

## **Report to the Cabinet**

**Report reference:** C-097-2009/10

**Date of meeting:** 19 April 2010



**Epping Forest  
District Council**

**Portfolio:** Housing.

**Subject:** Interim Shared Ownership Policy - Six-Month Review.

**Responsible Officer:** Alan Hall (01992 564004)

**Democratic Services Officer:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

**That the Council's agreement to the use of "Rent Now – Buy Later" Schemes, by housing associations for affordable housing developments that provide shared ownership, be incorporated as a permanent feature of the Council's Shared Ownership Policy.**

### **Executive Summary:**

The report reviews the facility to operate "Rent Now – Buy Later" Schemes by housing associations on an interim basis, and recommends that this should be a permanent feature of the Council's Shared Ownership Policy.

### **Reasons for Proposed Decision:**

At its meeting in September 2009, the Cabinet agreed to review the use of Rent Now – Buy Later Schemes in six month's time. It is felt that including this as a permanent feature within the Council's Shared Ownership Policy will increase the number of local people who are able to access home ownership and become first time buyers.

### **Other Options for Action:**

- (a) To continue with the Interim Shared Ownership Policy; or
- (b) To cease the use of Rent Now – Buy Later Schemes.

### **Report:**

1. At its meeting on 9 March 2009, the Cabinet considered a report from the Housing Portfolio Holder on a suggested interim policy with regard to shared ownership schemes, bearing in mind the housing market at that time. The Cabinet had previously agreed a Shared Ownership Policy, requiring 30% of properties within affordable housing developments to be provided in the form of shared ownership.

2. However, one of the effects of the economic climate and property downturn at that time was that housing associations were finding it difficult to sell shared ownership properties. Therefore, the Cabinet agreed that properties ordinarily required as shared ownership could be provided either as social rented properties and/or through "Rent Now – Buy Later"

Schemes (sometimes referred to as “Rent to Homebuy” Schemes). Such schemes would allow applicants to rent newly-built properties at “intermediate rents”, on the basis that they were able to purchase equity tranches in the property at a later date, up to full ownership.

3. It was also agreed that this approach should be reviewed every six months, until the economic situation improved and mortgages for first time buyers are more readily available.

4. The Interim Shared Ownership Policy was reviewed by the Cabinet in September 2009, when it was agreed that the policy should be continued, and reviewed again in six months time, hence this report.

5. Since the introduction of the Interim Shared Ownership Policy, no housing associations have requested the use of a Rent Now – Buy Later Scheme for any shared ownership developments. However, a number of them have asked for clauses to be inserted within Section 106 Agreements, allowing them to operate such a scheme on selected properties, if necessary – which has been agreed.

6. In accordance with its previous decision, the Cabinet is asked to review the current position with regard to the Interim Shared Ownership Policy and consider whether the Interim Policy should continue. Whilst there appears to have been some improvement in the property market, first time buyers are still finding difficulty obtaining mortgages and accessing the property market.

7. Moreover, following further discussions with the Council’s Preferred RSL Partners, it is now felt that, rather than have a facility to operate Rent Now – Buy Later Schemes only as an interim policy, the ability to allow housing associations (and their applicants) to operate such a scheme (if appropriate to the applicant) should be included as a permanent feature within the Council’s Shared Ownership Policy. It is felt that this would provide a more flexible approach to low cost home ownership on a permanent basis, and would enable more local residents to enter home ownership and to become first time buyers.

**Resource Implications:**

Nil.

**Legal and Governance Implications:**

Section 106, Town and Country Planning Act 1990.

**Safer, Cleaner and Greener Implications:**

None.

**Consultation Undertaken:**

All of the Council’s Preferred RSL Partners have been consulted on the proposals within this report, which they fully support.

**Background Papers:**

None.

**Impact Assessments:**

Risk Management

No risks have been identified for the Council

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?* N/A

*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