

Report of	Meeting	Date
Director (Planning and Development) (Introduced by the Executive Member (Homes and Housing))	Executive Member Decision	29 <sup>th</sup> September 2021

## Low Cost Home Ownership Scheme – Removal of Eligibility Restrictions for 41 Poplar Drive, Coppull

### Purpose of report

- To seek removal of the eligibility restrictions as set out in the s106 agreement for 41 Poplar Drive, Coppull due to difficulties in selling the property.

### Recommendation(s)

- Approve removal of the eligibility restrictions.

### Executive summary of report

- The Low Cost Home Ownership (LCHO) Scheme includes a number of properties across the borough that are sold at a discounted price and are intended for those in need of assistance in purchasing a property and who have a local connection.
- There are currently issues in selling one of the LCHO properties (41 Poplar Drive, Coppull) which has been on the market for around four months due to difficulties with prospective purchasers obtaining a mortgage.
- Most s106 agreements for LCHO properties include a clause allowing the eligibility restrictions to be lifted if the property has not been sold within a particular timescale (either 3 or 6 months) however there is no such clause in the s106 agreement for Poplar Drive.
- This EMD is therefore being sought to allow the eligibility restrictions as set out in the s106 agreement to be lifted for this property to assist in the sale of the property. Such restrictions would still apply to all subsequent sales.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
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### Reasons for recommendation(s) (If the recommendations are accepted)

- To assist in the property being sold.

### Alternative options considered and rejected

- None.

## Corporate priorities

9. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	
Clean, safe and healthy homes and communities		An ambitious council that does more to meet the needs of residents and the local area	

## Background

10. The Low Cost Home Ownership (LCHO) scheme currently includes 159 properties over 16 developments. LCHO scheme properties are sold at a discounted price as set out in the relevant s106 agreement (ranging from 60% to 84% of the open market value) and are intended for those who are deemed in need of assistance in purchasing a property and who have a connection to the area in which they wish to purchase a property. Any purchaser of a LCHO property must be approved as eligible by the Council.

### Issues with the sale of 41 Poplar Drive, Coppull

11. 41 Poplar Drive is part of the LCHO scheme and was placed on the market on 14<sup>th</sup> May 2021. A number of people have been approved as eligible to purchase the property over this period however and two potential sales have fallen through due to issues with the purchasers getting a mortgage. The unwillingness of some lenders to provide a mortgage for this type of property is a well-known issue with the LCHO scheme.

12. The owner of the property has been in touch with the Council regarding her difficulties in selling the property and to seek assistance.

13. Most of the s106 agreements for the developments including LCHO properties include a clause allowing the eligibility restrictions to be lifted if the owner of a LCHO property has not been able to sell the property within 3 or 6 months (the length of time varies across the s106 agreements). However, there is no such clause in the s106 agreement for the Poplar Drive development in Coppull.

14. It is therefore suggested that in this case an Executive Member Decision be made to allow the eligibility restrictions to be lifted for this property. This was recently done for 42 Poplar Drive and it is understood that this property has since sold. This would enable the property to be sold to anyone, regardless of whether they are in need of assistance in purchasing a property and have a local connection, however the discounted price and eligibility restrictions would apply to all subsequent sales. This would open up the property to those in a better financial situation who may have less difficulties in obtaining a mortgage.

## Implications of report

### Risk

15. The risks are set out within this report.

16. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal	x	Integrated Impact Assessment	

		required?	
No significant implications in this area		Policy and Communications	

**Comments of the Statutory Finance Officer**

17. There are no direct financial implications to the Council as a result of this decision.

**Comments of the Monitoring Officer**

18. This would be a reasonable approach to the difficulties in selling this property and as mentioned in the report has been adopted as a council approach in more recent s.106 agreements.

Jonathan Noad  
Director (Planning and Development)

Report Author	Ext	Date
Philippa Lane	5282	21/08/2021

Following careful consideration and assessment of the contents of this report, I approve the recommendation(s) contained in Paragraph 2 of the report in accordance with my delegated power to make executive decisions.



**Dated 29/09/21**

**Councillor Peter Gabbott**  
Executive Member (Homes and Housing)