

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting5th July 2007

1. Title of Item/Report

Major Housing Regeneration Schemes - Homeownership Toolkit:
Relocation Equity Loans

2. Record of the Decision

Cabinet considered a report that sought approval to provide financial assistance to homeowners in housing regeneration areas with repayable 'Relocation Equity Loans'

Members were reminded that that the Council provided a range of discretionary financial assistance schemes to homeowners required to relocate through housing regeneration schemes.

A recent review of the Private Sector Homeownership Assistance Scheme, which provided non-repayable grants of up to £15,000 to help bridge the gap between the value of the homeowners existing property. The findings of the review indicated that a move towards a scheme that would provide equity loans rather than grants would be appropriate.

Members were provided with outline details of a proposed Relocation Equity Loan Scheme. The scheme would involve the Council in providing a re payable equity loan to owner- occupiers, affected by a housing regeneration scheme, to bridge any gap in the purchase of another property. A summary of advantages and disadvantages of the proposal was provided.

It was explained that a detailed procedural guide was being compiled and a summarized version of the main criteria of the scheme was provided. It was suggested that the final version of the procedure be approved by the Director of Development and Neighbourhood Services in consultation with the Cabinet Members for Housing and Community Safety and Cabinet Member for Regeneration and Transport.

Members noted that it was envisaged that the proposed scheme would commence 1st October 2007 and the Council would administer it in house.

Cabinet were provide with information relating to affordability issues facing first time buyers within the Borough. In view of this it was recommended that once the housing regeneration schemes were completed the repaid loans be ring fenced to provide equity loans for first time buyers to help them get onto the property ladder

RESOLVED that:-

1. the introduction of Relocation Equity Loans be approved and approval of the final terms and conditions of the scheme be delegated to the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Members for Housing & Community Safety and Cabinet Member for Regeneration and Transport.

2. when the Relocation Equity Loans are eventually repaid to the Council, the funding be ring fenced to provide further loans, in the first instance for other relocating homeowners and then first time buyers.

3. Reasons for the Decision

To introduce Relocation Equity Loans and ring fence funds received following the repayment of such loans to provide further loans to relocating homeowners affected by housing regeneration schemes, in the first instance, then first time buyers.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None.

6. Details of any Dispensations

Not applicable.

7. Date and Time by which Call In must be executed

No later than midnight Friday 13th July 2007

Proper Officer
09 October 2007