

North Yorkshire Council

Housing and Leisure Overview and Scrutiny Committee

3 March 2026

Draft Shared Ownership Policy

Report of the Corporate Director Community Development

1.0 PURPOSE OF REPORT
1.1 To present the Draft Shared Ownership Policy to the Overview and Scrutiny Committee for review and comment prior to its finalisation and presentation to the Executive Member.

2.0 SUMMARY

- 2.1 This report presents the draft Shared Ownership Policy (see Appendix A) for members to review and comment on prior to finalisation. The policy aims to introduce a consistent and transparent framework for North Yorkshire Councils management of its shared ownership homes.
- 2.2 The draft policy clarifies how the Council will manage key areas including repairs and maintenance responsibilities, service charges, staircasing, resale processes and lease compliance, whilst ensuring the individual shared ownership lease remains the primary legal determinant of obligations. Significant variation between historic lease types means the policy sets out high-level principles rather than detailed operational rules to avoid conflicting with contractual or statutory requirements, reflecting legal advice received during development.
- 2.3 The policy is still under development and requires further refinement to align fully with the emerging Leasehold Policy, with which it shares substantial overlap. This staged approach reflects legal advice that both policies must be coordinated to prevent duplication or conflicting interpretation. Engagement with shared owners is planned through a tenant focus group to test clarity, identify lived-experience issues and inform the final version prior to formal approval.
- 2.4 Members are invited to review the draft policy and provide feedback on its approach, clarity and remaining areas of development before it progresses to tenant consultation and subsequent consideration by the Executive Member for approval.

3.0 BACKGROUND

- 3.1 North Yorkshire Council manages a portfolio of shared ownership properties inherited from the former district and borough councils. However, none of the legacy authorities had a formal, consolidated shared ownership policy in place. Instead, homes were historically managed under differing policies and practices, with a wide range of lease types in place. This inconsistency has created challenges for staff and resulted in variable experiences for shared owners.
- 3.2 The development of a single Shared Ownership Policy is required to bring coherence and consistency across the new authority. The policy forms part of a wider consolidation of housing policies following Local Government Reform, ensuring that shared owners receive

clear information about their rights, responsibilities, and the services provided by the Council. The draft policy also clarifies that the Council's obligations are limited strictly to those set out within the individual lease and any relevant title covenants.

3.3 During policy development, several areas were explored where greater clarity and consistency would be beneficial for shared owners. However, these aspects remain under review and cannot yet be finalised within the policy. Initial legal advice has confirmed that both Section 106 requirements and buy- back arrangements are subject to significant constraints, but further work is needed to determine how they should be reflected in the final document. In particular:

- Local connection flexibility at resale: Explored to address challenges some shared owners experience in selling their homes. While early consideration was given to whether any flexibility could be applied where Section 106 requirements are limiting a resale, initial legal advice indicates that these obligations are set through planning agreements and cannot be altered through policy. Further work is therefore underway to establish whether any scope exists to support shared owners within the limits of these legal constraints and to determine how this should be reflected in the final policy.
- Buy-back criteria: Considered to provide clarity where shared owners struggle to sell. Early legal review highlighted that legacy leases vary significantly, and some may include mandatory buy- back provisions. As a result, setting prescriptive criteria could risk conflicting with these lease terms. Further legal and operational assessment is required to determine an approach that is both compliant and workable before this section can be finalised.

3.4 The draft presented to Members is therefore currently a working document, setting out the overarching approach while further aligning with the Leasehold Policy and continuing to review areas such as Section 106 requirements and buy-backs to determine how they should be finalised within the policy and any supporting procedures.

4.0 REGULATOR OF SOCIAL HOUSING CONSUMER STANDARDS

4.1 The Regulator of Social Housing sets consumer standards that local authorities must meet in delivering landlord services. The adoption of this Shared Ownership Policy supports compliance with these standards by ensuring transparency, fairness and consistency in how shared ownership homes are managed across North Yorkshire.

4.2 This policy directly supports the Transparency, Influence and Accountability Standard by providing shared owners with clear, accessible information about their rights and responsibilities, including repair responsibilities, staircasing, resales, alterations and lease compliance. It also sets out how shared owners can seek advice, raise concerns and engage with the Council, helping strengthen accountability and resident influence.

4.3 The policy also contributes to the Safety and Quality Standard by clarifying responsibilities for building safety, communal areas and statutory compliance, and by ensuring that shared owners and officers have a consistent understanding of who is responsible for which elements of repairs and maintenance. The policy makes clear that safety responsibilities apply only to areas owned or managed by the Council, not to individual dwellings where responsibilities fall entirely to the shared owner under the lease.

4.4 Failure to implement a unified Shared Ownership Policy could expose the Council to governance risks, inconsistent decision-making, unclear obligations for residents, and potential regulatory scrutiny. By adopting this policy, the Council demonstrates its commitment to meeting the Regulator's Consumer Standards, ensuring shared owners

receive a fair and consistent service, and strengthening the Council's overall systems of control, assurance and accountability.

5.0 SHARED OWNERSHIP POLICY

- 5.1 The Shared Ownership Policy establishes the Council's approach to managing shared ownership homes, setting clear expectations for both the Council and shared owners. It clarifies how key processes, such as repairs, staircasing, resales, lease variations, and service charges are managed, ensuring consistency and fairness. The policy also outlines the Council's approach to communication, engagement and complaints handling for shared owners, helping to ensure transparency and accessibility of information.
- 5.2 The policy sets out the high-level split of responsibilities between the Council and shared owners. Due to the wide variation in legacy leases across the former councils, the policy emphasises that the individual lease takes precedence. This approach ensures that the policy remains legally compliant without attempting to impose a uniform standard where contractual terms differ. The policy therefore sets out consistent principles, while recognising that operational differences will necessarily arise in cases where lease terms differ, and the Council must comply with those contractual requirements.
- 5.3 The policy further clarifies the position on repairs during defects and warranty periods, setting out that where issues fall within a developer's defects liability period, building warranty scheme or manufacturer guarantee, these routes must be followed before approaching the Council. This provides shared owners with clear expectations about how repairs should be managed during the early years of a new-build property.
- 5.4 While resales form a core part of shared ownership, the ability to sell can be restricted by Section 106 Agreements, which may impose local connection or eligibility criteria. Initial legal advice indicates that these requirements are derived from planning obligations and cannot be altered or overridden through policy. However, further work is underway to consider how these restrictions should be presented within the final policy, including whether any practical support or procedural flexibility can be offered to shared owners who experience difficulties selling because of Section 106 conditions. The policy will be updated once this review is complete to ensure it accurately reflects both the legal framework and the Council's final approach.
- 5.5 The Council occasionally receives requests from shared owners to buy back their property where a resale proves difficult. While early drafts of the policy considered setting out clear criteria for such decisions, initial legal review identified that legacy leases vary significantly and that some may include mandatory buy- back provisions. As a result, prescribing a fixed approach within the policy could risk conflicting with existing contractual obligations and limiting the Council's flexibility to respond to individual circumstances. Further legal and operational work is therefore underway to determine how buy- back arrangements should be addressed in a way that is both compliant and practical. At this stage, the draft policy includes only high- level principles, with the final approach to be confirmed once this review has been completed.
- 5.6 Legal Services have advised that the Shared Ownership Policy should ultimately be aligned with the emerging Leasehold Policy, as both apply lease-based management frameworks and share substantial content. The draft will continue to be amended to maintain consistency, remove duplication, and ensure that shared-ownership-specific provisions are layered appropriately onto the wider leasehold framework.
- 5.7 Given this ongoing alignment work, the Shared Ownership Policy is presented as a draft. Member input is sought to help shape the final version prior to tenant consultation and

subsequent approval. Members will also be offered the opportunity to review the completed final draft before it progresses through the formal decision-making process.

6.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 6.1 Internal consultation has taken place during the development of the draft Shared Ownership Policy, involving legal services and housing teams. This has included detailed review of the implications of legacy lease variations, confirmation of the limits of the Council's legal responsibilities, and advice on the interaction between the policy and Section 106 planning obligations.
- 6.2 A tenant focus group is currently being planned with shared owners to gather direct feedback, test the clarity and usability of the policy and to identify any practical concerns for those with lived experience of shared ownership. Feedback will be analysed and incorporated into the final draft before the policy is presented for approval. This engagement will also support a smoother implementation process and strengthen transparency and trust with residents.

7.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1 The Shared Ownership Policy contributes directly to several of North Yorkshire Council's strategic priorities by establishing a consistent, transparent and fair framework for the management of shared ownership homes across the county.
- 7.2 By setting out high-level principles for the management of shared ownership properties, and by ensuring alignment with lease obligations and regulatory requirements, the policy supports the Council's aim of delivering safe, well-managed and affordable homes. Clarity around repairs, building safety responsibilities and staircasing improves the security and sustainability of shared ownership arrangements.
- 7.3 The policy promotes consistent service delivery across North Yorkshire, replacing a patchwork of inherited approaches with a single corporate standard. This supports the Council's commitment to efficient and effective services, reduces the risk of inconsistent decision-making, and ensures compliance with lease terms, planning requirements (including Section 106 Agreements), and the Regulator of Social Housing's Consumer Standards.

8.0 ALTERNATIVE OPTIONS CONSIDERED

- 8.1 One option was to retain the various shared ownership practices inherited from the former district and borough councils. This option was discounted as it would perpetuate inconsistencies in service delivery, create unequal experiences for residents depending on location, and increase operational complexity for staff managing different processes and standards across the county. A single unified policy offers clearer guidance, improved consistency and supports fair treatment of all shared owners.
- 8.2 An option to include a structured set of criteria for discretionary buy-backs was explored to provide greater clarity for officers and shared owners. Initial legal advice highlighted that legacy leases vary significantly, and some may include mandatory buy-back clauses, meaning that a prescriptive policy could risk conflicting with existing contractual obligations. Further work is therefore underway to consider whether, and to what extent, a structured approach could be developed in a way that remains legally compliant and sufficiently flexible to respond to individual cases.
- 8.3 Given the level of overlap between leasehold and shared ownership management, one option was to finalise both policies concurrently. Legal Services advised against this, as

parallel drafting risks unintended inconsistencies or duplication. The recommended approach is to finalise the Leasehold Policy first, then ensure the Shared Ownership Policy aligns with it. The draft being considered by Members reflects this staged approach.

9.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

- 9.1 The implementation of the Shared Ownership Policy will support more consistent working practices across a range of Council services, including Housing Management and Legal Services. The policy's emphasis on alignment with lease terms, statutory compliance and improved clarity for shared owners is expected to streamline casework and reduce time spent resolving enquiries arising from legacy inconsistencies.

10.0 FINANCIAL IMPLICATIONS

- 10.1 The Shared Ownership Policy itself does not introduce new financial burdens, it provides a clearer and more consistent framework for managing shared ownership homes across North Yorkshire. The policy helps reduce financial risk by clarifying responsibilities, minimising ambiguity created by legacy arrangements, and setting out high-level principles for areas such as repairs, staircasing, resale processes and building safety obligations. Any costs associated with administering shared ownership responsibilities will continue to be managed in accordance with existing budgets and the terms of individual leases.
- 10.2 The policy does not introduce new financial commitments for the Council beyond those already established through existing statutory and contractual duties. This includes statutory processes such as Section 20 consultation for major works, which the Council must undertake where required, but which do not create additional financial liabilities for the authority beyond existing legal duties, any resulting costs are recoverable from shared owners in accordance with their lease.

11.0 LEGAL IMPLICATIONS

- 11.1 The Shared Ownership Policy has been developed with initial input from Legal Services to ensure that it reflects the statutory, regulatory and contractual framework governing shared ownership. As individual leases remain the primary legal documents defining the rights and responsibilities of both the shared owner and the Council, the policy is drafted to avoid creating any obligations that could conflict with those terms. Further legal review will continue as the policy is refined.
- 11.2 A key legal consideration is the variation in lease types across the former district and borough councils. These include differing clauses relating to repairs, staircasing, resale processes, nomination rights, service arrangements, and in some cases, mandatory buy-back provisions. Initial legal advice has highlighted the need for caution, and further detailed work is required to determine how buy-back arrangements should be addressed in a way that is both legally compliant and operationally workable. Final procedures will be developed once this review is complete.
- 11.3 The policy must also operate within the legal framework established by Section 106 Agreements, which may apply eligibility or local connection restrictions to shared ownership homes. Initial legal advice indicates that these requirements cannot be altered or relaxed through policy. Further legal and procedural review is underway to determine how best to present these obligations in the final policy and whether any practical support can be offered to shared owners affected by them.

- 11.4 Legal implications also arise from the Council’s responsibilities under housing, landlord and building safety legislation, including the Landlord and Tenant Act 1985, the Building Safety Act 2022, and relevant fire and building regulations. The policy ensures that the Council meets these obligations in relation to communal areas, building safety compliance, consultation duties, and, where applicable, statutory processes relating to major works and administration charges. The policy safeguards the Council by clarifying that shared owners’ and the Council’s responsibilities are governed by lease terms and statute rather than discretionary practice.
- 11.5 As discussed, regulatory compliance is another legal consideration. The Regulator of Social Housing requires local authorities to demonstrate fairness, transparency and accountability in the delivery of leasehold-related services. Failure to operate within a clear and legally compliant framework could expose the Council to regulatory scrutiny, increased complaints, legal challenge, or inconsistent decision-making. Adoption of the policy helps mitigate these risks by establishing consistent principles and strengthening internal governance.
- 11.6 Legal Services have advised that the Shared Ownership Policy should ultimately align with the emerging Leasehold Policy, given the shared legal framework underpinning both. Work will continue to ensure the two documents are consistent, avoid duplication and do not conflict. The Shared Ownership Policy may require further refinement once this wider policy alignment is complete.

12.0 EQUALITIES IMPLICATIONS

- 12.1 The Shared Ownership Policy seeks to provide a consistent and transparent approach that ensures shared owners are treated fairly and equitably across North Yorkshire. The policy clarifies rights and responsibilities and seeks to remove inconsistencies arising from previous district-level approaches. An Equality Impact Assessment (EIA) has been completed (see Appendix B). The assessment identified no negative impacts on protected groups.

13.0 CLIMATE CHANGE IMPLICATIONS

- 13.1 The policy does not directly introduce new climate-related responsibilities, however, effective management of repairs, major works and building safety may indirectly support energy efficiency improvements and reduce environmental impacts.
- 13.2 Where major works or planned maintenance are undertaken, the Council will continue to consider opportunities to improve energy performance in line with wider corporate climate objectives. Shared owners remain responsible for improvements within their own homes unless otherwise set out in their lease.
- 13.3 A Climate Change Impact Assessment (CCIA) screening form has been completed (see Appendix C). The assessment identified no adverse climate-related impacts. The policy does not introduce new duties or activities that would increase carbon emissions or environmental risk.

14.0 PERFORMANCE IMPLICATIONS

- 14.1 The policy supports improved performance by establishing clearer expectations for both shared owners and officers. Consistency in repairs responsibilities, service charge administration, staircasing, and resale processes will support better case management and reduce service variation.

14.2 Performance will be monitored through the Housing Revenue Account Performance Framework once the policy is in place.

15.0 POLICY IMPLICATIONS

15.1 This Shared Ownership Policy forms part of the wider post-Local Government Reform policy consolidation programme. It aligns with, and ultimately will be consistent with, the emerging Leasehold Policy and Rent Setting Policy.

15.2 It replaces multiple legacy approaches previously used by the former district and borough councils, establishing a single corporate standard.

16.0 RISK MANAGEMENT IMPLICATIONS

16.1 Adopting the policy reduces risks associated with inconsistent decision-making, unclear responsibilities, and potential non-compliance with lease terms or statutory requirements. Without the policy, the Council may face greater volume of disputes and complaints from shared owners, increased legal challenge risk from misinterpretation of legacy leases, reputational risk due to inconsistent service delivery and regulatory scrutiny under the Social Housing consumer standards

16.2 The policy therefore provides a mitigation measure strengthening governance and assurance.

17.0 CONCLUSIONS

17.1 The draft Shared Ownership Policy provides a clear, consistent and legally compliant framework for the management of shared ownership homes across North Yorkshire. It addresses inconsistencies inherited through Local Government Reform, strengthens alignment with consumer standards and statutory requirements, and enhances transparency for shared owners. While the policy establishes an overarching approach, complete uniformity is not possible due to historic lease variations, and some differences in management will necessarily remain where individual leases impose different legal obligations.

17.2 Member feedback will support final refinements prior to tenant consultation and formal approval.

18.0 REASONS FOR RECOMMENDATIONS

18.1 The Shared Ownership Policy is still under development and requires further refinement, before it can be finalised, including continued alignment with the emerging Leasehold Policy and the incorporation of feedback from shared owners. Several key areas, particularly those relating to Section 106 requirements, potential flexibility at resale, and the Council's approach to buy-back arrangements, are still being reviewed. Initial legal advice has informed the drafting to date, but further legal, operational and procedural assessment is required before these elements can be finalised in a clear and legally compliant way.

18.2 The recommendations therefore seek Member feedback at this stage to ensure that the final version of the policy is robust, transparent and consistent with statutory, planning and contractual obligations. Member input will support the final development of the policy before it progresses to tenant consultation and subsequent approval.

19.0 RECOMMENDATIONS

19.1 The Committee is asked to:

- (i) Review and comment on the draft Shared Ownership Policy at Appendix A.
- (ii) Note that the policy remains under development, including ongoing work to align with the Leasehold Policy, review unresolved areas such as Section 106 requirements and buy-back arrangements, and incorporate feedback from shared owners through the planned tenant focus group, prior to its presentation to the Executive Member for approval.

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BACKGROUND DOCUMENTS: None

APPENDICES:

Appendix A – Draft Shared Ownership Policy
Appendix B – Equalities Impact Assessment (EIA)
Appendix C – Climate Change Impact Assessment Screening Form (CCIA)

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.