

North East Derbyshire District Council

Cabinet

29 February 2024

Shared Ownership Allocations policy

Report of Councillor N Barker, Leader of the Council and Portfolio Holder for Strategic Leadership & Finance

Classification: This report is public

Report By: Lee Pepper

Contact Officer: Diane Parker

PURPOSE/SUMMARY

RECOMMENDATIONS

1. To seek Cabinet approval and adopt the final draft of the revised Shared Ownership Allocations policy.

IMPLICATIONS

Finance and Risk

Yes✓

No

Finance

If the buyers rent and mortgage payments are not kept up to date there will be a risk that the property will be repossessed. This is true of all properties with this type of tenure, however the policy will minimise the risk and help to create sustainability.

Where a new build Shared Ownership tenure occurs costs will be incurred to market and sell the property using a Managing Agent. Re sales are marketed and sold by the current owner on the open market at the owner's expense.

Legal including Data Protection

Yes

No

The Shared Ownership Allocations policy is in compliance with government legislation.

Data protection will be in accordance with the usual Council and Rykneld Homes Limited policies and procedures.

On Behalf of the Solicitor to the Council

Staffing

Yes

No ✓

Rykneld Homes Limited will carry out this function on behalf of the Council within their existing structure.

Any legal services required will be carried out by existing Council employees.

On Behalf of the Head of Paid Service

DECISION INFORMATION

<p>Is the decision a Key Decision?</p> <p>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:</p> <p><i>BDC: Revenue - £75,000</i> <input type="checkbox"/></p> <p><i>Capital - £150,000</i> <input type="checkbox"/></p> <p><i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/></p> <p><i>Capital - £250,000</i> <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In?(Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All - indirectly
<p>Links to Corporate Plan priorities or Policy Framework</p>	A place to live that people value

REPORT DETAILS**1 Background**

1.1 Shared Ownership means that potential home owners can buy a share in a designated Council owned property and pay rent on the remainder, with rent reducing when more shares are purchased.

1.2 Within the Council's housing stock there are a small number of properties for Shared Ownership, however, the Council is not currently seeking to build any further new properties with this type of tenure, unless the only option is to ensure viability and

progression of a housing development scheme. Therefore, the policy will need to incorporate both new build Shared Ownership properties and those for resale.

- 1.3 The original Shared Ownership Allocations Policy was approved by Cabinet February 2018 to allocate the existing Shared Ownership properties and any subsequent resales. The policy is now out of date and requires renewal.

2. Details of Proposal or Information

- 2.1 The Policy sets out the criteria that will apply when Rykneld Homes Limited, acting on behalf of the Council, market and allocate the Councils homes which are available for Shared Ownership and any subsequent sales / lets thereafter.
- 2.2 Applicants are primarily expected to be first time buyers, although shared ownership can sometimes be a suitable housing solution for people who are existing shared owners or who have previously owned a home In some circumstances current owner occupiers may be considered to alleviate housing need.
- 2.3 Applicants interested in a new build Shared Ownership property will be subject to a process by initially completing an application form to the preferred marketing and sales Managing Agent as appointed by Rykneld Homes Limited. Previously the Shared Ownership shop was used as the managing agent, but this is no longer an option.
- 2.4 Shared Ownership Properties can be re sold, in the first instance sellers must contact Rykneld Homes Limited to inform them of their intention to sell.
- 2.5 The Council part owns the Shared Ownership property therefore, the Council will have first refusal to purchase the remaining shares. The council does not normally buy the property, only in exceptional circumstances which will also be dependent on funding.
- 2.6 As the Council only owns minimal Shared Ownership properties which were not built as part of any grant funded scheme and the Council does not currently have a Shared Ownership waiting list, the Council will waiver the nomination rights to find a buyer. This will enable the seller to use their preferred Estate Agent who will manage the sale.
- 2.7 However, a link to the Estate Agents property advertisement will be available on Rykneld Home Limited's Choice Move website to give the Council's social housing waiting list applicants the opportunity to apply for the Shared Ownership property.

3. Reasons for Recommendation

- 3.1 The previous Shared Ownership Policy expired and is required to be renewed.
- 3.2 To approve and adopt the revised Shared Ownership Policy

4 Alternative Options and Reasons for Rejection

- 4.1 An alternative option is not to revise the policy, however this was rejected as the policy gives clear procedures on how the Council owned Shared Ownership properties are sold.

4.2 Another reason for rejection is that the Policy gives the Councils stance on building/acquiring this type of tenure in the future to include in the Council Housing Stock.

DOCUMENT INFORMATION

Appendix No	Title
1	Shared Ownership Policy
Background Papers	
Report Author	Contact Number
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