Shared Ownership Council

The Shared Ownership Code: Building a brighter future for shared ownership

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NSG
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Background

Experienced Board and leadership

Ann Santry – Chair
Ann has over 35 years' experience in social housing and was CEO of Sovereign Housing. She holds NED positions at Hill Group and Simply Affordable Homes.

Paula Higgins
Paula is founder of the HomeOwners Alliance, established after 15 years' experience reforming housing policy within government. She is a respected property commentator and advocate for homeowners

Brendan Sarsfield
Brendan is the founding Chair of Sustainability for Housing. He has over 20 years' experience in housing sector, including as Peabody's CEO (2017-2021) and as current Board member of Grosvenor Hart Homes

Janet Pope
Janet recently retired from Lloyds Banking Group where she was Chief Sustainability Officer, a Group Executive Committee role. She was previously Chief Executive at Alliance Trust Savings

SOC Board is advised by Peter Williams and supported by SOCIAL FINANCE

Shared Ownership Council

We have support from key stakeholders across the sector

Housing providers

Abri, Bromford, Clarion Housing Group, Legal & General Affordable Homes, heylo, home group, Hyde, LiveWest, L&Q, Moat, MTVH, Peabody, platform housing group, Sage Homes, SNG, Stonewater, Vivid, Citra

Lenders

Leeds Building Society, Lloyds Banking Group, Metro Finance, Newbury Building Society, the West Brom

Other key stakeholders

Vistry Group, stairpay – The future of Shared Ownership, censeo financial, Mortgage Advice Bureau, Share to Buy

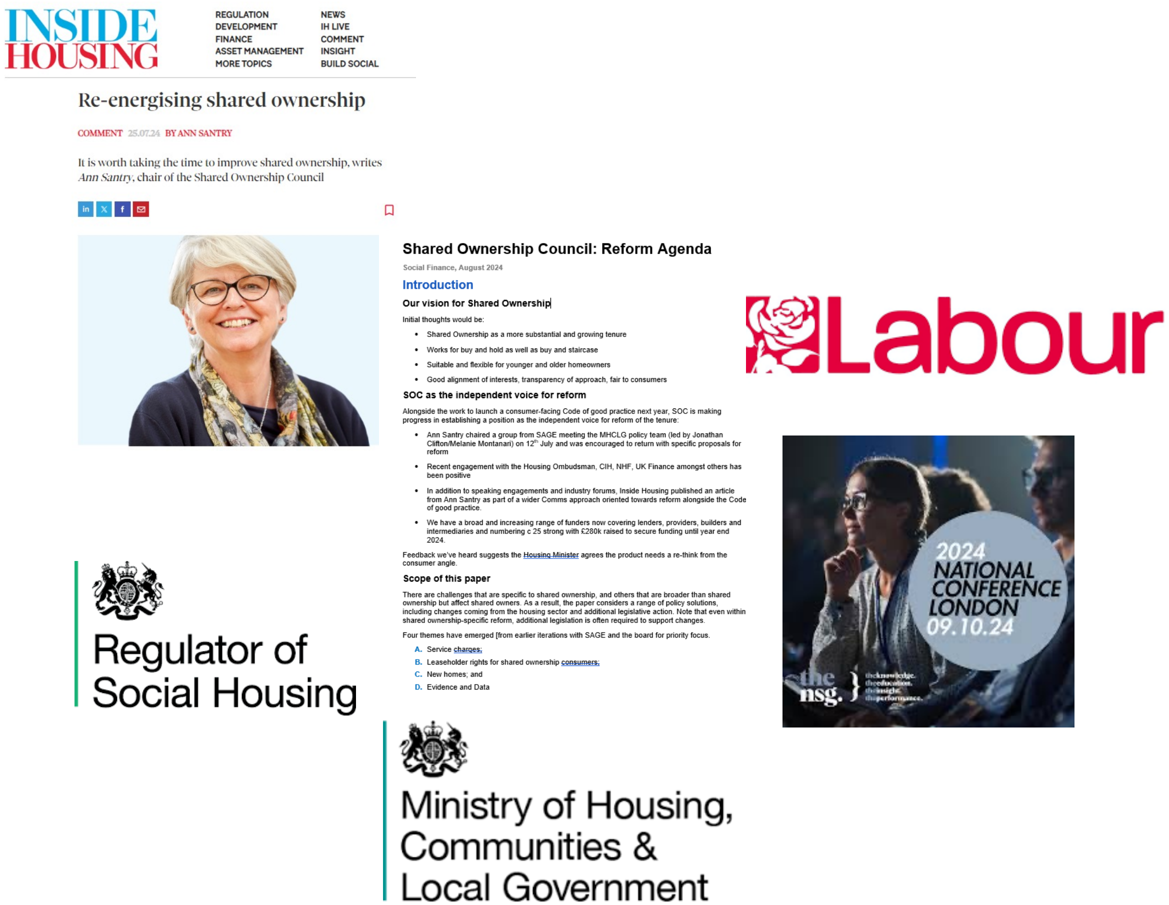
Not funders

the nsg., Ministry of Housing, Communities & Local Government, HBSG, UK Finance, Regulator of Social Housing, trowers & hamlins, National Housing Federation, HomeOwners Alliance, New Homes Quality Code

Housing Ombudsman - *If the code is adopted, it will become a key part of our framework for decision-making in these cases.*

Shared Ownership Council

An independent voice



Unique position

Brought together people from across parties involved in SO – a united voice. Important to achieve aims of improved consumer experience through cross-sector collaboration.

Funder demand

Many of our funders would like us to be proactive – recognition that if we don't improve picture for experience at aggregate level, tars reputation of all SO

Limited resource so consider effort vs reward

The Code of Good Practice

Shared Ownership Council

The Code of Good Practice has 5 underpinning goals

1

Raising standards to protect shared owners and address consumer detriment

2

Proactively including all organisations involved in shared ownership

3

Ensuring that the consumer experience is heard, understood and acted upon

4

Building on existing tools and foundations, avoiding duplication of regulations

5

Providing industry participants with resources to support high standards

Shared Ownership Council

Alongside our working group we developed a draft Code of Good Practice, covering 5 areas

1. Exploring shared ownership

Ensuring consumers have a clear understanding of the product and the financial implications

2. Living as a shared owner

Informing how providers deal with day-to-day life and the issues that arise for shared owners

3. Moving as a shared owner

Setting high standards for customer service and providing key information for moving

4. Making complaints

Improving transparency for the complaints process and ensuring consumers know how and where to complain

5. Monitoring and sanctions

Detailing how Code members will be monitored and held to account

We have tested the draft of the consumer code with industry and consumers

Consumer consultation

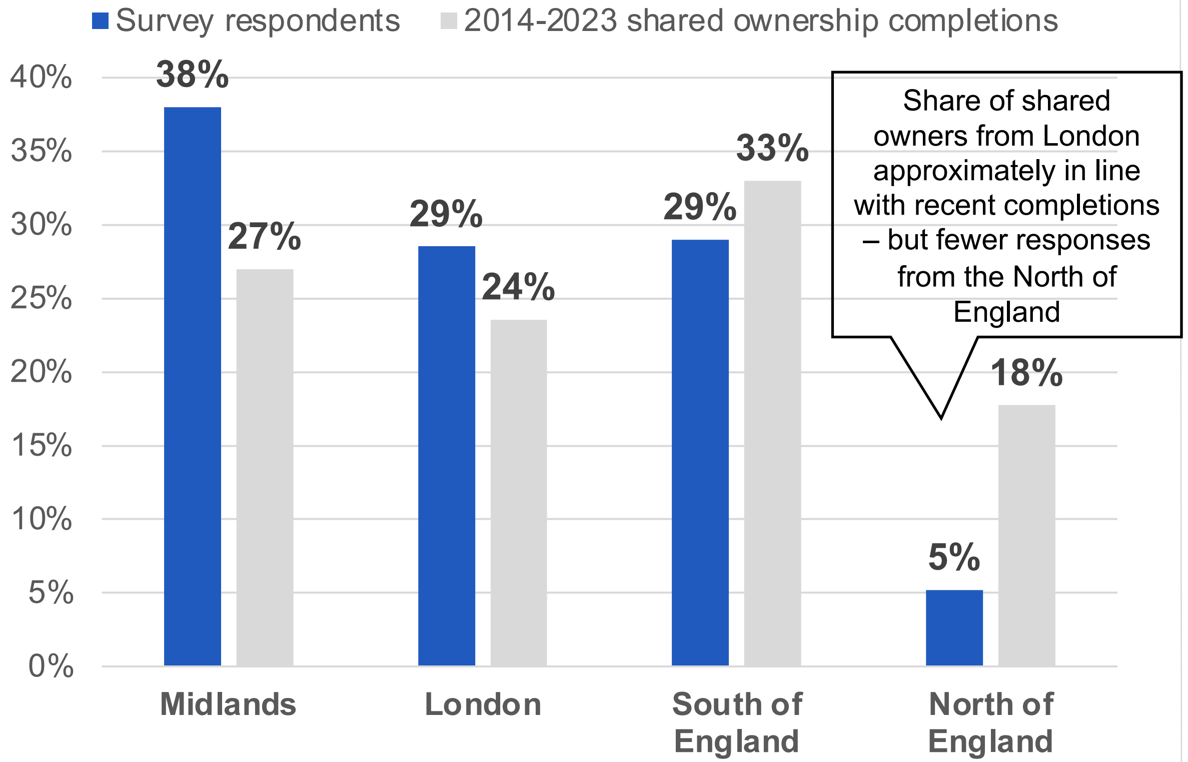
- **Consumer survey** ran June-August collecting feedback on the Code as well as shared ownership more broadly
  - We asked your organisations to distribute it to their shared owners. We are grateful to Clarion, L&Q, Platform, Share to Buy, Sovereign, Peabody, and Westward for getting particularly high numbers of consumer responses.
  - Also distributed to consumers via LinkedIn, Facebook groups, HomeOwners Alliance and our mailing list
- Held **focus groups** to test responses in more detail

Industry consultation

- The Code was **developed with input** from our Working Group with representatives from across industry
- **Industry survey** ran June-August collecting feedback on the Code
  - Distribution through our Working Group, SAGE, as well as wider industry contacts
- Industry survey reached **c.50 responses** including almost 30 RPs; other responses include lenders, trade bodies, other Codes and conveyancers

Over 1.7k consumers responded to our survey – with a breadth of different types of shared owners

Distribution of survey respondents by region



Midlands contains East Midlands, West Midlands, East of England. South of England combines South East and South West. North of England combines North East, North West, Yorkshire and the Humber.

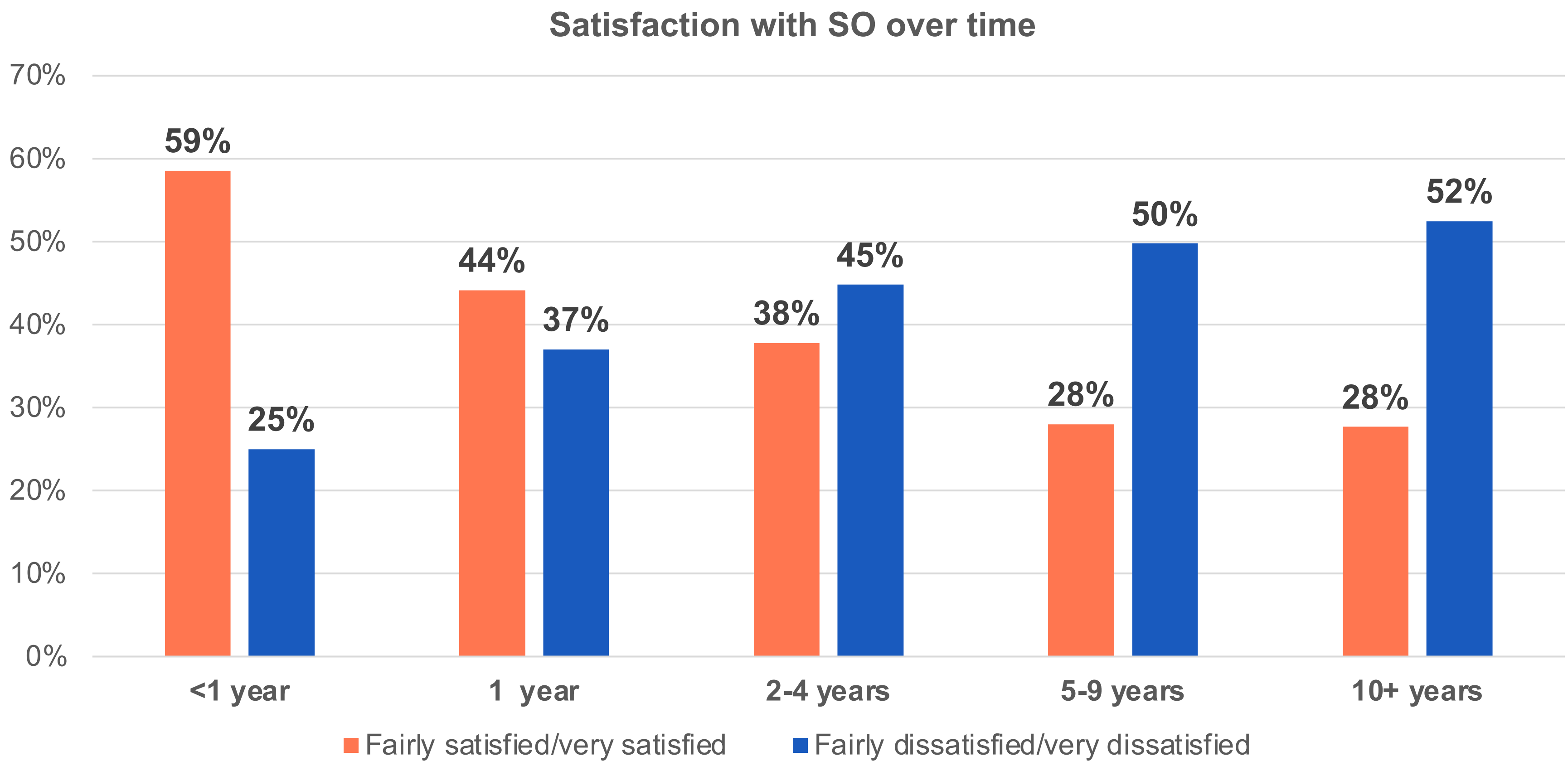
56% of respondents are in houses/bungalows, 42% in flats

66% of respondents bought their homes new

Owner satisfaction approximately in line with other surveys

Average stake size of 37%

Tenant satisfaction decreased after the first year



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Industry responses have been positive with useful feedback

There is agreement that the Code is fit for purpose…

- 75% of respondents agreed that the Code would improve outcomes for consumers
- 75 % of respondents agreed that the Code is comprehensive enough
- For each section of the Code, the majority of respondents did not think anything needed to be changed

…With common themes for improvement including:

- Suggestions that the Code is inconsistent in addressing the consumer or provider and should address the provider
- Some concerns around the monitoring and audit process
- Some concerns around overlap or duplication of existing regulation and Codes

There were several common themes in the comments and concerns of respondents

Consumers want the Code to deliver **transparency** on where **responsibilities** lie for **maintenance and repair costs** in shared buildings

Consumers want the Code to deliver **transparency on service charges and how they will change** over time

Consumers worry that **the voluntary nature** of the Code means that the measures **will be hard to enforce**

Consumers want the Code to ensure that **complaint procedures and response times improve**

Consumers feel that being responsible for **100% of costs is unfair**

"

As a renter I didn't have protection. As a shared owner I feel safe. It's affordable it's permanent. Staircasing doesn't make any difference to my happiness. I have my own keys. Permanent security that for me underpins all of the other things that I'm doing in life.

"

Focus group respondent – satisfied

"

There is an imbalance of power. You have a landlord who owns most of the property who is a big bully. And you have a tenant who is also living there. He has some rights, but it's not recognised. It's a David and Goliath situation.

"

Focus group respondent – unsatisfied

Next Steps for SOC

Shared Ownership Council

We’ve established a collaborative framework and are gathering momentum

Shared Ownership Council	The Code	Reform Agenda
• Board appointed • Built a credible cross-sector platform to speak for shared ownership with a focus on consumer experience	• Develop Code with Working Group and others • Public launch of Code consultation, the largest consumer consultation on shared ownership	• Develop reform agenda with SAGE sub-group
• Raising ongoing funding for the council • Public launch of SOC (e.g. website, newsletter) • Publish position piece on SOC in Inside Housing	• Operational options analysis and costings to run the Code • Publish position piece on Code ref’ing consumer feedback • *Code pilot with early adopters*	• Consult SAGE on reform agenda • Engagement with MHCLG, Housing Ombudsman, RSH • *Publish discussion paper on reform*

Draft

Launching the code

November

Pilot with early adopters

- <u>Aim</u>: ensure Code is clear when applied in real world & learn about what it takes to implement
- <u>Who participates: </u>~8 organisations inc. ~5 RPs (heterogenous) and other key types of organisation; several individuals from each organsiation
- <u>What's in it for early adopters</u>: 1) the opportunity to implement the Code first; 2) work together with peers through regular forums with other early adopters; 3) SOC coordinates the process

March

Launch to adopters

- Case studies on the experience of early adopters available
- More known about where effort falls in implementing
- Paid membership

With our Senior Advisory Group (SAGE) we have set out areas for further work towards reform

From here the way forward is expert task and finish groups to identify low hanging fruit as well as long term reform, and we will invite participation from this group. Alongside industry participation we need sustained independent effort and research to support the reform agenda.

Data

e.g. working to ensure joined up approach to improving data and evidence on the success of shared ownership, and tying that to our action on reform

Experience in the home

e.g. feeding into the secondary legislation which will bring the provisions of the Leasehold Reform Act into effect, improving service charge experience, aligning experience of SO buyers of new builds with other buyers

Changing the product

e.g. influencing government on issues like supporting the journey to full ownership

What do you think?

Views on the Code and next steps?

Thoughts on the Reform Agenda?

Appetite to pilot the code ?

What else do you think the council should be doing?

Thank you

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