



REPORT TO:	Tracey Carter – Portfolio Holder for Strategic and Operational Housing
DATE:	23 August 2024
SUBJECT:	Application to Homes England for a Designated Protected Area waiver request – Donington
PURPOSE:	<p>The report seeks to formalise the Council's agreement to a request from Cross Keys Homes (a registered provider of social housing) to submit a DPA waiver request regarding the Land off Malting Lane, Donington. This allows Cross Keys Homes to access affordable housing grant from Homes England, enabling them to provide shared ownership homes on the site.</p> <p>This report has been produced in accordance with the agreed procedure for such requests (as captured in the Portfolio Holder - Housing and Health report published 4 September 2020).</p>
KEY DECISION:	NO
REPORT OF:	Matthew Hogan, Assistant Director – Strategic Growth and Development
REPORT AUTHOR:	Priscilla Aremu – Housing Strategy and Development Officer
WARD(S) AFFECTED:	Donington
EXEMPT REPORT?	No

SUMMARY

A procedure was agreed in September 2020 to determine requests from Registered Providers (RPs) for the authority to apply to Homes England to allow them to sell shared ownership properties in Designated Protected Areas (DPAs) on standard lease terms rather than the restricted lease terms. This procedure has been followed in relation to this current request from Cross Keys Homes to waive the conditions of Homes England grant for the shared ownership homes at Land off Malting Lane, Donington.

This report is seeking to determine this request following consultation with the Ward Members and Planning Service.

RECOMMENDATIONS

That an application be made to Homes England on behalf of Cross Keys Homes to apply a waiver to the 'Designated Protected Area' status that applies to the locality.

REASONS FOR RECOMMENDATIONS

There is strong evidence for the need for affordable homes in South Holland, and shared ownership is a tenure that plays a demonstrable role in supporting households into home ownership in the area. Granting the waiver allows Cross Keys Homes to utilize the Homes England grant, which will support investment in South Holland and the delivery of affordable homes.

It is rare for owners of shared ownership housing to 'staircase' to 100% in Donington (and indeed across the district as a whole). Therefore, there is limited evidence of the need to use regulation to restrict staircasing in Donington, as homes tend to remain in supply as shared ownership housing on subsequent sales.

To support and encourage the provision of new affordable home ownership products in the district. The Homes England grant funding can only be utilized on the units if the DPA waiver is granted. The funding will also be reused, at the point of the shared owners purchasing additional shares, to deliver affordable homes in the future.

To allow these homes to be sold on the same lease terms as other shared ownership homes in Donington. Given that shared ownership of affordable housing secured through S106 Agreement is highly unlikely to attract grant funding or be included within Homes England's delivery programme, it would not fall under the limitations of housing in a DPA. Therefore, a waiver is necessary to allow the homes to be sold on the same terms as other shared ownership homes within the site in Donington.

Given the ongoing supply of shared ownership housing, it is reasonable to allow purchasers of these homes to acquire them on a standard lease, as this should improve mortgage availability for prospective buyers.

OTHER OPTIONS CONSIDERED

Option One: Take no action, which would result in no application being made to Homes England, preventing Cross Keys Homes from accessing the grant funding to bring the share ownership units forward.

Option two: The council declines the request from Cross Keys and chooses not to seek a waiver from Homes England which would have the same effect as above.

1. BACKGROUND

1.1 The report of the Portfolio Holder for Housing and Health titled 'Shared Ownership Housing in Designated Protected Areas', published 4 September 2020, introduced a procedure for determining Designated Protected Area (DPA) waiver requests. That report provided background on Designated Protected Areas and the implications of

using restricted shared ownership leases in DPAs. In short, Donington is covered by a regulatory instrument which is designed to limit the loss of shared ownership properties through outright purchase by their owners. In non-DPA areas, shared ownership owners have the option to 'staircase' to (i.e. progress towards) 100% ownership of their homes. In area covered by a DPA, staircasing is capped at 80%. Donington (like many parts of South Holland) are covered by this instrument.

1.2 Cross Keys are the Registered providers for the Land off Malting Lane, Donington.

The site has planning approval to deliver 40 units with a division of 21 social rented units and 19 shared ownership units. Cross Keys Homes has successfully secured £760k in funding for shared ownership units for the delivery of this site. However, Homes England would only release the allocated grant funding to this site where restrictions on 'staircasing' do not apply.

1.3 Cross Keys Home has approached the Strategic Housing Officer requesting that an application be made to Homes England for them to consider waiving the DPA criteria for the shared ownership dwellings at the Land off Malting Lane, Donington. This will allow the homes to be sold by Cross Keys Home on Homes England's standard lease terms rather than on restricted lease terms. Consequently, Cross Keys Homes requires the Council to consider a DPA waiver application to deliver the proposed investment. Such a request needs formal approval from the council. The council has an established process for dealing with such requests, which involves a Portfolio Holder decision informed through ward member consultation.

2. REPORT

2.1 The Homes England grant process is established in such a way that the funds would not be released to Cross Keys to further this development without the DPA waiver and Cross Keys has indicated that they are unable to guarantee that they can buy back the properties.

2.2 On balance, this report recommends supporting the waiver request, as doing so would provide the following benefits to the council:

- Approving the waiver will enable Cross Keys Homes to access the Homes England grant, which will boost investment in the district and facilitate the delivery of affordable homes. There is strong evidence of the need for affordable housing in South Holland, and shared ownership has proven to be an effective means of helping households achieve homeownership.
- In Donington, and across the district, it is uncommon for shared ownership homeowners to 'staircase' to 100% ownership. As a result, there is little need to impose regulations restricting staircasing in Donington, as shared ownership homes typically remain available for future buyers.

2.3 There are existing shared ownership properties in Donington that follow Homes England's standard lease terms, with additional shared ownership homes currently under construction. Further shared ownership properties are also expected to be available in Donington on designated sites as outlined in the South East Lincolnshire Plan through 2036.

2.4 Ward members have been consulted on the proposals, The Ward Members advised that they either had no objections to the proposals and/or that were content to allow the Portfolio Holder for Strategic and Operational Housing to decide on the matter.

2.5 The Planning Service have been informed of the request. They have no concerns with the request as the Local Plan and associated planning guidance does not contain any provisions that shared ownership housing within a DPA should be restricted.

3. CONCLUSION

3.1 As set out in Section 2 of this report, there is an existing and future supply of shared ownership housing in Crowland. Therefore, this is not a location where the shared ownership housing will be difficult to replace.

3.2 Allowing the standard lease terms to be used will enable the opportunity for shared owners to eventually own their homes outright. If Homes England does not provide a waiver, the properties will have a restricted lease agreement meaning that the purchasers can only ever own up to 80% of the property, unless CKH is able to commit to buying back the property (which they have indicated they are unable to do).

3.3 The report recommends supporting the waiver request, as it will enable investment in affordable housing through the Homes England grant and is not hindered by the low rate of full ownership 'staircasing' in shared ownership properties in the district.

EXPECTED BENEFITS TO THE PARTNERSHIP

4.1 The expected benefits are as follows

- The delivery of 19 affordable shared ownership homes into local supply.
- Homes England continued investment in the district.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCILS PARTNERSHIP

The report's recommendations align with the Partnership's strategic priorities for Growth and Prosperity, particularly regarding the delivery of affordable housing.

CORPORATE PRIORITIES

The provision of shared ownership housing supports the ambition in the SELCP Sub-regional strategy 2024/25 – 2028/29 to improve housing standards, and deliver affordable housing based on housing needs now.

STAFFING

None

WORKFORCE CAPACITY IMPLICATIONS

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

- Homes England has a procedure in place which allows Local Authorities to apply on behalf of RPs, or themselves, for a waiver which allows the RP to provide shared ownership homes in a DPA with the benefit of a standard lease rather than a restricted lease.
- The report of the Portfolio Holder for Housing and Health titled 'Shared Ownership Housing in Designated Protected Areas', published 4 September 2020, agreed an internal procedure for the Portfolio Holder for Housing and Health to determine any applications made by RPs for the authority to apply for a waiver, following liaison with Ward Members, Strategic Housing Manager and the Planning Service.

DATA PROTECTION

None

FINANCIAL

As a condition of the Homes England grant funding Cross Keys Homes are required to recycle the grant as the shared owner purchases more shares. This grant will be reused for the future delivery of affordable homes.

RISK MANAGEMENT

DPA's are established to safeguard areas where replacing shared ownership properties would be difficult. If Homes England grants the waiver to Cross Keys Homes, it would allow owners to staircase to 100% ownership and gain full rights to the property. This implication raises concerns that such properties may be removed from the affordable housing pool. However, considering the estimated growth percentage for the area and the ongoing development of new affordable housing, there should be sufficient new housing available to offset any potential loss.

STAKEHOLDER / CONSULTATION / TIMESCALES

The local Ward Councillors and the Planning Service have been consulted with their feedback referenced in this report.

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

LINKS TO 12 MISSIONS IN THE LEVELLING UP WHITE PAPER

(Use this section to highlight any links to the 12 missions contained in the Levelling Up White Paper set out below. Delete any which are not applicable. If none, insert the word 'none'.)

MISSIONS

This paper contributes to the follow Missions outlined in the Government’s Levelling Up White paper.	
Living Standards	By 2030, pay, employment and productivity will have risen in every area of the UK, with each containing a globally competitive city, with the gap between the top performing and other areas closing.
Research and Development	By 2030, domestic public investment in Research & Development outside the Greater South East will increase by at least 40% and at least one third over the Spending Review period, with that additional government funding seeking to leverage at least twice as much private sector investment over the long term to stimulate innovation and productivity growth.
Transport Infrastructure	By 2030, local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
Digital Connectivity	By 2030, the UK will have nationwide gigabit-capable broadband and 4G coverage, with 5G coverage for the majority of the population.
Education	By 2030, the number of primary school children achieving the expected standard in reading, writing and maths will have significantly increased. In England, this will mean 90% of children will achieve the expected standard, and the percentage of children meeting the expected standard in the worst performing areas will have increased by over a third.
Skills	By 2030, the number of people successfully completing high-quality skills training will have significantly increased in every area of the UK. In England, this will lead to 200,000 more people successfully completing high-quality skills training annually, driven by 80,000 more people completing courses in the lowest skilled areas.
Health	By 2030, the gap in Healthy Life Expectancy (HLE) between local areas where it is highest and lowest will have narrowed, and by 2035 HLE will rise by 5 years.
Wellbeing	By 2030, well-being will have improved in every area of the UK, with the gap between top performing and other areas closing.
Pride in Place	By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.
Housing	By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.
Crime	By 2030, homicide, serious violence, and neighbourhood crime will have fallen, focused on the worst-affected areas.
Local Leadership	By 2030, every part of England that wants one will have a devolution deal with powers at or approaching the highest level of devolution and a simplified, long-term funding settlement.

ACRONYMS

- DPA- Designated Protected Area
- RP- Registered Providers
- SELCP – South and East Lincolnshire Councils Partnership
- SELLP- South and East Lincolnshire Local Plan

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Tenure Plan
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BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

Name of body	Date
Portfolio Holder for Housing and Health titled 'Shared ownership housing in Designated Protected Areas	4 September 2020

REPORT APPROVAL

Report author:	Priscilla Aremu – Housing Strategy and Enabling Officer Priscilla.aremu@sholland.gov.uk
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