

**TO: EXECUTIVE MEMBER ADULT SERVICES, HEALTH AND HOUSING  
21 MARCH 2016**

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**REVISION OF SCHEME CRITERIA FOR LOW COST HOME OWNERSHIP SCHEMES  
Director of Adult Social Care, Health and Housing**

**1 PURPOSE OF REPORT**

- 1.1 To consider revising the scheme criteria for household income for the Bracknell Forest Council Low Cost Home Ownership Schemes so as to bring it into line with national criteria.

**2 RECOMMENDATION**

**That Executive Member Adult Services, Health and Housing agrees:**

- 2.1 **That gross household income for applications to the Council's Low Cost Home Ownership Schemes should not exceed £80,000 a year.**

**3 REASONS FOR RECOMMENDATION**

- 3.1 The Council's annual plan has the objective of supporting clean, green, growing and sustainable places. In particular it aims to deliver the right levels and types of housing both approved and delivered. The Council's low cost home ownership schemes; BFC My Home Buy and Cash Incentive Scheme brings the cost of home ownership into the reach of first time buyers on modest incomes.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The Council could continue to limit access to its home ownership schemes to households who have annual gross household incomes of up to £60,000. However, this would lead to some households not being able to purchase as their income was above £60,000 but they would be unable to purchase without help from the Council. It is in the Council's interests to help households purchase low cost home ownership as it meets housing need in the most cost effective way.

**5 SUPPORTING INFORMATION**

- 5.1 On the 4<sup>th</sup> January 2016 the Homes and Communities Agency directed providers of low cost home ownership products that the threshold for annual household income for purchases outside London should increase from £60,000 to £80,000 a year. The Council had set income thresholds for its BFC My Home Buy and Cash Incentive Schemes on the same basis as the national criteria. Therefore, as the national criteria have increased household income from £60,000 to £80,000 it is recommended that the threshold household income is increased to £80,000 for the Council's schemes as well.
- 5.2 Given the recent house price increases in Bracknell Forest household incomes above £60,000 will be required for first time buyers to be able to access home

ownership. The Council's Cash Incentive Scheme allows a household to purchase a home if they are existing affordable housing tenants so that the home they leave can be provided as a nomination to a household in housing need. The BFC My Home Choice Scheme enables first time buyers to buy an existing property and rent the balance of unsold equity from the Council. Both schemes are cost effective for households and the Council.

- 5.3 There is provision in the 2016/17 capital programme to support both schemes.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

- 6.1 The proposals comply with the new Government approved raised income levels. This will potentially entitle more people on slightly raised income levels to be eligible for consideration under the scheme.

### Borough Treasurer

- 6.2 As the Council has discretion whether to accept application with support for home ownership, there will be no budgetary implications from changing the income criteria. Expenditure on these schemes will be maintained within the approved capital budget.

### Equalities Impact Assessment

- 6.3 The revision of household income to annual gross income of £80,000 a year will enable a wider range of first time buyer households to take advantage of the Council's low cost home ownership schemes.

### Strategic Risk Management Issues

- 6.4 The Council's low cost home ownership schemes include an element of risk if customers are unable to maintain necessary payments. However, that risk is mitigated for the Council in that any financial support that is provided is charged against the property thus allowing the Council to redeem its funding.

## **7 CONSULTATION**

- 7.1 Despite publication of this proposal on the Council's forward plan there have been no responses.

### Background Papers

### Contact for further information

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# Equality Impact Assessment Record

Date of EIA  
Directorate

5<sup>th</sup> February 2016  
Adult social care health and Housing

|   |   | Step  |
|---|---|---|
| <b>Initial Screening Record</b>   |   | <b>1/2</b>  |
| Activity to be assessed   | <b>Low cost home ownership scheme criteria</b>  |   |
| What is the activity?   | <input checked="" type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project<br><input type="checkbox"/> Review <input type="checkbox"/> Service <input type="checkbox"/> Organisational change |   |
| Is it a new or existing activity?   | <input type="checkbox"/> New <input type="checkbox"/> Existing  |   |
| Aim / objective / purpose of the activity – who is the activity designed to benefit/target?   | <b>The purpose of the activity is to: To help households buy a home that they cannot afford on the open market</b><br><br><b>The activity is designed for: Households who have lived in Bracknell forest for at least 5 years</b>                   |   |
| Who is responsible for the activity?  | The person/section/team responsible for this policy/function is:  |   |
| Did Step 1: Initial Screening indicate that a full EIA was necessary?   | <input type="checkbox"/> Yes – full EIA completed and recorded below.<br><input checked="" type="checkbox"/> No – full EIA not completed therefore record ends here.  |   |
| <b>Full EIA Record</b>  |   |   |
| Who are the members of the EIA team?  | Overwrite with names of individuals, section or team  |   |
| What evidence has been found to indicate that the activity might need to be amended?<br>(Include any consultation undertaken)                         | Overwrite with the data, information or research that was used in the EIA   |   |
| With regard to the equalities themes, which groups might be <b>impacted</b> by the activity? Might any of these groups be impacted <b>adversely</b> ? | <b>Groups Impacted</b>  | <b>Groups impacted adversely</b>  |
|   | <input type="checkbox"/> Race and ethnicity<br><input type="checkbox"/> Disability<br><input type="checkbox"/> Gender<br><input type="checkbox"/> Age<br><input type="checkbox"/> Sexual Orientation<br><input type="checkbox"/> Religion or belief | <input type="checkbox"/> Race and ethnicity<br><input type="checkbox"/> Disability<br><input type="checkbox"/> Gender<br><input type="checkbox"/> Age<br><input type="checkbox"/> Sexual Orientation<br><input type="checkbox"/> Religion or belief |
| What evidence is there to suggest an impact/adverse impact?   |   |   |
| On what grounds can impact or adverse impact be justified?  |   |   |
| Is there any current action that addresses issues for any of the groups impacted/adversely impacted?  |   |   |
| What changes will you make to the activity reduce or remove any differential/adverse impact?  | List the actions that you have planned as a result of the EIA.  |   |
| Into which action plan/s will these actions be  |   |   |
|   |   | <b>5</b>  |

|  |   |          |
|--|---|----------|
| incorporated?  |   |          |
| Who is responsible for the action plan?                                |   | <b>6</b> |
| Have any examples of good practise been identified as part of the EIA? |   |          |
| Has the EIA been published on the Council website?                     | Yes / No  |          |
| Who is the relevant Chief Officer and have they signed off the EIA?    | <b>Name</b><br><br>Signature.....                                   |          |
| Which PMR will this EIA be reported in?                                | <b>Note the service department and relevant quarter/date of PMR</b> |          |