

Report to Communities Scrutiny Committee

Date of meeting: 16th January 2024

Portfolio: Property & Housing (Cllr Holly Whitbread)

Subject: Home Ownership Strategy 2023/24 to 2028/29

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Recommendations/Decisions Required:

Recommendation 1 – To consider and comment on the Draft Home Ownership Strategy 2023/24 to 2028/29

Report:

Introduction

This report introduces the **Home Ownership Strategy 2023/24 to 2028/29**, attached as Appendix A to this report.

The Council has not previously had a formally agreed Home Ownership Strategy and it is good practice within the social housing sector to have such a strategy that covers:

- The sale of council residential properties
- The calculation of and collection of service charges from our leaseholders
- The provision information to solicitors
- Supporting Section 20 consultation for planned works where needed.

The Requirement for a Home Ownership Service

The Right to Buy is governed by the Housing Act 1985 (as amended) and gives certain tenants the right to buy their home with a discount based on their length of tenancy. Most tenants of secure and fixed term tenancies will qualify for the Right to Buy, a few categories of property (e.g., our Independent Living Schemes) are exempt.

The legislation sets out deadlines for responding to Right to Buy applications and for key stages of the process and this Strategy and our Home Ownership Team ensure:

- Ensuring adequate procedures exist in order to fulfil all statutory and council requirements
- EFDC meets legislative requirements

- That we provide applicants with accurate information to aid their decision-making
- That we ensure all activities regarding leasehold properties follow the property lease and current legislation
- That we provide a full and prompt service to applicants and existing leaseholders
- That we calculate service charges using accurate information
- That we apportion any charges fairly between leaseholders and the Council.

Background

Between 1 April 1977 and 1 April 2023, the Council received 12,314 applications to purchase council stock under the Right to Buy legislation, from which 6,492 properties were sold. [These figures also include properties that were sold on a voluntary basis over the same period, however, this is no longer council policy.]

The maximum discount has been increased regularly the current maximum discount for the district as of April 2023 is £96,000. Leasehold properties qualify for up to 70% discount and freehold (houses and bungalows) up to 48% from the sale price, subject to the current maximum of £96,000.

The table below shows the number of RTB applications and completions over the last decade and is taken from the Strategy (pages 5 and 6):

Financial year	No. of RTB applications	Of which completed
2010 - 2011	27	9
2011 - 2012	23	7
2012 - 2013	73	13
2013 - 2014	88	53
2014 - 2015	68	46
2015 - 2016	98	20
2016 - 2017	82	46
2017 – 2018	71	42
2018 – 2019	49	23
2019 - 2020	46	22
2020 - 2021	45	14
2021 – 2022	33	30
2022 - 2023	26	16
Total	729	341

As at 31st March 2023, the Home Ownership Team manage service charge accounts for 1089 leasehold properties. Each of the 1089 properties have an ongoing service charge account and a major works service charge account, amounting to 2,178 accounts in total being managed by the Home Ownership Team.

The work of the Home Ownership Team and administration process is supported by an IT module/system. The team also works closely with Housing, Property, and legal teams to investigate applications, prevent fraud and ensure due process is robustly followed.

Options considered and rejected: None

Consultation undertaken:

The Strategy has been formulated in consultation with representatives of the Epping Forest District Tenants and Leaseholders' Panel and sets out how the Home Ownership process will be delivered over the next five years.

The Strategy was formally presented to EFDC Tenant and Leaseholder Panel on 5th December 2023. The panel were supportive of strategy and noted this as being a good piece of work, The Panel made no specific amendments to the strategy.

Resource implications:

The team consists of 4.4 FTE including the Team Manager.

There are no additional resource requirements within the scope of this report.

Legal and Governance Implications, Relevant Statutory Powers:

The legislative requirements are set out in Section 3 of the Strategy.

Corporate Plan Implications:

The Strategy aligns with the higher-level Corporate Plan strategic aims and the Housing Strategy 2023-2027 key priorities: Stronger Communities, Stronger Place and Stronger Council.

Background Papers: None

Risk Management: N/A

Equality:

An Equality Impact Assessment for the Home Ownership Strategy 2023/24 to 2028/29 has been completed and is available on request.

Key Decision: (if required): None.