

<b>Housing Select Committee</b>		
<b>Report Title</b>	Response from Mayor and Cabinet to matters referred by the Select Committee – Social Housing Options	
<b>Key Decision</b>	No	Item No. 3
<b>Ward</b>	All	
<b>Contributors</b>	Executive Director for Resources (Head of Business & Committee)	
<b>Class</b>	Part 1	Date: 17 May 2012

## 1. Summary

This report informs members of the response given at Mayor and Cabinet to a referral in respect of recommendations to the Mayor following the discussions held on the officer report “Social Housing Options – development of new affordable housing” which the Select Committee considered in February 2012.

## 2. Purpose of the Report

To report to members the response given at Mayor and Cabinet to recommendations made by the Select Committee in February 2012.

## 3. Recommendation

The Select Committee is recommended to receive the Mayoral response to their consideration of Social Housing Options and the development of new affordable housing.

## 4. Background

- 4.1 The Mayor considered the attached report entitled ‘Mayoral Response to the Comments of the Housing Select Committee on Social Housing Options’ at the Mayor & Cabinet meeting held on 11 April 2012.

## 5. Mayoral Response

- 5.1 The Mayor received an officer report and a presentation from the Cabinet Member for Customer Services.
- 5.2 The Mayor resolved that the response shown in the attached report be submitted to the Select Committee.

## **BACKGROUND PAPERS**

Mayor & Cabinet minutes 11 April 2012

If you have any queries on this report, please contact Kevin Flaherty, Head of Business & Committee, 0208 314 9327

<b>Mayor and Cabinet</b>			
<b>Report Title</b>	Mayoral Response to the Comments of the Housing Select Committee on Social Housing Options		
<b>Key Decision</b>	No	Item No.	
<b>Ward</b>	All		
<b>Contributors</b>	Executive Director for Resources & Regeneration Executive Director for Customer Services		
<b>Class</b>	Part 1	Date:	11 April 2012

## **1. Purpose**

- 1.1 February 2012 the report "Social Housing Options – development of new affordable housing" was presented to Housing Select Committee (HSC). The report was considered and comments were made to Mayor and Cabinet (M&C) later that month. This report is the draft response by M&C to the HSC comments.

## **2. Recommendation**

- 2.1 That the Mayor considers the draft response and agrees that the draft response can be reported to HSC.

## **3. Housing Select Committee Views reported to M&C on 22 February 2012**

- 3.1 The Housing Select Committee considered a report providing information on the costs involved in building new social housing; the potential land available in the borough; and the various funding models that might be used.
- 3.2 The Committee notes that a New Homes Bonus was introduced by the Government in April 2011 as an incentive to local communities to support new housing development in their areas. The bonus consists of match funding the additional council tax raised for any new homes and empty properties brought back into use, with an additional amount for affordable homes. The bonus forms part of the Council's overall capital budget, meaning that housing projects are considered alongside other competing Council priorities when it comes to deciding how the bonus should be used. However, it is the Committee's view that the Council should ring-fence the bonus so it is used exclusively for the provision of new social housing.

## **4. Draft response from Mayor and Cabinet**

- 4.1 The Mayor notes the comments of the Housing Select Committee
- 4.2 The New Homes Bonus is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth. It is intended to help deliver the vision and objectives of the community and the spatial strategy for the area.

- 4.3 The scheme commenced in April 2011, and provides local authorities with a New Homes Bonus, equal to the national average for the council tax band on each additional property and paid for the following six years as an unringfenced grant. There is an enhancement for affordable homes.
- 4.4 Currently the amount of grant relating to an additional council tax band D property will be £1,439 per annum or £8,634 over six years with an enhancement of a £350 per annum for each additional affordable home
- 4.5 The nature of the scheme means that the payment for year 1 (2011/12) is relatively small and we will receive more over each of the first 6 years. For 2011/12, Lewisham received £705,698. The 2012/13 Allocations indicate that Lewisham will receive £958,188 for Year 2 (2012/13) which includes an affordable homes premium of £180,950. The total sum paid in 2012/13 for years 1 and 2 is £1,663,886.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Cumulative
Yr 1	£705,698	£705,698	£705,698	£705,698	£705,698	£705,698		£4,234,188
Yr 2		£958,188	£958,188	£958,188	£958,188	£958,188	£958,188	£4,790,940
Yr 3								
Yr 4								
Yr 5								
Yr 6								
Yr 7								
<b>Total</b>	<b>£705,698</b>	<b>£1,663,886</b>						<b>£1,663,886</b>

- 4.6 The Bonus is paid as an unringfenced grant. The grant is currently being held as an unallocated reserve and the strategy for how to use the funding will be developed alongside the 2013/14 Budget process.

## 5. Legal Implications

There are no specific implications relating to this report.

## 6. Crime and Disorder Implications

There are no specific implications relating to this report.

## 7 Equalities Implications

There are no specific implications relating to this report.

## 8. Environmental Implications

There are no specific implications relating to this report

## 9. Financial Implications

Any financial implication have been included in the content of the report

## **10. Conclusion**

The New Homes Bonus is an unringfenced grant. A decision has not yet been made on the strategy for Lewisham to use the funding. The strategy will be developed by the Executive Director for Resources and Regeneration alongside the 2013/14 Budget process.

For further information on this report please contact:

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