

Home ownership for people with long-term disabilities (HOLD)

Factbook

About shared ownership through
HOLD, and a step-by-step guide for
the professionals leading the process

Introduction

The Local Government Association (LGA) and Association of Directors of Adult Social Services (ADASS) is working with key national organisations to support delivery of the Transforming Care programme, aimed at improving care and support for people with a learning disability and/or autism who display behaviour that challenges, including those with a mental health condition.

About this factbook

This factbook is about the HOLD shared ownership scheme and was developed to support those professionals who are working with people with a learning disability, autism or both as part of the Transforming Care programme. However, shared home ownership is a possible option for a much wider range of people; this guide is therefore relevant to other professionals too.

Shared home ownership won't be right for everyone, but we do know that it can work really well for some people who may have very specific housing requirements. We know, for example, that individuals with complex and challenging behaviours often require tailored solutions that will minimise the triggers for behaviour, in some cases with significant adaptations and/or modifications, and where location and environment are very important in achieving sustainable housing solutions for people. Where the person lives, who they live with, the design of their home and how they are supported (including in an environment that they are comfortable with) can have a significant impact on wellbeing and behaviour.

Home ownership under the HOLD scheme enables the individual and their family to select a property from the open market, within their budget, just like everyone else who is looking to buy a property. This gives them a much better opportunity to choose where they live and the kind of property they will be living in, coupled with the security of tenure that only home ownership delivers.

The step by step guide included in the second half of this document is a guide for those professionals involved in the process to help ensure things run as smoothly as possible. Anyone who has ever bought a house knows that it can be full of twists and turns, so keeping a strong commitment is critical to success.

About the HOLD scheme and how it works

What is the HOLD shared ownership scheme?

Shared ownership schemes have been established as a low cost home ownership option for people of modest incomes for many years. HOLD is a similar government-backed shared ownership scheme specifically for people with a long term disability to share in the ownership of their home with a housing association.

HOLD is available (subject to lender approval) to people aged 18 or over with long-term disabilities (this covers physical and learning disabilities, cognitive and sensory impairments and enduring mental health issues).

How does it work?

Under this model, when it has been used with people with a learning disability and/or autism, a housing association buys the chosen property with the individual and their family. To buy its share of the property the housing association uses grant funding from the Homes and Communities Agency (HCA) which helps to keep the rent low.

On the day the property is purchased, the housing association sells a share of the home to the individual with a learning disability/autism. The individual gets a mortgage to pay for his or her share of the property, with mortgage repayments covered by a repayable loan called Support for Mortgage Interest (SMI) – see below for more on SMI.

The shared owner with a disability pays rent on the share of the property owned by the housing association. The housing association may retain responsibility for many of the repairs and maintenance that shared owners may need help and support with. The cost of this is then included in a service charge. The rent and service charge is eligible to be covered by the person's housing benefit.

When the individual decides to move on or dies, the property is sold. The grants from the HCA are paid back, to be recycled and invested into other property.

What is SMI?

SMI is a Government loan (prior to April 2018 it was paid as a benefit). The loan will need to be repaid when the property is sold or transferred, subject to available equity. In these cases, the mortgage provider will retain First Charge on the property and receive its money back when it's eventually sold, as will the Housing Association. Other funds used for the purchase are secured via a Second Charge. Once the First and Second Charge obligations have been fulfilled, the Department for Work and Pensions (DWP) is able to claim back the money paid out via SMI.

If the amount of equity available after the sale of the property is less than the amount due to be recovered the balance will be written off. For example; a claimant has an SMI loan of £10,000, when the property is sold the equity available after clearing prior charges is £8,000. DWP will recover £8,000 and write off the balance of £2,000. The individual might also benefit from any uplift in the property price at point of sale, which could off-set the loan in some circumstances.

It is important for people to understand in detail what SMI is and how it works. It will also be important to be aware of the length of the mortgage term and to plan accordingly for the end of it when the loan will need to be repaid in line with Government guidance.

You can find out more here:

www.gov.uk/support-for-mortgage-interest

What are the benefits of the HOLD model?

These are the main benefits of the scheme that people and families have told us about:

- **Security of tenure.** Ownership offers the most secure tenure available to people and promotes the separation of accommodation and support. This separation means that the individual can choose to change his/her care and support provider, without the risk of losing their home or facing eviction/notice on the property.
- **Personalised.** It allows for an individualised environment that meets the specific needs of the person; bespoke accommodation, environment and location can be key to managing behaviours that are a challenge.
- **Choice and control.** It allows for choice about where the individual wants to live and with whom. Some people may want to live with other people. However, some people don't want to. We know that shared living arrangements are not right for some people and can have an impact on behaviour. This can lead to placement breakdown.
- **Promotes natural relationships.** This model follows the principles of an 'ordinary house, in an ordinary street' – the same as anyone else, and allows people to be a part of their community, with the right support.
- **Long-term settled accommodation.** Many people with a learning disability and/or autism who have bought a house through HOLD have chosen to remain in the same place. Where people move on, this is usually because family moved, their needs changed due to aging or they passed away¹.

From the perspective of health and social care commissioners and others who are working with people and families to look at housing and support options for people there are also some additional benefits:

- **Uses other funding.** This model draws down funding from other sources beyond health and social care, and secures additional investment from HCA and housing associations

What are the limitations of the HOLD model?

- **Not suitable for everyone.** The model won't be right for everyone. Not everyone will want to live on their own, and there are other issues that might not make it suitable – for example, there are likely to be issues in securing a mortgage where someone has a criminal conviction.
- **Not everyone will be eligible.** For example, there are certain welfare benefits that people must be receiving to be eligible for SMI (see above). It is also limited to people who are unlikely to be able to work. This is due to some of the rules around SMI and the benefits you need to be receiving for an unlimited period. From this perspective, HOLD is an option for people with a learning disability and/or autism who meet the following criteria:
 - eligible for high or middle rate care Disability Living Allowance (DLA)/ Personal Independence Payment (PIP), or Attendance Allowance for over 60s
 - over the age of 18
 - have a clear credit rating, no judgements/ court orders in relation to debts, bankruptcy and no borrowing or rental debts in the past
 - have capacity to manage their property and affairs or someone acting on their behalf (Court Appointed Deputy etc)

¹ My Safe Home, who help people with disabilities secure HOLD mortgages, have estimated that 79 per cent of all HOLD buyers that they have helped since 1999 are still living in the same property, of which 80 per cent have a learning disability or autism.

- be on the electoral role or have ID
- not be able to gain employment replacing their benefits in the future
- no criminal convictions.
- **Availability of mortgage lenders.** Although HOLD is a nationwide scheme there are relatively few lenders who offer the model, which means it is not currently available in all areas of the country.
- **Buying a house is hard work.** There are lots of things to think about from finding the right sort of house, securing a mortgage, making adaptations to the property and so on, including all the associated paperwork. For commissioners, HOLD may not be a model that they have come across before; it takes time and energy to make it work.
- **Changes to policy.** The model is reliant on things like the SMI loan and Housing Benefit to cover mortgage repayments and the rental. There are therefore always risks as we can never guarantee Government plans. For example, as noted above, the Government has recently changed SMI from a benefit to a loan. The loan accrued through SMI payments will therefore need to be paid back when the property is sold. In addition, the HOLD model relies on HCA funding (as described above) which could be affected in the future should funding structures for social housing change.

Shared ownership case study

My son had spent much of his young adulthood in hospital and also in residential services, where he experienced significant abuse, underpinned by a lack of choice and control about how he lived his day to day life. This has left him with significant trauma.

Despite this he has maintained a core of his being that is endowed with gifts and talents. He has interests and abilities that motivate him and offer us a real gateway into helping him live a great life in the community.

When we learned that he had an opportunity to access shared ownership we did what we could to find out about how it works and what it takes. It's a complex process based on good individual service design. The home itself is just one part of the solution, as we also needed to make sure that his support was right too. It was also critical that we coordinated these aspects so everything came together at the right time.

Once we had approval in principle for the mortgage we were able to shop around to find the right home in the right neighbourhood, close enough for us to visit and somewhere that staff could easily reach.

We used a home identification form that helped us determine what we really needed in a house, including space for staff, parking, and outdoor space. Once we had an idea of the essentials, we were able to look for a home.

Knowing my son as I do, I was able to get it just right. I met neighbours and found out what the place was like at different times of the day, as I know my son does not tolerate noise well.

My son loves his home. He has security in his own home and his life for the first time in years.

He was able to get an assistance dog which helped him settle. He walks the dog and has got to know his neighbours. He loves to mow the lawn and this new interest has now extended to helping cut grass on recreational land as part of a local environmental group. His progress since moving continues and now he undertakes lots of tasks requiring no prompting, such as feeding his birds.

Getting a secure home and the right support has made a huge difference to my son.

A step-by-step guide for the person leading the process

1. Identify a need

There may be individuals who have not been able to be settled in the right house and the right location, and where HOLD as an option offers the best possibility of achieving the critical stability that the person needs to live in their community.

Find out as much as you can about the person, who supports them, what their dreams and aspirations are and what gifts and talents they can bring to the place they live.

The following Home Identification form is a useful tool aimed at supporting people with a learning disability and/or autism to think about their housing needs and support the process of developing a housing specification for the person:

www.housingandsupport.org.uk/site/hasa/templates/general.aspx?pageid=476&cc=gb

2. Identify your partners

You will need:

- a housing association/registered social landlord
- a finance person
- legal support
- advocate/family member
- care manager
- someone to help find a lender and apply for the right benefits
- an organisation who can help you find a HOLD mortgage.

Arrange an initial call to explain that you are looking to develop shared ownership in your area – explain that two weekly conference calls will be needed to take this forward. Secure the support of these partners.

Mental capacity and advocacy

Some people will need an advocate or a family member to help. If a person lacks capacity about their finances, the Court of Protection (COP) approval will need to include something specific about the deputy being able to agree a mortgage on their behalf. This must be applied for immediately if there is no COP and the person lacks capacity. Failure to start this now will mean big delays later.

Lots of these people won't have heard of HOLD/shared ownership as an option, so as the professional leading the process, you may be the one suggesting it.

You will need to be absolutely open about the benefits and risks of the model to help people make up their minds to see if it is right for them. If you are working with an organisation to help find a mortgage lender there will be costs associated with this.

A good idea is to have a briefing session explaining the HOLD scheme. As part of this, you will need to make sure that you explain the order of legal charges; this is about who gets their money back when a house is sold, especially when a few different bodies are putting money into the purchase.

Banks and building societies always get their money back first, because this is the law. Grant making bodies may come next. Often (as in most house purchases) the personal funding people put into their home is lower down the list. This is only going to be an issue if a house falls in value over time, as there may be not enough money in the pot after a sale to pay everyone back. The lower down the list a contributor is the more risk of losing money if the value of the property is reduced.

It is important that everyone understands this.

3. Establish the person's eligibility to have a mortgage early on to avoid disappointments later

The following 'checklist for shared home ownership' is a useful tool for the professional leading the process. The first section covers eligibility requirements for HOLD – get the person with help from a family member, advocate or care manager to complete the first section: www.housingandsupport.org.uk/site/hasa/templates/general2col.aspx?pageid=477&cc=gb

Like any of us asking to borrow money, lenders will check that the person has no criminal record or that they haven't had any debt problems. Also, if an individual has the ability to work in paid employment this will significantly impact on the welfare benefits they are eligible for, especially with the move to Universal Credit, so this will need to be considered up front.

4. Find out how much it will cost

Ask the person and those who support them to fill in a 'home identification form' (see step 1 above). The questions will help everyone identify the type of home needed and its ideal location.

Get people to look around on property sales websites to find out a ballpark realistic budget to meet the person's housing needs. Have an idea now about what the essential adaptations are likely to be; you can't finalise it now as it will ultimately depend on the property – but get the draft schedule of works listed at this stage and put some ballpark costs next to each item.

5. Start to pull together funding

Look at these streams of funding for the purchase of the property:

- any capital funding from the buyer's Local Authority
- capital grant funding from NHS England, the Department of Health or the local Clinical Commissioning Group (CCG)*
- mortgage funding (likely to be £100,000 max)
- HCA funding – via the Housing Association
- the Housing Association's own funding
- personal contribution from the buyer and/or their family.

*The funding from the person and the grant monies together must be at least 10 per cent of the purchase price of the property.

Look at these streams of funding for adaptations:

- disabled facilities grant
- personal funding
- other eligible grant funding
- local charitable organisations.

Write down who is covering which costs.

You should also look at any increased costs for property repairs due to any behaviour that might lead to property damage; ensure that these are either reflected in the service charge of the housing association, or can be covered by a separate funded resource (subject to funder approval).

6. Look at the ballpark funds and the money you can get to see if the project is feasible

7. Think about timescales

A property purchase usually takes at least six to nine months – set expectations now about how long it will take. Alert the individual buying the property, their family and advocates about the process from here.

Care managers will need to ensure that support is available in the intended area. If a desired location is remote it is likely that staffing support will be problematic – support MUST be prepared and ready for when the person moves in. Good project management helps. Use the checklist to keep activity ordered and on track.

8. Forms to fill in and promises of funding

Make sure that you and the individual/their family/advocates have completed all of the forms to ask for the money.

A mortgage lender will need to be identified, you can use organisations who are able to help with this, as noted earlier.

9. Prepare your signatories, get help with the legal aspects

Some grants might require signing from the council or CCG legal team leads or finance leads. They need to understand what they are being asked to sign off. Prepare them so that when the time comes they fully understand the project. Similarly within housing associations this will also need to be done.

10. Identify the house

The individual, their family and advocates will now know what their budget is. They now need to find the ideal home. Some housing associations will have constraints on properties they will consider taking on to manage (as they will be maintaining the home) so people need to know what age, type and energy efficiency rating is appropriate before they set their hearts on something.

Once a home is identified everyone will need to be made aware of the location, type of property and asking price on the market.

11. Initial checks and offer

The housing association will want to look at the home and approve it before an offer is made. They usually put the offer in and negotiate with the lender. If this is going to happen all contributors need to agree that they are happy about who is negotiating on the price.

Once an offer is accepted searches, valuations and other checks can take place.

12. A formal mortgage offer

The lender should now be able to offer money against the property and confirm this in writing.

13. Housing benefit and SMI

These need to be applied for as they will cover the mortgage interest (SMI) and the rental element (Housing Benefit). Help is available through organisations who specialise in HOLD, or local benefits advice agencies may be able to help.

14. Establish a completion date

Check that care managers who may be arranging support know about the completion date as support will need to be carefully coordinated to coincide with moving, especially where the new house location is far away from current support.

The individual and their family/advocates will need to arrange removal and decide on providing notice at their current property/placement. However do schedule time for adaptations and works to be completed and quality checked before moving in. The checklist has a range of other actions such as establishing utilities like gas and electricity are connected and new accounts are set up for the buyer.

15. Completion date

This is the day when contracts are exchanged – the buyer can usually get their keys!

16. Works and adaptations

Works and adaptations will need to be scheduled, suppliers' quotes considered and approved and the works done.

Be aware that delays in works being done to the new home will create delays in when a person can move. Paying the rent element on both properties can be costly if this happens, so perhaps it would be helpful to have contingencies agreed ahead of starting the process to pay rents if this is likely, as housing benefit payments will not cover multiple properties.

17. Support, neighbourhood and community

Individuals will need a transition plan, which could include people getting to know the neighbourhood, transport activities, registering with a GP etc. A full list is in the checklist. Support staff will also need to know the neighbourhood and what's on offer and look at opportunities for linking with communities and new activities. Any care and support plans will need to be checked for new risks as well as new opportunities and amended as necessary.

18. Moving in

When the person moves in, plans will need to be updated as new experiences come to light; be aware that once this goal is achieved there will be many more to follow! Although a person may settle well it is important that care management remains in touch and clinical support is there in case problems arise later. Quick responses will help the person get the right support and stop problems escalating.

19. Monitoring

The individual, their family, friends and care manager will all have a role to play to make sure that everything is going well. Bills and finances need to be monitored to make sure that everything is on track. Similarly support arrangements will need to be reviewed regularly.

20. Don't forget to celebrate

Moving into a new home is incredibly exciting and should be celebrated to mark everyone's achievement and contributions. It's good to share success stories within organisations as this creates momentum to do more shared ownership schemes with more people in the future.







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