



LODDON  
HOMES

## Staircasing Policy

APPROVED

## Contents

## Page Number

1	Policy	1
2	Purpose	1
3	Principles	1
4	Review	1
5	Application	1
6	Staircasing	2
6.1	Introduction	2
6.2	How to Staircase	2
6.3	Final Staircasing	3
6.4	Reverse Staircasing	3
7	Equality Impact Assessment	4
8	GDPR Statement	4

APPROVED

## 1. Policy

This policy sets out Loddon Homes Limited's approach to the purchase of additional equity by shared owners in their home. This process here in will be referred to as "staircasing".

This policy supports Loddon Home's commitment and obligations relating to Shared Ownership and staircasing in accordance with Homes England's Capital Funding Guide<sup>1</sup>.

Loddon Homes will promote and encourage shared owners to staircase when it is suitable and affordable for them to do so.

For the purpose of this policy 'Loddon Homes Limited', the 'Company' refers to the Loddon Homes Limited and its sister organisations.

## 2. Purpose

The aims of this policy are

- To comply with financial and regulatory controls including those set out in Homes England's Capital Funding Guide.
- To have an open, fair and transparent process for accepting and managing staircasing applications
- To meet Loddon Homes values and vision

## 3. Principles

The following principles will apply to this policy:

- It will be open, fair and transparent
- It will be reviewed every three years

## 4. Review

We will review this policy, procedures and staff training needs at least once every three years to ensure that it continues to operate within best practice and statutory and regulatory requirements.

Supporting staff from the 'Company' will be responsible for ensuring that policy reviews are undertaken, that appropriate consultation takes place and that revisions are reported to the Board.

## 5. Application

Loddon Homes' Board will approve this policy and delegate responsibility to the supporting staff from the 'Company' to ensure that it is communicated and implemented and that staff are suitably trained.

---

<sup>1</sup> <https://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership>

## **6 Staircasing**

### **6.1 Introduction**

Shared Ownership is aimed at helping people in housing need who are unable to afford to purchase a property on the open market. Shared Ownership applicants are subject to eligibility and affordability requirements as detailed in the Capital Funding Guide.<sup>2</sup>

Shared Owners have a leasehold interest in the property they own and pay rent to the landlord on the share they do not own. The Shared Owner can purchase further shares in the property, usually up to 100% and this process is called staircasing. As the Shared Owner purchases more shares in the property the rent they pay on the unsold equity decreases. Details of whether or not a property can be staircased to 100% ownership can be found in the property lease.

When a Shared Owner staircases to 100% and becomes the outright owner of the property, the landlord will transfer the freehold (where applicable) and there is no further rent to pay. However a service charge may still be applicable.

### **6.2 How to Staircase**

When a Shared Owner wants to purchase additional shares in their property they must make sure:

- There are no arrears on their account for rent and/or service charge
- They have the sufficient finances in place to meet the costs of staircasing and the ability to fund the additional share
- They can provide a valid mortgage offer or evidence of finances for the additional share being purchased

Additional shares are purchased at the current market value of the property at the time of the application. The valuation will be completed by an independent RICS qualified valuer which will remain valid for three months.

The Shared Owner is required to pay for any costs relating to the staircasing purchase including the valuation, mortgage fees and any legal fees. Rent and service charge must be up to date before the completion of the staircasing.

Shared Owners have three months to complete their staircasing purchase and this time period begins once Loddon Homes receives the valuation from the valuer. Loddon Homes has the discretion to extend this period to six months in cases where the delay is outside the control of the Shared Owner and Loddon Homes.

Shares are usually purchased at a minimum of 10% unless otherwise stipulated in the lease. Details of the minimum and maximum shares allowed are set out in the lease.

### **6.3 Final Staircasing**

---

<sup>2</sup> <https://www.gov.uk/guidance/capital-funding-guide/1-help-to-buy-shared-ownership>

Shared Owners have the ability to staircase to own 100% of the property unless otherwise stated in the lease. This is called final staircasing and the purchase of the remaining share must be at least 10%.

When the shared owner becomes the outright owner the freehold will be transferred to them where applicable. Service charges for any communal maintenance or repairs will still need to be paid to Loddon Homes. When a shared owner becomes an outright owner they are able to sell their property on the open market, subject to any restrictions applicable in the lease.

#### 6.4 Reverse Staircasing

Reverse Staircasing refers to when a housing association buys some or all of the shares in a shared ownership property to allow the shared owner to remain in their home whilst in financial difficulty. The idea is that by selling some of their shares back to the Loddon Homes the shared owner would reduce their mortgage payments to a more manageable level.

Reverse staircasing is a last resort for a shared owner in financial difficulty to avoid being evicted from their home. If a shared owner's situation changes Loddon Homes will always encourage them to speak to Wokingham Borough Council's (WBC) rent team and their own mortgage provider to look for solutions.

Shared Owners can apply to Loddon Homes to consider their reverse staircasing application however **there is no right that this will be approved**. Homes England permit the use of Recycled Capital Grant Fund (RCGF) in cases where all other options to avoid eviction have been exhausted and the housing association has RCGF available.

## 7 Equality Impact Assessment

### 7.1 Identify potential impact on each of the diversity “groups”

Strand	No impact	Negative impact	Positive impact	Comments/evidence
Race	✓			This Policy is applicable to all Strands.
Disability	✓			
Gender	✓			
Gender Reassignment	✓			
Sexual orientation	✓			
Religion or belief	✓			
Age	✓			
Rural issues	✓			
Social Inclusion issues	✓			
Pregnancy and maternity	✓			
Marriage and civil partnership	✓			

### 7.2 Does the Policy promote equality of opportunity?

The Policy promotes equality of opportunity with the broad spectrum of opportunities within ‘staircasing’ to both influence service delivery with adjustments to service for example. It also provides a service which can respond to individual customer’s needs.

### 7.3 If “adverse impact” identified in the table above, please state how this policy addresses this.

No negative or adverse impacts have been identified

### 7.4 A full EIA is not required for this policy.

## 8. GDPR statement

The General Data Protection Regulations (GDPR) is a legal framework that sets guidelines for the collection and processing of personal information of individuals within the EU. GPDR came into effect across the EU on 25 May 2018 and will be replaced in the UK in the future by a new UK Data Protection Act.

The purpose of GDPR is to provide a set of standardised data protection laws across all the member countries. The principles are similar to those of the Data Protection Act 1998, with added detail at certain points promoting accountability and transparency.

## **Right to be Informed**

A copy of the Local Housing Companies Privacy Notice May 2018 is available for you to view <https://wokinghamhousing.co.uk/wp-content/uploads/2018/05/Local-Housing-Companies-Privacy-Notice-May-2018.pdf>. This statement sets out how we collect, use your personal information and how long we keep it for.

## **Subject Access**

You are able to find out what information we hold about you, and to verify how it's being used. We are able to refuse requests when they are manifestly unfounded or excessive, in particular because they are repetitive. We can also charge a reasonable fee in these circumstances; otherwise, there is no fee involved.

You can email: [info@wokinghamhousing.co.uk](mailto:info@wokinghamhousing.co.uk) with your requests for personal information.

## **What if information about me is inaccurate?**

If you are aware of any information that we hold about you is inaccurate or incomplete, please notify us of this and provide what needs rectifying and any evidence that supports the changes needed.

## **What if I want information to be deleted or restricted?**

You have the right to have personal information erased in certain circumstances. You may know of this as the 'right to be forgotten' or 'right to erasure'. If information cannot be deleted, then we may restrict the processing of the information instead.

## **How long do you have to comply with my request?**

We have 1 month from the date of receipt to issue a response, and either release the information to you, make the changes required, or inform you as to why we are unable to comply. In complex cases we can extend this by 2 months but we will inform you within the 1 month period. Until further guidance is published, we consider 1 month to equate to 30 days.

## **More information**

To find out more about data protection see the Information Commissioner's Office website [http://www.ico.org.uk/for\\_the\\_public](http://www.ico.org.uk/for_the_public)

## **Contact us**

You can contact us via:

Email: [info@wokinghamhousing.co.uk](mailto:info@wokinghamhousing.co.uk)

Karen Howick  
Responsible Person for Data Protection  
Loddon Homes Limited  
Shute End Civic Offices  
Wokingham  
Berkshire  
RG40 1WN

<b>Next review date</b>	
Every three years Next review date: 01 July 2018	
<b>Author</b>	<b>Related Documents</b>
Name: Holly Messenger Email: <a href="mailto:holly.messenger@wokingham.gov.uk">holly.messenger@wokingham.gov.uk</a> Tel: 0118 974 6390	

APPROVED