

**DECISION OF THE PORTFOLIO HOLDER FOR HOUSING AND COMMUNITIES****ALLOCATION OF SOCIAL HOUSING GRANT TO SPECTRUM HOUSING GROUP FOR NEW AFFORDABLE HOUSING AT LAND OFF LAMMAS ROAD, HYTHE****1. INTRODUCTION**

This report outlines details of a new affordable housing scheme at:

**Land off Lammas Road, Hythe**

- 1.1 To seek approval from the Portfolio Holder for Housing and Communities for the allocation of social housing grant to Spectrum Housing Group.

**2. BACKGROUND**

- 2.1 Spectrum Housing Group is a Registered Provider and a preferred partner of New Forest District Council. Spectrum Housing Group owns the site.
- 2.2 Spectrum Housing Group will develop the site, which is proposed to consist of 6 dwellings and the Council will have nomination rights to the rented dwellings. Four of the homes will be for general needs rent and two for shared ownership. The development will meet the Homes and Community Agency Housing Quality Indicators standard and Level 4 of the Code for Sustainable Homes.
- 2.3 Planning permission was granted in April 2014 (13/11354) for the proposals, which aim to provide three 3-bedroom houses, two 2-bedroom houses and one 1-bedroom flat.
- 2.4 The development proposal is the culmination of extensive community consultation and a number of revisions since 2006 when a development was first proposed at this site.

**3. SOCIAL HOUSING GRANT REQUIREMENT**

- 3.1 Spectrum Housing Group has secured grant funding of £175,590 from the Homes and Communities Agency (HCA) to enable this development.
- 3.2 The table below outlines the sources of funding sought for the development by Spectrum Housing Group.

<b>Scheme</b>	<b>HCA</b>	<b>LASHG</b>	<b>Loan</b>	<b>Spectrum</b>
Lammas Road	£175,590	£14,000	£750,440	£24,000

- 3.3 Spectrum Housing Group will carry a debt on the loan of £750,440 for a period of 30 years before the development achieves a cash positive value. Spectrum Housing Group will also be investing £24,000 of its own resources.
- 3.4 The financial proposal outlines the requirements to meet the scheme development cost and has been checked and validated by Finance to measure the viability. This can be made available on request.

**4. CONSIDERATION**

- 4.1 This proposal offers the opportunity to provide much needed affordable housing in an area of relative high housing need. The dwellings are projected for completion in March 2016
- 4.2 The provision of affordable housing for local people is a corporate aim and this opportunity will also enable the Council to reduce its housing waiting list.

**5. FINANCIAL CONSIDERATIONS**

- 5.1 Officers have undertaken a financial appraisal of the scheme and confirm that the scheme offers good value for money
- 5.2 The budgetary provision for the allocation of social housing grant for 2015/16 is £100,000. The table below illustrates how the social housing grant is committed:

<b>Scheme</b>	<b>Funding Required</b>	<b>LASHG Budget 2015/16 £100,000</b>
Buttsbridge Road	£10,000	£100,000
Lammas Road	£14,000	£90,000
<b>Total</b>	<b>£24,000</b>	<b>£76,000</b>

- 5.3 Funding for this development will be paid in two tranches. 50% will be paid at start on site and the remaining 50% will be paid on practical completion.
- 5.4 If approval is granted to commit £14,000 to this scheme, there will still be £76,000 available for 2015/16 to fund further affordable housing projects. The allocation of social housing grant for Buttsbridge Road is subject to separate Portfolio Holder approval.

## **6. RECOMMENDATION**

6.1 Local Authority Social Housing Grant totalling £14,000 be allocated to facilitate these proposals.

## **7. PORTFOLIO HOLDER ENDORSEMENT**

7.1 I have agreed to the allocation of funds as set out in this report.

**Signed: Cllr Jill Cleary**

**Date: 17/08/15**

**Councillor Jill Cleary, Portfolio Holder for Housing and Communities**

**Date on which notice of Decision given: 17/08/15**

**Last Date for call in: 24/08/15**

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