

CABINET - 21 APRIL 2008

ALLOCATION OF AFFORDABLE HOUSING GRANT TO THE PROVISION OF
AFFORDABLE HOME AT GRANGE ROAD ALRESFORD

REPORT OF HEAD OF STRATEGIC HOUSING

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RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

There is a significant requirement to provide additional affordable housing to meet identified housing need. The opportunity exists to provide 5 homes for social rent in Alresford. Swaythling Housing Society, who will own the homes, have secured some of the funding to support the scheme, however there remains a funding gap. Cabinet is asked to consider allocating a proportion of the affordable housing capital programme to support the scheme. Cabinet is also asked to consider granting the Portfolio Holder for Housing and Communities delegated authority to award Affordable Housing Grant to support the provision of affordable housing provided that such an award would not exceed £500,000 and would be within policy and budget. This can be achieved by Cabinet resolution under paragraph 3.2 1 (a) of the Portfolio Holder delegation scheme.

RECOMMENDATIONS:

- 1 That Affordable Housing Grant of £260,000 is allocated to Swaythling Housing Society to provide 5 homes for social rent at Grange Road, Alresford.
- 2 That the Head of Landlord Services determine, in consultation with the Corporate Director (Governance), whether to allocate the assistance against the limit in S25 General Consent F, or to obtain a special consent from the Secretary of State.
- 3 That the Portfolio Holder for Housing and Communities is granted delegated authority under paragraph 3.2 1 (a) of the Portfolio Holder delegation scheme to award Affordable Housing Grant to support the provision of future affordable housing provided that such an award would not exceed £500,000.

CABINET21 APRIL 2008ALLOCATION OF AFFORDABLE HOUSING GRANT TO THE PROVISION OF AFFORDABLE HOME AT GRANGE ROAD ALRESFORDREPORT OF HEAD OF STRATEGIC HOUSINGDETAIL:1 Introduction

- 1.1 There is a significant requirement to provide additional affordable housing to meet identified housing need. The opportunity exists to provide 5 homes for social rent in Alresford on a site which is currently being developed for a mix of market and affordable homes by Barratt. These homes, 3 of which are 2 bedroom houses and 2 of which 2 bedroom flats, have been made available in addition to the affordable homes that have been secured on the site through negotiation as part of the usual planning process.
- 1.2 One of the Council's partner Registered Social Landlords (RSLs) Swaythling Housing Society will own/manage the other affordable homes and have agreed terms with Barratt for the purchase of the additional homes.

2 Proposal

- 2.1 Although Swaythling have been able to secure funding from other sources there remains a funding gap and they have applied to the Council for a grant of £260,000 to support the scheme. In exchange for this the Council will receive nomination rights to the properties from its housing register.

WCC funding requested	£260,000
Housing Corporation funding	£270,000
RSL finance from reserves	£272,517
RSL Loan Finance	£262,563

Table 1: Funding Split

- 2.2 This proposal will provide much needed affordable housing in Alresford. Without funding from the Council the proposal will not be able to proceed.

3 Portfolio Holder Delegated Authority

- 3.1 Currently delegated authority to the portfolio holder exists for expenditure of part of the affordable housing capital budget (that which is funded from the S106 contributions). The other source of income is from the limited council home disposal programme. This is an inconsistency and a similar approach could be taken to affordable housing schemes funded from this programme allowing the Portfolio Holder for Housing and Communities to make a decision regarding the award of

grant under delegated powers would provide a consistency of approach, greater flexibility on timing of decisions and increase the chances of successfully negotiating additional affordable housing. Members would still have the opportunity to scrutinise proposed expenditure through the usual processes for Portfolio Holder delegated decisions, which involve the Social Issues Panel and ward members.

- 3.2 General Delegation 1 to each portfolio holder already includes decisions of this nature up to £200,000. However, paragraph 1(a) allows Cabinet by resolution to increase the scope of the delegation up to £500,000 for specific purposes. It is suggested that this limit is more appropriate for affordable housing schemes given the possible levels of grant.

4 Legal Considerations

- 4.1 The Head of Strategic Housing confirms that the proposal comes within the terms of the DCLG guidance on EU procedures for State Aid to RSLs.
- 4.2 Providing grant aid of this nature to Registered Social Landlords requires consent from the Secretary of State under S.25 Local Government 1988. A general consent exists for up to £330,000 to be granted in the 2008/09 financial year (General Consent F – small amounts of financial assistance.) Any expenditure above the £330,000 limit will require a specific application to the Secretary of State. Proposals contained in report CAB1657 (Leasing of Vacant Housing Revenue Account Dwellings) elsewhere on this agenda also rely on this need S25 consent, as will further proposals that will be considered later in the year. The Head of Landlord Services will determine in consultation with the Corporate Director (Governance) whether special consents are required to support either or all of the proposals contained in these reports or to allocate the assistance against the limit in General Consent F.

OTHER CONSIDERATIONS:

5 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 The provision of affordable housing supports the Corporate Strategy Objectives of *Economic Prosperity, High Quality Environment, and Safe and Strong Communities*.

6 RESOURCE IMPLICATIONS:

- 6.1 The Council's 2008/09 capital budget to support new affordable housing provision is £1.2m, of which £1m is subject to funding from capital receipts from the sale of Council homes that have been disposed of as part of the Council's limited disposal programme. These resources are ringfenced for expenditure on homes for social rent. The proposal that is the subject of this paper could be funded from existing resources that have been raised by the sale of homes in Kilmeston, Cheriton and Winchester in 2007/08. The use of these resources in Alresford would accord with the protocol agreed by the Portfolio Holder for Housing and Communities.

7 BACKGROUND DOCUMENTS:

Working Papers in Strategic Housing; Grant application; Capital Programme

- 8 APPENDICES: None