



RENT, OCCUPANCY AND SERVICE CHARGES POLICY HANDBOOK

(revised 21/11/17)

Contents

| Policy | Page |
|--|-------------|
| Rent Policy | 3-8 |
| Service Charges Policy | 9-12 |
| Sharing Owners Policy | 13-21 |

Equality and Diversity

Scottish Social Housing Charter - SSHC 1: Social landlords perform all aspects of their housing services so that:

Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

We aim to encourage an environment of equality amongst our customers, employees, committee members and other individuals. Our policy on equality and diversity sets out the principles that Thenue will apply to all its work in governance, employment and service provision. We will ensure that all our processes comply with our policy and that those suppliers of goods, services and works have Equal Opportunity policies.

Our information will be clear, simple and consistent, and personal information gathered for the purposes of monitoring equal opportunities will be handled in accordance with the principles set out within the Data Protection Policy. Individual monitoring forms will be used for statistical purposes only and destroyed on completion of analysing.

We will seek to ensure that there are no barriers as a result of gender or marital status, race, colour, disability, age, sexual orientation, language or social origin, or other personal attributes, including beliefs, or opinions, such as religious beliefs or political opinions.

Review

This policy and associated documentation will be reviewed every three years or earlier if statute and good practice dictates.

Amendment Register

Where any amendment or revision is made to the policies contained in this handbook, the appropriate section should be updated and the date amended accordingly. The former policy handbook should be kept in a separate file for reference purposes and to demonstrate an auditable trail of policy development.

Amendments of a more 'cosmetic' nature ([e.g. changing Communities Scotland to The Scottish Housing Regulator](#)) do not require committee approval, however will be entered into the amendment register (below).

All relevant personnel should be made aware of the amendments/revisions made

| Section(s) | Amendment | Date approved by Housing Management Sub | Date approved by Board | Next Review Date |
|------------|-----------|---|------------------------|------------------|
| | | | | |
| | | | | |

Rent Policy

Index

| | Page |
|---------------------------|-------------|
| Introduction | 4 |
| Policy Background | 4 |
| Policy Aims | 4 |
| Policy Objectives | 5 |
| Financial Viability | 5 |
| Rent Structure | 5 |
| Service Charges | 6 |
| The Role of the Committee | 6 |
| Rent Review | 6 |
| Shared Ownership | 6 |
| Supported Housing | 7 |
| Resident Participation | 7 |
| Implementation of Policy | 7 |

1. INTRODUCTION

- 1.1 This policy outlines the criteria that Thenue will use in setting rents for its housing stock with the following exceptions:
- Rents for supported housing properties including hostels will be set according to the criteria as set out in section 11 of this policy
 - Tenants with Fair rather than Assured rents have their rents set by the Rent Registration Officer or the Private Rented Housing Panel. Thenue will always make application for the registered rent to be set in line with our rent policy rent.
 - Rents for new build properties or refurbishment schemes funded under the Scottish Government Affordable Housing Supply Programme will be set in accordance with section 6.4 of this policy.
- 1.2 In setting rents we aim to ensure that we set and maintain rental income at a level that guarantees the Association's future long term financial viability whilst taking account of affordability to tenants and comparability of rents charged by other social landlords for similar properties.
- 1.3 This Policy has been the subject of extensive consultation with Area Associations, Registered Tenants Organisations, Tenant Scrutiny Panel and other resident groups and was agreed by the Board of Management Committee on.

2. POLICY BACKGROUND

- 2.1 The Scottish Social Housing Charter most relevant to this policy is:

14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them
- tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

3. POLICY AIMS

This Policy will achieve the following aims.

- 3.1 **Viability:** following a full and realistic assessment of the relevant costs, rents will be set to meet those costs to ensure the long term financial viability of the Association consistent with the Association's commitment to providing a high quality management and maintenance service.
- 3.2 **Affordability:** Thenue is committed to trying to achieve rent levels which are affordable to all tenants no matter their income but will also need to ensure its financial viability

~~We will consider whether our rents are affordable by undertaking an annual assessment which determines whether there is a financial advantage for our tenants to be in employment and on the Minimum Wage rather than being reliant on benefits.~~

We will assess affordability by:

- also compare our rents to the Scottish Government's Social Rent Benchmark figures and aim to ensure that no rent is more than 10% above the benchmark rent for each property size.
- Ask our tenants, as part of a comprehensive tenant survey (at least every 3 years), for their views on whether they find our rents affordable

3.3 **Comparability:** We will aim to set our rents to be broadly consistent with comparable rents charged by other social landlords and in similar circumstances. For the purposes of relevant social landlords, We will compare our rents on an annual basis to the rents for all Glasgow housing associations. We will also promote the Scottish Housing Regulator's website to allow tenants to make comparisons against individual housing associations.

4. POLICY OBJECTIVES

The rent structure will achieve the following objectives.

- 4.1 **Coherence and Consistency:** the rent structure will be perceived to be fair and will reflect the type, quality and amenity of the dwelling, the services provided and will be comparable across the stock.
- 4.2 **Transparency:** the calculation of rents will be easy for staff and tenants to understand.
- 4.3 **Practicality:** the rent structure will be straightforward to operate.
- 4.4 **Durability:** the rent structure will be able to be updated to reflect external changes (i.e. dwelling attributes and attribute values will be capable of updating).

5. FINANCIAL VIABILITY

The costs to be covered by rental income will be linked to the Business Plan, [Internal Management Plan](#), annual and five year budget plans and will take account of any contractual commitments including lenders covenants.

- 5.1 The projected expenditure to be financed from rental income include the following categories:
- Management costs,
 - Reactive and cyclical maintenance costs,
 - Provision for future major repairs,
 - Voids and bad debts; (amounts set aside for lost rent)
 - Loan repayments,
 - Contribution to reserves (amounts set aside for future investment in stock)
- 5.2 Expenditure will be continually monitored against rental income due and received.

6. RENT STRUCTURE

- 6.1 Thenue will use a points based system based on property characteristics or factors to calculate individual rents specifically for mainstream properties. Details of the points allocated for individual characteristics are set out in Appendix 1.
- 6.2 The rent structure will include the following factors:
- Property type (e.g. house or flat, main door or communal entrance)

- Property size (e.g. no of bed spaces)
- Additional rooms (e.g. Utility room, Shower room)
- [Additional property characteristics \(e.g. communal wifi systems present\)](#)
- Internal Amenities - properties without certain amenities will have rent points deducted e.g.
 - Full Central Heating System
 - Double Glazed Windows
 - Separate living room from kitchen and/or bedroom
- Properties with electric storage heating only or where they are part of a Communal Heating system will have rent points deducted.

6.3 The rent for each property is calculated by multiplying the number of “property points” by the “rent per point”. A value will be attached to a single rent point. This value will be reviewed annually.

[6.4 New build properties or refurbishment schemes funded under the Scottish Government Affordable Housing Supply Programme](#)

[For all new build properties or refurbishment schemes funded under the Scottish Government Affordable Housing Supply Programme, rent levels applied will be the Scottish Government Social Benchmark rents as current at tender stage and projected to practical completion. Where handovers occur over a financial year end the rents assumptions applied at tender stage will apply until handover of all units. Social Benchmark rents may be increased by up to 5% where this is required under the terms of the grant award.](#)

[Thenue’s Rent Policy Rent will then be applied in the financial year following practical completion of the scheme.](#)

7. SERVICE CHARGES

The service charges applied by the Association are additional to the basic rent charge. They are property specific and are calculated on the basis that the Association covers the full cost of providing the services and that these costs are fair and reasonable. The charges are reviewed ~~on an~~ [annual basis](#) to ensure that the service charge income is sufficient to cover the future cost of the services and adjusted to reflect any under or excess expenditure in the previous year. Thenue’s Policy on Service Charges sets out our approach to setting Service Charges in more detail. Thenue will also ensure that any such service charges will, where relevant, be eligible for Housing Benefit.

8. THE ROLE OF THE BOARD

8.1 The Board will have responsibility for [the](#) annual rent and service charge review for all Thenue stock.

8.2 The Board of Management will also have responsibility for approving this Policy.

9 RENT REVIEW

9.1 The Association will give a minimum of 28 days notice of any change in any rent increase and service charges payable.

- 9.2 New rents will normally apply from 1 April each year, however all new tenancies created after the date the annual rent review is approved by the Board will have rents charged at the new amount.

10 SHARED OWNERSHIP

Shared Ownership Occupancy Charges (rents) will be calculated based on the Scottish Housing Regulator's Shared Ownership Guide. Thenue's Shared Ownership Policy sets out our approach to the management of shared ownership properties in more detail. The method of calculation is as follows:

- 10.1 The occupancy charges are calculated in accordance with setting rents for mainstream properties less allowances for management and maintenance.

- 10.2 Management and Insurance charges will also be applied.

~~10.3 Service charges in respect of whatever maintenance obligations are undertaken by the Association and other services provided by it will apply.~~

- 10.34 The charge will be adjusted to reflect the tranche owned by the sharing owner.

11. SUPPORTED HOUSING

Rents for supported housing properties and projects will be set on a project by project basis. We will carry out a detailed financial assessment of the specific project and set a rent which covers our costs of management, maintenance and private finance. Our costs will be reviewed on annual basis and rents reviewed accordingly.

12. RESIDENT PARTICIPATION

The Housing (Scotland) Act 2001 places a responsibility on social landlords to consult with residents on the Rent Policy and annual rent review.

On an annual basis the Board will approve the rent review consultation process. This process will aim to:

- Offer different options for tenants in rent reviews linked to genuine choices in service delivery and/or investment (options will only be presented where they are fully fundable within Thenue's Business Plan and are broadly consistent with Thenue's Strategic Objectives).
- We will consult with our Tenant Scrutiny Panel on the choices to be offered prior to each tenant consultation on the annual review.
- Offer equal opportunity for comment from all tenants.

13. IMPLEMENTATION OF POLICY

The Head of Housing will be responsible for ensuring this policy is implemented and that all staff are aware of this policy and briefed on its implementation.

APPENDIX 1: THENUE HOUSING RENT POINTS TABLE 2017/18 - 1 Rent Point = £1.43

| Rent Factor | No. of Rent Points | Total Points Value 17/18 |
|---------------------------------------|--------------------|--------------------------|
| Base Rent | 2,545 | £3,651.29 |
| Flat | 0 | £0.00 |
| House | 300 | £430.41 |
| Main Door Flat | 100 | £143.47 |
| Bungalow Semi-detached | 100 | £143.47 |
| Bungalow | 200 | £286.94 |
| End Terraced House | 100 | £143.47 |
| Mid Terraced House | 0 | £0.00 |
| Semi Detached House | 100 | £143.47 |
| Detached House | 200 | £286.94 |
| No Central Heating | -240 | -£344.33 |
| Electric Heating Only | -120 | -£172.16 |
| Communal Heating System | -200 | -£286.94 |
| No Double Glazing | -205 | -£294.11 |
| Utility Room | 50 | £71.73 |
| 1 Shower Room | 75 | £107.60 |
| 2 Shower Rooms | 150 | £215.20 |
| 3 Shower Rooms | 225 | £322.81 |
| 1 bed spaces | -150 | -£215.20 |
| 2 bed spaces | 0 | £0.00 |
| 3 bed spaces | 150 | £215.20 |
| 4 bed spaces | 300 | £430.41 |
| 5 bed spaces | 450 | £645.61 |
| 6 bed spaces | 525 | £753.21 |
| 7 bed spaces | 600 | £860.81 |
| 8 bed spaces | 675 | £968.42 |
| 9 bed spaces | 750 | £1,076.02 |
| 10 bed spaces | 825 | £1,183.62 |
| Combined L Rm / Kitchen | -150 | £-215.20 |
| Communal Wifi Service | 35 | £50.05 |
| Non-Traditional Housing | 555 | £796.25 |

EXPLANATION OF TERMS: Base Rent- basic rent charge for all properties (equivalent to a 2 apartment, 2 person flat with full central heating and double glazing)

Bed space – a flat with one double bedroom would be categorised as having 2 bed spaces (i.e. it has a bedroom with space for a double bed or two single beds – space for two persons). A house with two double bedrooms and one single bedroom will have 5 bed spaces.

No Central Heating – Properties which do not have full central heating (a radiator in every room) will have a 240 point deduction from their rent.

No Double Glazing - Properties which do not have full double glazing will have a 205 point deduction from their rent.

Electric Heating Only – Properties which have electric storage heaters will have a 120 point deduction on their rent.

Utility Room – a separate room linked to the kitchen with space for appliances etc.

Shower Room/s – a separate room/s with a shower (in addition to the bathroom).

Combined living room and kitchen/bedroom – where the living room and kitchen or bedroom are in the same combined space a deduction of 150 points will be made.

[Communal Wifi Service](#) – wifi system infrastructure in a block which tenants can access and is funded through rents.

Service Charges Policy for Tenanted Properties

Index

| | Page |
|--------------------------------------|-------------|
| Introduction | 10 |
| Policy Background | 10 |
| Definition of a Service Charge | 10 |
| Fixed and Variable Service Charge | 10 |
| Eligibility for Housing Benefit | 11 |
| Calculating the Charges | 11 |
| Procurement | 11 |
| Introduction of a New Service Charge | 11 |
| Information | 11 |
| Performance Monitoring | 12 |
| Consultation | 12 |
| Responsibility | 12 |

1. INTRODUCTION

- 1.1 This policy sets out to provide an accurate and transparent outline of how the Association sets, reviews and accounts for all items deemed to be of a service charge nature. It aims to ensure all service charges to tenants are correctly identified and funded through service charge income.
- 1.2 In addition to the basic rent for a property, the Association may require in some instances to charge a service charge. Service charges are charged along with the basic rent payable in accordance with the conditions set out in the tenancy agreement, occupancy agreement or lease agreement.
- 1.3 This policy should be read in conjunction with Thenue's Rent Policy.
- 1.4 This policy was approved by the [Board of Management Committee](#) on

2. POLICY BACKGROUND

- 2.1 The Scottish Social Housing Charter most relevant to this policy is:

14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them
- tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

- 2.2 The policy has been drafted making reference to:
 - Housing Benefit Regulations
 - SFHA Good practice guidance
 - our policies on Financial Regulations and Procurement

3. DEFINITION OF A SERVICE CHARGE

The SFHA Guidance Manual on Service Charges notes that there is no legal definition of what constitutes a service charge. A service charge is generally made however in addition to the standard monthly rent charge. It is intended to cover the costs of providing and maintaining services and benefits associated with the property which are beyond the normal charge for enjoying the benefit of occupation of a residents home. ~~For example, a lift in a block of flats is a service which could be covered by a service charge because not all of Thenue properties have a lift and therefore only those that benefit from the lift should pay for the cost of maintaining it.~~

4. FIXED AND VARIABLE SERVICE CHARGE

- 4.1 All of the Association's service charges vary according to the relevant costs incurred or to be incurred in the period for which the service charge is payable. In other words, the Association can collect, in the service charge, expenditure which has already been incurred and budgeted for and anticipated expenditure for the year ahead.
- 4.2 Generally, the Association sets a charge based on actual costs or anticipated costs, however, where this approach to setting charges would involve significant and costly administration and would have a detrimental affect in achieving value for money, the

Association may set a fixed charge across a number of those properties benefiting from that service. The fixed charge applied in the following year [or at the 3 yearly review \(SEE 4.4 below\)](#), will then be adjusted to take into account any under or over recovery in respect of actual costs.

4.3 Where appropriate, the service charge will include an element within the charge to cover our costs in administration of the service and/or charge.

4.4 Thenue may also set service charges which are fixed for a 3 year period (the charge includes an annual uplift for inflation) to avoid annual fluctuations in the service charge to tenants which result from annual increases and decreases in costs incurred.

5. ELIGIBILITY FOR HOUSING BENEFIT

5.1 Housing Benefit Regulations list a number of services and defines whether they are eligible to be included in the assessment of a claimants Housing Benefit. Broadly speaking, if the charge is to do with the property it could be eligible, if it is to do with the person it is not.

5.2 Eligibility for housing benefit will only be considered where the service concerned is provided as a condition of occupying the property in question.

6. CALCULATING THE CHARGES

6.1 All costs will be apportioned equally amongst all residents – tenants, owner occupiers and sharing owners - benefiting from the service. In the case of a lift within a close or block, a charge will be made to each resident whose access to their home is via the communal entrance. In shared houses, charges for maintenance and replacement of furniture or floor covering within each tenant's own room, will be considered as a whole house cost.

6.2 Where a service charge covers a number of different services [a an annual summary](#) statement of service charge costs will be provided to each resident [on request](#).

6.3 Should the review of service charges indicate a surplus, that surplus will be carried forward to the next service charge review. Where there is a deficit, an appropriate increase should be levied to cover the deficit and to cover anticipated expenditure on the following service charge review.

6.4 Tenants will be given 4 weeks notice of any change in their service charge.

7. PROCUREMENT

Thenue's Procurement and Financial Regulations Policies will be applied to ensure service contracts achieve best value for tenants by considering both quality and cost.

8. THE INTRODUCTION OF A NEW SERVICE CHARGE

The Association will consult with tenants who will benefit from the service when proposing to introduce a new service charge. Consultation will include information about the likely costs as well as the scope of the service.

9. INFORMATION

A copy of this policy, will be made available on request and, where required, ~~on tape~~, in large print, or in other languages.

10. PERFORMANCE MONITORING

A report on recommendations to vary the charges will be presented to the ~~Board Finance and Staffing Sub Committee~~ in advance of the planned implementation date.

11. CONSULTATION

Area Associations and other tenant groups will be consulted on this Policy.

12. RESPONSIBILITY

13.1 The Head of Housing is responsible for the central administration and monitoring of this policy.

13.2 The Finance Manager is responsible for the review of all service charges and reporting to the ~~Board Finance & Staffing Sub Committee~~.

Shared Ownership Policy .

Index

| | Page |
|--|------|
| Introduction | 14 |
| Policy and Legislative Background | 14 |
| Definitions | 14 |
| Information for Sharing Owners | 15 |
| Setting Occupancy Charges and Resolving Disputes | 15 |
| Staircasing (Purchase of Further Shares) | 16 |
| End of Term of Exclusive Occupancy Agreement | 16 |
| Sales and Buy Backs | 17 |
| Repairs and Maintenance | 19 |
| Shared Ownership/Waiting List Allocation Policy | 19 |
| Debt Recovery | 19 |
| Sub Letting | 20 |
| Service Standards, Performance Monitoring and Complaints | 20 |
| Consultation | 20 |
| Responsibility | 21 |

1. INTRODUCTION

1.1 This Policy details the way in which Thenue will manage our Shared Ownership properties including any changes in ownership.

1.2 This policy statement, which has been the subject of consultation with sharing owners, was approved by the Board of Management on .

2. POLICY AND LEGISLATIVE BACKGROUND

2.1 The following Thenue policies provide further policy commitments relevant to the management of shared ownership properties:

- Anti-Social Behaviour
- Estate Management
- Close Cleaning
- Customer Engagement
- Complaints
- Factoring
- Rent Arrears
- Rent Policy
- Service Charge Policy
- Service Standards

2.2 Scottish Social Housing Charter

The Scottish Social Housing Charter most relevant to this policy is:

13: Value for money

Social landlords manage all aspects of their businesses so that:

- tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

14 and 15: Rents and service charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and other customers can afford them
- tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

3. DEFINITIONS

3.1 This policy document refers to the following terms and it is helpful to understand what is meant by each.

3.2 Exclusive Occupancy Agreement

The Exclusive Occupancy Agreement between the sharing owner and the Association sets out the obligation of each party. It includes the obligations of the sharing owner to pay the rent as well as to maintain and repair the property.

3.3 Co-operation Agreement

Where the Sharing Owner is using a mortgage to finance the purchase of their tranche, the Association will enter into a Co-operation Agreement with the particular bank/building society involved. This Co-operation Agreement between the Association and lender binds both parties to act together where a Sharing Owner is in default on mortgage payments, rent payments or both.

3.4 Staircasing

After being in occupancy for one year, the sharing owner can exercise their right to buy further shares. Thenue will only agree to staircasing in multiples of 25%. This involves a revaluation of the property, paid for by the Sharing Owner, with each party being responsible for its own legal fees. The Association receives an allowance to cover its costs including legal fees. No more than one staircasing can be carried out per year. There is no obligation on a sharing owner to purchase further tranches, although a new Exclusive Occupancy Agreement will be required after 20 years. Once a Sharing Owner has staircased up to outright ownership then s/he is free to dispose of the property without any further recourse to the Association. .

Thenue will immediately amend the occupancy charge according to the new percentage owned.

5. INFORMATION FOR SHARING OWNERS

5.1 Thenue will aim to provide the following information to owners:

Prior to Purchase: We will give clear information to prospective sharing owners about the responsibilities of being a sharing owner.

Post Purchase: Once the sharing owner takes up occupancy we will issue a summary guide to the Exclusive Occupancy Agreement. .

5.2 Thenue will also keep sharing owners informed about changes to our policies, services and charges through newsletters, meetings individual letters and leaflets.

6. SETTING OCCUPANCY CHARGES & RESOLVING DISPUTES

6.1 Thenue will aim to ensure that all charges related to shared ownership are clear, fair and transparent.

6.2 Setting the Occupancy Charge

Thenue Housing will set a charge on the portion of the property to be rented by the sharing owner. This is called the Specified Occupancy Charge (Rent) and comprises:

- a) A **Basic Rent** calculated in accordance with the Association's approved rental policy less management and maintenance allowances,
- b) A **Management Charge** to cover Thenue’s administration costs in managing shared ownership properties, and
- c) A Building Insurance Charge (the Sharing Owner is only responsible for Contents Insurance) .

Calculation of the Specified Occupancy Charge (Rent) takes into account the fact that the sharing owner is responsible for meeting the cost of all repairs and maintenance to the property.

All other property charges such as common repairs and maintenance will be billed as a separate factoring account for each sharing owner.

6.3 Review of Charges

The Association's Exclusive Occupancy Agreement provides that Occupancy Charges will be reviewed on an annual basis in compliance with the Association's Rent Policy. We will consult on an annual basis with sharing owners on the increase applied to the Basic Rent and any change to the Management Charge we apply as part of the Occupancy Charge. .

The Exclusive Occupancy Agreement gives the sharing owner a right to appeal our review of charges however. We will refer such cases to an Independent Valuation Service (as per the Scottish Government’s Guidance Note HSGN 2012/02).

7. STAIRCASING (PURCHASE OF FURTHER SHARES)

7.1 Notification by Thenue to Sharing Owner of reminder to purchase additional equity

On the **fifth, tenth, and fifteenth** anniversary of the settlement of a shared ownership transaction, Thenue will send a copy letter to a sharing owner which will remind them that they can purchase additional equity.

7.2 General requirements re Staircasing

Thenue reserves the right to refuse consent to staircasing where the sharing owner is in breach of any duty as set out in their Exclusive Occupancy Agreement.

Valuations Required:

Staircasing: A District Valuation only is required. The cost of the DV Valuation must be paid in advance by the Sharing owner who will then get a rebate of 50% of the cost of the valuation, when a sale completes.

..

..

If the sharing owner withdraws from purchasing additional shares or a joint sale, once the legal process has commenced, they will be responsible for any reasonable legal costs incurred by the Association. The sharing owner will be asked to confirm in advance their agreement to this in writing.

The Occupancy Payment and Factoring Account should be up-to-date prior to purchasing further shares in a property.

8. NOTIFICATION BY THENUE TO SHARING OWNER OF END OF TERM OF EXCLUSIVE OCCUPANCY AGREEMENT

8.1 At least **12 months prior** to the end of the term of the Exclusive Occupancy Agreement entered into between the sharing owner and Thenue we will send a copy letter to the shared ownership owner to advise them that the terms of the Exclusive Occupancy Agreement are due to expire.

At the end of the 20 year period the options available under the Agreement are:

1. The sharing owner has the option to purchase the Association's share;
2. If option 1 is not exercised, the Association has the option of purchasing the sharing owner's share;
3. If options 1 & 2 are not exercised, the sharing owner and the Association can jointly sell the whole property

8.2 Offer by Thenue of a New Exclusive Occupancy Agreement (EOA)

A fourth option may be offered by Thenue, namely a new Occupancy Agreement. Thenue does not have any obligation to offer this under the Terms of the Exclusive Occupancy Agreement. The Sharing Owner will be responsible for both their own and Thenue's legal costs.

If a Sharing owner refuses to exercise the options in 8.1 or enter in to a new Exclusive Occupancy Agreement, then the Association will apply to the Courts for the eviction of the Sharing Owner.

9. SALES AND BUY BACKS

9.1 Sale of Tranche

General Requirements:

- Any potential purchaser of a tranche must complete a Shared Ownership Application Form with Thenue, prior to a sale proceeding.
- The new sharing owner will be required to sign an Exclusive Occupancy Agreement with Thenue prior to completion of the sale.
- All outstanding debts to Thenue will require to be settled prior to a completion of the sale.
- Thenue must be allowed to inspect a property prior to a sale of any tranche
- Thenue are not responsible for any legal or marketing costs incurred by the sharing owner.
- If a sharing owner withdraws from a transaction to sell or purchase an additional tranche Thenue reserve the right to recover any costs incurred by Thenue in processing the transaction. Thenue will make this clear in writing at the outset.

- If the property/tranche is sold on the open market the price obtained for the property will be at least the District Valuer Valuation , unless otherwise jointly agreed.
- The prospective Purchaser must attend an interview with Thenue in advance of any sale.
- Existing owners will not normally be acceptable as a prospective sharing owner.

9.2 Sale of Share: Where the sharing owner is selling their share a Home Report only is required paid solely by the Sharing Owner.

9.3 Where improvements have been carried out to the property that affects the value of the property:

Thenue will seek a DV valuation based on the property having had no improvements. This value will be taken into account in respect of the share of the proceeds of sale. (e.g. Property valued at 95k by DV, property valued by Home Report at 100k. Share of proceeds will be based on the sale price less £5k of improvements).

9.4 Direct Sale of Tranche

In normal circumstances if a Sharing Owner wishes to terminate their Occupancy Agreement, where the property has been well maintained and there is an interested party willing to purchase, a prospective purchaser and the outgoing Sharing Owner can enter into a direct sale of the tranche with the agreement of the Association.

9.5 Nomination Re-Sale

Thenue will also consider nominating applicants in cases where both parties agree to a re-sale. on our shared ownership waiting list with the agreement of the sharing owner....

9.6 Open Market Sale of Tranche

Permission must be sought from the Association prior to the property going on to the open market,

9.7 Joint sale of the property for full ownership

In the instance of an outright sale of the property, the Shared ownership must obtain the approval of Thenue to any marketing contract in advance of signing agreements with agents . Cost of marketing will be split pro-rate in line with the share being sold (e.g. if sharing owner owns 75% of the property they will pay 75% of the marketing fee). The Sharing Owner is responsible for arranging a Home Report and the full cost of this report. Thenue will also obtain a District Valuer valuation. The cost of the DV Valuation must be paid in advance by the Sharing owner who will then get a rebate of 50% of the cost of the valuation, when a sale completes.

9.8 Outstanding Debt: On completion of any re-sale, a deduction may be made directly from the sale proceeds towards any outstanding rent, factoring fees, or other charges until a final account has been prepared.

9.9 Buybacks

If the sharing owner wishes to remove from the property the Exclusive Occupancy Agreement clause 4 (b) makes provision for the Association to purchase the remaining share (if it so wishes).

However, as Sharing Owners are encouraged to staircase to full ownership, in accordance with the wider objectives of Shared Ownership, Thenue does not normally buy back shared ownership properties.

The Association does recognise, however, that there may be exceptional circumstances where it would be appropriate to consider a buy-back (e.g. through the Scottish Government's Mortgage To Rent Scheme). These cases will be considered on an individual basis around the circumstances involved and the associated financial implications.

10. REPAIRS AND MAINTENANCE

10.1 Sharing Owners are responsible for **all** repairs and maintenance for their property (including major repair works). Common Maintenance responsibilities for Sharing Owners are recharged through our Factoring Service.

10.2 Where lack of maintenance and repair is evident from an inspection, then the Sharing Owner will be contacted and every effort made to ascertain the reason(s) whilst explaining the essential nature of regular repair and maintenance. It is an option for the Association to require a Sharing Owner to carry out repairs or carry out repairs on their behalf and recharge them accordingly. This course of action will be at the discretion of the Head of Housing.

11. SHARED OWNERSHIP WAITING LIST

11.1 Thenue Housing will record all notifications of interest in our shared ownership properties and issue application forms on request.

11.2 Where an existing sharing owner approaches the Association to identify a prospective buyer for their share of a property we will identify an applicant from the shared ownership waiting list. Thenue applications will be prioritised by number of apartments required and then by date of application.

12. DEBT RECOVERY

12.1 The approach to debt recovery will follow the procedures set out in the Exclusive Occupancy Agreement and Co-operation Agreements and also the principles detailed in Thenue's Rent Arrears Policy; namely that we will adopt a firm but fair approach to arrears recovery. Sharing Owners will be offered advice by staff, about housing and other benefits which may assist them in maximising their income and/or meeting their liabilities.

12.2 Given however the complexities of shared ownership the Association will retain a flexible approach to arrears action by examining individual cases on their own merits.

12.3 The sharing owner is obliged to pay the occupancy payment one month in advance by standing order or by Direct Debit.

12.4 Thenue may contact the owner's lender, use a debt recovery agency or take court action where an owner fails to meet their obligations under their Exclusive Occupancy Agreement and Title Deeds.

12.5 Where there are arrears Thenue will advise the shared owner that it intends to inform the mortgage lender of the position as per the Co-operation Agreement. Non-payment of rent is default under the building society's security.

12.6 If Thenue's attempts to eliminate or reduce arrears fail, an 'Irritancy Notice' will be served. In effect, this brings the occupancy to an end in 28 days, although the shared owner is not compelled to leave the property. Where the service of an Irritancy Notice has not resulted in an adequate improvement in payments and the Sharing Owner is not co-operating regarding other potential options such as resale then the Association will seek to remove the Sharing Owner by seeking to repossess the property. This must be approved by the Head of Housing. Such action would involve the case being entered in to the Sheriff Court on the basis that the Association would be acting jointly with the mortgage lender (as prescribed by the Cooperation Agreement) to repossess the property under the terms of the lenders heritable security.

12.7 It will be emphasised to the sharing owner that if there are arrears outstanding to either party (mortgage or Occupancy Payment) then an eviction action could proceed.

12.8 Where there is no mortgage remaining on the property - Thenue will seek legal proceedings for repossession on its own.

12.9 Thenue will advise the local authority of intended action that may result in people becoming homeless and in particular where an eviction is imminent.

12.10 Thenue will agree the apportionment of legal costs and other outlays in advance with the lender on the sale of the repossessed property. We will agree with the lender as to the dispersal of receipts arising from any repossession. Thenue and lender will agree advertising costs and the method of advertising and costs will be split pro rate.

12.11 The approval of the Executive Team will be sought prior to the Association pursuing such repossession action.

13. SUBLETTING.

13.1 Thenue' recognises that there may be housing mobility difficulties for sharing owners related to demand for their shared ownership properties. To provide greater flexibility for this minority of sharing owners, and subject to the conditions set out below being satisfied, we will look favourably upon applications from sharing owners to privately let out their properties.

13.2 If the sharing owner wishes to move from the property but is prevented from doing so because Thenue:

- elects not to exercise its option to buy back the property as set out in the Exclusive Occupancy Agreement (see Buy Back and Re-Sales provisions);
- is unsuccessful in trying to facilitate a direct sale from one sharing owner to another; and
- and the owner has been unsuccessful in selling the property on the open market (see Joint Open Market Sales provisions) after a six month period;

the housing association will not unreasonably withhold our written consent to the sharing owner's application to let the property subject to the required legal and financial formalities being successfully completed. Such consent should only be given subject to:

- the sharing owner obtaining the written consent of their lender to let out the property;
- any let should be provided for a limited period of time and should be no longer than a 12 month period of time;
- any lease provided to a tenant is a properly constituted short-assured tenancy that contains certain rights to terminate.
- the property is being let either by Thenue as temporary accommodation or privately by the owner on a short assured tenancy (if the property is let by Thenue the owner should receive a share of the rental income, based on the proportion of share of the home that they own minus any reasonable management costs, and should no longer be required to pay their occupancy charge fees, except the cost of building insurance);
- if the property is let privately, the owner registering as a private landlord with the relevant local authority

13.3 If a sharing owner is not using the property as their principal home and has not received permission to sublet the property, Thenue will seek to terminate the EOA.

14. SERVICE STANDARDS, PERFORMANCE MONITORING AND COMPLAINTS

14.1 Service Standards

Thenue's service standards apply equally to all our customer where relevant..

14.2 Complaints

Any sharing owner who is dissatisfied with any aspect of the services provided by Thenue can use Thenue's Policy on Complaints.

15. CONSULTATION

15.1 Thenue will consult with Sharing Owners regarding changes to this Policy, Occupancy charges and other significant changes in services which specifically affect sharing owners.

16. RESPONSIBILITY

16.1 The Head of Housing is responsible for monitoring and reviewing this policy.

16.2 The Area Services & Repairs and Income Maximisation Managers will be responsible for ensuring this policy is implemented.