

**CABINET**  
**7 MARCH 2023**

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**HOUSING SERVICES LOW COST HOME OWNERSHIP POLICY**

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**Responsible Cabinet Member -**  
**Councillor Kevin Nicholson, Health and Housing Portfolio**

**Responsible Director -**  
**Elizabeth Davison, Group Director of Operations**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To approve the Housing Services Low Cost Home Ownership Policy.

**Summary**

2. Housing Services are committed to building sustainable communities and offering low-cost homes both to rent and buy. For residents who would like to own their own home but are unable to afford to purchase a property outright from the open market, we offer a range of low cost options to them.
3. The Housing Services Low Cost Home Ownership Policy at **Appendix 1** explains the range of home ownership options available for our Council properties.
4. The Tenants Panel has been consulted on the draft policy and the proposals have received overwhelming support.
5. This report was considered by Health and Housing Scrutiny on 14 December 2022, who agreed its onward submission for approval by Cabinet.

**Recommendation**

6. It is recommended that Cabinet:-
  - (a) Consider the contents of this report.
  - (b) Approve the Housing Services Low Cost Home Ownership Policy.

**Reasons**

7. The recommendations are supported by the following reasons :-
  - (a) The Government's Social Housing White Paper, "Charter for Social Housing Residents" published in 2020, introduced a new Right to Shared Ownership and aims to ensure

that 50% of new homes delivered by the Affordable Homes Programme, and supported by grants through Homes England, will be for affordable home ownership.

- (b) This policy sets out the low cost home ownership products that will be offered to residents, to meet the Government's aims.

**Elizabeth Davison**  
**Group Director of Operations**

### **Background Papers**

No background papers were used in the preparation of this report.

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| S17 Crime and Disorder                           | This report has no implications for crime and disorder                                    |
| Health and Wellbeing                             | There are no issues which this report needs to address                                    |
| Carbon Impact and Climate Change                 | There are no issues which this report needs to address                                    |
| Diversity  | There are no issues which this report needs to address                                    |
| Wards Affected                                   | All wards with Council housing  |
| Groups Affected                                  | All residents wishing to purchase a Council property                                      |
| Budget and Policy Framework                      | This report does not represent a change to the budget and policy framework                |
| Key Decision                                     | This is not a key decision  |
| Urgent Decision                                  | This is not an urgent decision  |
| Council Plan                                     | This report supports the Council plan to provide good quality, affordable Council housing |
| Efficiency                                       | There are no implications   |
| Impact on Looked After Children and Care Leavers | This report has no impact on Looked After Children or Care Leavers                        |

## MAIN REPORT

### Information and Analysis

8. Housing Services are committed to building sustainable communities and offering low-cost homes both to rent and buy. For residents who would like to own their own home but are unable to afford to purchase a property outright from the open market, we offer a range of low cost options to them. This Policy explains the range of home ownership options available for our Council properties.
9. The policy covers the following areas:
  - (a) **Right to Buy** – this section sets out the statutory right for Council tenants to purchase their Council property, the criteria they must meet and the discounts that are available.
  - (b) **Rent to Buy** – this section set out the scheme that allows residents to move into one of our new properties straight away and pay a reduced rent, allowing them extra time and money, to save towards a mortgage deposit. Tenants will be given a fixed-term tenancy, at the end of which the Council can either continue to offer the property on a Rent to Buy basis, sell the property on an outright basis or convert the home to rented housing on either an affordable or market rent basis. This section explains the criteria the applicants must meet to be accepted on the rent to buy scheme and the costs of this option.
  - (c) **Shared Ownership** – this section sets out the scheme for Council tenants to purchase an initial share of their home worth between 10% and 75% of its market value and to pay rent on the remaining share of the property. This section also explains how tenants on the shared ownership scheme can increase their share of the property, known as “staircasing”. This section also explains the criteria the applicants must meet to be accepted on the shared ownership scheme, the costs of this option and the application process.

### Social Housing White Paper

10. The Government’s Social Housing White Paper, “Charter for Social Housing Residents” published in 2020, sets out to raise the standard of social housing and meet the aspirations of tenants. One of the 7 key expectations for social housing tenants in the charter is “to be supported to take your first step to ownership”.
11. The charter introduced a new Right to Shared Ownership and aims to ensure that 50% of new homes delivered by the Affordable Homes Programme, and supported by grants through Homes England, will be for affordable home ownership.
12. On our Neasham Road new build development, 20 of the 150 new homes will be offered as rent to buy.

## **Outcome of Consultation**

13. The Tenants Panel were consulted in November 2022 and overall, the Panel supported the proposed Housing Services Low Cost Home Ownership Policy.