



BUSINESS CASE

Project name *Private Sector Major/Minor Loans Scheme*

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Document History

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Version Number	Revision date	Previous revision date	Summary of Changes	Changes marked

Approvals This document requires the following approvals.
Signed approval forms are filed in the project files.

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Purpose

To document the justification for the undertaking of the project, based on the estimated cost of development and implementation against the risks and anticipated business benefits and savings to be gained.

Contents

Business Case could cover, for example, the following topics. There may be other unique criteria for a specific project.

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Reasons

In January 2008 a paper was submitted to CSA Committee outlining the future of the existing grant scheme for major and minor repairs and requesting approval to convert the existing grant scheme to a loan scheme. The need to convert was seen as essential as council house receipts, which funded the grants, were seen as likely to reduce in the future thus limiting the ability to offer grant assistance in the longer term.

Options

Implement the decision taken in 2008 to convert the scheme as outlined above. The delay is as a result of the council having secured Government funded grants in 2009-10 and 2010-11 which negated the need for the loan scheme.

Benefits expected

The ability to offer loans to improve private sector housing, which after an initial outlay, should be self financing as monies for future loans will be met from loan repayment received.

Risks

The most vulnerable applicants may still not be eligible for this type of package, so an emergency safety net may have to be made available to rectify serious hazards. This will be considered in any policy.

Great care has to be taken to ensure that strict financial rules are followed and that clients receive independent financial advice to try and prevent any legal challenges through mis-selling of loans. Regulation in this area is almost certainly bound to increase and become more onerous over time.

Cost

£100,000

Timescales

Loan scheme framework in place. Spending dependant on receipt of loan applications from applicants

Investment appraisal

None

Evaluation

The scheme will provide a mechanism for improving the standard of private sector housing and after an initial outlay be broadly speaking self financing.

The need to change from the existing grant scheme was identified in 2008 as capital receipts, which financed it, were forecast to reduce in the long term. This scheme provides a mechanism for the continuation of the scheme through loans rather than grants. The repayment of loans should provide funding for further loans to be given in the future.
