

Cabinet
12 April 2012

413 COMMITTEE REFERRAL
– AFFORDABILITY AND MORTGAGES INCLUDING FIRST TIME BUYERS

The Cabinet considered Minute No. 50 – Affordability and Mortgages Including First Time Buyers (and the corresponding report) - which was referred to it by the Economy and Regeneration Overview and Scrutiny Committee following its meeting held on 8 March 2012 as follows:

The Director of Regeneration, Housing and Planning submitted a report which updated the Committee on the current situation regarding housing market support, the availability of mortgages and which gave an analysis of how these issues were affecting Wirral. It also set out an overview of Government programmes and the Local Authority Mortgage Scheme which were available to support and enable sustainable home ownership.

Responding to comments from Members, the Director and Lisa Newman, Housing Strategy Manager, gave further details on how the Local Authority Mortgage Scheme would work. 22 local authorities had launched the scheme so far and there had been no defaults. There was a risk as with all such schemes but some members expressed the view that the risk would only be if house prices went down and the risk was minimal although the benefits could be high.

Resolved –

- (1) That Committee notes the contribution of the range of programmes/packages to assist home buyers, including first time buyers and the Affordable Homes Programme Framework, to support home ownership in Wirral.
- (2) That Committee notes the issues relating to the housing and mortgage markets and the potential value and risks identified with operating a Local Authority Mortgage Scheme.
- (3) That Committee asks Cabinet to consider the establishment of a Local Authority Mortgage Scheme to assist first time buyers in Wirral.

RESOLVED:

That the Cabinet thanks the Economy and Regeneration Committee for this referral and instructs the Director of Regeneration, Housing and Planning to undertake further work on the establishment of a Local Authority Mortgage Scheme to assist first time buyers in Wirral, reporting back to a future meeting of the Cabinet. This further work should take on board lessons learned from pilot areas operating Local Authority Mortgage Schemes and include the development of options outlining how this and other schemes could be implemented in Wirral, identifying the funds that would need to be made available, both for investment and as a reasonable provision to mitigate against the risks of repossession.