

13. Area North January 2010 - Affordable Housing Development Programme

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Purpose of the Report

The purpose of this report is to update members on the current position of the Affordable Housing Development Programme for 2008/11 in relation to Area North.

Public Interest

This report provides information on the current position of the Affordable Housing Development Programme for 2008/11 in relation to Area North, it will be of particular interest to members of the public interested in the provision of affordable housing for those in need in their local area.

Recommendation

1. Note the current position of the Affordable Housing Development Programme for 2008/11.
2. Discuss and highlight any issues for further consideration by the Area Committee, relevant service managers, or Portfolio Holder.

Background

The overall programme is achieved through mixed funding (Social Housing Grant [previously administered by the Housing Corporation, now the Homes and Communities Agency], Local Authority Land, Local Authority Capital, Registered Social Landlord [RSL] reserves and S106 planning obligations) 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.

Since September 2008, the bidding process for funds currently administered by the Homes and Communities Agency (HCA) has been 'continuous'. A bidding clinic is held every two weeks and grant decisions are confirmed within four weeks. As a result allocation of our own funding is now typically confirmed through an Executive Portfolio Holder report in each instance rather than a complete programme report for District Executive confirmation. The former allows for a faster response to requests for funding from bidding RSLs and continuous dialogue with officers of the HCA whereas the latter was more suited to the single bid round approach which no longer applies.

A previous report was considered by the Joint Area North Committee on 25th February 2009. This report considers the final outturn for the first year (2008/09) of the current three year period (2008/11) and the current position with respect to the remainder of the three year period.

Combined HCA & SSDC financial investment programme 2008/11

2008/09 Outturn

The first year of the 2008/11 programme produced a further 172 net additional homes, reported in full to the District Executive in May 2009. Appendix A shows affordable housing schemes completed in Area North during that financial year. This includes those dwellings which were allocated subsidy during the 2006/08 round but reached completion during 2008/09. Of the 172 net additional dwellings gained district wide, 19 were in Area North.

2009/10 – year to date

During 2009/10 two further schemes completed in Area North. Although separately funded these are essentially the same site in South Petherton. No other schemes are due to complete before March 2010, so Appendix B effectively provides the outturn for 2009/10.

2010/11 planned programme

Appendix C sets out the detail of a further scheme which has an allocation of public subsidy from the HCA and is due to complete during the financial year 2010/11. This is the site immediately adjacent the Council Offices at Kelways, Langport. As with the South Petherton site, the affordable housing here is part of a wider development being undertaken by a private sector developer (in this case C G Fry) where 35% of the properties are due to be produced as affordable housing under the planning obligation. Also as with South Petherton the RSL (in this case Hastoe) has obtained grant from the HCA which enables an increase in the proportion of homes for rent and reduces the level of other 'intermediate' housing to two dwellings.

Remainder of the 2008/11 programme

Appendix D sets out the detail of the remainder of the 2008/11 programme currently confirmed. It is not uncommon for housing schemes to straddle financial years, with completion and occupation occurring in a different year to commencement. In the case of all four of the remaining schemes in Area North, completion is expected during the financial year 2011/12.

All four schemes are with Yarlington Housing Group (formerly South Somerset Homes), in three different settlements. It should be noted that the approved schemes total 82 new additional dwellings but 110 new affordable homes for the purposes of NI155. This is because three schemes include the demolition and replacement of existing substandard concrete homes owned by Yarlington Housing Group. It should be noted that the number of dwellings expected to be gained in Area North during 2011/12 exceeds to total completed (and anticipated) for the previous three years.

The current projection is, then, for a further 68 homes for rent (net gain) in Area North between now and the end of the financial year 2011/12. A further 32 homes will be built for 'intermediate' affordable housing (usually shared ownership), making a total net gain of exactly 100. This projection may increase slightly if further schemes acquire HCA

funding approval during the remainder of the current three year period (2008-2011). At least one other scheme has been worked up and submitted to the HCA seeking grant, but at the time of submitting this report the outcome remains unknown.

Future programme

Whilst the rest of this report refers only to those schemes with funding secured, **Appendix E** includes a ward-by-ward overview of all known potential schemes in Area North. This is maintained by the Area Development Manager in consultation with the various registered social landlords, housing and planning teams, and Rural Housing Enabler.

In addition, South Somerset Together has commissioned research to identify publicly owned land which might be available for future affordable housing schemes. All sites have been reviewed for suitability and availability. A small selection of sites will be further assessed by a group of registered social landlords over the coming months.

The deadline for any further bids for funding to the HCA for funds remaining available for the financial year 2010/11 has now passed. Funding for schemes commencing 2011/12 onwards is uncertain, but all expectations are that regional funds will reduce in the next Government spending round and changes may be made in the processes and agencies involved in allocation of funds.

Role of Somerset County Council

The County Council has been identified by the HCA as the lead agency for future investment (2011 onwards) across Somerset. The Rural Housing Enablers (based at the Community Council) are funded by the four relevant District Councils, but also by the County, whose contribution is the most significant. In addition the County continues to co-sponsor (in terms of capital funding) certain schemes where it has a statutory responsibility for the affected client group. The County also has significant landholdings in the district (some of which have been identified in the LSP sponsored piece of work mentioned above) and thus may hold the key to bringing forward some future schemes. The County Council also has a duty as the Highways Authority and can play a major role in the success (or otherwise) of the design of potential schemes.

Rural Housing – Local Exception Schemes

Addressing local needs involves carrying out parish housing needs surveys and then working with a housing provider to build new affordable housing in rural locations. Local surveys often reveal a level of ‘hidden need’ where the lack of any social housing in a village, or the infrequency with which vacancies occur, gives no incentive to those with a local housing need to register that need.

Area North includes a number of villages whose local councillors (parish, ward, county) are supporting the development of small scale schemes for local people, in conjunction with a range of officers from SSDC, the Community Council for Somerset and Registered Social Landlords.

- In the last few months four surveys have been completed (Ash, Compton Dundon, Shepton Beauchamp and Long Sutton.).
- Schemes in Long Load and Norton-sub-Hamdon are currently under review due to specific local circumstances.

- Discussions are in hand with Ash, Long Sutton, Shepton Beauchamp and Montacute to assess local options to progress a small scheme, in addition to monitoring & supporting progress at Norton and Long Load.

Further surveys could be conducted during 2010, and this will be considered through the Rural Housing Officer Group, in consultation with ward members and local parish councils.

Responsibility for progressing individual schemes is dependent upon the stage they are at. The Area Development Manager monitors progress of all schemes, reviewed regularly with the Development Manager, Corporate Strategic Housing Manager and Rural Housing Enabler. This will also involve consultation with local parish councillors, ward members and registered social landlords.

Financial Implications

The majority of development schemes are undertaken over two financial years, sometimes even longer. Payment to RSLs is undertaken in tranches and not until the site (or phase) is fully completed will the final payment be made.

The level of SSDC capital funding is shown in the appendices. No capital funding has been forthcoming from the County for any schemes in Area North.

After taking existing commitments into consideration, together with the commitments for schemes elsewhere in the district, the capital balance remaining and available to assist with future schemes in South Somerset is £1,120,000 for the period 2009/2011.

This 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.

Implications for Corporate Priorities

The development and delivery of more affordable housing in Area North contributes directly towards the following key target areas in the Corporate Plan:

- With partners, enable the building of 597 affordable housing units by 2011 (Corporate Plan 3.2; SCS Action 26; LAA - NI 155)
- Increase the net additional homes provided (Corporate Plan 3.3; LAA - NI 154)
- With partners, enable the development of 4 housing schemes in rural communities by 2012 (Corporate Plan 3.4; SCS Action 26.1)

And indirectly towards

- Reduce the number of households living in temporary accommodation (Corporate Plan 3.6; NI 156)

Carbon Emissions & Adapting to Climate Change Implications (NI188)

All affordable housing in receipt of public subsidy, whether through the HCA or from the Council, has to achieve the minimum code three rating within the Code for Sustainable Homes. Whilst RSL housing has been typically to a higher standard than most private

housing in the past, this standard becomes mandatory for all new housing from 2010. Some new RSL housing has been built to code four, but to date this is limited due to the financial constraints.

Equality and Diversity Implications

All affordable housing let by RSL partners in South Somerset is allocated through Homefinder Somerset, the county-wide Choice Based Lettings system. Homefinder Somerset has been adopted by all five local housing authorities in the County and is fully compliant with the relevant legislation, chiefly the Housing Act 1996, which sets out the prescribed groups to whom 'reasonable preference' must be shown.

Background Papers: Affordable Housing Development Programme District Executive – 11th June 2009
Addressing local priorities in Area North - Affordable Rural Housing Joint Area North Committee – 25th February 2009
Area North Affordable Housing Development Programme Joint Area North Committee – 25th February 2009
Support for Affordable Rural Housing Schemes in Area North Joint Area North Committee – 25th March 2009
Local Housing Needs and Priorities in Area North Joint Area North Committee – 23rd September 2009
