply, it is therefore imperative that we are clear in how we allocate and offer our shared ownership homes to eligible prospective buyers. In line with regulative guidance, we have to be open in offering our shared ownership homes on a first come first served basis. To be eligible for consideration under our First Come First Served Policy a prospective customer must meet the criteria set out by Homes England.

The First Come, First Served policy aims to:

- Ensure that prospective buyers are prioritised and dealt with on a first-come, first-served basis (subject to any section 106 local connection restrictions or eligibility restrictions)
- Ensure all prospective buyers can access free Mortgage Advice through nominated and qualified mortgage advisors.
- Ensure that the sale of Shared ownership homes are sold across a range of equity shares.

Exceptions

- Serving military personnel and former members of the British Armed Forces discharged in the last two years
- National Parks, Areas of Outstanding Natural Beauty and rural exception sites

In line with the Capital Funding Guide guidance we do not base priority decisions on the share an applicant is able to afford. Our decision is based on our First Come First Served Policy and in accordance with the CFG requirements we sell a range of equity shares.

First Come First Served Policy, for buying a Shared Ownership home

Our First Come First Served Policy helps ensure the process of buying a shared ownership home is fair and complies with the guidelines set by Homes England.

Our policy is split into three sections, as follows.

1. Property interest registration

Flagship Homes will advertise properties for sale, often before they are available to occupy.

Applicants can register their interest in a property of their choice at any time, but up to a maximum of three plots across all relevant and available developments.

The sales advisor will record and confirm the time, date, and details of the applicant's preferred properties. This will determine who has registered their interest and the customer will be advised of their position in the queue. Information on the required documentation to complete the registration process will be provided. Accessibility requirements will also be discussed, and assistance will be provided if needed.

2. Reservation window

When properties become available for reservation, Flagship Homes will notify all registered applicants starting from the first in the queue on individual properties. At this point applicants who are first in the queue will need to confirm selection of that property and release their interest, and queue position in other properties. If they do not choose to proceed to the next stage with the application they are first in the queue on, then the advisor will move to the applicant who is next in the queue.

Registered applicants who wish to continue with the purchase will again be provided information on the required documentation for the purchase, their place in the queue and the deadlines for the application and documentation to be returned.

3. Assessment and offer

Flagship Homes will review the documentation in line with the order of first registration.

The applicant or joint applicants whose documentation, eligibility and affordability meet the criteria will be contacted accordingly to formalise the reservation process.

The successful applicant(s) will be qualified by the appointed mortgage/financial advisor, who is a specialist in shared ownership. A full financial affordability assessment (stages 1 and 2) are undertaken using the Homes England budget planner and documentation is supplied to Flagship Homes for review. (The applicant is not obliged to use the advisor to proceed with their full mortgage application).

The sales advisor will review the affordability assessment and if the application is successful the prospective purchaser(s) are informed and the buyer(s) will be required to pay the £250 reservation fee. The property is then reserved for them.

Prospective purchasers who were unsuccessful will be informed. Applicants who are unsuccessful will have the ability to register interest in alternative properties.

Resales

Sellers instruct estate agents to resell their property. We have a panel of recommended agents, but who is instructed is at the discretion of the seller. The estate agents deal with applications applying their own priority basis.

When considering a resale, buying additional shares is an option. The mortgage advisor should recommend that potential buyers consider purchasing a larger share of the home than what is currently being sold, if affordable. This can be achieved through share purchases (staircasing) concurrently with the resale, whenever feasible. This approach can help reduce future staircasing costs for the potential buyer and decrease the amount of rent to be paid.

On a resale, consideration will be given when the vendor has agreed on a sale or has agreed to sell to a buyer who best meets their onward journey. (All buyers will need to be have been assessed by a nominated mortgage advisor and meet the requirements within the surplus policy, eligibility, and affordability policy).

EIA statement

An EIA was completed on this policy on 14/08/24 and all identified negative impacts have been mitigated.

Training statement

The First Come, First Served policy will be implemented with the Shared Ownership Sales Advisors by the Shared Ownership Manager. Training on the Capital Funding Guide requirements and future updates will be provided by our training team and refreshed annually, and updated in line with the publication of new guidance.

Measuring Effectiveness

We will monitor the impact of this policy and associated procedures and processes:

- Via Board Key Performance Indicators and other Performance Indicators, including
 - Measuring and evaluating the number of sales completed
 - Measuring the average share price purchased
 - Monitoring the impact against financial targets
 - The number of complaints

Additionally, we will monitor compliance with this policy through internal review whereby the Shared Ownership Manager undertakes a sense check with sales advisors periodically.

Complaints

Flagship is committed to handling complaints and appeals about shared ownership applications and allocations fairly and transparently. By adhering to these complaints and appeals procedures, Flagship ensures that all potential buyers and residents have a clear and fair process for addressing their concerns and seeking resolution.

Potential buyers may appeal against our decision not to offer them a home if they feel we have not considered all relevant information or have made the decision unfairly. Appeals must be made to the Shared Ownership Manager at Flagship Homes within five working days from the date of notification of the decision not to accept a potential buyer or a decision not to make an offer.

Flagship will not hold any homes while the appeal is being considered. However, if the appeal is successful, we will seek to offer a suitable alternative property if it is available.

Applicants intending to appeal this decision may raise a formal complaint using the link on our website, where our complaints policy is also available.

Review Period

This policy is updated as required and formally reviewed every year by the Head of Service. It is approved by the Flagship Leadership Team on behalf of the Flagship Group.