

Report to: Community Protection Panel / Cabinet

Date: 15 September '2008 / 18 September 2008

Subject: Annual Update of the Affordable Housing Strategy and Action Plan

Report of: Director of Environmental Services

Contact officer: Peter Layland 01942 828983

Purpose / summary: To advise Members of progress made against the Council's Affordable Housing Strategy in 2007/08 and to propose some changes to the Affordable Housing Allocations Scheme.

Alternative options considered and reason for selecting the one recommended: Alternative option would be not to update the action plan. The update has been carried out to record the progress made and reflect changes to ensure that the action plan remains current and relevant.

Recommendation / decision: That the progress made against the Affordable Housing Strategy in 2007/08 be noted.
That Cabinet approve the proposed changes to the Affordable Housing Allocations Scheme and that any necessary minor amendments during the year be agreed by the Director of Environmental Services in liaison with the Executive Director of Business Support Services and the relevant Cabinet Member.

Key Decision: This report does not involve a key decision.

Risks / Implications:

Financial: No direct financial implications from the

| | |
|---|---------------------|
| Staffing: | revised Action Plan |
| Policy: | No implications |
| Equal Opportunities - Has a Diversity Impact Assessment been conducted? | Housing Strategy |
| Wards affected: | Yes |
| | All |

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

Does this proposal have significant implications for the Council and the local population?

A diversity impact assessment has been undertaken and is attached as an appendix to this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

No significant changes proposed

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| Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? | Yes |
|---|------------|

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| Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget? | Yes |
|--|------------|

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|--|-----------|
| Are any of the recommendations within this report contrary to the Policy Framework of the Council? | No |
|--|-----------|

* delete which applicable

For Cabinet reports only :

| | | | |
|-------------------------------------|----------|-------------|----------|
| Categorisation of the report: | x | | x |
| | | | |
| Discussion leading to a decision | | Discussion | |
| Monitoring | | Decision | x |
| Sharing for corporate understanding | | Information | |

Tracking/Process:

| | | | |
|-------|---------------------|--------------|----------|
| | Consultation | Ward Members | Partners |
| | | | |
| Panel | Overview & Scrutiny | Cabinet | Council |

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|----------|--|----------|--|
| 15.09.08 | | 18.09.08 | |
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There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer M Kimber

Date 1/9/08

1. Background:

- 1.1 The Council's Affordable Housing Strategy was introduced in July 2006 and has now run for two years. The strategy set the target of 530 additional affordable housing lettings over a five year period from 2006 – 2010. In that time significant progress has been made in improving the availability of affordable accommodation for both sale and rent in the borough. However, this is set against a difficult housing market for those in housing need.

2. Local and National Context:

- 2.1 The strategy was introduced in response to the 2005 report "Wigan's Changing Housing Markets" and the Housing Needs Survey Update 2005 which recognised that for the first time access into affordable accommodation was becoming difficult for many households across Wigan.
- 2.2 As reported in the Affordable Housing Strategy update last year (17th September 2007), Central Government has recognised the issue of affordability in its Housing Green Paper "Homes for the future: more affordable, more sustainable" where it increased its housing completion targets and announced £8 billion investment in the provision of affordable housing in 2008-11.
- 2.3 Although there has been a marked slow down in the housing market in recent months, housing affordability remains a serious issue for increasing numbers of people. The Council has recently commissioned a new Local Housing Needs Survey 2008 that shows that affordability in the borough has worsened considerably since the last survey update in 2005. The study revealed the average house price in the Borough to be £134,025, with average earnings of £21,352 (ONS 2007), this means borrowing around 6 times the annual salary (assuming a 5% deposit). The study found that 82% of newly forming households were unlikely to be able to access even the cheapest housing for sale and 65% were unlikely to be able to access private rented homes in the borough due to affordability. In short, the borough now faces many of the housing issues which have affected much of the country for a number of years.

An update on the performance of Wigan's housing market is attached in Appendix C.

- 2.4 Progress against the action plan to date is shown below, but recognition is made that there needs to be some significant changes to the targets and actions set in 2006 to respond to current circumstances, including;
- Increased levels of housing need identified in the Housing Needs Survey 2008
 - Emergence of new frameworks for the sub regional housing market assessment and housing strategy
 - New development opportunities within strategic regeneration sites in the borough
 - Increased investment opportunities via the new Homes and Communities Agency and Wigan and Leigh Housing development proposals
 - Development of Wigan's Local Development Framework

- 2.5 A more far-reaching review of the Affordable Housing Strategy is therefore being undertaken and will produce a second stage report later in 2008/09 which will set out the future direction of the Strategy.

3. Progress against the Affordable Housing Action Plan 2006-10:

- 3.1 An update of the action plan is attached as Appendix A but the main achievements include;
- Continued negotiations with private developers to maximise the amount of affordable housing delivered on new housing developments. 14 affordable homes for sale have been delivered at Gin Pit Village and there are a further 27 secured for development via planning permissions granted.
 - Review of the "Opening Doors" affordable housing scheme (see below)
 - Successful bids made in the Housing Corporation bidding round which has secured £3.3 million grant funding for a total of 74 new homes to a value of £10 million
 - Exploring new development options between the Council and Wigan and Leigh housing
 - Wigan and Leigh Housing (WALH) obtaining registration with the Housing Corporation for future bidding for new build developments and undertaking feasibility work on potential development sites
 - 2008 Housing Needs Survey completed
- 3.2 In the first year of the Strategy a total of 197 additional affordable housing lettings were created. Since then, 14 more affordable homes via the Affordable Housing Planning Policy have been built, 7 more have been provided by Housing Associations using Housing Corporation monies and a further 8 properties have been provided via the Bond scheme.

Thus the current total of additional affordable housing units made available is **226**.

4. Pipeline Schemes

- 4.1 In terms of activity in the pipeline the following have been agreed;

Housing Corporation Funded Schemes

14 Richmond Fellowship properties at Leigh
6 Adactus units in Hindley
50 Adactus/WALH units at Durham St Whelley *
10 Adactus units at Elliot Gardens Worsley Mesnes
8 Adactus/Great Places units for long term disabled

*Council contribution

A further 27 units have been agreed via Section 106 agreements which are either on site or due to start shortly.

- 4.2 Thus total of pipeline schemes (agreed but not yet completed) is a further **115**. In addition there are a number of new bids intended to be submitted to the Housing Corporation in coming months which are likely to include new

Wigan and Leigh Housing developments. The development of these will be subject to obtaining grant funding from the Housing Corporation,

5. Review of “Opening Doors” Affordable Housing Allocations Scheme:

- 5.1 Wigan’s Affordable Housing Allocations Scheme was approved in November 2006. and was launched as the “Opening Doors” scheme in July 2007 through Wigan and Leigh Housing Options Property Shops to promote and administer applications for affordable home ownership in the borough.
- 5.2 The first homes made available through the scheme were at Gin Pit Village, Tyldesley via Gladedale Homes. Marketing began in July 07 and is currently continuing. Sales have been slower than expected and there have been a number of issues arising as sales proceed. Marketing of the second scheme at The Groves, Wigan Road, Ashton is now underway.
- 5.3 Since the adoption of the allocations scheme there have been considerable changes to the housing and financial markets (credit crunch), which have impacted on both the processes and allocations scheme. This has impacted in the following ways
 - Minor alterations to the Eligibility Criteria being required
 - Simplification of the application and assessment process
 - Extra provisions needed to ensure the homes are mortgagable by a range of lenders
 - More detail on the information to be provided by the developer throughout the process
 - Provisions to ensure that the affordable sale price accurately reflect the market value of the property throughout the marketing period.
- 5.4 These have been incorporated within the amended scheme attached as Appendix B. However given these requests for minor changes are regularly made by lenders and developers in the light of market changes, we need to respond quickly to suggested alterations to ensure that mortgages remain available to those buying affordable housing. As a result of this it is requested that future minor alterations to the “Opening Doors” scheme can be agreed by the Director of Environmental Services in liaison with the Executive Director of Business Support Services and the relevant Cabinet Member.

6. Main Actions for 2008/09:

- 6.1 Main actions include:
 - Overseeing the review of the Councils Allocation Policy
 - Developing funding proposals for the Housing Corporation’s National Affordable Housing Programme Regular Market Engagement in partnership with Registered Social Landlords
 - Developing options/ opportunities for affordable housing provision linked to strategic regeneration sites
 - Conducting options appraisal for initiatives within the private sector, including the private rented sector and empty homes to better meet affordable housing needs.

- Develop Wigan and Leigh Housing schemes for new development, subject to approval by the Council, Wigan and Leigh Housing Board and the Housing Corporation.

More detailed proposals for additional actions will be put forward following a full review of the Affordable Housing Strategy.

7. Conclusions:

- 7.1 This report provides an update on the progress against the Affordable Housing Strategy and seeks to make revisions to the Affordable Housing Allocations Scheme. It needs to be emphasised that given the rapidly changing circumstances occurring at the moment a far more fundamental review of the Affordable Housing Strategy will be presented in the year. In addition the promised evaluation of the implications of Wigan and Leigh Housing (WALH) starting to bid and hopefully develop new housing will also be presented.

Diversity Impact Assessment form

Section: Housing Strategy

Policy/Service Area: Housing Strategy

Person Completing Form:
Peter Layland

Date:
26.06.08

Do any of the below groups suffer specific disadvantage (please indicate)

| | Yes | No | | Yes | No |
|-----------|-----|----|--------------------|-----|----|
| Race | | √ | Disability | | √ |
| Ethnicity | | √ | Gender | | √ |
| Age | | √ | Religion | | √ |
| Class | | √ | Sexual Orientation | | √ |

Is there evidence of disadvantage or associated problems?

The Affordable Housing Strategy and the wider Housing Strategy aims to tackle disadvantage amongst many groups in terms of housing eg. making housing more accessible and affordable and tackling poor housing conditions. The actions of the strategy have a positive effect on all disadvantaged groups.

How was the information collected and/or who have you consulted with?

Via the local Housing Needs Survey, recently a 2008 version has been completed. Consultation with stakeholders via the Housing Partnership.

Action Plan – *What specific actions are planned to tackle any disadvantage identified?*

Contained within the Housing Strategy Action Plan

Is the policy in line with current equality legislation and relevant codes of practice?

Yes

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| Timescale | Autumn 2008 |
| Responsibility | Peter Layland |
| Comments | |

Are the actions specified included in any other documents/plans?

| | |
|---------------------------|-----|
| Departmental Service Plan | yes |
| Section/Team Plan | Yes |
| Other (Specify) | |

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| Date for further review |
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Will be included in the wider strategy review

Appendix A -Affordable Housing Action Plan – Update July 2008

Theme: People and Choice

| What is the issue/ problem we need to address ? | How will we deal with it? (Priorities/ objectives) | Resources | Milestones / Targets | | | Smart target 2010 | Responsibility | Progress to date |
|---|--|-------------------------|--|--|---------------------------|--|-----------------------------|---|
| | | | 2006/07 | 2007/08 | 2008 onwards | | | |
| Ensure Access to affordable homes | It is vital that the existing affordable housing stock is used to the maximum effect given the current shortages. This involves information systems, allocation procedures and using the current supply efficiently. | | | | | | | |
| | <ul style="list-style-type: none"> ▪ Property Shops | Mainstream monies | Develop the role of property shops to include private landlords and RSLs and affordable housing. | Develop the role of the Property Shops to include shared ownership/ equity schemes | | Property shops to have evolved to multi-landlord service providers | M Price/ E Brighton (WALH) | Re-branding of “Housing Options Property Shops” undertaken. |
| | <ul style="list-style-type: none"> ▪ Choice based lettings | | Implement reviewed Allocation system | | Review allocation System. | | M Price / E Brighton (WALH) | Review to be conducted in 2008/09 |
| | <ul style="list-style-type: none"> • Negotiation of RSL nomination rights | | | Review operation of RSL nomination system | | | M Price | Completed |
| | <ul style="list-style-type: none"> • Minimising voids in Council stock | Housing Revenue Account | Ensure voids for WALH are below 1.5% | | | Ensure voids for WALH are below 1.5% in 2010 | T Gerard (WALH) | Voids reduced to 1.08% in 2007/08 |

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| | <ul style="list-style-type: none"> Homeless Prevention measures | Homelessness Directorate | Implement actions from Homelessness Strategy Action Plan | | Produce new Homelessness Strategy with focus on prevention | | M Price | Draft Homelessness Strategy 2008-13 out for consultation June 08 |
| | <ul style="list-style-type: none"> Cross agency initiatives | Housing Corporation funds | Participate in Open Market HomeBuy (Plumlife) | Evaluate and consider use of commuted sums for further funding | | | A Durkin | No funding available currently |
| | <ul style="list-style-type: none"> Landlord Accreditation Scheme | Nil | Continue to promote | —————→ | —————→ | | A Mank/ M Price | Operation of current scheme to be reviewed in 2008/09 |
| | <ul style="list-style-type: none"> New affordable home ownership allocation and eligibility criteria and marketing | | Develop systems to allocate affordable housing produced through planning policy | Develop marketing of new affordable homes, may include appointment of officer within Property Shops | | | M Price/ J Barton (WALH) | “Opening Doors” scheme operational and review undertaken |
| | <ul style="list-style-type: none"> Incentives | Affordable Housing / mainstream funds | | Consider the use of incentives to allow existing social rented tenants to move into affordable home ownership, thus releasing rented properties | | | M Price/ E Brighton (WALH) | Still under consideration |
| Provide more affordable homes | | | | | | | | |
| | <ul style="list-style-type: none"> Use of the | Affordable | Re-tender a | | | | A Mank/ S | No funding |

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| | Empty Homes Challenge Fund | Housing/ mainstream funds | revised Empty Homes Challenge Fund Policy | | | | Martlew | available currently. Empty Homes Strategy to be reviewed in 2008/09 |
| | <ul style="list-style-type: none"> Operation of the Bond Scheme | Homeless Directorate/ ISB/ NRF | Continue to operate | Review effectiveness and long term funding | | Provide 530 additional Affordable homes by 2010 | | Seek ways of expanding scheme following review |
| | <ul style="list-style-type: none"> Co-operation with Green Pastures | | Seek to maximise development of affordable housing with voluntary groups |  | | | M Price | Not currently being pursued |
| | <ul style="list-style-type: none"> Approval for a private sector leasing scheme | Mainstream monies | Implement scheme | Evaluate effectiveness of scheme | | Ensure 50% of this target is for ownership and 50% is for rent. | M Price | Currently re-evaluating this option in light of introduction of Local Housing Allowance |
| | <ul style="list-style-type: none"> Planned return of WALH properties from Asylum Seeker contracts | Housing Revenue Account | Maximise the value of the additional WALH properties being made available for use. | | | | J Barton (WALH) | Completed |
| | <ul style="list-style-type: none"> Consider purchase of ex RTB | Mainstream monies | Produce cost/ benefit analysis and | | | | S Martlew | To be considered in the |

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| | properties | | explore legal and financial issues | | | | | forthcoming review of the Affordable Housing Strategy |
| | <ul style="list-style-type: none"> RSL bidding | Housing Corporation funds | Explore bid for funding from the “Northern Housing Challenge” with suitable partner | Negotiation and preparation for 08/10 Housing Corporation bidding round with partner RSLs | RSL 08/10 bidding round | Increase allocation of Housing Corporation funding by 08/10 round | S Sargent / RSL partners TBC | £3.3M allocated by Housing Corporation (74 properties). Negotiations for Regular Market Engagement bids ongoing |
| | <ul style="list-style-type: none"> Seek innovative ways of providing affordable housing eg. Self build and Homebuy | Affordable Housing/ Housing Corporation funds | | Evaluate options including cost/ benefit analysis and legal issues | | | S Sargent/ HS Team | To be considered in the forthcoming review of the Affordable Housing Strategy |
| | <ul style="list-style-type: none"> Agreement of the new Supplementary Planning Policy for Affordable Housing | | Implement the Supplementary Planning Policy for affordable housing and develop discount for sale schemes. | Utilise Council monies and commuted sums to create Affordable Housing esp regeneration schemes. | | | A Durkin | To be reviewed in the forthcoming review of the Affordable Housing Strategy |
| Provide more accommodation for vulnerable | | | | | | | | |

| groups | | | | | | | | |
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| | <ul style="list-style-type: none"> ▪ Funding bids in support of prioritised gaps | Housing Corporation funds | To ensure the detailed monitoring of local housing markets including vulnerable groups | Develop further RSL funding bids | RSL 08/10 bidding round | Increase allocation of Housing Corporation funding by 08/10 round | S Sargent / RSL partners TBC | £376K funding secured for specialist schemes in Housing Corporation bidding round. Negotiations for Regular Market Engagements ongoing. |
| | <ul style="list-style-type: none"> ▪ Development of the Older Persons' Strategy | Various sources, including Affordable Housing monies | To ensure guidance documents for the operation of the Planning Policy of the Planning Policy include consideration of vulnerable groups | Target Commuted sum resources to provide affordable accommodation to meet the needs of vulnerable groups | | | A Durkin | Need for new affordable housing recognised in the Older Persons Housing Strategy and working with developers and providers to identify sites. |
| | <ul style="list-style-type: none"> ▪ Research into gaps in knowledge and consider opportunities for increasing affordable housing options | | | | | | HS Team, Planning Policy | To be considered in the forthcoming review of the Affordable Housing Strategy in light of evidence from the Housing Needs Survey/ Strategic |

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| | | | | | | | | Housing Market Assessment. |
| | <ul style="list-style-type: none"> Promote Lifetime Homes standard within new affordable housing schemes | | | Develop further RSL funding bids to Lifetime Homes | RSL 08/10 bidding round | | A Durkin | £3.3M allocated by Housing Corporation (74 properties). Negotiations for regular Market Engagement bids ongoing |

Theme: Neighbourhood Renewal

| What is the issue/ problem we need to address ? | How will we deal with it? (Priorities/ objectives) | Resources | Milestones / Targets | | | Smart target 2010 | Responsibility | Progress to date |
|---|---|-----------|---|---------|--------------|--|----------------|--|
| | | | 2006/07 | 2007/08 | 2008 onwards | | | |
| Fully understand the local housing market and its interaction with surrounding areas | To maximise the impact on local housing markets it is vital that they are fully understood and that future change is anticipated. It is also important to ensure we understand the effect of our interventions. | | | | | | | |
| | <ul style="list-style-type: none"> Publication of "Wigan's Changing Housing Markets" | | Develop further the monitoring of the local housing market at | | | Housing price gap between different townships will not widen | P Layland | Significant work being undertaken at sub regional level. Strategic |

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| | | | township level and monitor the effect of our interventions | | | | | Housing Market Assessment due to be published shortly |
| | <ul style="list-style-type: none"> Housing Market Analysis. | | To utilise the ECOTEC research study findings to develop knowledge of Wigan's housing market predicted trajectory, local market information and our links with our neighbours | | Carry out a full Housing Needs Survey | Maintain an assessment of being a balanced Housing market within the Regional Strategy | P Layland | Local Housing Needs Survey 2008 completed. AGMA (Association of Greater Manchester Authorities) sub regional Strategic Housing Market Assessment currently being undertaken. |
| | <ul style="list-style-type: none"> Participation in Regional / Sub-regional networks. | | Strengthen sub regional links and learn from good practice on provision of affordable housing and sustainable development | Use the joined up local and sub-regional agenda to maximise Wigan's case on a range of related neighbourhood issues. | | 25% of new affordable housing linked to specific regeneration initiatives | P Layland | AGMA sub regional Strategic Housing Market Assessment currently being undertaken. Greater Manchester Housing Strategy in development |

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| | | | | | | | | (PL leading) also links to Multi Area Agreement being developed. |
| | <ul style="list-style-type: none"> Community Plan 2005. | | | | | | | |
| | <ul style="list-style-type: none"> Develop understanding of wider planning and economic issues affecting housing provision in the borough | | Use of Council's Environmental Review to further develop joint agendas with other neighbourhood services | Formation of new Environmental Services Directorate | | | P Layland | Completed |
| Provide affordable homes where they are most needed | | | | | | | | |
| | <ul style="list-style-type: none"> Use of market information / Wigan's Changing Housing Markets to inform those townships most in need of affordable housing | | Develop clearer market information to identify at a localised level those areas in need of affordable housing. | | Review market information given | Ensure that 75% of new affordable housing units are provided within areas of greatest housing shortage. | P Layland | Awaiting review of Choice Based Lettings and the publication of the Strategic Housing Market Assessment. Will outline information in the forthcoming review of the |

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| | | | | | | | | Affordable Housing Strategy. |
| | <ul style="list-style-type: none"> Production of development briefs on Council owned land. | Mainstream/ private monies | Develop proposals for a mixed tenure scheme at Durham Street | Consider development potential of other Council owned sites | | | S Martlew/ J Barton | Being undertaken for HRA sites for submission to the Housing Corporation. |
| | <ul style="list-style-type: none"> Supplementary Planning Document – Affordable housing | | Develop guidance on the operation of the Planning Policy to ensure properties are built where they are needed | Seek ways of influencing land supply and sequencing its release in support of the Councils housing/ regeneration objectives | Review guidance documents for the Planning Policy | | A Durkin | To be undertaken during preparations for the Local Development Framework. |
| To utilise development opportunities to create more balanced housing markets. | | | | | | | | |
| | <ul style="list-style-type: none"> Increased investment in the more vulnerable housing markets to improve the existing stock and the | Mainstream monies and affordable housing resources | To develop clearer market information to identify at a localised level those areas in need of regeneration. | | | For the housing price gap between township housing markets not to widen. | P Layland | Awaiting results of Choice Based Lettings review and consideration of the Housing Needs Survey |

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| | appearance of areas. | | | | | | | and Strategic Housing Market Assessment findings and will be incorporated into the forthcoming review of the Affordable Housing Strategy |
| | <ul style="list-style-type: none"> ▪ Encourage development which provides variety within the housing supply in vulnerable markets. | | Develop guidance on the operation of the Planning Policy to avoid an oversupply of affordable housing in vulnerable housing markets and encourage a more diverse housing supply in these areas. | | | For 25% of new affordable housing to be provided in weaker housing markets for specific regeneration purposes. | A Durkin | As above |
| | <ul style="list-style-type: none"> ▪ UDP land release policies. | | Use negotiation opportunities to influence developers' housing proposals | | | | A Durkin | To be undertaken during preparations for the Local Development Framework |

Theme: Quality Homes

| What is the issue/ problem we need to address ? | How will we deal with it? (Priorities/ objectives) | Resources | Milestones / Targets | | | Smart target 2010 | Responsibility | Progress to date |
|--|--|-----------------------------|----------------------|---|---|----------------------|-------------------|--|
| | | | 2006/07 | 2007/08 | 2008 onwards | | | |
| Utilise development opportunities to ensure housing is more environmentally sustainable | Given environmental concerns and the increasing prices of fuel it is vital to ensure housing is more environmentally sustainable | | | | | | | |
| | <ul style="list-style-type: none"> ▪ Revised standards within the UDP | | | Ensure environmental sustainability standards are met in any Council funded scheme. | Explore use of renewable energy sources on new affordable housing | | A Durkin | |
| | <ul style="list-style-type: none"> • Energy efficiency | Private monies/ RSL funding | | Encourage enhanced standards within negotiations with developers. | All RSL schemes to achieve Ecohomes rating – Very Good | | M Stewart/ TBC | Replaced with Code for Sustainable Homes, Level 3. Proposed development at Bickershaw South proposes first carbon neutral homes. |
| | | Mainstream monies | | Incorporate high energy efficiency standards within any | | | A Mank/ HS team | Completed |

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| | | | | refurbishment project. | | | | |
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Appendix B

Affordable Housing Allocations Scheme – “Opening Doors” (Final Draft 28.08.08)

Content

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7. Assessment process
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10. Resale procedure
11. Buy-out of affordable homes
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13. Reviews and appeals
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15. Contact details
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1. Introduction

- 1.1 This document explains Wigan Council's policy for the allocation of affordable housing for sale. It has been developed by the Council and Wigan and Leigh Housing and other stakeholders to support the aims of the Affordable Housing Strategy and the Supplementary Planning Document Affordable Housing, introduced in 2006, by setting out how the homes generated will be allocated.
- 1.2 This amended version of the allocations scheme follows a review of the operation of the policy since the adoption of the original Affordable Housing Allocations Scheme in November 2006 and the launch of the "Opening Doors" affordable housing scheme in July 2007.
- 1.3 The Affordable Housing Strategy aims to provide a range of different affordable housing types. This allocations scheme will only apply to shared equity and discounted sale housing, where a percentage of the value is retained upon subsequent resale to provide a home at below market value for as long as it is needed (see glossary).
- 1.4 The allocations scheme will apply to new build properties, re-sales of affordable housing and affordable housing bought on the open market with a subsidy or equity loan.
- 1.5 The Council's rented properties will continue to be allocated according to the Council policy for the Allocation of Council Housing.
- 1.6 For further information contact Wigan Council's Housing Policy Officer on 01942 828953

2. Aims of the policy

- 2.1 The Affordable Housing Allocations Policy supports Wigan's Affordable Housing Strategy's aim of

"An affordable home for all within a desirable community"

Key aims of the policy are to

- Ensure fair access into affordable housing
- Offer choice
- Respond to local needs
- Assist the Council in making best use of its rented stock
- Promote sustainable communities
- Reflect national legislation, guidance and codes of practice
- Reflect the views of users, providers and other stakeholders

3. Advice and Information

- 3.1 We want customers to be fully informed of the range of affordable housing in the borough, who qualifies and how to apply.
- 3.2 The purchase of a home is a long term commitment and we want to ensure that all applicants receive the correct advice in order to make an informed choice as to whether home ownership is the right option for them, given their circumstances.
- 3.3 Advice and information on all affordable housing options will be available on the Council's and Wigan and Leigh Housing Options Property Shops web sites. Information and application forms may be made available in other locations such as libraries and area offices.

- 3.4 Information will be provided in a variety of formats, for example on audio tape, in large print and Talking Pages upon request. An interpretation service is available for people who don't have English as their first language. Customers can access this service at all Council and Wigan and Leigh Housing offices.
- 3.5 Personal advice on affordable housing options and help with applying for the Opening Doors scheme will be available in person and by telephone from the Property Shops. We will ensure that specialist staff are employed and trained to deal with affordable home ownership.
- 3.6 Initial advice obtained via the Property Shops will be free of charge. However it will be necessary to recoup the Council's administration costs associated with the completion of a sale of an affordable home. These costs will be met by the developer on the first sale and by the seller of the affordable home on subsequent sales.
- 3.7 All applicants reserving an affordable home must obtain advice, from an independent financial adviser or mortgage adviser registered with the Financial Services Authority at the point at which they reserve an affordable home. Independent financial advisers and mortgage advisers may charge for their services and applicants are free to choose their own adviser, provided that they are made aware of, and adhere to, the provisions of the scheme. However, we will establish a list of local advisers and mortgage providers who are familiar with our scheme that applicants may use.
- 3.8 A full financial assessment of income and expenditure, including all financial commitments will be undertaken before approval to proceed with a sale is given, this will ensure that
- They are in a financial position to obtain a mortgage and can afford their monthly repayments
 - That they need assistance to buy
 - That they are given advice on the range of mortgage products available
 - That they understand the financial commitment required in terms of repayments, insurance, fees, ongoing repairs and maintenance etc
- 3.9 Applicants will be advised of other costs, such as reservation fees and conveyancing.
- 3.10 Applicants will also need to arrange their own legal advice in relation to the purchase.

4. Advertising and Marketing of Properties

- 4.1 The Developer will give the Council no less than 28 days notice of the date of release for sale of the affordable homes. At this time they will supply the Council and the Property Shops with appropriate specifications and marketing materials for each affordable property type available. These will be agreed with the Council not less than 10 working days before the advised date of release.
- 4.2 The Developer must supply to the Council and the Property Shop the list prices for the affordable homes and the contract sale price of 3 equivalent market value homes on the development. These will be checked against the values given in the Section 106 agreement. Any discrepancies in the prices must be resolved prior to the affordable homes being released for sale.
- 4.3 Any additional discounts or incentives offered by the Developer at the time of release must be passed on to the purchasers of the affordable homes.
- 4.4 If the Developer alters the list price for any equivalent market value home during the marketing period, then they must alter the affordable sale price

accordingly and notify the Council and the Property Shop within 5 working days.

- 4.5 At the date of release, the affordable homes will be advertised according to the Council's current policy. This will be typically in the Property Shops, web pages, area housing offices, and other Council offices.
- 4.6 Developers must also advertise the affordable homes as part of their general marketing of the site including their website, newspaper adverts and site board.

5. Application Process

- 5.1 Applications for affordable home ownership can be made through two routes.
- 5.2 **Wigan and Leigh Housing Options Property Shops** -The Council are working in partnership with Wigan and Leigh Housing Options Property Shops, who will act as the Council's agent in allocating and administering applications for the Opening Doors Affordable Housing Allocation Scheme. This includes employing specialist staff trained to administer the "Opening Doors" affordable housing allocations scheme..
- 5.3 **Greater Manchester HomeBuy Agent** - From April 2006, the Government has established regional HomeBuy Agents, who act as a central administrator for all affordable home ownership sales funded via the Housing Corporation. The Greater Manchester and Lancashire HomeBuy Agent is currently operated by Plumlife, part of the Great Places Group.
- 5.4 Applicants are able to register for a range of HomeBuy schemes throughout Greater Manchester and Lancashire through a single application. Plumlife have worked with local authorities to establish criteria for the scheme and have developed their own assessment process, overseen by the Housing Corporation.
- 5.5 Whilst the main route into our affordable home ownership will be via the Property Shops, it is possible that applicants for our affordable home ownership may come via Plumlife.
- 5.6 More details on the role of Plumlife and applying for HomeBuy are available on their website www.plumlife.co.uk

6. Eligibility Criteria

Applicants will be required to meet all of the criteria set out below in order to qualify for assistance.

6.1. Qualifying circumstances

- 6.1.1 Qualifying Person(s) must be registered with the Council's Affordable Housing Scheme (via the Property Shop). And
- 6.1.2 Qualifying Person(s) must live, work or have a long standing family connection to the borough of Wigan, specifically, one of the following must apply (criteria are not prioritised)
 - A) They are currently resident in the borough and have been for the previous six months.
 - B) They have been permanently employed in the borough for at least six months. This relates specifically to the usual place of work not the head office of the employer.

- C) They do not currently live in the borough but have close family in the borough and need to move in order to give/ receive support. Close family will normally be defined as parents, adult children or brothers or sisters who have lived in the borough for a period of at least five years. The residence of other family members, such as grandparents, step parents or unmarried partners, will be accepted in circumstances where it can be demonstrated that there is frequent contact, commitment or dependency.
- D) They do not currently live in the borough but have lived in the borough for a period of at least six months in the last year or three years during the last five years.
- E) They do not currently live in the borough but are taking up an offer of permanent employment in the borough. This relates specifically to the usual place of work not the head office of the employer

6.2. Financial criteria

- 6.2.1 Qualifying Person(s) must be otherwise unable to buy a suitable home, in the locality, outright. This will be assessed as 3.5x household income. Any savings will be taken into account, with an allowance of £3,000 per applicant disregarded. The ratio of 3.5x household income may be reduced where, following a full financial assessment, this would not be affordable due to other financial commitments.
- 6.2.2 Qualifying Person(s) must be able to fully fund the discounted/ equity share value of the home, via a conventional mortgage, other loan, such as Islamic mortgage, and/or savings. This will be established by undertaking a full financial assessment Where a Qualifying Person proposes to secure an interest only mortgage, they must also secure a suitable means of repayment of the capital such as an ISA, endowment or other savings product. Where there is a service charge payable for the affordable home, this will be taken into account when considering affordability.
- 6.2.3 Qualifying Person(s) must have sufficient savings to pay for their deposit and other associated costs, such as conveyancing.
- 6.2.4 Qualifying Person(s) must obtain a mortgage certificate from a suitable lender, where a mortgage is required, and be in a position to exchange contracts within the agreed period.
- 6.2.5 Any Qualifying Person(s) who currently owns another property will be required to place it on the market and to have secured a sale subject to contract at the time they reserve an affordable home, any equity released from the sale will be taken into account.
- 6.2.6 Qualifying Person(s) must have obtained independent financial advice in relation to purchasing a property through the scheme and a full financial assessment must have been completed based on their current financial circumstances, this will include an assessment of outstanding rent or mortgage arrears or other debts.

6.3. Additional Priority

- 6.3.1 The Council may select certain properties in advance of their release for sale to Qualifying Persons with certain Additional Priority. In such cases Additional Priority will apply to the first reservation of the selected affordable home only and will be time limited, after which the affordable home may be reserved by

any Qualifying Person. This will be clearly stated on all promotional materials for the selected properties.

6.3.2 Additional Priority cases are (in no particular order):

- A) Existing social housing tenants who will be vacating their tenancy to move into the affordable home.
- B) Applicants who have been assessed and found to be homeless by Wigan and Leigh Housing Options Advice Centre. This includes both priority and non priority cases but excludes those found intentionally homeless.
- C) Applicants who live within the township where the affordable housing is available.
- D) Applicants living in confirmed clearance areas or subject to a Compulsory Purchase Order, including those where a CPO could be made but the owner agrees to sell the property to the Council by agreement.
- E) Medical needs – to be defined and matched to suitable properties available.
- F) Families with children – to be matched with suitable properties available.

6.4. Occupancy criteria

6.4.1 Qualifying Person(s) must use the affordable home as their only or principal home for the duration of their ownership.

6.5. Joint applicants

6.5.1 All joint applicants will be expected to become joint owners and the financial criteria (section 5.1) will be applied to the joint income of applicants. A deed of trust providing occupation rights will not be accepted as an alternative to becoming joint owners.

6.5.2 Only one applicant needs to qualify through their personal circumstances (section 5.2)

6.5.3 The occupancy criteria will apply to all applicants.

6.5.4 No more than 4 people can apply as joint owners.

6.6 Exceptional Circumstances

6.6.1 The Council may waive one or more of the financial criteria or qualifying circumstances where the Assistant Director Housing Regeneration (or equivalent) agrees that the exceptional circumstances of a case make it reasonable to do so.

7. Assessment Process

7.1 This process applies to applications received via the Property Shops. Applications for affordable homes for sale made via Plumlife HomeBuy Agent will be assessed through their process.

7.2 There is a two stage application process. The first stage being an initial registration for the Opening Doors scheme. The second stage qualification

assessment will only be made at the stage where the applicant has selected an affordable home to buy.

- 7.3 “Opening Doors” scheme application forms and information packs will be available from the Property Shops or on the Property Shops website.
- 7.4 An application form must be fully completed in order for an assessment to be made. If the application form is incomplete then the officer will write to the applicant requesting the missing information. If the information is not supplied within 28 days, the application will be cancelled.
- 7.5 All applications will be given a reference number and entered onto the computer system within 3 working days of receipt.

7.6 Stage 1 - Registration

- 7.6.1 An initial assessment against all Eligibility Criteria will be made upon receipt of a fully completed form within 10 working days. This will give a decision in principle whether the applicant is eligible for the scheme, subject to certain conditions and checks.
- 7.6.2 A letter will be sent to the applicant informing them of the decision and advising of the next steps.
- 7.6.3 If the application has been accepted the applicant will be advised that it is their responsibility to select a suitable home available through the scheme. The Property Shops are not responsible for matching applicants to properties and applicants may select any type of home, subject to availability and eligibility. All properties will be allocated on a “first come first served basis” ie to the applicant who first makes the reservation.
- 7.6.4 Where a property has been selected for cases with Additional Priority and more than one Additional Priority applicant has expressed an interest in the property prior to it being released for sale, the Property Shops will advise all applicants of the release date in advance and the property will be allocated to the first Additional Priority applicant to make the reservation upon release.
- 7.6.5 A list of affordable housing sites available will be circulated to all registered applicants periodically, but it remains the applicant’s responsibility to check availability and select a property via the developers.
- 7.6.6 All registered applicants will be required to advise the Property Shops of any change in their circumstances.
- 7.6.7 All registered applicants will be contacted annually to check that they wish to remain registered for the “Opening Doors” affordable housing scheme.
- 7.6.8 Owners of existing affordable homes can apply to buy a new home through the scheme and will be subject to the same qualifying criteria.

7.7 Stage 2 – Qualification

- 7.7.1 When an applicant has selected and reserved a property a full assessment of their application will be made. This is to ensure that they still meet the Eligibility Criteria and to assess their current financial circumstances against the value of the property they have selected.
- 7.7.3 The Property Shop will conduct a full check of the applicant(s) against each of the qualifying criteria, including a full financial assessment, requesting the necessary documentary evidence to support their application. Original documents must be provided and copies made for the case file. All original documents will be returned to the applicants.
- 7.7.4 In all cases, the applicant must obtain advice from a qualified Independent Financial Adviser, who will be required to supply information to the Property Shops. This must include an Agreement in Principle from a suitable lender or

confirmation from an Independent Financial Adviser that a mortgage can be secured for the affordable sale price.

- 7.7.5 All applications will be assessed, processed and recorded in accordance with the office procedures developed by the Property Shops.

8. Reservation and Sales Process

See flow chart in Appendix A

- 8.1 There will be a reservation period of 6 months from the date of release. If after this time no reservation has been made on a particular property then the property will be sold according to the provisions set out in 8.4.

8.2 Reservations Process

- 8.2.1 Registered applicants who wish to reserve an affordable home must do so through the Developer. Developers must only take reservations from registered applicants, on production of the acceptance letter. Where a person approaches the Developer directly, they must be given an "Opening Doors" application form and advised to return it to the Property Shops and be accepted as eligible before paying a reservation fee.
- 8.2.2 Upon a registered applicant making a reservation of an affordable home (by payment of a refundable reservation fee, as agreed) the property will be secured for that applicant until such time that they withdraw from the sale. The registered applicant may make only one reservation at any one time. The Developer will advise the Property Shops that the reservation has been made in writing, stating the plot number, house type and price.
- 8.2.3 The Property Shops will carry out a full assessment of the application against all of the qualifying criteria set out above in relation to the particular property reserved, see 7.7.
- 8.2.4 Where a number of affordable homes have been selected for Additional Priority cases, the first reservation made for each property must also satisfy the Additional Priority criteria. Any subsequent reservations made to these properties do not need to meet the Additional Priority criteria.
- 8.2.5 The applicant will be required to obtain independent financial advice and provide the Property Shops with all necessary documentary evidence requested in support of their application.
- 8.2.6 The Property Shops will notify the applicant and the Developer in writing whether the sale can proceed within 5 working days of the applicant providing all documentary evidence requested.
- 8.2.7 If the applicant fails to provide information to either the Property Shops or the Independent Financial Adviser a reminder letter will be sent giving 10 working days to provide information, failure to provide within this timescale will result in the application being suspended and the reservation fee returned.
- 8.2.8 Upon issuing a notification letter stating the application has not been approved the reservation fee will be returned to the applicant by the Developer.

8.3 Sales Process

- 8.3.1 Upon receipt of the letter confirming the sale can proceed, the Developer will contact the Qualifying Person and begin the sales process. The Developer will supply such relevant information as is requested by the Council or Property

Shop, from time to time, in relation to the sale and will use its best endeavour to exchange contracts with the Qualifying Person within an agreed period.

- 8.3.2 The developer will advise the Property Shop of all exchanges and completions of sales of the affordable housing units within 5 working days.
- 8.3.3 In the event that the Qualifying Person or the Developer withdraws from the sale the Developer will advise the Property Shop of this in writing within 5 working days.
- 8.3.4 The property will then be made available for further reservations by applicants who have expressed an interest.

8.4 Failure to reserve an affordable home

- 8.4.1 At the end of the 6 month reservation period the Developer must supply the Council and the Property Shops with a list of all affordable homes with details of all reservations and completed sales within 10 working days.
- 8.4.2 If an affordable home has been advertised and publicised as being available for more than 6 months without any Qualifying Person applying for the property, the Developer will then sell the affordable home on the open market subject to the Developer making a payment to the Council equal to the discount off the open market value of the affordable home at the time of completion.
- 8.4.3 Any sum received by the Council will be used for the alternative provision of affordable housing within the borough according to the priorities set in the current Affordable Housing Strategy.

9. Obligations of Occupiers

- 9.1 The occupier of an affordable home must covenant that they will use the affordable home as their only or principal home throughout their ownership. Only or principal home means the home occupied for at least 6 months of any year.
- 9.2 The occupier must not let the affordable home.
- 9.3 The occupier is obliged to inform the Council (via the Property Shops) in writing where any of the following occur

- They intend to re-mortgage the affordable home.
- They intend to secure additional borrowing against the affordable home.
- They intend to substantially alter/ improve the affordable home.
- They intend to purchase additional equity/ staircase the affordable home.
- They intend to sell the affordable home.

9.4 Re-mortgaging – additional secured borrowing

- 9.4.1 Where an occupier of an affordable home intends to re-mortgage or take out a secured loan consent must be obtained from the Council.
- 9.4.2 Such a request will be approved provided that the proposed lender is an approved lender and the total amount borrowed does not exceed the amounts set out in 9.4.3 or 9.4.4.
- 9.4.3 If the occupier is re-mortgaging but not increasing their borrowing above the amount of the existing mortgage, then approval will be given.
- 9.4.4 Where the occupier is proposing to increase their borrowing, perhaps taking advantage of the increase in the value of their home, this will be approved subject to

- The additional borrowing being for repairs or improvement of the affordable home.

And

- The new level of borrowing being no more than the current affordable value of the property ie the percentage of the open market value of the property at that time.

Or

- The additional borrowing being for the purchase of additional equity.

9.4.5 The Council should satisfy itself that the new lender is aware that the property is an affordable home and subject to certain obligations.

9.5 Improvements and alterations

9.5.1 The Council must be notified of any substantial improvement or alteration to an affordable home. The occupier, however, will remain responsible for obtaining any necessary statutory consents, such as planning permission.

9.5.2 The Council must inform the occupier of the resale procedure in relation to alterations and improvements, see section 10.3. Most importantly, the occupier must be made aware that they will not recoup fully any increase in value as a result of improvements to the affordable home, as they will only receive a percentage of any additional value attributed to the improvements.

10. Resale Procedure

10.1 If an occupier of an affordable home wishes to sell their property, they must notify the Council in writing and supply a current valuation of the property by a qualified independent valuer. This should be an open market valuation, assuming vacant possession.

10.2 Within 10 working days of receipt of the independent valuation the Council will make a decision whether it wishes to retain the affordable home in future or whether it can be sold at full open market value. When the property is to be sold at the full open market value a sum equivalent to the percentage discount will be repaid to the Council for use in providing alternative affordable housing. The Council will inform the occupier of its decision in writing.

Example – Affordable home purchased with 30% discount on original full open market value (OMV)
 When valued for resale current OMV = £150,000
 Payment due to Council on resale 30% of £150,000 = £45,000

10.3 When the property is to be resold as an affordable home the Council will agree the resale affordable value with the occupier. This will be the current open market value minus a sum equivalent to the percentage discount on that property.

Example – Affordable home purchased with 30% discount on original full open market value
 When valued for resale current OMV = £150,000
 Affordable resale value - £150,000 x 70% = £105,000

10.4 Where the occupier has carried out improvements or alterations to the property, with prior agreement, the affordable resale value will be the current open market value, taking account of the improvements, minus the sum

equivalent to the percentage discount. The occupier will not recoup fully any increase in value as a result of improvements to the affordable home, as they will only receive a percentage of any additional value attributed to the improvements.

Example – Affordable home purchased at a 30% discount on original full OMV
Permission given for addition of conservatory, when valued for resale
Current OMV with conservatory = £160,000

Affordable resale value - £160,000 x 70% = £112,000

- 10.5 If the open market value of the property cannot be agreed between the vendor and the Council then the value will be determined by an independent valuer appointed jointly by the vendor and the Council. Failing such joint appointment, the value will be determined by a valuer appointed by the President for the time being of the Royal Institution of Chartered Surveyors. Any such value being final and binding.
- 10.6 Once the value has been agreed, the Council will inform the occupier in writing that they may advertise the affordable home for sale. Properties will be advertised in the Property Shops, web sites etc and in addition, occupiers may advertise their property with estate agents at their own cost.
- 10.7 Any advert must state that the property is included in the affordable housing scheme and give full details of the qualifying criteria.
- 10.8 Applicants for resale affordable homes must complete an application form and be assessed against the qualifying criteria.
- 10.9 Upon the Property Shop making a decision that an applicant satisfies the qualifying criteria the officer will write to both the Qualifying Person(s) and the vendor advising them of this.
- 10.10 Details of the solicitors acting for both parties must be supplied to the Property Shop and Wigan Council Business Support Legal Services and all details regarding the resale of the affordable home will be sent to both party's solicitors.
- 10.11 In the event that the Qualifying Person(s) or the vendor withdraws from the sale, they are obliged to inform the Council and Property Shop, via their solicitor.
- 10.12 If a property has been advertised for resale for more than 12 weeks without any Qualifying Person applying for the property, the vendor may sell the affordable home on the open market subject to making a payment to the Council equal to the proportion of the sale corresponding to the level of original discount percentage (see 10.2).
- 10.13 If an affordable home is repossessed then the Mortgagee must notify the Council and the resale procedure set out here will apply in cases where the property is sold by a Mortgagee in possession.
- 10.14 In all such cases any Qualifying Person must complete the sale within a maximum of 20 weeks from the date of the affordable home being advertised as available for sale. If the sale is not completed within this timescale then the occupier or Mortgagee may sell the affordable home on the open market subject to making a payment to the Council equal to the proportion of the sale value corresponding to the level of original discount percentage.
- 10.15 Any sum received by the Council will be used for the alternative provision of affordable housing within the borough according to the priorities set in the current Affordable Housing Strategy.

11. Buy-out of affordable homes

- 11.1 Occupiers of affordable homes can apply to the Council to purchase additional equity , in up to two tranches, at any time, up to a maximum of 100% of the property. In cases where the occupier acquires 100% equity, the property will no longer be included in the scheme and will be free from all restrictions.
- 11.2 All receipts generated through the sale of equity in the affordable homes will be used by the Council to provide alternative affordable housing in accordance with the priorities of the current Affordable Housing Strategy.
- 11.3 Any occupier wishing to purchase additional equity must make a request to the Council, stating the amount of equity they wish to purchase and include a current valuation of the property by an qualified independent valuer. This should be the open market value assuming vacant possession.
- 11.4 On submission of the valuation the Council will agree the open market value of the property and the sum due.
- 11.5 If the open market value of the property cannot be agreed between the vendor and the Council then the value will be determined by an independent valuer appointed jointly by the vendor and the Council. Failing such joint appointment, the value will be determined by a valuer appointed by the President for the time being of the Royal Institution of Chartered Surveyors. Any such value being final and binding.

12. Complaints

- 12.1 The complaints procedure is easily available and accessible to customers and ensures that:
 - All customers who make a complaint will be treated fairly and objectively
 - Problems will be resolved promptly
 - Suitable and proper redress will be offered when a complaint is upheld
- 12.2 Applicants can use the complaints procedure if they feel:
 - Something has been done poorly or incorrectly
 - If something has not been done that should have been done
 - If the service has not been delivered in accordance with the policy and procedures
 - If they have been treated in an impolite or discourteous manner
- 12.3 Information on the complaints procedure is available at the Property Shops.
- 12.4 If the applicant is still not satisfied with the decision or the way the case has been dealt with, they can write to the Local Government Ombudsman.

13. Reviews and Appeals

- 13.1 Applicants have the opportunity to ask for a review against a range of decisions made. These are:
 - A decision regarding eligibility
 - A decision to suspend an application
 - A decision about eligibility for a particular property
 - A decision on awarding additional priority

- 13.2 All requests will be dealt with in the same way. The applicant may request a review of the decision in writing or verbally giving details as to why they want the review and provision of any other information they wish to be considered.
- 13.3 Reviews will be carried out by an independent senior officer from Wigan and Leigh Housing, who was not involved in the original decision. They will either decide to overturn or support the original decision. The applicant will be informed in writing of the decision within ten days of receipt of the letter asking for a review. The reply will contain the decision made, the reasons for the decision and the facts taken into account when making the decision.

14. Monitoring and Customer Feedback

14.1 The aims of the scheme, as stated previously, are to

- Ensure fair access into affordable housing
- Offer choice
- Respond to local needs
- Assist the Council in making best use of its rented stock
- Promote sustainable communities
- Reflect national legislation, guidance and codes of practice
- Reflect the views of users, providers and other stakeholders

14.2 In order to ensure these aims are achieved the policy will be monitored 6 monthly and a set of indicators developed to measure the key aims.

14.3 We will seek feedback from customers registered for affordable housing and those who have successfully purchased a home in order that we continue to offer a high quality service that meets customer's needs.

15. Contact Details

For further information on the Affordable Housing Allocations Scheme, contact Wigan Council's Housing Strategy Section on 01942 828953

Housing Strategy Section
Environmental Services
Gateway House (4)
Standishgate
Wigan
WN1 1AE

16. Affordable Housing Glossary

| | |
|---------------------------|--|
| Affordable Housing - | Subsidised housing that is made available to those who cannot afford to rent or buy housing generally available on the open market. |
| Affordable Price/ Value - | The disposal price of the Affordable Housing Units at initial and each subsequent sale. |
| Discounted Sale - | Affordable Housing that is sold at an agreed percentage discount off the Open Market Value. The occupier owns the property outright but a restriction is in place so that the home must be sold with the discount on each subsequent resale. |

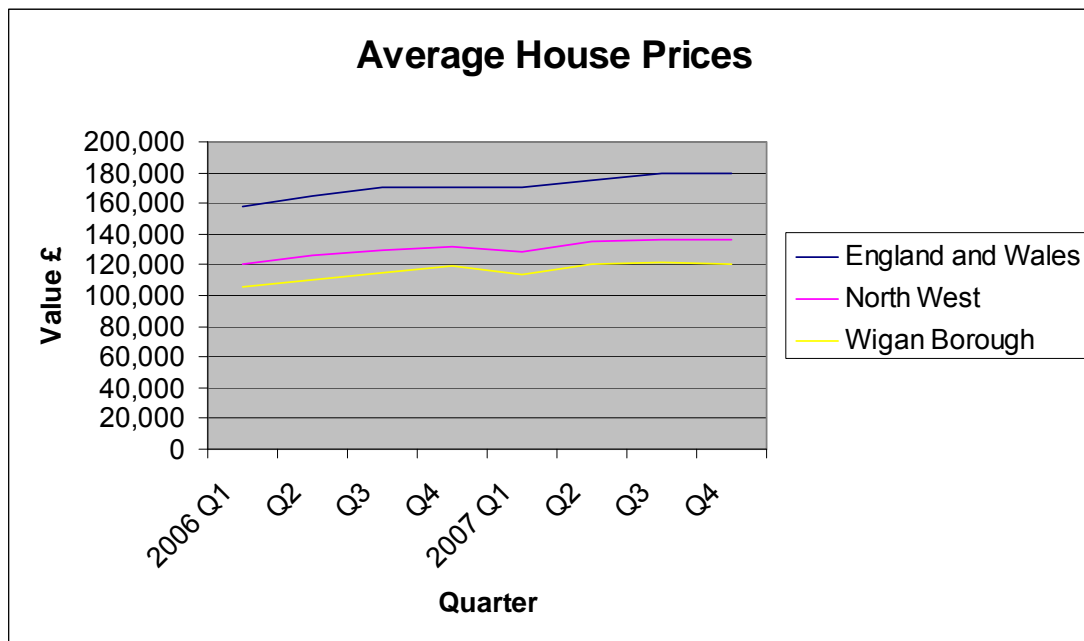
| | |
|-------------------------------|--|
| Equity Loan - | A form of Shared Equity where a loan made to assist in the purchase of a home, usually registered as a second charge against the property. This may be at low or nil interest and is usually repayable upon the future resale of the home. |
| Equity Share/ Shared Equity - | The equity is shared at an agreed proportion between the occupier and another party, usually a housing provider. Upon resale the equity may be split or the housing provider may retain their interest in the home. |
| HomeBuy - | Shared Equity housing operated by the Housing Corporation via Housing Associations. There are a number of different types of HomeBuy. |
| Market Housing - | Housing that is available at full Open Market Value and is not Affordable Housing. |
| Open Market Value (OMV) - | The disposal price of a Market Housing Unit on the open market with vacant possession. |
| Shared Ownership - | A form of Shared Equity also known as New Build HomeBuy. Equity is shared at an agreed proportion between the occupier and Housing Association. Rent is charged to the occupier by the Housing Association on their share. |
| Staircasing - | The increasing of the Equity Share owned by the occupier. If the occupier acquires 100% equity then the property will no longer be an Affordable Home. |

Appendix C

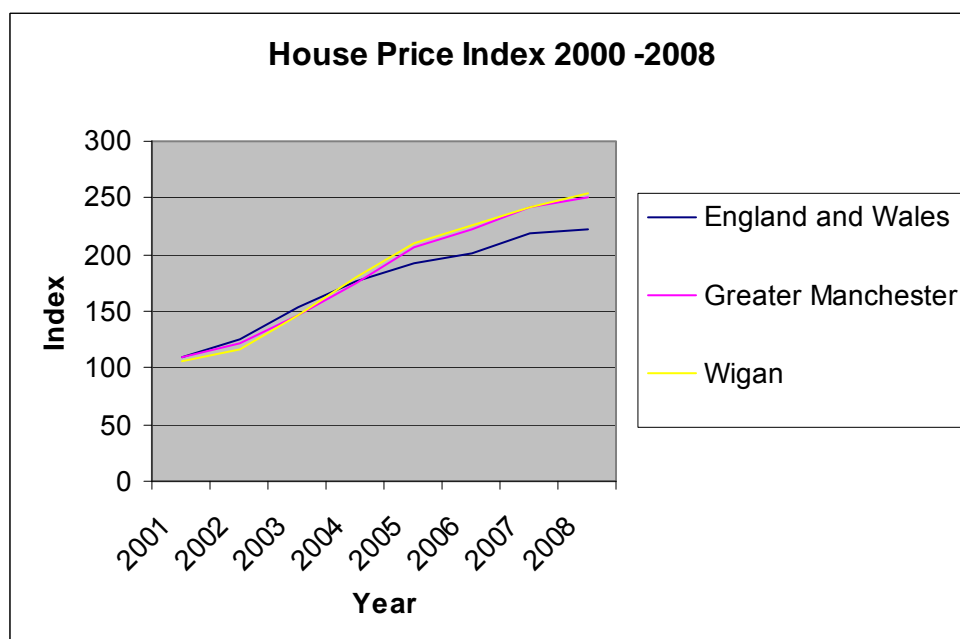
Wigan Housing Market Report – 2007/08

Private Sector Home Sales

2007/08 saw average house prices continue to rise across the borough. According to the Land Registry average house prices rose by 5.4% to £119,599. Although average prices are lower than the regional and national average, this was a greater percentage increase than both Greater Manchester (3.7%) and England and Wales (2.8%) over the year.



The Land Registry House Price Index for Wigan was 254.4 in April 2008, this remains higher than Greater Manchester (250.2) and England and Wales (223.2), meaning that since the year 2000 there has been a greater relative house price rise in Wigan than elsewhere.



Affordability

In the last year average earnings in Wigan have risen by 5.2% to £21,352, lower quartile earnings rose by 12.9% to £13,179, according to ASHE. This was a greater rise than the national average.

Housing Affordability Index

The measure of affordability, the ratio of lower quartile house prices to lower quartile earnings, was 5.61 in 2007, lower than both the North West and England.

| | 2003 | 2004 | 2005 | 2006 | 2007 |
|-------------------|------|------|------|------|------|
| England | 5.23 | 6.27 | 6.82 | 7.12 | 7.25 |
| North West | 3.28 | 4.42 | 5.00 | 5.61 | 5.94 |
| Wigan | 3.29 | 4.53 | 4.96 | 5.45 | 5.61 |

In comparison to neighbouring authorities, Wigan remains a relatively affordable borough.

| | 2005 | 2006 | 2007 |
|---------------------------|-------------|-------------|-------------|
| England | 6.82 | 7.12 | 7.25 |
| North West | 5.00 | 5.61 | 5.94 |
| Greater Manchester | 4.88 | 5.57 | 5.93 |
| Bolton | 4.78 | 5.22 | 5.68 |
| Bury | 6.12 | 6.08 | 6.45 |
| Manchester | 3.88 | 5.20 | 5.63 |
| Oldham | 4.00 | 5.02 | 5.97 |
| Rochdale | 5.00 | 5.24 | 5.83 |
| Salford | 4.73 | 5.50 | 5.83 |
| Stockport | 6.51 | 7.06 | 7.53 |
| Tameside | 5.19 | 5.91 | 5.93 |
| Trafford | 8.24 | 8.06 | 8.68 |
| Wigan | 4.96 | 5.45 | 5.61 |
| St Helens | 5.03 | 5.44 | 5.71 |
| Warrington | 6.29 | 7.78 | 6.84 |

Access into Owner Occupation

Following the moderate house price rises in 2007/08 latest Land Registry data indicates that house prices may have peaked in April 2008, recording subsequent falls in both May and June. According to their data prices are around 3% lower than in April. Currently comparing the prices of the cheapest housing in a reasonable condition at township level shows improved affordability when compared to August 2007.

The recent fall in prices and increase in earnings would indicate that more households should be able to access owner occupation than last year. Based on a 5% deposit and 3.5 x earnings, with current average (median) earnings of £21,352 a homebuyer could afford to purchase in Atherton, Hindley, Abram and Platt Bridge, Leigh, Wigan North and Wigan South.

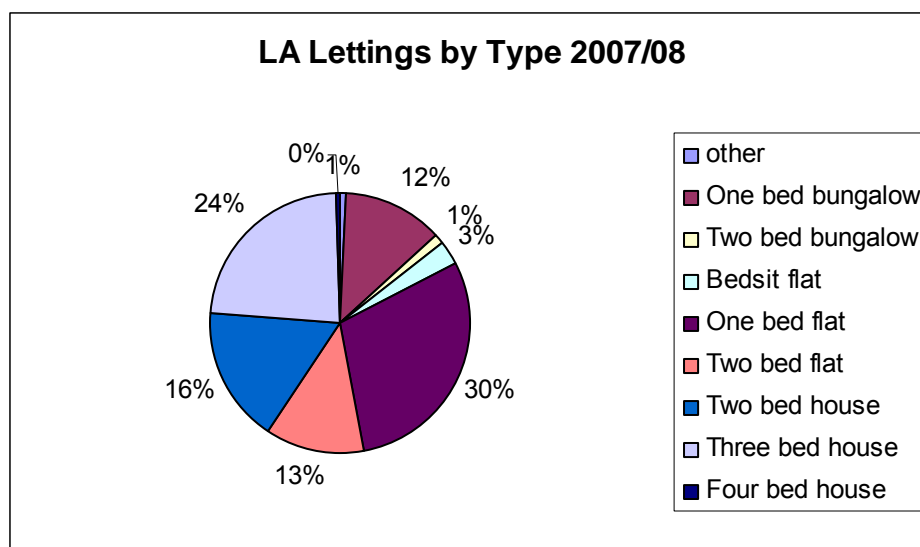
However, this must be treated with caution when assuming that access into owner occupation is easier than previously. Whilst earnings appear to have increased and house prices beginning to fall, this is a very recent reversal of the trend and it cannot

be assumed that this will continue at this point. The other major factor influencing the housing market is the availability and cost of credit - both mortgages for homebuyers and funding for developers, at the moment the limited availability seems to be the single most influential factor affecting the housing market. This is resulting in a reduction in the number of sales and requirements for larger deposits. At this time of instability it is difficult to predict what the longer term trends will be but we will continue to monitor the market on a regular basis.

Social Rented Sector

Demand for social rented homes continues to increase with almost 6000 cases on the housing register.

| | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Number on housing register | 5019 | 5684 | 4035 | 5801 | 5059 | 5991 |
| Number of LA relet properties | 3039 | 2483 | 2337 | 1972 | 2337 | 2151 |
| overall demand app/letting | 1.65 | 2.29 | 1.73 | 2.94 | 2.16 | 2.78 |
| Other social lettings | 664 | 557 | 394 | 462 | 513 | 555 |



A total of 2151 local authority properties were re-let in 2007/08. Looking at a breakdown of the property types 30% of relets were one bedroom flats (including sheltered) and 24% were 3 bedroom houses, a decrease from 27% in the previous year.