

Committee	Dated:
Housing Management and Almshouses Sub Committee	27 April 2015
Subject: Right to Buy Social Mobility Fund (City Home Purchase Grants)	Public
Report of: Director of Community and Children's Services	For information

Summary

This report informs Members of the outcome of the City of London's bid to the Right to Buy Social Mobility Fund. The fund invited bids to provide a local cash incentive scheme to Right to Buy eligible tenants, to enable them to purchase a property on the open market.

The City of London was one of 42 successful bidders, and has been allocated £600k to support twenty grants of £30k.

The City's scheme (City Home Purchase Grants) will prioritise older tenants, those seeking to move for employment opportunities, and those who could only fulfil their ambition of home ownership with a Home Purchase Grant.

Only tenants of the City of London are eligible, and purchases must complete or exchange contracts in the 2015-16 financial year.

Recommendation

Members are asked to note the report.

Main Report

Background

1. The Right to Buy Social Mobility Fund was announced by the Chancellor of the Exchequer, George Osborne, on 20 February. The Fund makes £42 million available in 2015/16 for which English local authorities were invited to submit bids for funding to provide a local cash incentive scheme to Right to Buy eligible tenants.
2. The scheme provides a one-off cash payment, not exceeding £30,000 per application, to eligible tenants in place of their Right to Buy discount, to enable them to purchase a property on the open market. The objective is to provide tenants with the opportunity to purchase a property of their choice and in doing so free up a social property which can be re-let to new tenants.

3. The Government set out criteria giving give greater priority for funding to bids that prioritise older tenants, tenants wishing to move closer to the labour market, and tenants who cannot get a mortgage because of the type of property they live in e.g. properties of non-standard construction.
4. On 27 March 2015 the Government announced the outcome of the bidding process. The City was one of 42 local authorities to be successful, and has been allocated £600k to support the City Home Purchase Grant scheme set out in the City's bid.

Current Position

5. The City Home Purchase Grant scheme will offer cash sums of £30k to secure tenants of the City who are eligible for Right to Buy. The grant can only be used to purchase a home on the open market and cannot fund the purchase of the tenant's existing home.
6. City Home Purchase Grants will prioritise tenants wishing to move to access working opportunities, and older tenants wishing to buy a home. Applicants will need to demonstrate their ability to purchase a home, and a commitment to achieving a move within the 2015-16 financial year. We will give additional priority to those who can demonstrate that home ownership would otherwise be impossible without a City Home Purchase Grant.
7. The City's scheme will make payment to the applicant's solicitor on exchange for release on completion. Payment will not be made directly to the applicant. The City Home Purchase Grant scheme will support people to buy a home anywhere in the UK.
8. The City's scheme will only support applications that can demonstrate that all members of the households will be adequately housed as a result of a move, and their existing home will be returned vacant to the City. We will not support applications from sheltered housing schemes, tied accommodation and other OAP designated dwellings as such homes are not eligible for Right to Buy.
9. The City Home Purchase Grant scheme will be promoted through a leaflet delivered to every general needs home in our stock. This will be supported by information on the City's website and promotion through our tenant newsletter and the Facebook pages for each of our estates.
10. Following promotion of the scheme, the City will create a six week window of opportunity to bid, and will then process and prioritise applications. Twenty City Home Purchase Grants will be available.

Corporate & Strategic Implications

11. The City's Corporate Strategy seeks a world class City which supports our communities through the appropriate provision of housing, and supports a safer and stronger City through supporting community cohesion. The City Home Purchase Grant scheme will support the City to maximise the supply of its

housing stock available to those within its community of residents and workers in housing need.

Conclusion

12. The City wants to support those who aspire to home ownership. Very high property values, and limited shared ownership opportunities, mean that this aspiration is best met by supporting our tenants to buy on the open market in an area of their choice, which suits their needs and their means.
13. The City Home Purchase Grant Scheme will support people to buy a home anywhere in the UK. It will provide the City with the opportunity to meet its housing needs, including providing more opportunities for low income workers in the City.

Appendices

- None

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