

CABINET – 10 JULY 2003

## **ALLOCATION OF LOCAL AUTHORITY SOCIAL HOUSING GRANT FOR: 7 AFFORDABLE DWELLINGS AT LIME KILN LANE, HOLBURY BY WESTERN CHALLENGE HOUSING ASSOCIATION**

### **1. INTRODUCTION**

- 1.1 In March 2003 it was agreed that £426,057 be allocated to the above scheme subject to the Government introducing suitable transitional arrangements to cover for the abolition of the Local Authority Social Housing Grant (LASHG) reimbursement process.
- 1.2 The Government has now announced its arrangements (which are set out below). The purpose of this report is to note the decision taken by the Director of Resources, as a matter of urgency, to confirm the allocation of LASHG in light of the transitional arrangements, to enable the Registered Social Landlord (RSL) to proceed within the timescale of the original project approval by the Housing Corporation.

### **2. LASHG TRANSITIONAL ARRANGEMENTS**

- 2.1 The transitional arrangements are as follows:
  - 2.1.1 Interest lost to the Council as a result of the payment of grant will be refunded in 2003/4. This is subject to the total resources available from Government being sufficient.
  - 2.1.2 From 2004/5 there will be no refund of lost interest.

### **3. CONSIDERATIONS**

- 3.1 Provided grant funding is made available the scheme is likely to commence in July and will deliver 7 affordable dwellings as part of a larger market housing site. There are currently 2800 households on the Homesearch Register and the provision of these dwellings will help meet this need.

### **4. FINANCIAL IMPLICATIONS**

- 4.1 Assuming an interest rate of 4% the interest loss to NFDC will be £17,042 p.a. (Assuming there are sufficient Government resources to cover the interest lost in 2003/4, this loss will only be incurred from 2004/5). The interest loss results from the fact that the Council will no longer get a refund of its grant from the Housing Corporation.

- 4.2 The use of the Council's spending power for affordable housing does not, however, have any worse financial impact than the use of the spending power for any other capital investment. The benefit of using it for affordable housing purposes would be that the Council could take advantage of the transitional LASHG arrangements and may get the interest costs for the first year of the spending reimbursed.
- 4.3 The Cabinet originally confirmed in March LASHG allocation to support the scheme subject to clarification of the Transitional Arrangements. On that basis the RSL obtained project approval from the Housing Corporation, thus securing for the Council, access to the transitional arrangements subject to sufficient Government funding being available.
- 4.4 The Housing Corporation have now said that they now require the first set of claims to be submitted before the end of June. They had originally accepted the bid on the basis of a July claim. If the Council is unable to pay the claim in June then the original project approval will lapse and the RSL will need to bid again before the end of July. Whilst it is a good bid it will, no doubt, be in competition with many other good bids and success at accessing the transitional arrangements cannot be certain.
- 4.5 Under normal circumstances approval for what is set out in this report would have been processed through the Cabinet. In view of the timescale this is not possible. The following is an extract from Financial Regulations (Financial Regulation 2.4):-
- 'Where expenditure is urgently required, the Director of Resources, in consultation with the Chief Executive, the Cabinet, the Portfolio Holder and the Chairman of the appropriate Review Panel may authorise approval.'*
- 4.6 In view of the urgency of the situation the Director of Resources, after the appropriate consultation as detailed above, has approved, in accordance with Financial Regulation 2.4, the expenditure contained in this report.
- 4.7 Also in accordance with Financial Regulations the Director of Resources will report the matter to the next meeting of the Council.

## **5. ENVIRONMENTAL IMPLICATIONS**

- 5.1 There are no implications arising as a direct result of this report.

## **6. CRIME AND DISORDER IMPLICATIONS**

- 6.1 There are no implications arising as a direct result of this report.

## **7. CONSULTATIONS**

- 7.1 The Portfolio Holder for Housing supports the allocation of LASHG as set out in this report.

## **8. OTHER OPTIONS**

- 8.1 The scheme will be unable to proceed without grant being made available. No Housing Corporation grant is available at present. Furthermore, as these dwellings have been secured through the planning process, an inability to proceed with their provision will undermine planning and housing strategies that aim to secure affordable housing provision on similar sites.

## **9. CONCLUSIONS**

- 9.1 The Director of Resources considered that the allocation of grant to the proposed scheme should be agreed as a matter of urgency to ensure that affordable dwellings are provided to help meet the District's housing need.

## **10. RECOMMENDATIONS**

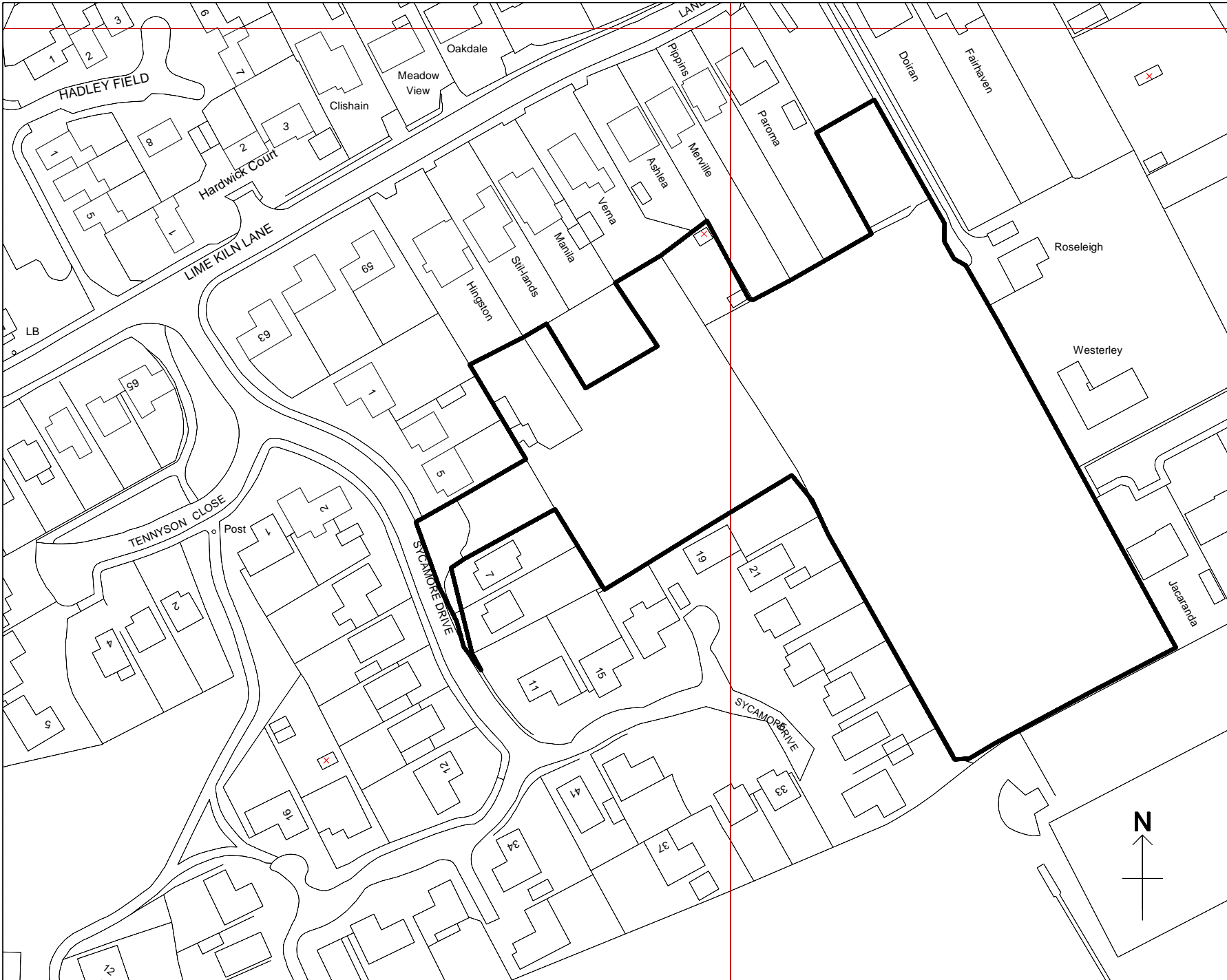
- 10.1 It is recommended that the Cabinet note that the Director of Resources, in accordance with Financial Regulation 2.4, has agreed that funding totalling £426,057 be allocated to Western Challenge Housing Association to support the provision of 7 affordable dwellings at Lime Kiln Lane, Holbury.

### **Further Information:**

Simon Maggs  
Housing Development Manager  
Tel (023) 8028 5122  
E-mail [simon.maggs@nfdc.gov.uk](mailto:simon.maggs@nfdc.gov.uk)

### **Background Papers:**

Scheme File  
(includes some exempt  
information)



**New Forest**  
DISTRICT COUNCIL

Community Services  
New Forest District Council  
Appletree Court  
Lyndhurst  
SO43 7PA

Tel: (023) 80285000

Land of  
Sycamore Drive  
Holbury  
Fawley  
App No 74373  
SU4204

Scale 1:1250

This material has been reproduced from  
Ordnance Survey digital map data with  
the permission of the Controller of  
Her Majesty's Stationery Office.  
© Crown copyright.

License No. LA078719