

CABINET**7 December 2016****Minute Extract****416. PROPOSED CREATION OF AN OPEN MARKET SHARED OWNERSHIP SCHEME FOR WINCHESTER DISTRICT**

(Report CAB2861 refers)

The Chairman highlighted that Winchester was acknowledged as a very expensive place to live and this scheme would offer additional opportunities for investment for the Council, as well as allowing the Council to assist people wishing to live in the area.

The Corporate Director (Professional Services) advised that the policy rationale behind the proposed scheme was to further diversify the Council's capital investments and consequently spread risks across a number of areas. The suggested criteria for applicants were set out in Appendix A. The Report requested approval of the principle of the scheme and the next steps would involve further discussions with potential lenders before a decision on the scheme detail was taken by a future Cabinet or through the Portfolio Holder Decision Making process.

At the invitation of the Chairman, Councillor Thompson addressed Cabinet in support of the proposals. She highlighted the particular difficulties of key workers and first time buyers wishing to enter the housing market in an area as expensive as Winchester. She queried whether the officer time involved in implementing the scheme had been assessed and also requested confirmation it would be District-wide.

The Chairman stated that the scheme would enable qualifying participants to purchase a house anywhere within the District. The definition of key workers would be tested in the scheme pilot but was expected to be any public sector worker or those employed to give social care.

The Corporate Director (Professional Services) advised that one of the reasons for piloting the scheme would be to assess the officer time requirements and it was proposed that there would be an appropriate charge to participants to cover this.

On a general point in respect of this Report and also CAB2872 (below), the Corporate Director (Professional Services) highlighted to Members that borrowing rates had increased significantly in the last few weeks following the recent worldwide political events and this would impact on future capital schemes if borrowing costs continue to rise.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

THAT THE SUM OF £4.5M BE INCLUDED WITHIN THE CAPITAL STRATEGY (£1M IN 2017-18 AND £3.5M IN 2018-19).

RESOLVED:

1. That the concept of the Open Market Shared Ownership Scheme be approved and this be piloted with ten households to begin with to assess demand and the key criteria as well as the financial return to the Council.
2. That the criteria for applications and principles of the Scheme contained in Appendix A of the Report be approved.
3. That officers further liaise with relevant mortgage brokers and internal Council departments to deliver the scheme.