

NOTICE OF MEETING

Meeting: HOUSING OVERVIEW AND SCRUTINY PANEL

Date and Time: WEDNESDAY, 18 MARCH 2020, AT 6.00 PM*

Place: BRADBURY ROOM - APPLETREE COURT, BEAULIEU ROAD, LYNDHURST, SO43 7PA

Telephone enquiries to: Lyndhurst (023) 8028 5000
023 8028 5588 - Ask for Karen Wardle
Email: karen.wardle@nfdc.gov.uk

PUBLIC PARTICIPATION:

*Members of the public may speak in accordance with the Council's public participation scheme:

- (a) immediately before the meeting starts, on items within the Panel's terms of reference which are not on the public agenda; and/or
 - (b) on individual items on the public agenda, when the Chairman calls that item.
- Speeches may not exceed three minutes. Anyone wishing to speak should contact the name and number shown above.

Bob Jackson
Chief Executive

Appletree Court, Lyndhurst, Hampshire. SO43 7PA
www.newforest.gov.uk

This Agenda is also available on audio tape, in Braille, large print and digital format

AGENDA

Apologies

1. MINUTES

To confirm the minutes of the meeting held on 15 January 2020 as a correct record.

2. DECLARATIONS OF INTEREST

To note any declarations of interest made by members in connection with an agenda item. The nature of the interest must also be specified.

Members are asked to discuss any possible interests with Democratic Services prior to the meeting.

3. PUBLIC PARTICIPATION

To note any issues raised during the public participation period.

4. PORTFOLIO HOLDER UPDATE

An opportunity for the Portfolio Holder to provide an update to the Panel on any issues.

5. DEVELOPMENT OF THE PERFORMANCE MANAGEMENT FRAMEWORK
(Pages 5 - 6)

To consider the principles and design of the performance management framework in support of the delivery of the Corporate Plan.

6. ASSET MANAGEMENT STRATEGY FOR HOUSING (LANDLORD SERVICES)
(Pages 7 - 24)

To consider the proposed draft Asset Management Housing Strategy.

7. NEW FOREST DISTRICT COUNCIL'S SHARED OWNERSHIP SCHEME
(Pages 25 - 56)

To consider the proposed Shared Ownership scheme.

8. GREENER HOUSING TASK AND FINISH GROUP

To consider draft Terms of Reference for the Greener Housing Task and Finish Group.

9. RURAL AND COMMUNITY HOUSING

To receive a presentation on the work carried out in relation to rural and community housing.

10. NEW FOREST COMMUNITY HOUSING FUND

To consider how the New Forest Community Housing Fund is administered and how grants are awarded.

11. HOUSING STRATEGY / HRA PROPERTY DEVELOPMENT AND ACQUISITION UPDATE

To receive an update on the progress of the Housing Strategy and HRA property development and acquisition.

12. HOMELESSNESS UPDATE

To receive an update on homelessness.

13. WORK PROGRAMME (Pages 57 - 58)

To consider the Panel's future work programme and make changes where necessary.

14. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

To:

Councillors

Steve Davies (Chairman)
Ann Sevier (Vice-Chairman)
Anne Corbridge
Kate Crisell
Jack Davies

Councillors

Andrew Gossage
Joshua Kidd
Ian Murray
Caroline Rackham
Christine Ward

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HOUSING OVERVIEW AND SCRUTINY PANEL – 18 MARCH 2020

DEVELOPMENT OF THE PERFORMANCE MANAGEMENT FRAMEWORK

1. RECOMMENDATION

- 1.1 That the Housing Overview and Scrutiny Panel consider the principles and design of the performance management framework in support of the delivery of the Corporate Plan 'Community Matters' and continuous improvement across the organisation.

2. INTRODUCTION & PURPOSE

- 2.1 Effective performance management is a positive tool in the successful delivery of the corporate plan. It involves understanding the objectives of the organisation, monitoring performance against those objectives and enabling improvement where necessary.

The benefits include:

- Ensuring corporate objectives are prioritised and that resources are allocated effectively;
- Improving service outcomes for local people;
- Motivating and engaging staff by ensuring that individuals are aware of their own targets and goals and how these contribute to achieving the Council's vision;
- Ensuring that significant risks to the achievement of objectives are identified and managed; and
- Providing early warning and rectification of poor performance.

- 2.2 A proportionate performance management framework needs to be developed; monitoring and reporting on specific actions and achievement indicators. The framework will be designed to provide an overview, and allow for scrutiny, of performance against each Portfolio Holder's priorities, with Portfolio Holders providing regular updates to the relevant Overview and Scrutiny Panel. In turn, priorities and actions will filter through to service planning and performance monitoring, sitting alongside the council's financial plans to ensure the resources are available and appropriately directed to deliver the plan.

- 2.3 The purpose of this report is to invite Panel comments on the design of the framework, including content and reporting frequencies, to support a consistent and robust approach to performance management and improvement.

3. PROPOSALS FOR DISCUSSION

- 3.1 Overview and Scrutiny Panels have a key role in driving performance and consequently in designing the new framework; advising on what information they would like to see, how often and in what format. The views of each panel will be canvassed, at their March meetings, to inform the design and reporting frequency of the new framework.

- 3.2 It is proposed that reporting is in the form of portfolio dashboards, structured around the role of the panel, and updating on relevant actions and the strategic achievement indicators contained within the Corporate Plan 'Community Matters'. Further performance information, in support of specific service or project performance, could also be provided at the request of the panel. An example will be shown to panels at the meeting for their consideration.
- 3.3 Updates on performance will be provided by Portfolio Holders as a standing item at Panel, with Portfolio Holders being accountable for their Portfolio's performance in the delivery of the corporate plan. In turn Portfolio Holders will be supported by Executive Heads through the provision of accurate and timely data and updates.
- 3.4 Performance will continue to be reported annually to Cabinet.

4. FINANCIAL AND OTHER IMPLICATIONS

- 4.1 None arising directly from this report.

For Further Information Please Contact: Background Papers

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HOUSING OVERVIEW AND SCRUTINY PANEL – 18 MARCH 2020

ASSET MANAGEMENT STRATEGY FOR HOUSING (LANDLORD SERVICES)

1. INTRODUCTION

- 1.1 This report deals with the Council's approach to the management of its housing stock, through a new Housing Asset Management Strategy, attached as Appendix 1.

2. BACKGROUND

- 2.1 The Council owns and manages over 5,000 homes across all areas of the District, as well as providing a management service to 119 leasehold properties.
- 2.2 The Council is committed to providing an effective asset management service in order to comply with its statutory responsibilities, including but not limited to the Landlord and Tenant Act 1985 (as amended) and the Housing Act 2004 and to ensure high levels of resident satisfaction and to protect the value of its housing stock.
- 2.3 The Council continues to invest heavily in looking after its existing housing stock and has implemented a suite of new maintenance policies and raised standards to ensure tenants obtain the very best service from the Council.
- 2.4 The safety of the Council's tenants is of paramount importance and the Council has comprehensive regimes in place to ensure that all of its homes are legally and regulatorily compliant.

3. CURRENT POSITION

- 3.1 The overall condition of Council properties is good. The Council invests around £6 million per year on planned capital improvement work to tenants' homes, modernising kitchens and bathrooms and ensuring the external envelope of homes are well roofed, with energy efficient double-glazed windows and fire-resistant doors.
- 3.2 The Council offers tenants an in-house responsive repairs service which also ensures that properties that become vacant are prepared for re-letting as quickly as possible. An efficient and value for money maintenance service is one of the biggest drivers of customer satisfaction. All void properties are now re-let with freshly painted walls, which is an improvement on previous standards.
- 3.3 The largest share of Council housing properties (2,246 - 40%) were constructed in the post-war period between 1945 and 1964. 29% were constructed between 1965 - 1974, whilst 23% of the stock is relatively recent, being constructed from between 1975 to 2020. Just 8% of stock was constructed Pre-1945.
- 3.4 92% of Council properties are purpose-built houses, flats and bungalows of traditional construction. 407 properties (8%) are of non-traditional construction, including Airey, BISF, Reema and some timber frame houses built during the 1970s.

- 3.5 A thorough review of the Council's approach to asset management has been undertaken by the Housing Maintenance Section, which has resulted in a new Asset Management Housing Strategy (Landlord Services).

This proposed Strategy will sit alongside a suite of other recently adopted new policies as set out below: -

- Electrical Safety;
- Fire Safety;
- Gas Safety;
- Legionella;
- Lifts and Lifting Equipment;
- Maintenance and Repairs;
- Playgrounds and Play Equipment; and
- Void and Mutual Exchange.

4. PROPOSED ASSET MANAGEMENT HOUSING STRATEGY

- 4.1 The proposed Asset Management Strategy explains how, through sound planning, the Council will put in place a range of flexible, dynamic approaches to maintaining, improving and developing its Council housing assets over the short, medium and longer term. It sets out the priorities for the physical care and improvement of the housing properties and surrounding environment. In this way, over the life of the Strategy and beyond, both the quality and quantity of Council owned homes can be increased throughout the District.
- 4.2 The Strategy clearly sets out our main goals over the four-year life of the Strategy, and beyond.

The new Strategy's salient points are as follows:

Four Main Aims: -

- a) To raise the standard of Council homes to make sure they are fit for purpose for modern living.
- b) To optimise the value and impact of the Council's repair, maintenance and capital investment expenditure.
- c) To improve the living conditions, health and well-being of tenants through environmental and estate-based works to properties, schemes and neighbourhoods.
- d) To maximise the use of the housing assets to help deliver the Council's Housing Strategy.

Four Strategic Priorities: -

- a) Achieving high standards in the maintenance and repair of Council stock.
- b) Achieving high levels of energy efficiency in Council homes.
- c) Delivering value for money across capital investment, responsive repairs and re-letting of empty properties.
- d) Delivering a modern customer model, empowering tenants to self-serve.

5. CONCLUSIONS

- 5.1 The proposed new Asset Management Strategy sets out the framework for how the Council will make decisions on developing, repairing, maintaining, refurbishing or replacing its housing properties. It will ensure effective, efficient and economic approaches to securing the Council's vision of enhancing the quality of lives for all.
- 5.2 It is intended that the new Asset Management Strategy for Housing Landlord Services is implemented on 1st April 2020, following formal approval by the Portfolio Holder for Housing Services.

6. FINANCIAL IMPLICATIONS

- 6.1 An annual budget funded by the Housing Revenue Account (HRA) is required to implement and support this Strategy and this will be agreed as part of the Council's annual budget setting process.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1 There are none arising from this report.

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 There are none arising from this report.

9. RECOMMENDATIONS

- 9.1 That the Housing Overview and Scrutiny Panel consider the proposed Asset Management Housing Strategy (Appendix 1) and make recommendations to the Portfolio Holder for Housing Services.

For further information contact:

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Background Papers:

Public documents

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Asset Management Housing Strategy

2020 - 2024

DRAFT



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Foreword

Providing safe, decent, energy efficient homes that meet the needs of modern living for Council housing tenants continues to be a key priority.

The Council continues to invest significant financial resources in looking after our existing housing stock and we have recently implemented a suite of new maintenance policies and raised standards to ensure our tenants obtain the very best service from the Council.

The safety of our tenants is our number one priority and we have comprehensive regimes in place to ensure that all our homes are legally and regulatory compliant.

The Council offer tenants an in-house responsive repairs service which also ensures that properties that become vacant are prepared for re-letting as quickly as possible. An efficient and value for money maintenance service is one of the biggest drivers of customer satisfaction.

We now let all void properties with freshly painted walls, which I know will make a big difference to incoming tenants. This is a higher standard than before and is certainly not commonplace with other Housing Authorities or Registered Providers.

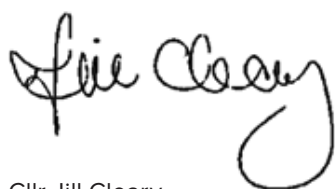
As well as traditional customer contact routes for tenants to request repairs, we are increasing our digital capability to allow tenants to self-serve, follow progress and feedback at a time convenient to them.

As well as undertaking reactive responsive repairs, the Council invests around £6million per year on planned capital improvement works to tenants' homes, modernising kitchens and bathrooms and ensuring homes are well roofed, with energy efficient double-glazed windows and fire-resistant doors.

All of this is carried out by a professional team who manage the works in a safe and efficient way ensuring value for money and customer satisfaction.

Asset Management Housing Priorities 2020 - 2024

- Achieving high standards in the maintenance and repair of our Council stock.
- Achieving high levels of energy efficiency in Council homes.
- Delivering value for money across capital investment, responsive repairs and re-letting of empty properties.
- Delivering a modern customer contact model, empowering tenants' to self-serve.



Cllr Jill Cleary
Portfolio Holder for
Housing Services



Introduction

The Council is the largest housing provider in the New Forest District. We have a strong housing vision and are committed to providing 600 new Council homes in the District by 2026.

We want to provide as many good quality, affordable council owned homes as possible, all located within neighbourhoods and within environments that help provide better life chances.

The cost of repairing and maintaining our Council homes is significant. Over the next four years our business plan provides for us to spend over £40million on responsive repairs, cyclical maintenance and capital improvement work.

This Asset Management Strategy explains how, through sound planning, we will design and put in place a range of flexible and dynamic approaches to maintaining, improving and developing our Council housing assets over the short, medium and longer term.

It sets out our priorities for the physical care and improvement of Council housing properties and surrounding environment. In this way, over the life of the strategy and beyond, both the quality and quantity of council owned homes can be increased throughout the District.

Our Asset Management Strategy's aims and ambitions link strongly with the Corporate Plan and our wider Housing Strategy Vision to promote sustainable communities by raising the standard of existing homes and their environment, resulting in suitable, affordable and decent Council housing.

Partnership working across existing housing services is central to this and will allow us to meet the vision and aspirations and maximise the outcomes and benefits to Council tenants.



The current Housing Stock Portfolio

The Council owns and manages over 5,000 homes across the District, as well as providing a management service to 119 private sector leasehold properties. Despite the loss of properties through right to buy sales and an increased number of housing association properties, we remain, by far, the largest provider of social housing in the District.

The largest share of council housing properties (2,246 - 40%) were constructed in the post-war period between 1945 and 1964. 29% were constructed between 1965 - 1974, whilst 23% of the stock is relatively recent, being constructed from between 1975 to 2020. Just 8% of stock was constructed Pre-1945.

92% of our properties are purpose-built houses, flats and bungalows of traditional construction. We also have some 407 properties (8%) of non-traditional construction, including Airey, BISF, Reema and some timber frame houses built during the 1970's.

All the Council's general needs flats are in blocks of low to medium rise (two to three storeys). Access arrangements to the individual flats includes; deck access, internal communal staircases and individual external staircases to flats converted from houses. The council has a number of 'age restricted' blocks of flats which were previously warden-controlled under a partnership with Hampshire County Council. Such schemes were decommissioned in 2012. These blocks are now general needs (age restricted) accommodation. The council also has three extra care schemes in low to medium rise blocks of flats.

The overall condition of our properties is good, and this is evidenced by our stock condition surveys. This reflects the considerable investment that has been made over many years to ensure that, not only do we continue to meet the Decent Homes standard, but also develop our own Decent Homes Plus standard to further drive up the quality of the homes we provide.

Nevertheless, a range of repair and investment challenges remain, including the need for improvements to the condition and quality of internal and external common areas as these were not a focus of previous Decent Homes programmes.

The demand for our properties is high.

Investment in our own Decent Homes Plus standard for our assets and the environment in which they sit will offer the type, quality and style of accommodation to meet the needs of modern living and expectations of people coming onto our housing register.



Stock profile

- 1,539 flats
- 189 bedsits
- 59 maisonettes
- 2,817 houses
- 876 bungalows
- Three Extra Care Schemes
- Seven hostels
- 1,800 garages



Key facts

5,238

Total number of homes owned and managed by the council

£40million

Total four-year investment in maintenance, repairs and capital investment

19,000+

Total number of repairs carried out each year

250 - 300

Total number of homes prepared for re-letting each year

47,000

Total number of Housing Landlord Services customer contacts each year

304

Total number of homes designated for older people each year

70

Average SAP rating for our homes

96%

Properties meeting the decent homes standard

55 years

Average age of our properties

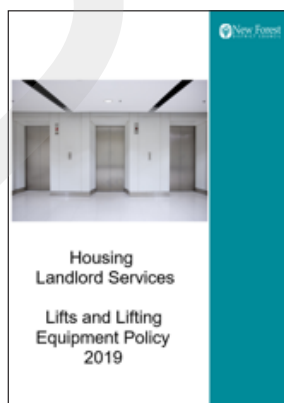
Achievements

This Housing Asset Management Strategy builds on a wide range of work, programmes and initiatives that we have carried out over recent years. Taken together, these activities have had a considerable impact on the quality of the homes we provide.

Our achievements include:

- Developing and using the Keystone Asset management database to become more efficient in delivering a range of internal improvements, including the installation of new kitchens and bathrooms across a large proportion of tenants' homes.
- Substantially improving the energy efficiency of a significant number of properties, including the replacement of all boilers over 15 years old with new 'A rated' boilers, installation of cavity wall and loft insulation and the installation of air source heat pumps and renewable energy sources such as solar PV Panels.
- Enhanced programme of fire safety improvement works, including fire risk assessments of every property and communal area in our flat block accommodation, fire compartmentation works and replacement flat entrance doors
- The implementation of a suite of new maintenance and compliance policies to raise standards to ensure that our tenants obtain the very best service from the Council.

New Policies introduced in 2019/2020

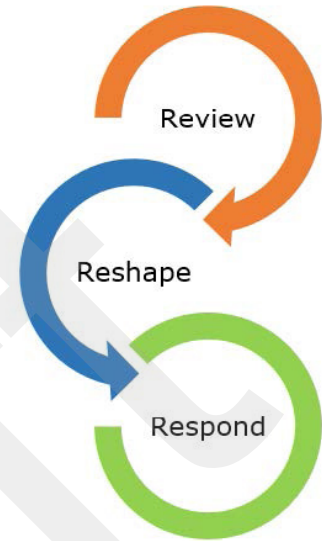
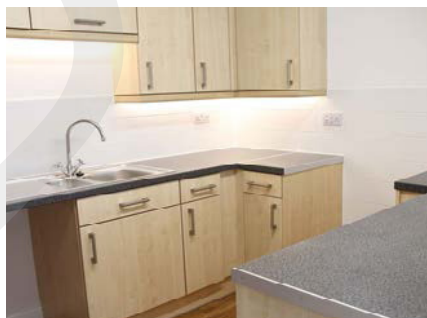


The Asset Management Challenge

As a social housing landlord, we face a range of challenges as we seek to invest wisely in our ageing properties.

It is important for us to:

- Collect, maintain and actively use good quality information and data to help shape and inform our decision making.
- Make the most efficient, effective and economic use of resources by having flexible and dynamic repair, maintenance and capital investment programmes in place to ensure we use money wisely and to best effect.
- Reshape and reconfigure the housing accommodation offer to make sure it responds to the changing pattern of housing needs and demands across all age groups.
- Examine the long-term economic value and sustainability of some properties before further significant investment is made.
- Explore the potential options for properties that, due to their age, condition or design are no longer suitable or fit for purpose.
- Secure the right balance between investing in the existing housing properties whilst also ensuring funding for the delivery of new council homes.
- Maximise the value of our expenditure on voids, striking the right balance between providing a good quality property and using resources to best effect.



Our asset management aims

To make sure we focus our activities we have devised four **aims** that clearly set out our main goals for what we want to achieve over the four-year life of the strategy, and beyond.

Our four aims are built on our desire to continue to improve the **quality** of the homes we provide, to deliver **value** and **impact** in all the work we do, to **improve life chances** for those living in our homes and to use the potential of the housing assets to help the council

Deliver the Housing Strategy

These aims will play a critical role in shaping and informing all our asset management strategy activities.

Aim 1

Raise the standard of the homes we provide to ensure they are fit for purpose for modern living.

Aim 2

Optimise the value and impact of our maintenance and repair spend and capital investment.

Aim 3

Improve the living conditions, health and well-being of tenants' through environmental and estate-based works to properties, schemes and neighbourhoods.

Aim 4

Maximise the use of housing assets to help deliver the Councils housing strategy.

To support us in achieving our asset management aims, we have developed four **Strategic Priorities**.

The purpose of the strategic priorities is to ensure we have a stated, more measurable set of tasks and targets. This will allow us to monitor and assess how well we are doing in meeting our goals for securing the range of improvements we are striving to secure.

Strategic priority 1

Achieving high standards in the maintenance and repair of our Council stock

Why is this a priority?

The quality of the home we live in impacts upon our health, well-being, education and employment - all of which can have lasting consequences for individuals and society.

In addition to our statutory obligations to meet the Government's Decent Homes standard, New Forest District Council wishes to work with tenants to create a new "Decent Homes PLUS standard". The Decent Homes PLUS standard will ensure that properties not only continue to meet statutory and/or regulatory minimum standards but offer a quality of accommodation which meets current and future residents' needs and aspirations. It also provides for a minimum standard/quality of environment.

We will:

- Improve the quality of homes by meeting and exceeding the decent homes standard.
- Design our investment programmes to deliver cyclical, planned and improvement works at the timescales needed to ensure homes continue to meet the Decent Homes standard and the new Decent Homes PLUS standard.
- Maintain a budget for environmental improvements to external areas of properties, with works being identified in conjunction with tenants. Improvements will include works to upgrade the condition and appearance of common staircases and landings, fencing and boundaries, renewal of concrete/paved surfaces and off-street parking improvements etc.
- Keep under review the Decent Homes PLUS standard so it responds to the changing market in which we are operating. By updating and enhancing the PLUS standard we can make sure it remains up to date and continues to drive up the quality of all our homes to take account of new technologies, improved materials and changing lifestyles.



We will ensure health and safety compliance, as well as meeting the Decent Homes standard and our own Decent Homes PLUS standard.

We will ensure we have a budget and an active programme for external environmental works, with an emphasis on 'face-lifting' our properties.

Strategic priority 2

Achieving high levels of energy efficiency in Council homes

Why is this a priority?

Achieving high levels of energy efficiency in existing homes continues to be very important to tenants to help protect them against rising fuel prices and the risk of fuel poverty. Making our homes more sustainable also means they use less energy, and this contributes to reducing carbon dioxide emissions and global warming.

Existing homes

Our ambition is for all our tenants to have the opportunity to live in a well-insulated, energy efficient home that is affordable to heat.

We will:

- Incorporate upgrades and energy efficiency improvements where we can when carrying out repairs and delivering investment.
- Make use of new technologies to help tenants use less water, less electricity and less gas.
- Set and monitor targets for increasing the average and minimum levels of energy efficiency of our homes.
- Help residents to reduce their fuel and utility costs, signposting them to organisations who provide free support and advice.

Building new, environmentally sustainable homes

In delivering, or facilitating the development of new properties, we will work with our Housing partners to seek to exceed the minimum standards required. In this way, the new properties will be cost efficient to heat and run.



Strategic priority 3

Delivering value for money across capital investment, responsive repairs and re-letting of empty properties

Why is this a priority?

Managing our financial resources is extremely important. With a large housing stock to look after, ensuring value for money is key to everything we do.

Capital investment

We will develop a 30-year business plan identifying the funding required to achieve our Decent Homes PLUS Standard across our stock and then maintaining that standard over the full 30-year investment period.

The fundamental approach to achieving an improved housing asset is to deliver the investment in overlapping phases.

We will:

- Address any planned maintenance backlog of works;
- Undertake health and safety, and fire related priority works;
- Maintain empty properties at less than 1% of the stock;
- Undertake a long-term programme of planned maintenance on major elements as identified by the on-going stock condition survey work;

Responsive repairs

We will:

- Provide an effective responsive repairs service.
- Introduce a new system that will offer self-service for reporting repairs and confirmation of appointments with our tenants by SMS text messaging and send them a reminder before the appointment date.
- Implement mobile technology solutions, enabling Housing Maintenance staff to pro-actively report repairs when out on site, which will speed up the reporting and repair process.

Disability and Equalities Act 2010

- We will work with the Council's occupational therapist in assessing the needs of individuals who require adaptations to support them in being able to live independently in their own homes for as long as possible.

Re-letting of empty properties

We will work alongside the Council's Allocations team to ensure that properties are left in a good state of repair when vacated and where repairs are required, we will carry these out as soon as possible to enable empty properties to be re-let and minimise lost rental income. Where major works are required, we will agree a time frame with the lettings team.

Strategic priority 4

Deliver a modern customer model, empowering tenants' to self-serve

Why is this a priority?

The Council deals within the region of 47,000 Housing related customer contacts per year across the current range of contact platforms including telephony, email and web chat, with the highest demand on maintenance and repair activities at around 19,000.

The end-to-end journey and experience for tenants needs to be at the forefront of service delivery design for the future. A modern customer model that seeks to maximise digital opportunities and empower Council tenants to have greater control and influence on the maintenance and repairs undertaken is a key priority.

A Corporate Website Project Board was set up in early January 2019 to review digital delivery across Council services and a dedicated Housing Customer Hub created in early February 2020.

The priority for Housing is to develop a modern customer model, where tenants will be able to view information about their repairs in one location reducing telephone contact, and fewer information office visits.

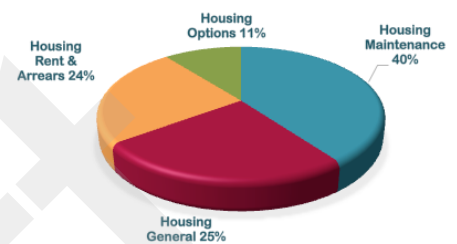
Overall, we will empower tenants to have greater control and influence on the maintenance and repair activities undertaken to their property.

This will reduce customer contacts, reduce miss-diagnosed repairs, end to end repair processing and give the ability to self-serve routine repair requests and self-booking.

We will:

- Provide 24/7/365 customer access;
- Improve flexibility and control allowing tenants to self-book or amend an existing repair appointment;
- Provide interactive customer feedback;
- Improve customer experience;
- Design Housing web pages that are simple, easy to navigate and intuitive;
- Integrate Uniclass 'Repairs' portal giving our tenants the ability to log and track repairs digitally;
- Design self-help and policy guides and offer support surgeries to assist our tenants in the use of this new contact model.

HOUSING CUSTOMER DEMAND BY SERVICE %



Draft

New Forest District Council

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HOUSING OVERVIEW AND SCRUTINY PANEL – 18 MARCH 2020

NEW FOREST DISTRICT COUNCIL'S SHARED OWNERSHIP SCHEME

1. INTRODUCTION

- 1.1 The Council's Housing Strategy 2018 sets out ambitious plans to provide at least 600 new Council homes by 2026 with social rent, affordable rent, and shared ownership tenures.
- 1.2 This report deals with shared ownership and introduces for the first time, a new Council Shared Ownership Scheme.
- 1.3 The new Shared Ownership Scheme will be of particular interest to those within the District who are renting a home in the private sector but who will not be in a position to buy a home due to the high house prices in the area. Many of these households will have little security of tenure (through assured shorthold tenancies) and are unable to afford the deposit and mortgage payments that come with purchasing a home outright in the District.
- 1.4 The Council considers it important to introduce a model, in addition to social rented housing, to help households in the District get on the property ladder.

2. BACKGROUND

- 2.1 Shared ownership is where an individual buys and owns part of their home and pays a rent on the remaining part. The initial share purchased can be between 25% and 75%. A lease is granted to cover the part that is owned and there is an option to purchase additional shares in the property in stages; this is known as staircasing. Rent is then paid to the landlord on the remaining share. The purchase of the initial share, and any additional shares bought through staircasing, are normally funded by a mortgage.
- 2.2 The Council's new Shared Ownership Scheme aims to give those people who are unable to buy a property outright due to the high property prices in the District, long term housing stability by getting them onto the property ladder when they might otherwise not be in a position to afford a home.
- 2.3 Shared ownership is an affordable housing option because:-
 - It requires a smaller deposit and mortgage;
 - If a shared-owner's financial circumstances change, additional shares can be purchased until the home is owned outright;
 - It can reduce monthly outgoings as the combined costs of a mortgage and rent can be cheaper than privately renting.

				Monthly Housing Cost				Private Rent
	Open Market Value	Share Purchased	Deposit Required	Mortgage	Rent	Service	Total	Total
2 Bed Flat	£250,000	£62,500 (25%)	£6,250 (10%)	£274.37	£429.68	£50	£754.05	£750+
2 Bed House	£275,000	£68,750 (25%)	£6,875 (10%)	£301.81	£472.62	£10	£784.43	£825+
3 Bed House	£335,000	£83,750 (25%)	£8,375 (10%)	£367.66	£575.78	£10	£953.44	£1000+

Notes: Mortgage rate of 4.1% over 30 years, Rent at 2.75% of unsold equity. Lower quartile private rents based on Ringwood Right Move February 2020

3. THE COUNCIL'S PROPOSED SHARED OWNERSHIP SCHEME

- 3.1 The Council's approach to implementing its new Shared Ownership Scheme is set out in the Shared Ownership Policy ("the Policy") at Appendix 1. The Policy sets out the Council's approach to the development, sale and management of properties within its shared ownership schemes.
- 3.2 A draft Guide on the Council's Shared Ownership Scheme can be found at Appendix 2, which will give interested parties who express interest in acquiring a Council Shared Ownership property, more information on becoming a shared ownership owner.

- 3.3 The Policy's main provisions are set out below:-

(a) Aims and Objectives

- To provide locally connected households in affordable housing need with greater housing choice through the development of shared ownership properties;
- To ensure that shared ownership properties are marketable and that prospective buyers can access mortgage finance;
- To ensure that the sale of shared ownership properties will be responsive to local demand and affordability levels, whilst contributing to the creation of viable development schemes and sustainable local communities;
- To ensure that the process of purchasing, staircasing and re-selling a shared ownership home is clear, transparent and complies with legislative and regulatory requirements.

(b) Shared Ownership Scheme Administration:

- The District Council's Shared Ownership Scheme will mirror the Homes England national model (including adopting their model leases) to ensure that it is consistent with the national shared ownership tenure, which meets nationally recognised standards and is clearly recognisable to the market.
- The sale of shared ownership homes will be to eligible households, who have registered with the Help to Buy Agent for the New Forest area but also have a local connection to the New Forest District.
- The Council will seek every opportunity to market its shared ownership homes to those identified in housing need who also meet a local connection criteria.

(c) Management of the Scheme:

- It is proposed that the following Council teams will take responsibility of the management of the Shared Ownership Scheme as follows:

Housing Strategy and Development Team:

- for the marketing and initial sale of the Council's shared ownership homes;
- For staircasing (where shared owners wish to purchase further shares in their home) or re-sales (where they wish to sell their homes).

Housing Estates Management Team:

- the management of the leasehold, including rent, service charge and sinking fund collection.

Housing Maintenance Team:

- the maintenance and repair of communal areas and elements of the buildings for which the Council has retained responsibility.

4. FINANCIAL IMPLICATIONS

- 4.1 There will be some financial implications in implementing the Council's new Shared Ownership Scheme. Additional resources may be required at a future date when the Scheme becomes more established. This will be kept under review. However, from the outset, it will be necessary to have some up front marketing resources to ensure that new Council Shared Ownership homes can be appropriately marketed. These resources will initially be found within existing budgets and once further schemes come on board, marketing costs will be factored into the overall development process and costs.
- 4.2 The costs of providing management and maintenance services to shared ownership homes will be covered by the annual service charge.

5. EQUALITIES IMPLICATIONS

- 5.1 The introduction of a new Council Shared Ownership Scheme is a key objective set out in the Council's Housing Strategy (December 2018). The Shared Ownership Scheme will have a positive impact on those with protected characteristics as it will increase the options for affordable home ownership; particularly for those who have limited income due to age, gender or disability. However, it is recognised that it may have an impact on those who do not readily meet the Council's proposed local connection provisions. The Council considers its local connection provisions strike a fair balance of promoting local priorities whilst limiting the adverse impact on such groups, as it limits the residence criteria to 2 years and those who have lived in the district in the past. Furthermore, the Council recognises employment as a criteria for local connection. However, the Council will continue to monitor the impact and effect of its policies and it will retain a discretion to ensure that where appropriate and necessary this is applied to enable compliance with its duties under the Equality Act 2010.

6. RECOMMENDATION

- 6.1 That the Housing Overview and Scrutiny Panel consider the proposed Shared Ownership Scheme, based on the Shared Ownership Policy (Appendix 1) and Guide (Appendix 2) and make any recommendations to Cabinet.

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Background Papers:

Housing Strategy (December 2018)

NEW FOREST DISTRICT COUNCIL SHARED OWNERSHIP POLICY

1. INTRODUCTION

1.1 Purpose

This Policy sets out New Forest District Council's ("the Council's") approach to the marketing, selling (including re-sales) and the management of its shared ownership properties.

In developing this Policy, the Council has had regard to:

- Local issues of affordability;
- Council housing policy as set out in its Housing Strategy and Allocations Policy;
- Statutory provisions and guidance, and in particular, the following:
 - Leasehold Reform Act 1967
 - Housing and Regeneration Act 2008
 - The Housing (Shared Ownership Leases) (Exclusion from Leasehold Reform Act 1967) (England) Regulations 2009
 - The Housing (Right to Enfranchise)(Designated Protected Areas) England Order 2009
 - Homes England – Capital Funding Guide for Shared Ownership

1.2 Policy Statement

The Council is committed to providing a variety of affordable housing options to residents within the District. The Council's Shared Ownership Scheme will assist those households who wish to get on the property ladder but are unable to afford to buy a property on the open market due to high prices. The Council will align its shared ownership scheme to the Homes England model to ensure that all first and subsequent re-sales, are recognisable and acceptable to the market and mortgage lenders.

1.3 Aims and Objectives of the Council's Shared Ownership Scheme

- To provide locally connected households in affordable housing need greater housing choice through the development of shared ownership properties;
- To ensure that shared ownership properties are marketable and that prospective buyers can access mortgage finance;
- That the sale of shared ownership properties will be responsive to local demand and affordability levels, whilst contributing to the creation of viable development schemes and sustainable local communities.
- That the process of purchasing, staircasing and re-selling a shared ownership home is clear, transparent and complies with legislative and regulatory requirements.

2. PROCESSES AND PROCEDURES

2.1 ELIGIBILITY

To qualify for the Council's Shared Ownership Scheme, applicants must meet the eligibility criteria set out in this Policy

Criteria	
Age	18 years or over and resident in the UK
Income	Have a household income of less than £80,000 (national criteria requirement)
Local Connection	<p>DISTRICT The applicant has been resident in the District for a continuous period of 2 years at the time of application, or the applicant has been resident in the District for 10 years or more in the past, or the applicant has been employed for a least 2 years within the District.</p>
	<p>RURAL PARISHES Applicants will be required to meet the eligibility criteria for rural parishes as set out in the Council's Housing Allocation Policy. Please see section 2.4 below.</p>
	<p>RURAL EXCEPTION SITES There may be additional requirements for local connection and cascades defined in a legal planning agreement accompanying planning consent.</p>
General	<p>Applicants who do not already own a home nor are named on an existing mortgage, unless they are an existing owner of:</p> <ul style="list-style-type: none"> (a) A shared ownership property, or (b) In exceptional circumstances to be approved by the Executive Head of Governance and Housing in consultation with the Housing Services Portfolio Holder, if they meet the criteria in this Policy and they will have sold or will sell their property at the time as buying a shared ownership property.
	Applicant is unable to buy a home on the open market

	Applicant is able to demonstrate that they have a sufficient deposit, can afford to purchase a share in the property and can sustain home ownership in the longer term.
	If applicable, they must not be in rent arrears or in breach of their current tenancy agreement at the time of application.

2.2 THE LEASE

The Council will adopt the Homes England standard model leases for Shared Ownership with any appropriate adaptations considered necessary by the Executive Head of Governance and Housing.

Length

The Council will normally grant an initial lease term of 125 years at first sale. If a lease length for a shorter period is proposed, an assessment of the impact on the value of the property and its acceptability to mortgage lenders will be completed and included within the initial scheme appraisal.

Staircasing

Shared owners will be able to increase the share that they own at any time during the term of the shared ownership lease. This process is known as staircasing. The price paid, procedure for and the associated costs will be set out in the shared ownership lease.

Re-sales

The shared owner is required to notify the Council of their intention to re-sale the property. The process and procedure for re-selling, including any nomination and pre-emption rights will be contained in the lease (Note on a resale, there will be a right for the Council to re-acquire the property).

Additional Borrowing

The shared ownership lease will specify the circumstances in which additional borrowing can be secured against the share of the property. In each case the Council's written approval will be required.

Subletting

A shared owner will not be permitted to sublet part or all of the property; however, they will be entitled to have a lodger/paying guest.

Supplemental Lease Clauses

Additional nuisance clauses will be included within a shared ownership lease where appropriate or necessary for neighbourhood management reasons or to comply with property title or planning requirements.

2.3 REGISTERING AND APPLYING FOR SHARED OWNERSHIP HOMES

2.3.1 Registration

The existing Help to Buy Agent (Help to Buy South) already manages and administers the principal register of eligible households interested in shared ownership for the New Forest District. Households interested in purchasing a shared ownership home will be required to register with the Help to Buy agent to assess and confirm they are eligible (see section 2.4) and can afford a shared ownership home. The Council will advertise its shared ownership homes and accept applications through the local Help to Buy agent

In addition to the Help to Buy shared ownership register, the Council will hold and administer a list of households who have contacted the Council with an interest in shared ownership (Register of Interest). The list will be managed by the Housing Strategy and Development Team and will be for the purposes of shared ownership marketing.

2.3.2 Application Process for Purchasing a Property

Applicants wishing to purchase a shared-ownership home with the Council will be required to complete an online shared ownership application form, providing details of the property they wish to purchase, confirmation of their registration with the Help to Buy Agent, and all supporting information e.g. local connection status.

The District Council will review the application and confirm in writing;

- If the application meets the New Forest District Council eligibility requirements;
- If further information or supporting evidence is required;
- If the application does not meet the eligibility requirements for the scheme.

Prior to agreeing a shared-ownership sale, all applicants will be required to undertake and meet the requirements of an independent financial assessment by an appropriate body nominated by the Council. A detailed assessment of affordability and sustainability will be completed by the independent financial organisation. The applicant will need to consent for a copy of the assessment to be sent to the Council to review.

Applicants will be expected to proceed to exchange of contract within 10 weeks from the date of agreement to purchase.

2.3.3 Assessing affordability

Applicants must be able to afford not just the initial cost of purchase but the ongoing costs of their home. After the financial check has been completed in accordance with section 2.3.2 above, the Council will review and confirm that an applicant can afford to purchase the property and the ongoing rent and mortgage payments.

2.3.4 Reservation fees

To secure their interest in a shared ownership home an applicant will be required to pay a reservation fee of £500 for new build properties. The reservation fee will be payable once their application for the property has been received and the Council has formally confirmed the application has been accepted.

The fee will be held by the Council and will be deducted from the final balance of payment on the completion of the sale, including any interest (based on the standard rate at the time) accrued in that time.

Where an applicant withdraws their application, or the Council withdraws from the sale of a shared ownership the reservation fee will be refunded in full.

2.3.5 Withdrawing a shared ownership application

Applicant Withdrawal

If an applicant wishes to withdraw their application for a shared ownership property this must be confirmed to the Council in writing, setting out the reasons for their withdrawal.

Council Withdrawal

Where an applicant fails to progress the purchase of their shared ownership home within the agreed timescale, the Council reserves the right to withdraw from the sale. Before doing so, the Council will send a notice of its intention to withdraw from the sale and give the applicant a final opportunity to complete the sale within the agreed timescale.

2.4 ALLOCATION AND PRIORITISATION

2.4.1 The first sale of all new build shared ownership homes developed by the Council will be prioritised for households with a local connection to the New Forest District.

- Shared ownership homes within larger settlement areas will be prioritised for those with a District connection.
- Shared ownership homes developed in rural parishes will be prioritised in line with the Rural Parish Connection criteria and a time-based cascade giving priority to the Rural Parish, adjoining Parishes, and thereafter the rest of the District.
- Shared Ownership homes forming part of Rural Exception Sites will be prioritised according to the requirements set out in site specific legal planning agreements.
- The Council reserves the right to exercise its discretion to allow an allocation outside these rules. The exercise of such a discretion is reserved to the Executive Head of Governance and Housing in consultation with the Portfolio Holder for housing.

Areas with a District Connection

AREA
Ashley
Blackfield & Langley
Calmore
Calshot
Dibden & Dibden Purlieu
Eling
Fawley
Fordingbridge
Holbury & Hardley
Hythe
Lymington
Marchwood
New Milton
Pennington
Ringwood
Totton
Walkford

Areas with a Rural Parish Connection

RURAL PARISH
Ashurst/Colbury
Beaulieu
Boldre/Pilley/Norley Wood
Bransgore/Sopley
Breamore
Brockenhurst
Brook/Bramshaw
Burley
Copythorne/Bartley
Damerham
Denny Lodge
East Boldre/East End
Ellingham/Harbridge/Ibsley
Exbury/Lepe
Godshill
Hale
Hordle
Hyde
Lyndhurst
Martin
Milford
Minstead
Netley Marsh/Woodlands
Rockbourne
Sandleheath
Sway
Whitsbury
Woodgreen

2.4.2 Prioritisation of Applications:

(a) District

Properties will be sold on a first come, first serve basis to the first applicant who is able to proceed with the purchase.

(b) Rural Parishes

In the first instance applications for properties situated in a rural parish will be available for a time limited basis (such time limit to be determined by the Executive Head of Governance and Housing in consultation with the Portfolio Holder for Housing Services) to applicants who satisfy a rural connection band as defined in the Council's Housing Allocation Policy and as set out in the table below. Properties will be sold to the first applicant who satisfies any of the rural connection bands for that rural parish and who is able to proceed with the purchase.

If there are two or more such applicants who are both ready to proceed with the purchase, the Property will be sold to the applicant with the highest rural connection band to that rural parish as defined in the Council's Allocation Policy.

RURAL CONNECTION BAND	CRITERIA
Band A	Applicants who live or are in Employment in the Rural Parish and have been so for longer than 10 years or who have lived in the Rural Parish for longer than 10 years previously or a designated key-worker performing an essential service for the Rural Parish community where there is an established need for the Applicant to be rehoused to maintain the service.
Band B	Applicants who live or are in Employment in the Rural Parish and have done so for longer than 5 years, or who have lived in the Rural Parish for more than 5 years within the last 15 years, or whose parents, siblings or adult children live in the Rural Parish and have done so for 10 years or longer.
Band C	Applicants who live or are in Employment in the Rural Parish and have done so for longer than 2 years, or who have lived in the Rural Parish for more than 2 years within the last 15 years or whose parents, siblings or adult children live in the Rural Parish and have done so for 5 years or more.

If no applications are received from an applicant with a rural connection band within the time specified, the Council will allow applications from neighbouring Parishes for a further time limited basis (such time limit to be determined by the Executive Head of Governance and Housing in conjunction with the Portfolio Holder or Housing Services). Applications may then be extended to the district if no eligible applications are received at the end of this period.

(c) Rural Exception Sites

Prioritisation will be in accordance with any conditional requirements which may apply as defined in a legal planning agreement accompanying planning consent.

(d) Prioritisation following Withdrawal

If a sale does not proceed because either the Council or the applicant has withdrawn in accordance with section 2.3.5 above, save for rural parish and rural exception sites, the Council will re-open the sale of the property to the next person who is ready to proceed with the sale from the list of initial applicants. For rural exception and rural parishes, the sale of the property will be re-opened in accordance with the provisions set out at sections 2.4.2(b) and (c) above.

2.4 MARKETING AND SELLING

2.4.1 Local Sales Plans

Local Sales Plans will be prepared for each development, in which the scheme specific marketing strategy and sales objectives will be set out. The Local Sales Plan will be reviewed throughout the development and sales period, being amended as necessary to respond to changing local circumstances and changes in the market or national policy.

2.4.2 Marketing and Show Homes

The Council will market shared ownership homes through the Help to Buy Agent's shared ownership register, the Council's own Home Ownership Interest List and local communities where the shared ownership homes are being developed. Applicants on the Council's Social Housing Register who have expressed interest in shared-ownership will also be provided with marketing information.

Shared ownership homes will be advertised on the Help to Buy Agents website and the Council's website. Adverts will be accompanied with high quality images, property details, the value of the property and the cost of the minimum share, expected rents and services charges. Shared ownership homes will be advertised on additional platforms, including local papers, through open days, site signboards and through the direct and digital marketing to potential buyers.

For schemes including five or more shared ownership homes a shared ownership show home may be provided, subject to local sales conditions (costs to be set out and agreed as part of the Local Sales Plan).

2.4.3 Viewings

All property viewings will be attended by a representative of the Council. Viewings will be carried out at reasonable times and at times convenient to the applicant

3. SCHEME MANAGEMENT

3.1 VALUATION AND SALES

3.1.1 Purchase Price

Shared ownership sales valuations will be prepared by independent RIC's valuation surveyors in line with industry best practice and Homes England shared ownership regulations. Valuations will be valid for a period of 3 months. Where the sale of a property does not complete within 3 months from the date of the valuation the Council will arrange for the valuation to be updated.

3.1.2 Initial Percentage Sells

In line with the national shared ownership model prospective buyers will be permitted to purchase a share of not less than 25% and no more than 75% of their shared ownership home at initial sale.

The percentage share sold will be the maximum the prospective purchasers can afford and sustain.

3.1.3 Shared Ownership Specifications

Shared ownership homes will be fitted with

- Carpets;
- Suitable flooring in wet areas (kitchens and bathrooms); and
- Integrated cookers and extractor hobs will also be fitted in all homes.

3.2 RENTS AND SERVICE CHARGES

3.2.1 Rents at First Sale

In setting shared ownership rents, the Council will have regard to the total affordability of the shared ownership home, including mortgage and service charge costs. However, the rent at first sale will be charged at no more than 2.75% of the value of the unsold equity, in line with typical rental charges for this tenure and recommendations by Homes England.

Once the initial rent has been confirmed it will be clearly identified in the marketing of the shared ownership home. The initial sale will be clearly incorporated within the shared ownership lease.

3.2.2 Rent Reviews

Shared ownership rents will be reviewed on the same date each year. The date will be clearly specified in the shared ownership lease. The leaseholder will be notified in writing of the new rent.

Annual rent increases will not exceed requirements specified within the Homes England Standard Lease.

3.2.3 Service Charge and Sinking Fund

Within apartment blocks the Council will manage, repair and maintain all common areas of the building and property and will retain overall responsibility for the building.

Where applicable service charges and sinking funds will be clearly identified and scheduled in the shared ownership lease.

Services charges and sinking funds will be reviewed and completed on an annual basis in accordance with the shared ownership lease.

3.3 RESPONSIBILITIES

3.3.1 The respective responsibilities of the Council and the shared owner will be set out in the shared ownership lease.

3.3.2 Within the Council the following services will be responsible for the management of the shared ownership scheme as follows:

SERVICE	RESPONSIBILITY
Housing Strategy and Development Team	<ul style="list-style-type: none">• Marketing and initial sales; including management of the Register of Interest;• Staircasing and re-sales
Housing Estates Management Team	<ul style="list-style-type: none">• Management of the leasehold, including rent, service charge and sinking fund collection
Housing Maintenance Team	<ul style="list-style-type: none">• Maintenance and repairs of communal areas and elements of the buildings for which the Council has responsibility

3.4 DISCRETION

The Council reserves the right to exercise its discretion in relation to any aspect of this Policy where it is deemed necessary and appropriate and in particular to ensure compliance with its statutory duties, including under the Equality Act 2010. The exercise of discretion is reserved to the Executive Head of Governance and Housing in consultation with the Portfolio Holder for Housing.

3.5 DATA PROTECTION

In accordance with the Council's statutory obligations under the Data Protection Act 2018 and the General Data Protection Regulations, all applicants will be made aware of how their personal information will be processed. Information recorded on the Council's system and on the Applicant's, file will be shared with partner landlords and other agencies as necessary. Consent from the Applicant for information sharing will be sought in all cases. For a copy of the Council's Housing Services Privacy Notice please visit: <http://www.newforest.gov.uk/article/18331/Housing-Services-privacy-notice>.

3.6 EQUALITIES AND DIVERSITY

The Council is subject to the general public sector equality duty as set out at s.149 of the Equality Act 2010. The Council and its partner landlords are committed to providing equality of opportunity to all individuals who apply for housing. Monitoring of applications and allocations may take place to ensure that everyone is being treated fairly.

All applicants may be asked to provide details of age, gender, ethnic origin, religion and sexual orientation. This is to allow the Council to monitor who is applying and being allocated housing and to ensure that properties are being offered and allocated fairly.

3.7 POLICY REVIEW AND AMENDMENTS

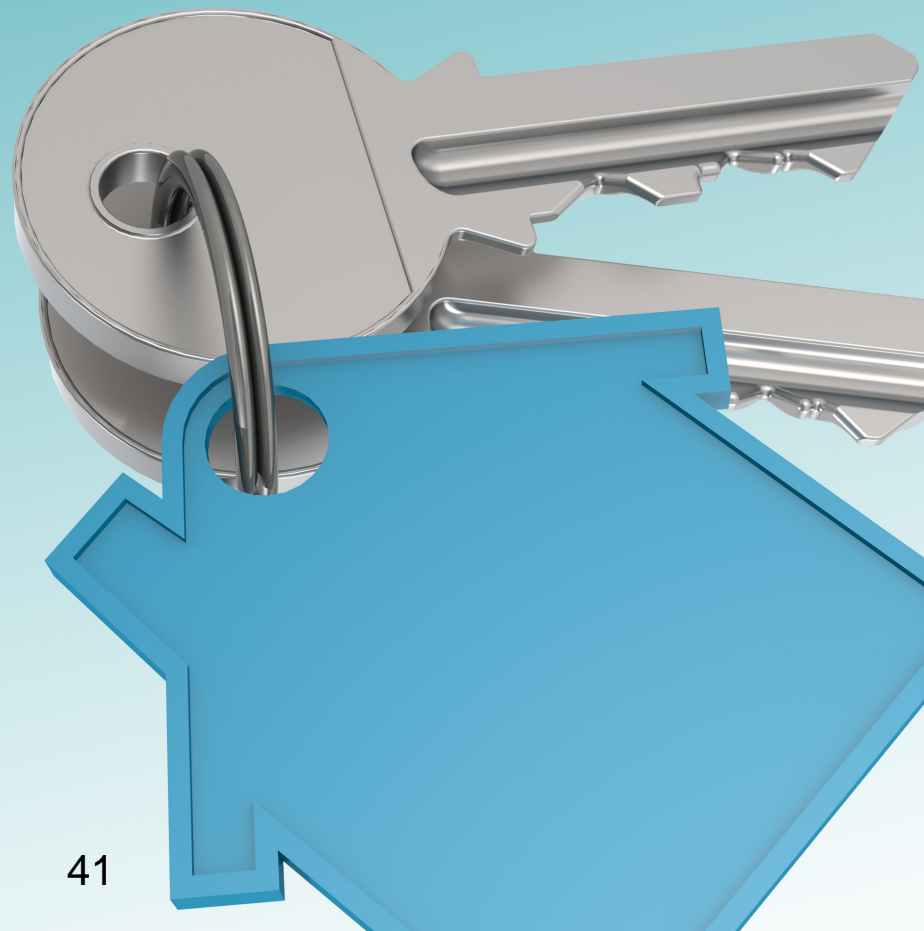
This Policy will be reviewed every 2 years, or if required sooner due to regulatory or market changes. The Executive Head of Governance and Housing in consultation with the Portfolio Holder for Housing can amend any aspect of this scheme at any time as may be considered necessary or appropriate for the effective delivery of the Council's Shared Ownership Scheme.

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Shared Ownership Scheme guide

If you can't afford to buy a home of your own, shared ownership could be a good option for you. In this guide we explain what it is and how it works.



Contents

- What is shared ownership?
- What type of home can I buy through shared ownership?
- Am I eligible for shared ownership?
- Are there any additional costs?
- Costs after purchase
- Congratulations! You are a shared owner!
- Your lease
- An overview of information included in your shared ownership lease
- Your responsibilities as the leaseholder
- Our responsibilities as your landlord
- Subletting
- Service charges
- Other costs
- Repairs and maintenance
- Increasing your share (Staircasing)
- Re-mortgaging
- Selling your home



What is shared ownership?

Shared ownership is designed to help people who can't otherwise purchase a home of their own on the open market. This may be because they have a low deposit or can't secure the full mortgage repayments they need, or both.

With shared ownership, you buy a percentage of your home and pay a reduced rent on the share still owned by New Forest District Council (NFDC). Depending on affordability, your initial share may be as little as 25%, or as much as 75%, typically funded by a mortgage and savings.

As time goes on, you can buy more shares in your home, until you own it outright. Your rent will reduce to reflect the larger share you own.

It's a great way to become a homeowner. The Council will be on hand to talk you through the buying process and ongoing responsibilities of owning a shared ownership property.

Shared ownership is designed to help people who can't otherwise purchase a home of their own on the open market.



Am I eligible for shared ownership?

You must not be able to purchase an open market property suitable for your needs. Your household income must be less than £80,000 per year. You might be a first-time buyer, or returning to home ownership.

Additionally, there are local connection criteria that apply, a summary of which is set out below:

District

You will have been a resident of the District for a continuous period of two years at the time of application, or;

You will have been a resident of the District for 10 years or more in the past, or;

You will have been employed for at least two years within the District.

Rural Parishes

You will be required to meet the eligibility criteria for rural parishes as set out in the Council's Housing Allocation Policy, as detailed below:

Rural Connection Criteria

Band A

Those who live or are in employment in the Rural Parish and have been so for longer than 10 years or who have lived in the Rural Parish for longer than 10 years previously or a designated key-worker performing an essential service for the

What type of home can I buy through shared ownership?

You can either purchase a share in a brand new home owned by the Council or a previously Council owned property from a current shared owner.

Rural Parish community where there is an established need for the applicant to be rehoused to maintain the service.

Band B

Those who live or are in employment in the Rural Parish and have done so for longer than five years, or who have lived in the Rural Parish for more than five years within the last 15 years, or whose parents, siblings or adult children live in the Rural Parish and have done so for 10 years or longer.

Band C

Those who live or are in employment in the Rural Parish and have done so for longer than two years, or who have lived in the Rural Parish for more than two years within the last 15 years or whose parents, siblings or adult children live in the Rural Parish and have done so for five years or more.

Rural Exception Sites

You may need to satisfy any additional requirements for local connection and cascades which may be defined in a legal planning agreement accompanying planning consent.

In addition, you'll need to budget for your mortgage payments, rent, general living expenses and household bills, including council tax and contents insurance.

Are there any additional costs?

During the purchase process, you'll need approximately between £3,000 to £4,000 of savings to cover:

- Solicitors/Legal fees
- Deposit - usually between 5% - 10% of the share you are purchasing
- The reservation fee is deducted from the purchase price of the property.
- Mortgage set up/arrangement fees
- Stamp duty (SDLT)

Costs after purchase

If you have purchased a share in a flat, you'll pay service charges which include management fees, buildings insurance, sinking fund and depending on the share you have purchased, you may pay a ground rent on your shared ownership home.

Rent

You're responsible for paying your rent on time every month by direct debit. The rent you pay is based on the percentage of the property New Forest District Council still owns and is reviewed each year.

Service Charges

A charge which covers services such as communal repairs, maintenance and management costs.

Ground Rent

You may be required to pay a ground rent to the owner of the land on which your home is situated. This will normally be New Forest District Council. If this applies to you, you will be sent an annual ground rent notice.

Buildings Insurance

Your home will be covered by our buildings insurance policy, but you'll be responsible for your own contents insurance.

In addition, you'll need to budget for your mortgage payments, rent, general living expenses and household bills, including council tax and contents insurance.

Congratulations!

You are a shared owner!

As a shared owner, you have bought a part of your new home and New Forest District Council retains ownership of the remaining share. You have taken on a lease and become a leaseholder and we are now your landlord. The lease itself is the legal contract between you and us, and it sets out both of our legal obligations. You have the same rights and responsibilities as a full owner-occupier.

This part of our shared ownership guide reiterates some of the key points in your lease but also explains your further options now you own a share of a property with New Forest District Council.

Your lease

Your shared ownership lease is a legal contract between you and New Forest District Council. It sets out your obligations as a leaseholder, and our obligations as a landlord, in a format approved by Homes England. There are certain special conditions over and above that of a normal lease, for example, information about 'staircasing' and any restrictions on future sales.

It's important that you understand your lease and the conditions in it, because breaking the conditions could have serious consequences. When you agree to purchase a home with us, your solicitor will be sent a copy of the leasehold document which they should go through with you and explain any details you are unsure of. You should also keep a copy for your records.



An overview of information included in your shared ownership lease



The property

The flat or house you've purchased and plans of its location and layout.



Your rights and responsibilities

What you are entitled to, and your responsibilities.



Our responsibilities

What we are entitled to and our responsibilities.



The building

If you have purchased a flat, this is the building your home is part of.



Service charges

How and when we charge for the services we provide for leaseholders.



Repairs and maintenance

Your responsibilities if you own a home.



'Staircasing'

Buying further shares in your home until you own it outright.



Selling

What you need to do when you decide to sell your home and restrictions on sale and subletting.



Mortgage Protection Clause

How your mortgage lender is protected if you fail to make payments



Shared areas

Any drives, entrances, forecourts, roads, pavements, landings, lifts, open spaces, and areas providing a way into the building.



Rent

The amount of rent that is payable and when and how it is reviewed, and what happens if you fail to make payments.

Your responsibilities as the leaseholder

When you signed your lease, you agreed to:

- Pay rent (including ground rent and service charges, if applicable) and buildings insurance.
- Keep your home in a good state of repair, and carry out regular maintenance and servicing of boilers.
- Repair any faults inside your home or carry out work that we advise needs completing.
- Allow us to come into your home to carry out any inspections or work that is our responsibility.
- Give us a copy of any details you receive detailing changes or works that are going to be carried out to the property or surrounding areas, within three months (or sooner if necessary) of notification.
- Allow other leaseholders into your property to carry out maintenance or repairs that are needed to their property, providing they give you reasonable notice, cause minimal disturbance and 'make good' any damage they cause to your home.
- Only use the property as a private home and not to run any business from the property.

Some leases also include the following clauses, asking you to:

- Contribute to a 'sinking fund' or 'reserve fund' to pay for long term maintenance unexpected works to your building (flats only).
- Decorate the inside of your home as required.
- Reimburse the Council for the cost of repairing any damage that you, your family or your visitors cause to shared parts of the building (flats only).
- Pay us reasonable administration costs plus VAT for any work we do related to reselling your home.

Your lease won't allow you to:

- Make any structural or non-structural alterations to the property without the Council's written permission beforehand.
- Cause a nuisance or a health or safety risk to the Council, its contractors or other people living or visiting the building.
- Install aerials or Sky dishes outside your home.

You are not allowed to sublet your home unless you own 100%.

Subletting

As a shared owner, you are not allowed to sublet your home unless you own 100%.

You are allowed, however, to have a lodger. Please contact us if you would like more information about this.

Our responsibilities as your landlord

Having signed the lease, we agree to:

- Maintain and repair the roof, foundations, lifts and chimney stacks (flats only).
- Maintain, repair and decorate the structure and outside of the building, including communal windows and doors, shared drains, gutters and pipes (flats only).
- Maintain shared areas (for example, staircases, entrances, pathways and grounds) and, if necessary, paint the outside of the building and any shared areas inside (flats only).
- Insure the building.

We can pass on a share of the costs of these responsibilities to our leaseholders as a service charge.

LEASE AGREEMENT

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Last Name: _____

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Service charges

We calculate these charges based on the number of properties in the block or scheme and the actual cost of providing our services to your building in the previous year.

As part of your lease, we also collect a separate monthly fee to cover the smooth running of the building. This includes, but is not limited to:

- General maintenance and day to day repairs (for flats).
- Buildings insurance (for flats and houses).
- Lighting and cleaning of communal areas (for flats).
- Housing management services.
- Health and safety checks (for flats).
- Door entry systems (for flats).
- Fire safety equipment (for flats).

Service charges are calculated based on the number of properties in the block or scheme and the actual cost of providing our services to your building in the previous year.

How much are my service charges

We calculate these charges based on the number of properties in the block or scheme and the actual cost of providing our services to your building in the previous year. Costs may increase year on year to allow for inflation, but subject to your individual lease.



Other costs

Buildings insurance

Whilst you remain a shared owner, your service charge will include an allowance for us to provide buildings insurance. For flats in a block, it's important that New Forest District Council has one policy which covers risk to the building's whole structure.

If you have purchased a house, New Forest District Council will continue to provide buildings insurance until you have acquired 100% ownership. You'll need to arrange separate insurance cover for the contents of your home.

Ground rent

If you have 'staircased' to 100% we will charge you a small fee for ground rent.

Major works

Major works are planned on a five year cycle and the cost is in addition to your service charge.

We must consult you on any work that is expected to cost more than £250 per leaseholder. This consultation process may take between three to six months.

Major works might include:

- External redecoration
- Major roof repairs
- Window replacement
- Lift repairs

Where the Council is collecting a sinking fund or reserve fund for the scheme, this will be used towards the cost of major works before the Council requests further contributions from you.



A vertical photograph on the left side of the page shows a hand holding a paint roller. The roller is covered in white paint and is in the process of painting a wall. The wall has a vertical line of white paint that has been applied, with some areas still showing the original color. The hand is holding the handle of the roller, which is white and has some paint on it.

Repairs and maintenance

If you own a house, you are responsible for all redecoration, repairs and maintenance to the inside and outside of your home after any defects period that may apply.

If you own a flat, you are responsible for maintaining just the inside and we will look after all communal areas (including a door leading from a corridor into your flat), using the funds collected from your service charges.

Repairs when you first move in

Please always contact New Forest District Council in the first instance. Subject to any defect period that may apply, you will be responsible for the repairs in your home. New Forest District Council will continue to maintain any communal areas.

Items such as your cooker and boiler will come with a manufacturer's warranty, guidance on how to register your details will be clearly labelled on the item you wish to register.

Longer term, the NHBC or similar guarantee protects you against structural faults in your home, for 10 – 12 years.

Making improvements to your home

You don't need permission for redecorating and simple changes to the inside of your home, but you will need permission for anything more complicated like a new kitchen, bathroom or boiler system.

Make sure you keep all the benefits of any improvements that add value to your home by agreeing the work with the Council beforehand, and saving receipts, plans and estimates. This is so that the cost of the work can be taken into consideration if you decide to sell or buy more shares in your home. If you would like to enquire about making improvements to your home, please contact the Council.

Increasing your share (Staircasing)

You can purchase further shares in your home at any time, usually in 10% increments, which is called 'staircasing'. People often choose to increase their ownership so that their rent reduces.

The price you'll pay to buy a greater share depends on the value of your property at the time of staircasing. The valuation must be carried out independently by an associate or fellow of the Royal Institute of Chartered Surveyors (RICS) and agreed between you and New Forest District Council.

We'll need a copy of the valuation before you proceed. In most cases, if you own a house, and your lease allows, once you own 100%, we'll transfer the freehold of the property to you. If you own a flat, you'll remain a leaseholder and will still be required to pay your service charges, management fee and any ground rent.

There are costs involved in staircasing, including a valuation fee and solicitor's fees, mortgage arrangement fees and stamp duty (if applicable), for which you'll be liable. If you request a valuation but decide not to proceed at that time, you will still be responsible for meeting the cost of the valuation.

Re-mortgaging

There are several reasons why you may want to change mortgage provider or borrow more money to be secured against your home.

These might include:

- Changing or transferring the names on your mortgage.
- Staircasing.
- Complying ownership (transfer of equity).
- Taking advantage of a better interest rate with a different lender (but not to borrow any more money).

In all cases, you must get our permission first. We have a financial interest in your home and need to approve the new mortgage and register the new changes with the Land Registry. We may need to assess your financial circumstances again to ensure you can still afford your home if you're removing someone from the lease, or that your new co-owner meets our affordability criteria if you're adding someone to the lease. You'll need to instruct and pay for solicitors as changes will need to be made to legal documents. You're not allowed to re-mortgage to pay off debts or to buy goods.

Selling your home

Your lease gives New Forest District Council 'Right of First Refusal' to repurchase your home. If we choose not to re-buy your lease, we will try and help you find someone to purchase your share over a six to 12 week period. After this time, with our permission, you have the option to sell your share on the open market.

If you sell your share in either of these ways, your lease will be reassigned to the new shared owner. You cannot sell your share for any more than the price stated in the independent valuation.

You can also consider, with our permission, to simultaneously staircase to 100% ownership and sell the entire property on the open market. If you choose this option, you can sell for more than the independent valuation and we will take our percentage from the higher price achieved. However, if you sell for less, the value of New Forest District Council's share will be based on the independent valuation.

If you sell your share you will be responsible for all associated costs, if you simultaneously staircase and sell, we will pay our own costs.

You will have three months from the date of the valuation to find a purchaser, and then a further three months from the date you find the purchaser to complete your sale.



Your lease
gives New
Forest District
Council 'right of
first refusal' to
repurchase your
home.

New Forest District Council

Appletree Court, Beaulieu Road, Lyndhurst. Hampshire. SO43 7PN

newforest.gov.uk • 023 8028 5588

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HOUSING OVERVIEW & SCRUTINY PANEL WORK PROGRAMME 2020/2021

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
17 June 2020			
Draft Private Sector Housing Strategy	To consider the proposed draft Private Sector Housing Strategy	Report to Panel	Richard Knott
Housing Development Plan	To consider the draft Housing Development Plan to support the Housing Strategy	Report to Panel	Tim Davis
Housing Strategy / HRA Property development and acquisition update	To receive an update on the progress of the Housing Strategy and HRA property development and acquisition	Update to Panel	Tim Davis
Homelessness Update	To receive an update on homelessness	Update to Panel	Richard Knott
16 September 2020			
Housing Strategy / HRA Property development and acquisition update	To receive an update on the progress of the Housing Strategy and HRA property development and acquisition	Update to Panel	Tim Davis
Homelessness Update	To receive an update on homelessness	Update to Panel	Richard Knott
20 January 2021			
Housing Strategy / HRA Property development and acquisition update	To receive an update on the progress of the Housing Strategy and HRA property development and acquisition	Update to Panel	Tim Davis
Homelessness Update	To receive an update on homelessness	Update to Panel	Richard Knott

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
Housing Revenue Account Budget and the Housing Public Sector Capital Expenditure Programme for 2021/22	To consider the HRA budget and the housing public sector capital expenditure programme for 2021/22.	Report to Panel	Kevin Green
17 March 2021			
Housing Strategy / HRA Property development and acquisition update	To receive an update on the progress of the Housing Strategy and HRA property development and acquisition	Update to Panel	Tim Davis
Homelessness Update	To receive an update on homelessness	Update to Panel	Richard Knott