

**NORTH LINCOLNSHIRE COUNCIL**

**ASSET MANAGEMENT, CULTURE AND HOUSING  
CABINET MEMBER**

**NEW HOMES BONUS INVESTMENT**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

1.1 This report seeks approval to support a small rural housing scheme.

1.2 The key issues of this report are as follows:

- The government awards councils New Homes Bonus as a payment for each new property for the first six years after it is built
- The council has previously approved a strategy for investing New Homes Bonus to help stimulate further housing investment.
- The council is seeking to work with housing associations and third sector organisations to provide new homes in rural areas.

**2. BACKGROUND INFORMATION**

2.1 The Cabinet Member approved a report in February 2012 on the New Homes Bonus (NHB). The report presented for consideration set out three investment priorities. Delivering housing led economic growth was one of the three approved investment priorities.

2.2 This report proposes a scheme to deliver housing led economic growth. The details of the scheme are detailed in appendix 1.

2.3 A local family building firm is seeking support for a small development in Ulceby. This will provide work for local contractors, helping to stimulate the local economy, and sustain employment.

**3. OPTIONS FOR CONSIDERATION**

3.1 To approve the investment project set out in appendix 1.

3.2 To reject the proposal.

#### **4. ANALYSIS OF OPTIONS**

- 4.1 The Cabinet Member is asked to consider supporting the scheme set out in appendix 1. The NHB offered is less than 3% of the total cost.
- 4.2 The council and North Lincolnshire Homes have assessed the financial viability of the scheme.
- 4.3 The builder is offering more than the council's planning policy requires.

#### **5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

##### 5.1 Financial

- 5.1.1 The financial strategy approved in February 2012 allocated £522,000 for Priority 3: Delivering housing led economic growth.
- 5.1.2 The builder and North Lincolnshire Homes will invest £477,402 if the council allocates £12,982 of NHB funding.
- 5.1.3 Six new homes will raise £38,100 in future NHB funding.
- 5.1.4 The council will get a net return of £25,118 over six years.

##### 5.2 Staffing

- 5.2.1 There are no staffing issues associated with this report.

##### 5.3 There are no other resource implications to consider.

#### **6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 CRIME AND DISORDER, RISK AND OTHER)**

##### 6.1 Statutory

- 6.1.1 There are no statutory implications associated with this report.

##### 6.2 Environmental, Diversity, Section 17 Crime and Disorder, and Other

- 6.2.1 This project will help meet local housing needs in Ulceby.

#### **7. OUTCOMES OF CONSULTATION**

- 7.1 Officers have to agree planning conditions, including affordable housing contributions, before planning approval is given.
- 7.2 The council invited housing associations to negotiate with the builders to purchase the affordable home.

- 7.3 North Lincolnshire Homes have offered the best price to purchase the affordable home. However, their financial rules do not allow them to pay all the builder's costs.

## 8. RECOMMENDATIONS

- 8.1 That the Cabinet Member approves the use of NHB funding to support the project as set out in Appendix 1.
- 8.2 That further reports are submitted as further proposals for investment of New Homes Bonus are developed.

DIRECTOR OF PLACES

Civic Centre  
Ashby Road  
SCUNTHORPE  
North Lincolnshire  
DN16 1AB  
Author: Mark Sherwood  
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**Background Papers used in the preparation of this report: None**

**New Homes Bonus Investment Financial Plan: Priority Three – Delivering housing led economic growth**

**Investment project for 2012-13**

<b>Project</b>	<b>Outputs</b>	<b>Benefits</b>	<b>Applicant</b>	<b>Other Partners</b>	<b>Total project cost</b>	<b>New Homes Bonus offered</b>	<b>Payment conditions</b>
Hallcroft, Ulceby	6 new homes with 1 being a new affordable 2 bed home	Development of entry level homes in a rural area meeting local needs	North Lincolnshire Homes	Colemans Builders Ltd.	£477,402	£12,982	Payment on completion.
					£477,402	£12,982	
					Total investment	New Homes Bonus allocated	