

Report for: ACTION



Contains Confidential or Exempt Information	NO - Part I
Title	Increasing Home Ownership - Options
Responsible Officer(s)	Nick Davies, Service Leader Commissioning
Contact officer, job title and phone number	Michael Llewelyn, Cabinet Policy Assistant, 01628 682953
Member reporting	Cllr D Coppinger, Lead Member for Adult Services, Health and Sustainability. Cllr D Wilson, Lead Member for Planning.
For Consideration By	Policy Committee
Date to be Considered	19 January 2016

REPORT SUMMARY

1. This report outlines options for increasing the rate of home ownership within the Royal Borough of Windsor and Maidenhead (RBWM). It will complement an innovative solutions presentation from the Chair of the National Housing Group.
2. Home ownership in RBWM was at 65.1% according to the 2011 Census, behind fellow Berkshire authorities Bracknell Forest, West Berkshire and Wokingham.
3. The report sets the local context and proposes possible options to increase home ownership. It also notes the work currently underway through the Royal Borough's Do It Yourself Shared Ownership (DIYSO) scheme.
4. The report is written in the context of significant change in national housing policy with a range of new initiatives such as Starter Homes, Shared Ownership and Right to Buy products being prioritised and attracting government funding.
5. It recommends that a partnership and investment plan to increase home ownership be submitted to Cabinet for consideration in April 2016.

If recommendations are adopted, how will residents benefit?

Benefits to residents and reasons why they will benefit	Dates by which residents can expect to notice a difference
A partnership and investment plan will enable more residents to access home ownership.	To be confirmed.

1. DETAILS OF RECOMMENDATIONS

RECOMMENDATION that the Policy Committee:

- i. Requests that a partnership and investment plan to increase home ownership be submitted to Cabinet for consideration in April 2016.

2. REASON FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The Council's administration has manifesto commitments to "deliver home ownership through shared equity and other models where the resident has a stake in their property" and to "support innovative funding options for Right to Buy schemes".
- 2.2 Government has committed resources to Starter Homes and Shared Ownership initiatives, full details are awaited on how these schemes will work in practice. The Borough is seeking the specialist input of Housing Association partners to inform the Policy Committee about the local options available.
- 2.3 The home ownership data that is most reliable comes from the Census. The below tables show the information included within the 2011 and 2001 Census:

2011 Census	Total Dwellings	Dwellings Owned	Percentage Owned
RBWM	60,901	39,670	65.1%
Bracknell Forest	46,937	31,418	66.9%
Reading	65,551	34,464	52.6%
Slough	51,781	26,750	51.7%
West Berkshire	64,603	43,430	67.2%
Wokingham	62,474	48,102	77.0%
South East	3,694,388	2,404,062	65.1%

2001 Census	Total Dwellings	Dwellings Owned	Percentage Owned
RBWM	54,261	39,418	72.6%
Bracknell Forest	43,392	31,252	72.0%
Reading	57,877	37,858	65.4%
Slough	44,987	29,714	66.1%
West Berkshire	57,360	42,485	74.1%
Wokingham	57,272	47,628	83.2%
South East	3,287,489	2,405,714	73.2%

- 2.4 This data shows that the rate of home ownership fell by 7.5% within the Royal Borough between 2001 and 2011. The Council was however on average for the South East region.
- 2.5 This Census data is now some years old. Locally we know that 250 additional shared ownership units have been delivered in the Borough since 2011. This includes 29 DIYSO units that local residents have accessed.

2.6 The data below has been taken from the draft Strategic Housing Market Assessment. It details entry level costs to buy property in the local market.

2.7 Lower quartile sales prices by type (Land Registry, 2014):

Local Authority	Flat	Terraced	Semi Detached	Detached	All dwellings
RBWM	£220,000	£305,000	£330,000	£478,500	£295,000
Bracknell Forest	£145,000	£230,000	£260,000	£362,600	£220,000
Reading	£149,200	£202,900	£242,900	£345,000	£185,000
West Berkshire	£144,000	£201,000	£235,000	£335,000	£212,000
Wokingham	£164,000	£232,000	£286,500	£390,000	£250,000
Slough	£141,000	£220,000	£249,500	£315,000	£175,000
South Bucks	£220,000	£287,000	£343,500	£625,000	£323,500

2.8 Prices for all types of accommodation are highest in RBWM and South Bucks and generally lowest in Slough. Looking at the lower quartile price across all dwelling types the analysis shows a range from £175,000 in Slough, up to £295,000 in RBWM and over £300,000 in South Bucks.

2.9 A review of delivery models for the Council's regeneration project is currently underway. This is likely to assist with providing more affordable housing.

National Home Ownership Programmes: Starter Homes

2.10 The national 'Starter Homes' programme is a new scheme introduced by Government in 2015 to help first time buyers by offering new build homes through commercial housebuilders at a 20% discount.

2.11 Applicants who are under 40 years of age and have never owned a home before must be able to raise enough money to buy the property.

2.12 This scheme does not involve housing associations, neither does it provide nominations to or administration by local authorities; if a Starter Home scheme comes forward it is assumed that its availability would form part of the Council's general advice to housing applicants and home seekers through the Borough's website.

2.13 There will be covenants on the properties for five years to preserve the discount and prevent letting at market rents (i.e. not a Buy to Let scheme). The properties, which will be built on brownfield land, will be sold at a price that is at least 20% below the market rate. Government announced in 2015 that 200,000 properties will have been made available by 2020.

2.14 The price of the new homes will be capped. In London, the maximum cost of a qualifying home will be set at £450,000; outside London it will be £250,000.

- 2.15 The £250,000 cap will be a factor in delivering the scheme in the Royal Borough; in respect of what it will purchase in the local market.
- 2.16 The recommendation is that the Council work with developers and housing associations to bring forward plans for enabling a Starter Homes initiative in the Royal Borough.

National Home Ownership Programmes: Shared Ownership

- 2.17 Housing associations have been enabled to deliver Shared Ownership options in RBWM. 250 Shared Ownership opportunities have been developed in the last 5 years.
- 2.18 The DIYSO product has been developed as an innovate product where residents can select a property in the market and Housing Solutions Ltd. (HSL) in partnership with the Council put a shared ownership deal together to enable residents to progress towards home ownership.
- 2.19 The current eligibility for the scheme is that a minimum stake of 35% is needed to be purchased to ensure affordability at £60k per household. Applicants work with HSL to find suitable property, which HSL then purchase and sell to the applicant on a shared ownership basis, i.e. part-rent, part mortgage. The applicant must be able to support a mortgage to purchase their percentage, rent and service charges on unsold equity. RBWM has invested £2m to support residents access the programme over the last 3 years, resulting in 29 properties now being in shared ownership.
- 2.20 Other innovative options for Shared Ownership that deliver a lower than 35% share are the subject of discussions and proposals from a range of housing associations for consideration by Cabinet.

National Home Ownership Programmes: Voluntary Right to Buy

- 2.21 In October 2015, the National Housing Federation agreed to conduct a ‘Voluntary Right to Buy’ pilot scheme supported by Government. Five housing associations are participating, including nearby Thames Valley.
- 2.22 The pilot will circumvent legislation and extend the Right to Buy scheme to 1.2m additional homes. Approximately 2.3m housing association tenants will be able to purchase their homes at a discount of between £78-104k.
- 2.23 There may be an opportunity to replicate a similar local pilot scheme with the Royal Borough’s housing association partners. However this option would require further investigation and clarification on Government funding.

Option	Comments
A partnership and investment plan to increase home ownership is developed and submitted to Cabinet for consideration in April 2016.	This option will assist with delivering the Council’s manifesto commitments and enable more residents to gain access to home ownership locally.
Members note the content of this report and request no further action.	This option is not recommended.

3. KEY IMPLICATIONS

Defined Outcomes	Unmet	Met	Exceeded	Significantly Exceeded	Date they should be delivered by
The rate of RBWM home ownership by April 2019 is:	Below 65%	65-66%	67-68%	Above 68%	1 April 2019

4. FINANCIAL DETAILS

4.1 To be confirmed within the upcoming partnership and investment plan.

5. CONSULTATION

Name of consultee	Post held and Department	Date sent	Date received	See comments in paragraph:
Internal				
Cllr D Burbage	Leader of the Council	08/01/16	08/01/16	
Cllr D Coppinger	Lead Member for Adult Services and Health	08/01/16		
Cllr D Wilson	Lead Member for Planning	08/01/16		
Cllr G Bathurst	Principal Member for Policy	08/01/16		
Alison Alexander	Managing Director and Strategic Director of Adults, Children's and Health Services	08/01/16		
Russell O'Keefe	Strategic Director of Corporate and Community Services	08/01/16		
Chris Hilton	Director of Development and Regeneration	08/01/16	11/01/16	Throughout
David Scott	Head of Governance, Performance, Partnerships and Policy	08/01/16		
Chris Targowski	Cabinet Policy Manager	07/01/16	08/01/16	Throughout
Ian Bellinger	Planning Policy Officer	20/12/15	05/01/16	Throughout

Report History

Decision type:	Urgency item?
Key decision	No

Full name of report author	Job title	Full contact no:
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