

Area North Committee – 26th September 2007

9. Social Housing Development Programme – Outturn 2006/07

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Purpose of the report

The purpose of this report is to update members on the final position of the Social Housing Development Programme for 2006/07 and to note the proposed programme for 2007/08 within Area North, previously approved at District Executive in June 2006.

Recommendation

1. That Members **note** the final position of the Social Housing Development Programme for 2006/07, with specific regard to Area North.
2. That Members **note** the proposed Housing Development Programme for 2007/08, with specific regard to Area North.

Background

Grant funding from the Housing Corporation (HC) to Registered Social Landlords (RSL) is allocated on a two year basis. This enables the HC to have greater certainty of schemes and financial commitments. This report therefore covers the development programme for the period 2006-08.

The overall programme is achieved through mixed funding and the careful balancing of several factors. This includes the level of need in an area; the potential for other opportunities in the same settlement; the overall geographical spread; the spread of capacity and risk among our preferred RSL partners and the subsidy cost per unit.

2006/07 Programme Outturn

In the period 2005/06 we saw an increase in the number of new affordable homes being built, rising from a previous average of 100 per annum to 153. During 2006/07, this figure increased again and we successfully achieved 227 dwellings.

As members will know the development of more affordable housing in Somerset is a key target of the Stronger Communities block of the Local Area Agreement (LAA - Outcome16a).

The Somerset LAA 2006/07 Performance Management Outturn report to the Government Office of the South West includes performance information on the number of affordable homes enabled by each of the district councils, and their partner RSLs. An abridged version of the performance table is reproduced below:

2006/07 LAA - STRONGER COMMUNITIES BLOCK- AFFORDABLE HOUSING					
	Target 2006/07	Performance Previous Period	Outturn Performance 2006/07	Performance (Outturn versus Target)	% of target
Numbers of affordable housing in Mendip	100	42	64	>10% below target	64%
Numbers of affordable housing in Sedgemoor	100	12	79	>10% below target	79%
Numbers of affordable housing in South Somerset	100	67	227	On Target	227%
Numbers of affordable housing in Taunton Deane	197	27	53	>10% below target	27%
Numbers of affordable housing in West Somerset	100	27	28	>10% below target	28%

South Somerset's excellent performance would not have been achieved without the help and support of our RSL partners. In particular South Somerset Homes have been extremely active and continue to make an enormous contribution to the development of affordable homes in the District.

Over recent years the level of direct subsidy from SSDC (whether in the form of cash or land value) has been approximately one third of the total. We have therefore surpassed our corporate target of providing an additional 50 homes in the last year. At Appendix A, the completion timetable for all schemes is listed. Area North schemes are printed in bold. This is not a definitive list, as inevitably additional opportunities may come forward or some schemes may need to be aborted for various reasons.

Housing Corporation Programme 2008/11

The next bidding round for RSLs to seek grant funding from the HC, will be in the Autumn 2007. This will in fact be a three year programme, so that the HC can plan further ahead.

Our RSL partners will be presenting their proposed bids to SSDC officers and the Portfolio Holder, in order that these schemes can be prioritised according to our established criteria and the availability of SSDC capital funding. SSDC priorities will then be discussed with the HC and notification of successful grant funding will be notified in the Spring 2008. The 2008-11 Development Programme will be reported to District Executive for approval in early Summer 2008.

Financial Implications

The majority of development schemes are undertaken over a two year period, sometimes even longer. Payment to RSLs is undertaken in tranches and not until the site is fully

completed will the final payment be made. 2004/05 was the first year that SSDC capital had been used to promote additional affordable dwellings and therefore the majority of the allocation was not paid until 2006/07.

In light of this and because of other capital commitments no further additional capital funds were allocated for Housing in 2005/06. However, the capital allocation for 2006/07 was doubled and an amount of £1.2m was allocated. £950,000 was allocated for 2007/08 and £600,000 for 2008/09. In addition there is capital grant funding from the Regional Housing Board of £1.392m for 2006/08.

	2006/07 £	2007/08 £	2008/09 £
SSDC capital programme	1,200,000	950,000	600,000
ODPM capital grants	738,000	654,000	Unknown
Totals	1,938,000	1,604,000	600,000
Cumulative totals	1,938,000	3,542,000	4,142,000

Budget approved at DX June 06 for 06/08	£3,542,000
Budget allocated June 06	3,017,750
Contingency fund	524,250

The contingency funding has traditionally been held back to meet operational requirements, such as "Bought not Builts" for larger families; mortgage rescue and disabled adaptations specifically designed for clients where opportunities do not exist in the current stock.

It is anticipated that the proposed completions for 2007/08 will be 198 for the year. However this may increase or fluctuate dependent on many factors. It should also be noted that it is possible that some key sites may commence development in this period and therefore additional funding may be required if the viability of the site does not furnish the required 35% affordable housing.

Implications for Corporate Priorities

This investment is fundamental to developing affordable housing and thus reducing homelessness and the reliance upon bed and breakfast. Specifically the achievement of objective twelve in the Corporate Plan and the critical activity (ref page 29):

"Working with partners, enable at least an additional 50 units of social housing per annum, starting from 2006/07".

Other Implications

None

Background Papers: *District Executive agenda and minutes June 2006.*
District Executive agenda and minutes August 2007.