

Body:	Cabinet
Date:	4 September 2013
Subject:	Local Authority Mortgage Scheme
Report Of:	Senior Head of Community
Ward(s):	All Wards
Purpose:	<ul style="list-style-type: none"> To request Cabinet approval for the Council's Local Authority Local Authority Mortgage Scheme (LAMS) to accept the financial support for LAMS being offered by East Sussex County Council.
Decision Type:	Key Decision
Recommendation:	<p>Cabinet is recommended to approve:</p> <ul style="list-style-type: none"> The Council's Local Authority Mortgage Scheme (LAMS) accepts the financial support for LAMS being offered by East Sussex County Council
Contact:	<p>Andy Thompson, Strategic Housing Manager. Telephone: 01323 415736 or internally on extension 5736. E-mail address: andrew.thompson@eastbourne.gov.uk</p>

1.0 Introduction

1.1 The Council has been offered an opportunity to work together with East Sussex County Council to help people buy a home of their own.

1.2 The Council's corporate objectives include:

Prosperous Economy

- A wide range of employment opportunities

Thriving Communities

- Support for families and young people to reach their full potential
- A high level of community volunteering and involvement in our neighbourhoods
- A wide range of quality homes including affordable housing for those in need

1.3 This report considers this opportunity to further those objectives, with an appropriate recommendation for further action.

2.0 Local Authority Mortgage Scheme

2.1 The Council has given its consent to introduce a Local Authority Mortgage Scheme (LAMS) to help first time buyers in Eastbourne buy a home of their own (Minute 12.5, Cabinet May 30th, 2012 refers). The initiative helps, by means of a financial guarantee, households

overcome the high deposit requirements of many lenders.

- 2.2 Since last year, the Council's legal specialists have been clarifying a number of issues. These complex questions have, after considerable and extensive work with legal advisors, been largely resolved. Subject to further negotiations with the likely lender, the Council is in a position to move ahead and formally introduce LAMS to Eastbourne, with a launch now planned for the autumn of 2013.
- 2.3 East Sussex County Council (ESCC) has expressed its interest in supporting housing authorities in East Sussex who are introducing LAMS initiatives. It has offered to contribute £1m towards the overall LAMS for people in Eastbourne. When combined with the Council's £1m investment, this would equate to a £2m programme for the Town, which will help up to 68 households buy their own home.
- 2.4 ESCC will pass its £1m to the Council, in effect bolstering the Eastbourne-led initiative. The Council will manage the investment with the financial partners, using its own treasury management procedures. This means that although ESCC is jointly funding the project, risk management is the responsibility of Eastbourne Borough Council. The criteria agreed by the Council for eligibility will remain as per the Cabinet resolution referred to above.
- 2.5 Cabinet is therefore asked to approve that the Council's Local Authority Mortgage Scheme (LAMS) be linked into the LAMS being developed by East Sussex County Council.

3.0 Consultation

- 31 The extensive consultation work for 'At Home in Eastbourne', the Council's housing strategy, showed that there is a considerable desire amongst local people to buy a home of their own. The recommendation in this report will demonstrate a positive response by the Council to that consultation work.

4.0 Resource Implications

- 4.1 Implementing the LAMS scheme can be undertaken by the current capacity and capability within the Council's Housing, Legal and Finance teams.

5.0 Environmental, Human Rights, Community Safety Implications

- 5.1 Increasing the choices available to people who need and can afford to but a secure, home will lead to stronger, more vibrant communities and neighbourhoods. This will in turn improve the environment and community safety within Eastbourne will be stronger.
- 5.2 There are no Human Rights implications arising from this report.

6.0 Youth and Anti-Poverty

6.1 The expansion of the LAMS to double the potential number of households who can buy a home of their own will have a long term positive impact on the town's economy and communities, including reducing over time people's accommodation costs and allowing people to have settled and secure accommodation.

7.0 Conclusion

7.1 To deliver the Council's corporate outcomes of a more equitably prosperous Eastbourne, extending the reach of the LAMS is a positive move.

7.2 The expansion of LAMS, which will complement the national Help-to-Buy scheme to give more households the chance to own their home together will make a significant contribution towards the housing outcomes the Council wishes to see for Eastbourne.

**Andy Thompson MSc MCIH
Strategic Housing Manager**