

RESOURCES EXECUTIVE COMMITTEE, 3rd FEBRUARY 2009

**AFFORDABLE HOUSING PROGRAMME:
PAYMENT OF GRANT FUNDING**

**REPORT BY STEVE MAY, TEMPORARY JOINT HEAD OF HOUSING &
ANDREW HART, HEAD OF FINANCIAL SERVICES**

1. Purpose of Report

- 1.1 To seek Committee approval for the transfer of funds to Sarsen Housing Association, to enable the provision of affordable housing.

2. Financial Implications

- 2.1 Since 2005/06, Kennet District Council has allocated £500,000 per annum from within its capital programme to provide grant funding to enable the provision of affordable housing.

- 2.1.1 A meeting of Full Council approved additional funding of £1.3m in order to accelerate affordable housing provision in Kennet where possible within the current financial Year (Full Council 4th September 2007 Min.82 refers).

- 2.1.2 As the expenditure detailed below exceeds £50,000 it requires the approval of the Resources Executive Committee.

3. Risk Implications

- 3.1 The affordable housing is being provided by Sarsen Housing Association, a part of the Aster Group. Housing Corporation Assessment published October 2008 found Aster meeting expectations on financial viability, governance, management and development. Risk is therefore considered to be negligible.

4. Staffing Implications

- 4.1 There are no staffing implications arising from this report.

5. Legal Implications

- 5.1 Housing associations receiving funds from this Council will be expected to meet any appropriate terms and conditions required by the Council.

6. Background

- 6.1 Kennet District Council's Housing Strategy 2004-2008 seeks the delivery of 400 affordable homes. Although the Strategy has now reached the end of its four year period, it has been 'refreshed' in consultation with the Government Office for the South West. The original policy direction remains unchanged. The Council's Corporate Strategy to 2024 identifies the provision of affordable homes as a key area of activity to meet the full range of needs within local communities.
- 6.2 As part of its affordable programme, Kennet District Council allocated £260,000 to assist Sarsen Housing Association in reducing shared ownership sale prices at the Pewsey Hospital site, if required (Report HSM/0506 dated 17th January 2006 refers).
- 6.3 Most of Sarsen's shared ownership sales on the Pewsey site were completed without recourse to the Council funding mentioned at 6.2.
- 6.4 Sarsen has now approached Kennet District Council requesting the part of the unspent £260,000 be used to convert three unsold Intermediate Sale dwellings on the site to Social Rent. The dwellings have remained unsold for some months, and there is little prospect of achieving sales in the current economic climate. The grant requirement for the tenure conversion is £118,000.

7. Conclusion

- 7.1 The committed funds enables Kennet District Council to increase the amount of affordable housing within the district; meeting government and local objectives, and identified local needs.

8. Recommendation

- 8.1 To approve a grant payment of £118,000 from the Council's committed funding for affordable housing, and to grant delegated authority to the Temporary Joint Head of Housing, Head of Financial Services and Acting Head of Legal Services to agree the detailed funding arrangements.