

Report to the Cabinet

Report reference: C-074a-2009/10
Date of meeting: 1 February 2010



Portfolio: Housing
Subject: Use of Existing Budget for Open Market Shared Ownership
Responsible Officer: Alan Hall (01992 564004).
Democratic Services Officer: Gary Woodhall (01992 564470).

ADDENDUM REPORT TO AGENDA ITEM 13

Recommendations/Decisions Required:

That, in the event that it is not possible to identify an RSL that wishes to undertake an Open Market Shared Ownership Scheme in partnership with the Council, the existing budget of £350,000 for the scheme be utilised to supplement the proposed budgets for two of the proposals put forward by the Scrutiny Panel, as follows:

- (1) An additional £168,000 to enable a further six Home Ownership Grants of £28,000 each; and
- (2) An additional £182,000 to enable the selected housing association to purchase a further two or three 2/3 bedroom houses from the open market, in order to let them at affordable rents to Council nominees.

Executive Summary:

In view of the negative response from three Homebuy agents and two of the Council's Preferred RSLs Partners, the Scrutiny Panel has agreed an alternate recommendation to the Cabinet on the proposed use of the £350,000 capital budget for the Open Market Shared Ownership Scheme, in the event that it is not possible to identify an RSL that wishes to undertake such a scheme in partnership with the Council.

Reasons for Proposed Decision:

As set out in the Executive Summary.

Other Options for Action:

As set out in the body of the report

Report:

1. This is an Addendum Report from the Housing Scrutiny Panel, discussed at its last meeting on 21 January 2010, and supplements the report from the Scrutiny Panel at Agenda Item 13 on the Cabinet's main agenda.

2. The main Agenda Item sets out the report of the Affordable Housing Group on ways of increasing the amount of affordable housing within the District. One of the Housing Scrutiny Panel's recommendations to the Cabinet is that the £350,000 budget provision already agreed by the Cabinet to invest in an Open Market Shared Ownership Scheme should be retained within the Capital Programme, and that the Director of Housing should contact other Homebuy agents to discuss the possibility of an existing Homebuy Agent working with the Council to operate either the scheme previously proposed in partnership with Moat Housing, or an alternate scheme, similar to the Government's MyChoice Homebuy Scheme, but with the Council undertaking the role of the Homes and Communities Agency.

3. Since the original meeting of the Scrutiny Panel, the Director of Housing has approached two other Homebuy agents - Orbit and Aldwyck. However, both have said that they are not interested in operating such a scheme, since (as with Moat), they wish to concentrate on new build developments.

4. We were advised at our last meeting held on 21 January 2010 that, for this reason, the Director of Housing had subsequently approached the Council's remaining four Preferred RSL Partners, to see if they would be interested in working in partnership on such a scheme. Two responded by saying that they would not be interested. The remaining two RSLs (L&Q and East Thames), both of whom have active shared ownership arms, are due to consider the issue at internal meetings. However, we were advised that at least one of these meetings would not be held until 3 February – after the Cabinet meeting on 1 February 2010.

5. In view of the negative response from the three Homebuy agents and two of the Council's Preferred RSLs Partners, the Scrutiny Panel considered and agreed an alternative recommendation to the Cabinet on the proposed use of the £350,000 capital budget for the Open Market Shared Ownership Scheme, in the event that it is not possible to identify an RSL that wishes to undertake such a scheme in partnership with the Council.

6. In his report to the Scrutiny Panel, the Director of Housing identified 9 possible options that the Scrutiny Panel could consider submitting to the Cabinet. In summary, these covered the following:

(a) continue to seek an RSL that would be interested in operating the proposed scheme (or similar);

(b) withdraw the budget for a capital housing purpose, and allow it to be used by the Council for other purposes, or to retain in capital balances;

(c) use the budget to either fund or supplement the costs of one or both of the proposals put forward to the Cabinet to provide further Home Ownership Grants in 2010/11, and/or to provide social housing grant to a housing association to purchase properties from the open market to let at affordable rents; or

(d) use the budget for some other housing purpose, to increase the amount of affordable housing in the District.

7. On discussion, we agreed to recommend to the Cabinet as set out in the Recommendations.

Resource Implications:

Use of the existing budget of £350,000 for an Open Market Shared Ownership Scheme.

Legal and Governance Implications:

Housing Act 1985.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

None.

Background Papers:

Correspondence with RSLs.

Impact Assessments:

Risk Management

As set out in the main report to the Cabinet

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?

What equality implications were identified through the Equality Impact Assessment process?

N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A