

DECENT AND AFFORDABLE HOMES PDG
17 March 2015

Affordable Housing Projects Update

Cabinet Member Cllr Ray Stanley
Responsible Officer Head of Housing and Property Services

Reason for Report: To provide members with an update on the Council's housing development programme.

RECOMMENDATION(S):

- 1) That the PDG note the report.
- 2) That Council delegate authority to the Head of Housing and Property to apply for Homes and Communities Agency (HCA) or any other funding for the continued provision of affordable housing in the District.

Relationship to Corporate Plan: The Council has as one of its key priorities to increase the provision of affordable housing.

Financial Implications: There are financial implications however each proposal or scheme considered will require consultation and sign off of any prudential borrowing from the Head of Finance

Legal Implications: There are none to this report however any Homes and Communities Agency funding will be subject to a Grant Agreement

Risk Assessment: The financial risk will be assessed prior to any contract being entered into or schemed developed.

1.0 Introduction

- 1.1 This report will provide members with details of the current development in respect of the Council's affordable housing programme and proposed future schemes.
- 1.2 The new borrowing in relation to the Housing Revenue Account Self-Financing has enabled extra spending on our existing stock and has enabled 3 affordable housing schemes to be developed;
 - 22 Dwellings, Wellparks, Crediton (Completed in 2013)
 - 6 Dwellings, Fir Close, Willand (due for completion in February 2015)
 - 14 Dwellings, St Andrews Street, Tiverton (due for completion in August 2015)
- 1.3 It would therefore seem a logical step to build on the availability of Housing Revenue Account finances and acquire further affordable housing to replenish the diminishing stock as the Council is a Registered Provider.

- 1.4 The Council's constitution currently authorises amongst other authorisations the Head of Housing to:
- to act as a catalyst between landowners, private sector builders, housing associations and other agencies to ensure the continued provision of affordable housing in the District.
 - Sale of Council Houses
 - Authority to repurchase former Council Houses
 - Manage the housing stock including the replacement of Woolaway and Airey type house.
 - To acquire sites and affordable housing units for the continued provision of Affordable Housing in the District.

2.0 **Additionally Identified Affordable Housing Scheme**

- 2.1 Officers are carrying out appraisals on a number of other affordable housing schemes which are detailed below and have been included within the Councils Medium Term Financial Plan :

1. Birchen Lane, Tiverton
A Planning application has been approved to redevelop a Housing Revenue Account (HRA) owned former redundant workshop building into 4 number 1 bedroom flats. It is anticipated that the site will be developed during the financial year 2015/16
2. Beech Road, Tiverton
A planning application to construct 2 number 3 bedroom houses on surplus HRA land is currently being considered. It is anticipated that upon approval this project will run concurrently with the Birchen lane development.
3. Exception Site, Burlescombe
Officers are currently appraising a scheme to provide 6 houses for affordable rent on an exception site.
4. Palmerston Park, Tiverton
A scheme to develop the former allotment site. The scheme currently consists of 26 properties (4 x 1 bed flats, 2 x 1 bed houses, 10 x 2 bed houses, 8 x 3 bed houses, 2 x 4 bed houses). Pre application advice is currently being sought with the planning service. Subject to planning it is anticipated that works would commence early 2016.
5. HRA Former Garage sites
A number of former garage sites are being considered and a detailed project plan will be drawn up during 2015/16.
6. Section 106 on site provision.
Officers are keen to consider on site schemes from developer led schemes. These may need to be funded through a Special Purpose Vehicle or Arms' Length company.

3.0 Financial Considerations

3.1 In addition to the new borrowing that the Self Financing enabled the Council have access to additional funding through:

- a) **Right to Buy 1:1 Replacement Scheme**, whereby receipts from sales are recycled towards the cost of replacement. This required the Council to sign up to an agreement with the Government that limits the use of the net Right to Buy receipt to 30% of the cost of replacement homes
- b) **Section 106 Affordable Housing commuted sums.** A financial contribution in lieu of affordable homes provision which is pooled and allocated to develop Affordable Housing elsewhere in the District
- c) **Housing Maintenance Fund**, the Council's ring fenced budget which enables extra spending on the existing stock or development potential.
- d) **Homes and Communities Agency Grant Funding**, the HCA is empowered to make Grants available to facilitate the development and provision of housing.
- e) **Special Purpose Vehicle or Arms' Length Company**, the newly released Elphicke-House report outlines a number of funding solutions that local authorities may wish to consider –and some local authorities have already successfully adopted various structures. Officers are currently reviewing the various funding solutions and will report back to the Policy Development Group with any recommendations at a later date.

3.2 Members are reminded that Mid Devon were successful in a grant application under the Affordable Homes Programme 2015-18 for £400,000 in respect of Fir Close, Willand and St Andrews Street, Tiverton.

3.3 Grant paid by the Agency is subject to a Grant Agreement which requires officers to have appropriate authority to enter into such an agreement.

3.4 As detailed in item 1.4 the constitution currently authorises the Head of Housing and Property to make decisions on key elements of the Housing Service business taking into account the provisions set out in the Council's Code of Governance and Financial Regulations.

3.5 In order to take advantage of funding bids Officers recommend that delegated authority be given to the Head of Housing and Property to apply for Homes and Communities Agency (HCA) or any other funding for the continued provision of affordable housing in the District and be able to enter into such Grant Agreements.

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