



**DRAFT PORTFOLIO HOLDER DECISION NOTICE**

**PROPOSED INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR COMMUNITIES**

**TOPIC – Allocation of Affordable Housing Grant to support the provision of 5 affordable homes at Lovedon Lane, Kingsworthy**

**PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Wednesday 2 February 2011.**

**Contact Officers:**

**Case Officer:** Simon Maggs Tel: 01962 848203 Email: smaggs@winchester.gov.uk

**Committee Administrator:** Nancy Graham, Tel 01962 848 235, Email: ngraham@winchester.gov.uk

**SUMMARY**

A scheme of 29 new market and affordable homes is currently being built at Lovedon Lane, Kings Worthy. Homes are due for completion in early 2011.

The original planning consent required nine homes to be affordable. In addition to those the provision of a further two homes as affordable units was negotiated with the developer.

The opportunity now exists to secure a further five 2 bed homes as affordable shared ownership housing. Although Sovereign Housing Association (one of the Council's partner Registered Providers (RPs)) have been able to negotiate a favourable

purchase price, grant of £50,000 from the Council is needed to support the purchases.

Grant of £95,000 is already promised by the Homes and Communities Agency. Taking account of private finance raised by Sovereign, the allocation of Council grant will lever in £788,000 of external funding.

A Funding and Nomination agreement between the Council and Sovereign to be drafted by the Head of Legal Services will ensure that the new homes are occupied exclusively by those in housing need.

Providing grant aid of this nature to RPs requires consent from the Secretary of State under S.25 Local Government 1988. A general consent (C, The General Consent under Section 25 of the Local Government Act 1988 for financial assistance to any person 2010) exists for the giving of financial assistance for the purpose of or in connection with the matters mentioned in Section 24(1) of the Local Government Act 1988. Section 24(1) allows the City Council (as local housing authority) to provide any person with financial assistance for the purposes of, or in connection with, the acquisition or management of any property which is or is intended to be privately let as housing accommodation. There is no limit on the amount of assistance which can be given under this consent. "Privately let" means let other than by the local authority in this context. As Sovereign will be acquiring these units to let them as housing accommodation, the proposed grant falls within the terms of this consent.

The Head of Strategic Housing confirms that the proposal comes within the terms of the DCLG guidance on EU procedures for State Aid to RPs. These procedures ensure that RPs do not receive more state aid that is necessary.

The provision of this affordable housing supports the following Sustainable Community Strategy Outcomes: *Economic Prosperity, Health and Wellbeing, Inclusive Society, High Quality Environment.*

### **PROPOSED DECISION**

That an affordable housing grant of £50,000 be made to Sovereign Housing Association to support the aforementioned scheme, subject to the prior execution of a Funding and Nomination Agreement.

### **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The funding is required to the support the provision of affordable housing.

The alternative is not to provide funding, in which case the affordable housing would not be provided.

**RESOURCE IMPLICATIONS:**

The £50,000 grant will be paid from the Council's Affordable Housing / Regeneration Capital Budget which had a balance of £1.033m as at 07 January 2011. In addition the Affordable Housing funded by Developers Contributions had a balance of £0.196m as at 07 January 2011.

The proposed Funding and Nominations Agreement will require limited officer time which can be included within existing available resources

**CONSULTATION UNDERTAKEN ON THE PROPOSED DECISION**

Portfolio Holder for Communities.

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

n/a

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

n/a

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

**Approved by: (signature)**

**Date of Decision**

**Councillor Lucille Thompson – Portfolio Holder for Communities**