



Open

NORTH DEVON COUNCIL

REPORT TO: STRATEGY AND RESOURCE COMMITTEE

DATE: 6TH MARCH 2023

TOPIC: THE ADVERTISING AND ALLOCATION OF SHARED OWNERSHIP

REPORT BY: JAIMIE JEYES

1 INTRODUCTION

- 1.1 Homes England have decided to cease the requirement to advertise and allocate Shared Ownership homes via the Help to Buy system from 1st March 2023. This system will no longer exist from 1st April 2023.
- 1.2 North Devon Council needs to reflect this change in the Affordable Housing Supplementary Document and Section 106 Affordable Housing template but also apply it retrospectively to former signed Section 106 for completed affordable housing schemes as comfort that the District Council will not take enforcement when affordable homes are not advertised/allocated on the Help to Buy system that will soon no longer exist.

2 RECOMMENDATIONS

- 2.1 That Members approve the amended policy wording outlined in paragraph 4.9 for the documents outlined in paragraph 4.11 of this report to reflect that the Help to Buy system will cease to exist from 1st April 2023 as per Homes England changes for the advertising and allocation of Shared Ownership.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that North Devon Council's policy and Section 106 clauses reflect government policy.
- 3.2 To ensure that Registered Providers are not penalised for old Section 106 clauses that reflect methods that have been changed nationally and therefore are out of their control.

4 REPORT

- 4.1 Some Shared Ownerships are built from funding from the Registered Provider themselves and some are joint funded by both the Registered Provider and Homes England.
- 4.2 Registered Providers have until very recently, advertised all shared ownership schemes/properties (regardless of funding source) on the Help to Buy Website (also called the Zone Agent). In 2022, we were advised by Homes England that only where the home has been part funded by Homes England could the Help to Buy system be used.
- 4.3 Since then, Homes England have then further announced that the Help to Buy system will no longer be in use at all from 1st April 2023. Homes England will update the Capital Funding Guide accordingly on 1st March 2023 so from this date anyone interested in shared ownerships will no longer have to be registered with a Help to Buy Agent and Providers will no longer need to advertise homes for sale with a Help to Buy Agent. Instead, it will be advertised the same as an open market property would be through high street or online estate agents as well as by the Registered Providers themselves on their websites.
- 4.4 From 1 April 2023, Homes England are providing just a basic service on “gov.uk” that will provide guidance on shared ownership, a general eligibility checker and a provider search directory (only for those units grant aided by Homes England).
- 4.5 Our current Affordable Housing Supplementary Planning Document and Section 106 Affordable Housing template both reflect the first Homes England change that only grant-aided homes will be advertised and allocated via Help to Buy (as per paragraph 4.2 and image 1) but have not been updated to include the very recent change of the Help to Buy system no longer existing (as per paragraph 4.3).

Image 1: Affordable Housing Supplementary Planning Document – Table 8.1
Advertising and allocation system by tenure

Tenure	System name for advertising and allocation (or any successor)	Period of notice to NDC/TDC (Housing for new build completions)	Period of notice to NDC/TDC (Housing) for re-lets or resales
Affordable housing for rent	Devon Home Choice	Min: 8 weeks Max: 6 months	At earliest opportunity
Shared Ownership (Homes England funded)	Help to Buy south	None, all via Registered Provider	None, all via Registered Provider
Shared Ownership (non grant funded)	via the Registered Provider's website AND <ul style="list-style-type: none"> • Zoopla/Rightmove or • other UK property portal and/or • Local Estate Agent 	None, all via Registered Provider	None, all via Registered Provider
Discounted Market Sales Housing (DMS)	Discounted Market Sale Housing (DMS) Marketing and Allocation Procedure	Min: 8 weeks Max: 6 months	At earliest opportunity

4.6 However, older signed Section 106 agreements on completed schemes over the years expressly oblige registered providers to market and allocate all shared ownerships via Help to Buy Agents. Albeit the wording in both the main clauses and the definition of Help to Buy within the Section 106s does state “*..Help to Buy and any subsequent replacement scheme that may be introduced and agreed to by the District Council*”.

4.7 Officers consider it to be excessive to ask Registered Providers to apply for a Deed of Variation on every single previously signed section 106 for an affordable housing scheme, especially when Homes England have stopped the Help to Buy system and the clause would be potentially unenforceable by the District Council. In addition, even the old Section 106 wording allows for “any subsequent replacement scheme”. However, no Officer has delegated power to take an overall policy decision or change an arrangement specified in a signed Section 106 (unless provisions exist within the Section 106 for this).

4.8 In light of the above, Officers therefore request that Members agree that the stated arrangement currently within the Affordable Housing Supplementary Planning Document for non-grant funded Shared Ownerships (as per image 1 in this report) will apply to all types of Shared Ownership (whether granted aid by Homes England or nil-grant homes), namely:

4.9 System for advertising and allocation of all Shared Ownerships (irrespective of funding source):

- Via the Registered Provider's website AND;
- Zoopla/Rightmove and/or;
- Other UK Property Portal and/or;
- Estate Agent (this is defined in the Section 106 as "means an estate agent with at least five years' experience of valuing residential properties in the District");

4.10 This will ensure a shared ownership property is not only advertised on a Registered Provider's website but is also advertised via at least one other method too as not all buyers will know the names of Registered Providers in the area.

4.11 This will allow the Section 106 template for all future shared ownership schemes to reflect the latest changes by Homes England (until the next revision of the Affordable Housing Supplementary Planning Document) and will also need to apply retrospectively to all former Shared Ownerships within signed Section 106 agreements. This will give Registered Providers the comfort that the District Council will not take enforcement when affordable homes are not advertised/allocated on the Help to Buy system that will soon no longer exist.

5 RESOURCE IMPLICATIONS

5.1 None – policy only and any agreements will be reflected in our current Section 106 template and the next revision of the Affordable Housing Supplementary Planning Document.

6 EQUALITIES ASSESSMENT

6.1 None

7 ENVIRONMENTAL ASSESSMENT

7.1 None

8 CORPORATE PRIORITIES

8.1 None

9 CONSTITUTIONAL CONTEXT

9.1 Part 3, Annexe 1, Paragraph 1 (Delegated).

10 STATEMENT OF CONFIDENTIALITY

10.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11 BACKGROUND PAPERS

11.1 The following background papers were used in the preparation of this report:

- Updates from the Affordable Home Ownership Transformation team at Homes England

The background papers are available for inspection and kept by the author of the report.

12 STATEMENT OF INTERNAL ADVICE

12.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

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Date: 14/2/2023

Reference: March 2023 S&R – Shared Ownership