

INDUSTRY RESPONSE

CIH submission to the Shared Ownership Council's consultation on a new Code of Good Practice

Summary

The Chartered Institute of Housing (CIH) is the professional body for people who work or have an interest in housing. We welcome the opportunity to respond to the Shared Ownership Council's consultation on a new [Code of Good Practice](#).

We welcome the Council's ambition to standardise good practice, setting out clear consumer protection standards for the marketing, selling and ongoing management of shared ownership homes. The draft Code provides a positive step forward (alongside broader reforms) to ensuring that shared ownership is an effective, viable and affordable model of home ownership. It is encouraging to see many of the recommendations of the Levelling Up, Housing and Communities Committee's [report](#) on shared ownership reflected in it. This is particularly evident in the emphasis on transparency and accountability in rights, responsibilities, fees, options and complaints. The need for clear guidance and sign posting is outlined, which is crucial to ensure shared owners do not later feel 'trapped' by unknown costs or difficulties in moving home.

There are, however, some areas where we believe further clarity and strengthening would be helpful:

- The Code is voluntary and outside of regulatory requirements, which could lead to a two-tiered system for shared owners, where some providers are signed up to it and others are not. It is therefore important that signing up to the Code is encouraged throughout the sector, and that the disciplinary measures are effective in ensuring consistency and good practice. In this regard the proposal for an independent Disciplinary and Sanction Panel/Committee is important.
- The Code states that it protects both existing and future shared owners (barring the non-application of Section 1 (sales and marketing) for existing shared owners). Although, the consultation industry survey introduction states that it "will initially apply to new properties as the standards become embedded". For it to be effective, it is important that the Code applies equally to both existing and new shared owners (where applicable), with consistent messaging.
- Finally, it is important to note that the Code does not, and cannot, address all the necessary shared ownership reforms. Some areas for improvement can only be actioned by government, who have released a [response](#) to the Committee's report, but this will need to be reviewed in light of the change of government in July 2024. This includes greater understanding and action on addressing the unaffordability of hidden fees and increased costs for shared owners, which the Code could also perhaps emphasise in greater detail to encourage Code members to only increase fees and service charges when absolutely necessary or legally required, as well as

providing an oversight and accountability role. This will need to include engagement with existing shared owners and campaigners, to ensure that the shared ownership model best reflects [consumer concerns](#), as seen with the consultation's consumer survey.

CIH looks forward to working with the Shared Ownership Council on exploring further reforms to shared ownership to ensure everyone has a safe, decent, accessible and affordable place to call home, and that shared ownership offers a viable and effective model of home ownership.

Responses to consultation questions

**To what extent do you agree, or disagree, with the following statement:
"The Code would improve outcomes for shared owners/prospective shared owners?"**

AGREE

**To what extent do you agree, or disagree, with the following statement:
"The document is easy to understand?"**

DISAGREE

How could the document be improved to make it easier for you to understand? (tick box)

- Reduce the number of technical terms and jargon
- Change the formatting to make it more visually appealing and easier to navigate
- ✓ **Make the document available online for easier access and searchability**
- Provide more examples and illustrations to clarify complex concepts
- Include a glossary of terms to help readers understand unfamiliar terminology
- Break down the content into shorter, more digestible sections

Please add any further detail

Whilst the Code document itself is easy to understand, the format of the consultation through online survey made the response process more difficult and may discourage participation in the consultation. It would have been helpful to have a separate list of questions provided (as the survey only displays certain questions determined by the answers selected), as well as an option to answer without the survey, as noted in [government guidance on accessibility](#). The use of multiple pathways dependent on answers meant it was difficult to view all the options, to ensure accurate and in-depth answers to all relevant questions. This may have impacted responses to the consultation.

**To what extent do you agree, or disagree, with the following statement:
"The Code is comprehensive enough?"**

AGREE

**Are there any items of the Code that you would like to see changed within the
section "Exploring shared ownership"?**

NO

**Are there any items of the Code that you would like to see changed within the
section "Living as a shared owner"?**

YES

Why would you like to change this item (tick box)

- This item is not relevant to my experiences
- I do not think this item would support shared ownership
- The item does not feel realistic or achievable
- The language used in this item is unclear or confusing
- This item overlaps with another item in the code
- Implementing this item would be too resource-intensive
- This item does not align with my values or priorities
- ✓ **The scope of this item is too broad or too narrow**
- This item may have unintended negative consequences
- I believe this item should be the responsibility of another stakeholder group

Please add any further detail

Whilst it is encouraging to see the Code emphasise the importance of transparency in areas such as service charges, it would be useful if the Code could also discuss the need to ensure shared ownership remains affordable as well as viable, particularly with service charges. The Levelling Up, Housing and Communities Committee's [report](#) on shared ownership outlined that one of the main issues faced by shared owners was uncapped service charges and other increasing costs that can make the model unaffordable. Whilst the government must be responsible for addressing the recommendations in this report, it would be positive if the Code could reflect these points and discuss not unnecessarily raising fees for shared owners beyond what is viable, legally required and reasonable, or including additional oversight and disciplinary measures should a Code member raise fees unnecessarily.

**Are there any items of the Code that you would like to see changed within the
section "Moving as a shared owner"?**

NO

Are there any items of the Code that you would like to see changed within the section "Making complaints"?

NO

Are there any items of the Code that you would like to see changed within the section "Monitoring and sanctions"?

NO

If you have any other commentary please add it to the box below

As stated above, there needs to be greater clarity on who the Code covers. The Code itself states it protects both existing and future shared owners (barring the non-application of Section 1 for existing shared owners) in 'About the Code'. Yet, the consultation industry survey introduction states that it "will initially apply to new properties as the standards become embedded". The Code must apply equally to both existing and new shared owners (where applicable), and there needs to be consistent messaging about what the Code oversees and when this will be implemented for all shared owners.

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support and knowledge they need. CIH is a registered charity and not-for-profit organisation so the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org.

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