

Notice of a public

Decision Session - Executive Member for Housing & Safer Neighbourhoods

To: Councillor Lisle (Chair)

Date: Monday, 18 December 2017

Time: 4.00 pm

Venue: The Auden Room - Ground Floor, West Offices (G047)

AGENDA

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm on Wednesday 20 December 2017.**

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee (Calling In).

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5.00pm on Thursday 14 December 2017.**

1. **Declarations of Interest**

At this point in the meeting, the Executive Member is asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

- 2. Minutes** (Pages 1 - 2)
To approve and sign the minutes of the last decision session held on 20 November 2017.

- 3. Public Participation**
At this point in the meeting, members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Friday 15 December 2017**. Members of the public can speak on agenda items or matters within the Executive Member's remit.

To register to speak please contact the Democracy Officers for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, this will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officers (contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at

https://www.york.gov.uk/downloads/file/11406/protocol_for_webcasting_filming_and_recording_of_council_meetings_20160809

**4. Shared Ownership Programme 2017-21 - (Pages 3 - 12)
Property Acquisition Strategy**

This report proposes a strategy for acquiring properties under the council's £5.52m Shared Ownership programme that was approved by the Executive on 18 May 2017.

5. Urgent Business

Any other business which the Executive Member considers urgent under the Local Government Act 1972.

Democracy Officer:

Catherine Clarke and Louise Cook (job share)

Contact details:

- Telephone – (01904) 551031
- Email catherine.clarke@york.gov.uk and louise.cook@york.gov.uk

(If contacting by email, please send to both Democracy Officers named above).

For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

**Ta informacja może być dostarczona w twoim
własnym języku. (Polish)**

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

City of York Council

Committee Minutes

Meeting	Decision Session - Executive Member for Housing & Safer Neighbourhoods
Date	16 October 2017
Present	Councillor Lisle (Executive Member)

20. Declarations of Interest

At this point in the meeting, the Executive Member was asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which he had in the business on the agenda. No additional interests were declared.

21. Minutes

Resolved: That the minutes of the meetings held on 14 August 2017 and 18 September 2017 be approved and signed as correct records.

22. Public Participation

It was reported that there had been no registrations to speak under the Council's Public Participation scheme.

23. Introduction of Civil Penalty Notices for Housing Act Offences

The Executive Member considered a report which sought approval for a policy to enable the Council to implement new powers on civil penalties introduced by the Housing and Planning Act 2016. These would be for offences under the Housing Act 2004 and would be an alternative to prosecution. The policy would bring the Council's powers in line with national guidance, would only apply to offences committed after April 2017 and would require the same standard of proof as a criminal prosecution. The proposed policy covered the Council's approach to implementation and the method for calculating the value of penalties, to a maximum value of £30k.

The use of civil penalties would be quicker than prosecution, and would be decided by a panel with specific knowledge and experience of housing matters. Penalty receipts would be invested by the local authority in the private housing sector, and the policy would evidence the Council's commitment to tackling the worst elements of landlord behaviour in the private rented sector.

Option 1 (to introduce civil penalties) was recommended. Not to do so (Option 2) would mean the loss of an additional tool to improve the lives of people living in private rented accommodation and ensure that private landlords did not benefit from ignoring their obligations.

- Resolved: (i) That Option 1 be approved and that civil penalties be introduced as an alternative to prosecution.
- (ii) That the policy attached as Appendix A to the report be approved and adopted.

Reason: To enable the Council to use the civil penalties as an alternative to prosecution for specific penalties under the Housing Act 2004.

Cllr S Lisle, Executive Member

[The meeting started at 4.00 pm and finished at 4.13 pm].



**Decision Session – Executive Member for
Housing and Safer Neighbourhoods**

18 December 2017

Report of the Assistant Director, Housing and Community Safety.

**Shared Ownership Programme 2017- 21 – Property Acquisition
Strategy****Summary**

1. This report proposes a strategy for acquiring properties under the council's £5.52m Shared Ownership programme that was approved at the 18th May 2017 Executive.

Recommendations

2. The Executive Member is asked to consider the property acquisition strategy contained in this report and specifically give approval:
 - For the Assistant Director of Housing and Community Safety in consultation the Director of Customer and Corporate Services to have delegated authority to approve the purchase of homes for the programme.
 - For flexibility on the balance of the programme between homes delivered on new developments and those on the second hand market
 - For dwellings to be purchased by the council in advance of them being marketed and sold on as shared ownership homes.

Reason:

- To enable a clear and appropriate level of scrutiny before approval is given for purchases of properties whilst also being within a timescale that will not put the council at a disadvantage in a competitive housing market.

- To enable the council to meet its obligations with the Homes and Communities Agency to acquire at least 15 homes for the shared ownership programme by the end of the 2017/18 financial year.
- To enable the council to take advantage of opportunities to purchase homes in advance of individual shared owners being identified for them.

Background

3. In May 2017 the Executive approved the award of £2.76m grant from the Homes and Communities Agency and agreed to match fund this with capital spend to deliver a programme of 65 shared ownership homes by 2020.
4. Shared ownership is a well established affordable housing option that can provide a stepping stone to home ownership for households who cannot afford the cost of buying a home on the open market. Under a shared ownership lease the purchaser buys a 'share' of a property and pays rent on the remaining share (which remains in the ownership of the landlord). The leaseholder can buy further shares in the property – referred to as 'staircasing' up to 100% ownership. As the leaseholder buys further shares the rent is reduced proportionately to reflect the fact that the landlord's interest in the property has reduced.
5. The marketing of the scheme be targeted towards alleviating the problems of recruitment and retention across key employment sectors in health, social care and education but will be open to any household who cannot meet their housing needs on the open market.
6. The programme was forecast to have two elements:
 - 25 homes purchased on the second hand market with eligible purchasers identifying these homes.
 - 40 homes identified and purchased by the council 'off the shelf' on new build residential developments and then sold on to individual purchasers.
7. Both elements of the programme have the same level of Homes and Communities Agency (HCA) grant and council capital funding

per property assigned to them. In this respect the programmes are interchangeable and the numbers of homes delivered in each can, with the consent of the HCA, be flexible depending on popularity and opportunity.

Consultation

8. Consultation on the financial modelling of the scheme was undertaken as part of the Executive Report in May 2017. The Homes and Communities Agency have been involved in discussions regarding the proposals in this report to ensure that the council can deliver on its commitment to purchase at least 15 homes before the end of March 2018.

Options

9. Option 1: to approve the recommendations of this report.
10. Option 2: to refuse or amend the recommendations of this report.

Analysis

Strategy for delivery of the Programme.

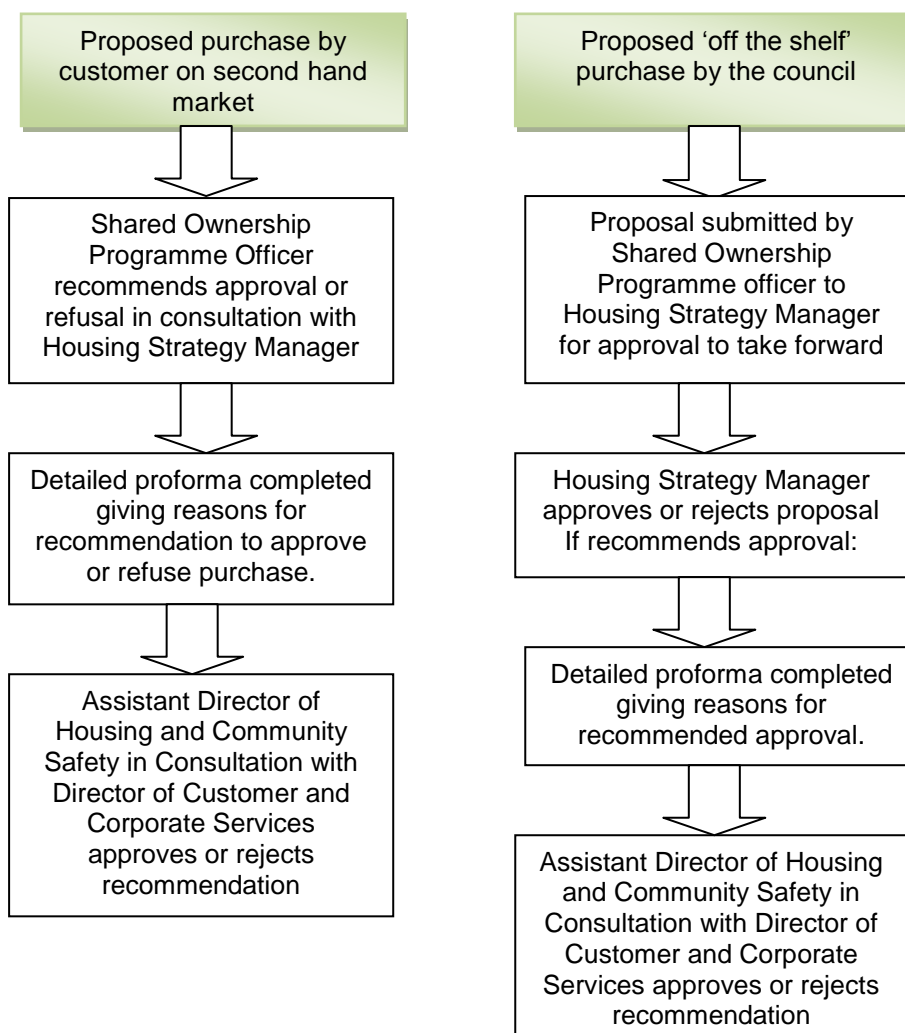
11. In May 2017 the Executive approved flexibility in the programme regarding property prices and the percentage shares purchased by individual customers. This flexibility is necessary because the affordability of a property will depend on a number of factors including the purchaser's income, the property type and size, its location and changes in the housing market during the life of the project. The financial modelling of the programme assumed a range of prices from £145k to £200k.
12. Values between 145k and £200k will be used as initial criteria for short listing any properties that the council purchase directly. The priority will be for freehold properties and therefore more likely to be 2 and 3 bedroom houses rather than flats. For properties chosen and purchased directly by customers the values are also expected to be within this overall range too but will depend on the purchasers individual circumstances.

13. The council's grant funding agreement with the Homes and Communities Agency (HCA) profiles the purchase of 15 homes by the end of March 2018 through the 'off the shelf' new build element of the programme.
14. There are, however, very few new build developments on site where the dwellings are of a type and price that would make them suitable for the shared ownership programme within this timescale. It is therefore proposed that flexibility between the two programmes is permitted where needed and in agreement with the HCA.
15. Looking further ahead there may be opportunities to purchase new build homes including those on sites earmarked for development by the council's proposed Development Company. Officers will contact developers and agents and invite them to put forward schemes of new homes that may be suitable for the council to purchase both in the short and longer term.
16. In order to satisfy the requirements of the HCA funding programme it is proposed to purchase a minimum of 15 dwellings on the second hand market (or new build/conversions should such opportunities arise) by the end of March 2018 and to hold these in the Housing Revenue Account (HRA) in advance of them being sold on as shared ownership homes.
17. As well as meaning that the council will satisfy the grant conditions and programme agreed with the HCA, it will also enable the shared ownership programme to be 'kick started' with a number of properties marketed under the programme at the earliest opportunity in the new year.

Delegated authority to purchase homes

18. In a buoyant housing market like York's it is essential that council officers are able to respond quickly to opportunities to purchase homes for this programme. In many cases officers will need to gain support for a purchase within a matter of days. Nevertheless it is equally important that the decision on whether to purchase a property is one that has a clear and accountable pathway and that proposals are fully justified and scrutinised before approval is given.

19. Detailed procedures for delivering the scheme are being developed by officers and will be published on the council website and sent to all customers who register for the scheme. These will make clear the process for approving properties put forward for both elements of the programme. In summary these are proposed as:



20. For both elements of the programme it is proposed that delegated authority rests with the Assistant Director of Housing and Community Safety in consultation with the Director of Customer and Corporate to approve or reject proposed purchases.
21. When officers recommend approval of a customer purchasing an individual property or for the council to purchase a homes or homes they will complete a pro-forma briefing giving details of the dwelling(s) including type, size, number of bedrooms and price

alongside a comprehensive rationale for supporting the purchase that includes the following information:

a) Location: Market intelligence and supporting evidence will set out why the location is considered suitable and popular for shared ownership.

The impact of the property location on long-term asset value will also be covered. Although experience of York's property market indicates that most neighbourhoods are popular for residents and maintain or increase value across housing market cycles, there are a small number of locations which may not be a suitable fit with Housing Revenue Account asset planning and these will be avoided

b) Future-proofing: The size, type and location of all properties considered for acquisition will take into account alternative tenure options in the event, for whatever reason, demand for shared ownership falls. This will include suitability for general needs housing at social, intermediate or market rents as well as re-sale at full value on the open market.

c) Condition: An in-house survey will be carried out to confirm the structural soundness of the property and to identify any significant repairs or modernisation needed that may impact on the affordability of the property to an individual purchaser and also any longer term investment risk for the council. This is in addition to any Building Control requirements for new build homes and in addition to the purchasers own obligations to have a survey undertaken by their mortgage provider.

d) Value for money: Ensuring that each purchase is within the affordability criteria of the programme and will represent a good long term investment for the council. Utilising market intelligence including the housing needs and income levels of shared ownership applicants registered with the Help to Buy Agent will also form part of this appraisal.

e) Affordability: There is now a well developed mortgage market for shared ownership purchasers to access including 5% deposit mortgages on the purchased share. However a close check will be maintained on the mortgage market for any changes in interest rates and lending criteria that may impact

adversely on the affordability of individual properties for customers taking into account the mortgage, rent and any service charge costs.

f) The profile of funding available in the Programme: The programme is predicated on an average 50% share purchase but permits initial share purchases between 25% and 75%. The profile of funding available in the programme will be taken into account when considering the type, size and market value of properties that the council will purchase.

22. A combination of all of the above will be used to carry out an appraisal of the property under consideration.
23. The proforma briefing will also include details of whether the proposed properties to be purchased are currently owned by an employee or Member of the council or if the purchaser is related to any employee of the council. This would not mean the purchase could not go ahead but it will highlight any potential conflict of interest and ensure appropriate scrutiny of this.
24. The pro-forma briefing will be sent to the Assistant Director of Housing and Community Safety for their approval or rejection of the proposed purchase in consultation with the Director of Customer and Corporate Services. There will be a target of two working days for a decision to be made.

Council Plan

25. The delivery of 65 Shared Ownership homes will meet a number of the council's corporate priorities 2015-19 including:
 - Residents can access affordable homes while the greenbelt and unique character of the city is protected
 - Everyone is supported to achieve their full potential
 - All York's residents live and thrive in a city which allows them to contribute fully to their communities and neighbourhoods
 - Every child has the opportunity to get the best possible start in life

26. Implications

Financial. The financial implications of the overall programme were covered in the Executive report in May 2017. The purchase of any homes by the council in advance of back-to-back sales to individual shared ownership purchasers may leave the council with some costs for the period properties are void. This will include council tax and utility standing charges. These will be kept to a minimum and where possible recouped from the forward sale price to individual purchasers. Each property purchased and held within the HRA will be added to the insurance cover for this period.

Human Resources (HR) There are no HR implications

Equalities None in addition to those highlighted in the May 2017 Executive report.

Legal None in addition to those highlighted in the May 2017 Report

Crime and Disorder There are no crime and disorder implications

Information Technology (IT) There are no IT implications

Property None in addition to those highlighted in the May 2017 Executive report

Other There are no other implications

27. Risk Management

28. The risk management of the programme overall was covered in the May 2017 Executive report and has not changed.

Contact Details

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Report
Approved

Date 7 Dec 2017

All

Wards Affected:

For further information please contact the author of the report

Background Papers:

[Shared Ownership Affordable Housing Programme. Report to Council Executive 18 May 2017](#)

Annexes

None

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