



To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart  
Report by: Director of Community Services  
Relevant scrutiny committee: Housing Management Board 7/1/2014  
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

## **SHARED OWNERSHIP REVIEW Not a Key Decision**

### **1. Executive summary**

A review has been carried out of the Council's shared ownership service. This was to assess whether shared ownership should continue to be part of the Council's core business within the context of Housing Revenue Account self-financing, and if so whether it should also be offered on the Council's new developments.

The recommendations are being submitted for approval to the Executive Councillor and Community Service Scrutiny during this Scrutiny cycle. This report to Housing Management Board is for information only.

It is being recommended that the service be continued, with some improvements, and that shared ownership be offered on new affordable housing developments to cross-subsidise the building of rented units and to help create balanced communities.

The findings of the review are shown at Appendix 1, and the action plan is at Appendix 2.

### **2. Recommendations**

The Executive Councillor is recommended:

2.1 To note the outcome of and recommendations arising from the review of the Council's Shared Ownership scheme, as shown at Appendices 1 & 2 to this report.

### **3. Background**

3.1 The Council currently has around 85 properties occupied on a shared ownership basis (mostly one and two bedroom houses, but a few flats and a handful of three bedroom houses).

3.2 One of the actions under the Housing Revenue Account Improvement Plan was to review the service to assess whether the Council should continue to provide it in the context of self-financing of the Housing Revenue Account, and if so whether shared ownership should be provided on any of the Council's new affordable housing developments.

3.3 Appendix 1 to this report gives details of the findings of the review, and the recommendations arising from it.

3.4 Appendix 2 is an action plan for implementing the proposed changes.

3.5 This report is for information only. The recommendations are being submitted for approval to the Executive Councillor and Community Service Scrutiny during this scrutiny cycle.

### **4. Implications**

#### **(a) Financial Implications**

##### **Revenue Costs**

Revenue costs of developing and assessing the business case on each property, improved marketing, improved information to leaseholders, balancing of the shared ownership portfolio etc will be delivered using existing resources.

Revenue costs for new shared ownership homes will be factored into the financial modelling.

##### **Capital Costs**

Additional capital would be required to enable properties to be bought back and retained as rental stock, and for any work required to bring them up to the Decent Homes standard.

A capital allocation of £200,000 per year has been incorporated for this purpose as part of the HRA budget setting report for 2014/15 onwards. It is proposed that this is combined with the budget for repurchasing properties under the Right of First Refusal, to allow for flexibility in expenditure. This

should allow for up to two repurchases per year over the next five years – depending on property valuation and size of share being repurchased. This will be reviewed in three years' time when the new arrangements are reviewed.

Government grant will be sought to support the cost of developing new shared ownership homes

**(b) Staffing Implications**

There are no immediate staffing implications. However, the need to market newly developed properties may require more staff resource. This would be taken into account in assessing the viability of any new scheme.

**(c) Equal Opportunities Implications**

An Equality Impact Assessment is being carried out and draft actions have been incorporated into the Action Plan at Appendix 2 to this report.

**(d) Environmental Implications**

Climate change rating = +L

Any property repurchased by the Council with the intention of using it as rented housing may need work to bring it up to the Decent Homes standard, which could include installation of a more energy efficient boiler.

**(e) Procurement**

Procurement of new shared ownership homes will be through the Council's Affordable Housing Development Programme procurement arrangements.

**(f) Consultation and communication**

Consultation has been carried out as follows:

- A postal and on-line survey of shared ownership leaseholders, to assess the profile of residents and ask for their views on the current scheme.
- An on-line survey of Home-Link applicants who had expressed an interest in shared ownership housing to understand whether they were still interested, and if not why not.

All respondents who included their contact details will be sent results of the survey and advised how the survey has been used to inform the outcome of the review.

Subject to the recommendations being accepted, an article will be published on the Council's website, and recommended for inclusion in Cambridge Matters, showing the outcome of the review and promoting the Council's shared ownership scheme as a housing option.

(g) **Community Safety**

There are no community safety implications.

## **5. Background papers**

These background papers were used in the preparation of this report:

- Equality Impact Assessment – Draft
- Cambridge Centre for Housing & Planning Research – Understanding the second-hand market for shared ownership properties, May 2012  
<http://www.cchpr.landecon.cam.ac.uk/Downloads/Shared%20ownership%20second%20hand%20market%20-%20proofed%20final%20for%20publication.pdf>
- National Housing Federation & Moat – The role of shared ownership in the future housing market , April 2010 [http://www.shared-owner.co.uk/\\_media/static/The\\_role\\_of\\_shared\\_ownership\\_in\\_the\\_future\\_housing\\_market\\_-\\_discussion\\_paper\\_summary.pdf](http://www.shared-owner.co.uk/_media/static/The_role_of_shared_ownership_in_the_future_housing_market_-_discussion_paper_summary.pdf)
- Shelter – Homes for forgotten families, August 2012  
[http://england.shelter.org.uk/\\_\\_\\_data/assets/pdf\\_file/0014/702023/Shelter\\_-\\_Homes\\_for\\_forgotten\\_families.pdf](http://england.shelter.org.uk/___data/assets/pdf_file/0014/702023/Shelter_-_Homes_for_forgotten_families.pdf)
- Resolution Foundation – One Foot on the Ladder, November 2013  
[http://www.resolutionfoundation.org/media/media/downloads/One\\_foot\\_on\\_the\\_ladder.pdf](http://www.resolutionfoundation.org/media/media/downloads/One_foot_on_the_ladder.pdf)

## **6. Appendices**

Appendix 1: Shared Ownership Review 2013 – Final Report

Appendix 2: Action Plan

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## **7. Inspection of papers**

To inspect the background papers or if you have a query on the report please contact:

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