

CABINET

9 March 2016

Title: Tenant Shared Ownership Scheme	
Report of the Cabinet Member for Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
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Accountable Divisional Director: Hakeem Osinaike, Divisional Director of Housing Management	
Accountable Director: John East, Strategic Director, Growth and Homes	
Summary <p>This report sets out proposals to establish a new and innovative Tenant Shared Ownership scheme in the Borough using existing housing stock. The scheme aims to provide an affordable home ownership option for tenants on lower incomes meeting their aspirations to become home owners. The scheme would be open to all tenants who meet qualifying requirements providing that they pass an affordability test.</p> <p>There would be a share ceiling that would prevent the shared owners from acquiring 100% ownership. This ceiling would fulfil two functions: it would help ensure that the property remains an affordable home ownership housing option for those on lower incomes wishing to own a stake in a home; and, it would be used to prevent sub letting.</p> <p>This scheme is intended to be part of a wider offer of affordable home ownership products provided or facilitated by the Council, the aims of which are to provide opportunities for those who live in the borough a chance to own and invest in their homes.</p> <p>If approved, the proposals would be the subject of public consultation for a minimum period of six weeks. A further report would then be presented to Cabinet advising on any amendments to the proposals as a result of the public consultation and asking the Cabinet to approve the final policy and its implementation date.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Approve the proposals for the introduction of a Tenant Shared Ownership Scheme as detailed in the report;(ii) Agree that the proposals be subject to public consultation for a minimum six week period; and	

(iii) Note that a report advising on the outcome of the public consultation and proposing the final policy and implementation date shall be presented to the Cabinet in due course.

Reason(s)

This housing option would help the Council to achieve its vision of more stable and sustainable communities by enabling those on lower incomes to share with the Council in ownership of their home.

1. Introduction

- 1.1. There are about 25 million homes in the UK, of which seven out of 10 are owner-occupied. The number of home owners has risen by more than one million since 1997 alone. Britain is a nation of home owners and it is an aspiration of many to own their own home.
- 1.2. The complexion of the housing market in Barking and Dagenham is in stark contrast to the national picture. Here, over the last decade, there has been a significant growth in the private rented sector. Owner occupation in Barking & Dagenham has fallen in the last fifteen years and at 44%, is the lowest level of owner occupation in London. Over the same period there has been a substantial growth in the private rented sector to around 16,000 tenancies which is proportionately the fastest growth in London.
- 1.3. The rise in private rental tenancies in the Borough has given rise to a growing transient population. This characteristic is an impediment to the development of a stable community and benefits that this can bring to the Borough. Families renting in the private sector can be faced with the unsettling reality of bringing up children in a cycle of short-term private lets, without the stability they need to put down roots and get on in life.
- 1.4. It is accepted that where provided, shared ownership which is a less expensive option than paying market rent provides long term security of tenure and can help to bring some stability to the housing market by encouraging some of this transient population to set down roots.
- 1.5. The Council's affordable housing options include secure council rent and Barking and Dagenham Reside sub market rent. In the current housing supply climate the Council is committed to expanding the available and genuinely affordable housing options to include shared ownership. The aim of which is to provide those on low incomes the chance to get a foothold on the property ladder.
- 1.6. A more detailed report regarding the Council's affordable housing planning policy will come forward as part of the Local Plan review and Growth Commission work. In the meantime, the proposal for a Council run Shared Ownership scheme aims to address a part of the Council's medium term ambition to establish a programme which enables 1,000 households to take up Shared Ownership in Barking and Dagenham by 2018. This scheme will constitute part of that target.

- 1.7. The statutory Right to Buy (RTB) scheme is reducing the Council's housing stock. When a property is sold under the RTB, not only does the housing stock decrease but the Council's control over sub-letting is greatly diminished. The lease for a flat granted under a RTB can include a condition that requires a leaseholder to obtain consent to sublet. In practice the denial of this consent or any application to it of stringent conditions would be challengeable. As such a high proportion of ex RTB leased property is now privately rented. Over 42% of our managed RTB leases have an alternative billing/correspondence address and it is highly probable that these properties are sub-let.
- 1.8. Under the proposed Tenant Shared Ownership scheme properties would be sold under a shared ownership lease with conditions that allow the Council to retain equity in the property and gives it control over re-sales and sub-letting so that the property may be retained as a long lasting affordable housing option allocated according to the Council's priorities. Properties sold under this scheme would therefore remain part of the Council's housing stock in contrast to properties sold under the RTB scheme.
- 1.9. The average income in the Borough is one of the lowest in London. This means that many residents, even those eligible to purchase under the RTB scheme, are unable to aspire to outright home ownership.
- 1.10. The proposed new Tenant Shared Ownership scheme should appeal to those who wish to get on the property ladder but who cannot afford outright purchase. Last year about 200 RTB applicants did not proceed to purchase following receipt of their offer notice giving them details of their discount and purchase price.
- 1.11. The Tenant Shared Ownership scheme would provide an option to help lower income households into homeownership and encourage them to invest and improve their homes. Improvements they make as a shared owner would be discounted when determining the value of the property, should they decide to buy more equity in it.
- 1.12. At a time when security of tenure and the right of succession are subject to major changes, tenant shared ownership would provide long term security of tenure with the ability to pass on the property through inheritance to family members so in the longer term they too may benefit from the property investment.
- 1.13. Rents for higher earning social tenants are to increase in 2017 to rent levels nearer to market rents. It is suggested that the implementation of the 'pay to stay' policy would make higher earners consider their housing options and the Tenant Shared Ownership scheme may not only provide an alternative affordable option for 'pay to stay' tenants, it could meet their longer term aspirations to own a property.
- 1.14. The examples in Appendix 1, demonstrate how Tenant Shared Ownership can provide an affordable option for a household on a lower income. The calculations assume an interest rate of 5% and a mortgage prepayment term of 25 years. The deposit is the proportion of usable discount.
- 1.15. In the first year, the number of accepted applications would be limited to 200.

- 1.16. This scheme is not just a lifestyle choice but also about building stable communities and allowing those who invest in their community to pass on their investment to their families.

2. Context

- 2.1. Shared ownership is a term used to describe a variety of home ownership products that provide a means for those who cannot afford to buy a property outright, the opportunity to buy a leasehold share in a home on a part buy, part rent basis.
- 2.2. Following purchase of an initial share the leaseholder may then acquire additional shares in the property by a process known as “staircasing”. The amount of rent payable to the landlord decreases as the shared owner’s share increases.
- 2.3. A shared owner has the responsibilities of a leaseholder and in addition to rent, must pay service charges if they live in a property that receives landlord provided services. Some houses on estates may receive services, for example grounds maintenance and road maintenance.
- 2.4. Properties sold on a shared ownership basis provide the landlord with greater control of the property than outright sale. The shared ownership leases for both houses and flats can contain covenants to prohibit sub-letting in whole.
- 2.5. Studies have shown that shared ownership leaseholders tend to stay put for longer compared to leaseholders with full equity. (*Understanding the second hand market for shared ownership properties, Cambridge Centre for Housing and Planning Research 2012*). The development and promotion of shared ownership schemes can therefore help in achieving our growth agenda for people to stay and invest in our Borough.
- 2.6. Mortgage funding for shared ownership is restricted to tried and tested products that are supported by IT infrastructure with set and familiar administrative processes for which the level of risk is perceived to be low. Any scheme requiring mortgage funding must necessarily take account of lender requirements (*Promoting mortgage access for affordable housing - A joint good practice note issued by the Chartered Institute of Housing and the Homes and Communities Agency*).

3. The Main Features of Tenant Shared Ownership Scheme

- 3.1. The proposed Tenant Shared Ownership scheme is offered as a non-statutory scheme allowing the Council discretion to stipulate terms and conditions for eligibility and the terms of the shared ownership lease.
- 3.2. The Tenant Shared Ownership scheme would allow a secure tenant who qualifies for the RTB scheme, the opportunity to opt for Tenant Shared Ownership and use a proportion (commensurate with the percentage share of the property they are purchasing) of their discount to buy a share in the property that they are renting instead of purchasing outright.
- 3.3. Conversion to shared ownership would release a share of the RTB discount in proportion to the share that is purchased. For example, if a RTB applicant is eligible for a discount under the RTB of £100,000 but chooses to buy a 50% share under

the Tenant Shared Ownership Scheme they would receive a discount of £50,000 (£100,000 x 50%). Appendix 2 compares the cost of outright purchase under RTB and purchase of a 25% share under Tenant Shared Ownership.

- 3.4. Additional discount would be released if and when the shared owner decides to purchase additional shares in the property.
- 3.5. The Tenant Shared Ownership resident would be able to sell on the lease with the potential to gain from any increase in value. The property must first be offered for sale back to the Council. The Council can elect to purchase the property or may nominate a purchaser.
- 3.6. There would be a share ceiling so that the maximum share that the shared owner may acquire in the property is 70%.
- 3.7. The Council would provide help to owners who encounter financial problems. In some exceptional cases the Council may permit downward staircasing allowing the shared owner to sell back a percentage or even all the equity they hold in the property to release funds to help with mortgage debt.

4. The Tenant Shared Ownership Process

- 4.1. The scheme would only be available to tenants who qualify for RTB. The scheme would therefore be offered to them either separately or when they apply for RTB. They would have a choice as to which option to pursue.
- 4.2. If the tenant chooses to follow the Tenant Shared Ownership route they would then be subject to an affordability test, based upon the Homes and Communities/Greater London Authority formula. This is to ensure that applicants have the financial capacity to take on responsibility of home ownership. The HCA/GLA formula requires the net annual income to be at least 4.5 times the mortgage amount. . The monthly repayment must be less than 45% of the net monthly salary. If the tenant fails the test they would not be considered for the scheme.
- 4.3. If the tenant passes the affordability test they would then have to cancel their RTB application to proceed with this option. It is a legal requirement that the tenant must be informed that they would lose their RTB if they follow the Tenant Shared Ownership option.
- 4.4. At any point up to completion, the tenant may cancel their Tenant Shared Ownership application. However, they would then need to submit a new RTB application if they wish to revert to RTB.
- 4.5. The proposed scheme is a non-statutory and non-grant funded scheme and tenants would be sign posted to independent advice.

5. Tenant Shared Ownership - Rent

- 5.1. A shared owner would be required to pay rent on the share owned by the Council.
- 5.2. Rent charged would be set in proportion to the equity held, so that as the leaseholder's share in the property increases, their rent share decreases.

- 5.3. Rent increases would be set in line with inflation by applying an annual increase of RPI + ½%. Based on this formula, rent would have increased by about 1.3% between April 2015 and March 2016.

6. Tenant Shared Ownership - Staircasing

- 6.1. Initial share purchase would be based on a minimum starting share of between 25% and 50%. The shared owner would be able to staircase by purchasing additional shares with a minimum step up of 10% up to a maximum of 70%. The Council would retain a 30% share of the property.
- 6.2. Additional shares would be purchased based on current market valuation but excluding improvements that the shared owner has carried out to the property or any deterioration in the property arising from the leaseholder's failure to maintain. Giving full benefit of improvement value should encourage the shared owner to make improvements and so help to increase their sense of ownership. Valuation would be undertaken by a RICS qualified valuer, as agreed between the shared owner and the Council or if agreement cannot be reached by referral to the District Valuer.
- 6.3. Each party would pay its own costs relating to the initial purchase.
- 6.4. The costs of staircasing including the reasonable costs incurred by the Council would be born by the shared owner.

7. Re-sales

- 7.1. The lease would require the shared owner to offer the Council the first option to re-purchase the property or nominate a buyer. This provision in the lease would enable the Council the opportunity to influence the future allocation of the property.
- 7.2. The Council would maintain a list of suitable nominees for Tenant Shared Ownership re-sales. It is expected that in the majority of cases the Council would nominate a potential purchaser and thereafter it would be for the purchaser and existing shared owner to proceed to completion of the transaction. Should there be no interested nominee the Council may decide to allow the re-sale on the open market. Alternatively, the Council may decide that it is in its interest to re-purchase the property. The property would remain subject to the maximum share and lease conditions including the requirement for the owner to obtain permission before sub-letting or assignment.
- 7.3. When a Tenant Shared Ownership property lease becomes available for resale it is proposed that, subject to the HCA/GLA affordability test and income cap, that the cascade already adopted for applicants to Affordable Reside tenancies '*to achieve mixed income communities living in affordable and sustainable housing*' is applied. Therefore, the selection of buyer would be made according to the following cascade:
- Council and housing association tenants living in the Borough and in employment.
 - Housing waiting list applicants living in the Borough and in employment.

- Residents of the Borough in employment.
- People in employment in the Borough but who are not currently resident.
- People in employment from outside the Borough.

7.4. An active waiting list would be maintained of potential applicants for the purchase of second hand shared ownership leases.

7.5. The decision as to whether the Council buys back a shared ownership home, nominates a purchaser or allows resale on the open market would take into account the merits of each case, bearing in mind the cost of each of the options, the funding available and the legal power to re-acquire the property.

8. Lenders

8.1. We would include a mortgage indemnity clause in the lease designed to minimise risk to lenders and encourage mortgage availability. Restrictions to re-sale and the 70% share ceiling would be flexible mechanisms that allow sensitive management to reflect market conditions and the needs of lenders.

8.2. Initial feedback from lenders is positive with two providers indicating that they would fund mortgages.

9. Shared Owner Responsibilities

9.1. When a tenant buys a lease under the Tenant Shared Ownership scheme their responsibilities and relationship to the Council as their landlord would change.

9.2. The former tenant would have become a long leaseholder with the right to occupy the property for the length of the lease providing that they adhere to its terms and conditions.

9.3. The shared owner would still be responsible for paying rent although these payments would be less to reflect their percentage share in the property. The rent would be payable monthly instead of weekly as they would no longer occupy as a periodic weekly secure tenant.

9.4. During the lease term the shared owner would be responsible for the internal upkeep of the property. They would be responsible for repairs and replacement of all fitting and fixtures, for example, if the bath needed replacing it would no longer be a responsibility of the Council.

9.5. If the leased property is a house the Council would no longer be responsible for the exterior or structure. This responsibility for all repairs and maintenance would sit with the shared owner.

9.6. If the leased property is a flat the Council, as landlord, would remain responsible for the exterior and structure of the property and the upkeep and maintenance of common parts. The leaseholder would be expected to contribute a full share of service costs such as cleaning. However, major works charges would be payable in proportion to the percentage share owned to reflect the landlords interest in the property.

10. Review

- 10.1. When the Tenant Shared Ownership scheme is in place we would monitor demand and would determine and implement changes that may be necessary to ensure the success of the scheme.

11. Risk Management

- 11.1 Mortgage funding is not guaranteed - a change in lending policy could restrict funds and thereby restrict sales. Initial contact with lenders has indicated that there would be support for Tenant Shared Ownership from two major lenders. The lease would be drafted and matched to lender requirements before the scheme goes live.
- 11.2 The appeal of any shared ownership scheme would be subject to market conditions. Some house price inflation may increase the attraction of Tenant Shared Ownership so that current conditions could be favourable to its success. A reduction in the price of housing could make outright purchase more affordable and affect demand for shared ownership although this looks unlikely given high demand for and shortage of housing supply.
- 11.3 A significant increase to the discount provisions would affect demand for Tenant Shared Ownership. The Government has not announced any more plans to make changes to discount arrangements which are currently planned to increase only by inflation.
- 11.4 A project team, involving subject matter experts, has been invited to comment and provide advice and assistance regarding implementation of Tenant Shared Ownership.
- 11.5 Under the mortgage indemnity clause the landlord is required to pay the lender's costs if they have to re-possess a property. Sensitive management of arrears with provision of advice and assistance should reduce but cannot eliminate this risk altogether. Under the terms of the indemnity the lender has an obligation to advise the Council if the leaseholder falls into mortgage arrears. Whilst there remains a possibility that some funds could be needed this risk is considered low. If a repossession of a Tenant Shared Ownership lease does occur the costs could be met from HRA reserves.

12 Options Appraisal

- 12.1. It should be appreciated that mortgage availability is critical to the success of any shared ownership scheme. Lenders look for schemes that fit within their existing administrative and IT systems and that support their mortgage portfolio. They are reluctant to support wholly bespoke products with uncertain or low levels of demand. This factor has limited the extent to which the Council could realistically deviate from general shared ownership models. For this reason it is proposed that the lease for Tenant Shared Ownership would adhere to most features of the Social Homebuy lease that already has support from lenders.
- 12.2. The minimum share proposal is 25%. Higher and lower starting points have been considered. The 25% initial share is in keeping with shared ownership products generally and the Social Homebuy lease. A lower starting point is unlikely to receive

lender support. The 25% ceiling should also provide an appealing and affordable option to tenants on lower incomes.

- 12.3. The minimum step for staircasing is set at 10%. Percentages below this incur disproportionate administrative, legal and valuation fees and would not be in the interests of the applicant.
- 12.4. A share ceiling could affect market appeal so some risk is attached to this. However, a 100% ceiling offers less control for the Council. By retaining a share of the equity the Council can continue to recover some rent and the property always sells at a discount against the full market price. The share ceiling enables the landlord to maintain controls over sub-letting. The share ceiling is therefore an important element of Tenant Shared Ownership as it is a device that can help retain local affordability and offers greater control over the management and allocation of the property.
- 12.5. Various levels of initial rent were considered. A market rent option inflates the rental by 20-25% compared to Barking and Dagenham secure rent levels. The basis of the scheme, however, is that it should be appealing and affordable to lower income households and this would not be achievable with much higher market rent. Our secure rents levels are about 10% lower than target rents. Using current rents as the basis for the apportioned shared ownership rent instead of target rent provides for lower costs incurred for these properties. The option of removing rental responsibility at the 70% ceiling was also considered. Although this would give an incentive to staircase from say 50% to 70% it would also further reduce HRA income.
- 12.6. Tenant Shared Ownership is a non grant funded scheme and, therefore, we are not strictly tied to the GLA/HCA lease. However, the proposed rent review formula of RPI + ½% follows the shared ownership industry norm and as such is a condition that lenders are already familiar with. Although Consumer Price Index (CPI) could be used it does not have this benefit. The use of CPI to determine rent increases would currently be advantageous to shared owners as it is lower than RPI but there is no certainty that CPI increases would not surpass RPI in the future.
- 12.7. The capital receipt from staircasing reduces when improvements carried out by the shared owner are excluded from the valuation. However, discounting improvement value should help to encourage a sense of ownership and provide incentive for the shared owner to carry out improvements to the property.
- 12.8. We have proposed not to charge the full cost of major works. This would mean that the Council would have to contribute more of the costs. The reason for proposing to share major works costs is that the Tenant Shared Ownership resident would be buying a share of an ageing property without the immediate benefit of a reserve fund so could be faced with unreasonably high charges. Sharing costs would help reduce this risk and also reflect the equity benefit that the Council retains in the property.
- 12.9. The option of sharing service costs in proportion to equity was considered but the provision of services is wholly to the benefit of residents and the Landlord receives no benefit itself from the provision of these services.

12.10. Consideration has been given to lowering the affordability threshold to widen access to shared ownership but mortgage funding would be problematic for applicants on very low incomes and could pose an unreasonable financial risk for such purchasers.

13. Financial Implications

Implications completed by: Carl Tomlinson, Finance Group Manager

13.1. The introduction of the Tenant Shared Ownership scheme would have implications for HRA income, expenditure and capital financing. Due to the nature of the scheme, assumptions have to be made in respect of demand levels, level of initial share purchased, timing of staircasing purchases, property type and property value. The modelling of potential scenarios is being conducted alongside wider Business Plan modelling incorporating recent Government announcements that would significantly change the HRA Business Plan. As a result, this paper does not cover full Business Plan impact but sets out an indicative position.

13.2. The analysis below sets out an indicative position for a single dwelling based upon an initial purchase of 25% and 50% share. This is then multiplied to show the impact for 150 units on a full year effect basis. The analysis is based on actual RTB sales completed in the first 6 months of 2015/16: 103 sales were made with 56% houses and 44% flats. It is assumed that demand for the Shared Ownership scheme is in addition to current assumptions within the HRA Business Plan in respect of RTB sales.

	25% (single unit)	50% (single unit)	25% (150 units)	50% (150 units)
Loss of income	£1,200	£2,400	£180k	£360k
R&M saving	(950)	(950)	(£143k)	(£143k)
Net revenue pressure	250	1,450	£37k	£217k
Capital receipt	£21k	£43k	£3.15m	£6.45m

13.3. Rental income – The scheme would result in a growing reduction in rental income over time, though as a proportion of rent collected this is a small amount. As the scheme progresses and staircasing purchases take place, the level of income due to the HRA would further reduce. Using the 2016/17 all stock average rent (£94 pw) as a guide, the loss of income for a single dwelling equates to £1,200 per annum based on the sale of a 25% share. The sale of a 50% share would result in £2,400 per annum loss of income. The full year effect of 150 sales would be £180k and £360k respectively. As staircasing purchases are made the level of income received would continue to reduce. However, the 70% ceiling on staircasing secures an ongoing income stream, albeit by forfeiting further capital receipts. Annual rent increases would mitigate part of the loss, however this would be marginal.

- 13.4. Service charges – there would be no effect on service charge income relating to day to day provision of services as shared owners would continue to pay service charges as leaseholders. Major works would be charged to the shared owner based on the percentage share they have acquired.
- 13.5. Expenditure – Once a share in a property has been sold, the property is treated as a leasehold property with responsibility for internal repairs and maintenance transferring to the shared owner. Using the repairs and maintenance budget for 2016/17 and total stock number, the indicative cost per dwelling is £950 per year. This would be a saving to the council from the initial sale of a share. When combined with the lost income the net position is a loss of £250 for a 25% share and loss of £1,450 for a 50% share. Based on 150 sales the full year effect would be in the region of £37k net pressure based upon 25% share and £217k for a 50% share.
- 13.6. Capital – in the first 6 months of 2015/16, the average value of properties sold through RTB was £169k with an average discount of £84k, resulting in average receipt of £85k. On this basis, the sale of a 25% share would yield a receipt of £21k and a 50% sale would yield £43k. Sales of 150 dwellings would result in a receipt in the region of £3.15m based upon 25% share and £22.5m for 50%. Capital receipts would continue to be received as staircasing purchases are made up to the 70% ceiling, however, would vary depending on mix of dwellings and share percentages. Movements in property prices would change the value of receipts received.
- 13.7. Capital receipts from shared ownership sales are not typically classed as RTB receipts. This provides greater flexibility over the use of shared ownership receipts providing that the shared owner does not purchase over 50% within the first 2 years. The Council has signed up to the national one-for-one RTB replacement scheme which requires us to use RTB receipts to fund new build spend with a significant Council match fund element. Guidance issued by CLG in this respect states “where the buyer receives an equity share that does not exceed 50% of the market value, then neither are these receipts treated as RTB, but instead the authority may retain them for any capital purpose. Furthermore, an authority that sold an equity share of 50% may sell off the remaining interest with no pooling implications provided that two years have elapsed since the initial sale.”
- 13.8. From a financial perspective, the cost of exceeding a 50% share by just 1% in the first two years for a single ‘average’ dwelling based on the numbers above is in the region of £60k. This would be the contribution the Council would have to make on top of the receipt to fund new build construction. By remaining under 50% the full receipt could be used more flexibly and the Council would not be obligated to match fund.
- 13.9. A specific reserve would be required in the event of downstaircasing and buy back. However, such cost is likely to be very low in the early years of the scheme.
- 13.10. It is proposed that capital receipts arising from this scheme should be used primarily for estate renewal funding with some set aside for a buy back contingency.

14. Legal Implications

Implications completed by: Manson Kendall, Property Lawyer

- 14.1. The General Housing Consents 2013 describes the terms under which a Local Authority may sell property on a shared ownership basis and following upon Counsel's advice it appears that the provisions of the scheme are permitted by the General Consents.
- 14.2. Counsel has advised that to comply with the terms of the General Housing Consent 2013 the Council must fully explain the terms of the scheme to the tenant applicant and the fact that by choosing Tenant Shared Ownership they would lose their Right to Buy.

15. Other Implications

- 15.1. **Staffing Issues for the Council** - The initial sales process for Tenant Shared Ownership would be administered by our experienced Home Ownership Team, together with Legal Services. Some additional resources may be needed to operate the scheme subject to demand.
- 15.2. **Property/Asset Issues** - There would be a partial loss of equity in our residential portfolio but we would retain certain rights and obligations over the property as defined in the lease.

There would be a reduction in repair and management costs particularly in regard to Tenant Shared Ownership for houses although this is dependent on how many choose to take up the scheme.

There would be ongoing management responsibilities regarding provision of services for shared ownership flats and houses including recovery of rent and also service charges for flats where applicable.

- 15.3. **Customer Impact** - Tenant Shared Ownership would increase housing options for our secure tenants and create a stock of more affordable homes for sale in the Borough.
- 15.4. **Consultation** - A project team involving subject matter experts has been invited to comment and provide advice and assistance regarding Tenant Shared Ownership and its implementation. To date only internal consultation has taken place. Tenants would be consulted prior to the scheme being launched, as part of their right to be consulted on any changes to their tenancy conditions or the way their homes are managed. This scheme forms part of the Local plan which would be subject to further consultation.
- 15.5. **Equality Assessment** – An Equality Impact Assessment has been carried out and is attached at Appendix 3.
- 15.6. **Contractual arrangements** - Some changes would be required to IT services to manage Shared Ownership and Officers are in dialogue with Elevate about this.

- 15.7. **Safeguarding Children** - Tenant Shared Ownership property can provide the basis for families to put down roots in the Borough providing a more secure and stable environment for the wellbeing of children.
- 15.8. **Corporate Policy and Impact** - This housing option is aimed at Encouraging Civic Pride by helping to create a more sustainable community.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1 - Assessment of Affordability Test
- Appendix 2 - Monthly Cost Comparison
- Appendix 3 - Equality Impact Assessment