

9. Affordable Housing Development Programme

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Purpose of the Report

The purpose of this report is to update members on the outturn position of the Affordable Housing Development Programme for 2012/13 and provisional outturn for 2013/14 in relation to Area North.

Recommendation

The Committee are asked to note the outturn position of the Affordable Housing Development Programme for 2012/13 and the provisional outturn for 2013/14.

Public Interest

This report covers the provision of affordable housing in Area North over the past year, during the current year and anticipates the likely delivery of more affordable homes being constructed in the future. It will be of interest to members of the public concerned about the provision of social housing for those in need in their local area and of particular interest to any member of the public who is seeking to be rehoused themselves or has a friend or relative registered for housing with the Council and it's Housing Association partners.

"Affordable" housing in this report broadly refers to homes that meet the formal definition that appears in national planning policy guidance (the 'National Planning Policy Framework'). In plain English terms it means housing made available to people who cannot otherwise afford housing (owner occupied/mortgage or rented) available on the open market. Typically this includes rented housing (where the rent is below the prevailing market rate for a private sector rented property of similar size and quality) and shared ownership (where the household purchases a share of the property that they can afford and pays rent, also at a below market rate, on the remainder)

This report covers the level of public subsidy secured (which is necessary in order to keep rents at below market rates) and sets out where affordable housing has been completed. It does not cover the letting of the rented housing or the sale of the shared ownership homes; in short, it is concerned with the commissioning and delivery stages only.

Background

The overall programme is achieved through mixed funding (Social Housing Grant [administered by the Homes and Communities Agency - HCA], Local Authority Land,

Local Authority Capital, Housing Association [until fairly recently officially referred to as 'Registered Social Landlord' or '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 Housing Association partners and the subsidy cost per unit.

A previous report was considered by the Area North Committee on 25th July 2012 which considered the outturn for the previous financial year (2011/12) and the prospects for the then current financial year (2012/13). An annual update report on the programme was provided to the District Executive on 2nd August 2012.

In recent years a significant element of the affordable housing delivery programme has been produced through planning obligations within larger sites being brought forward by private sector developers. However the delivery of these is tied to wider economics, not least the developer's view of prevailing market conditions and the speed at which they estimate completed properties will sell at acceptable prices.

There is less certainty about the precise timing of any such obligated affordable housing as developers will only bring forward sites at a time and a pace that suits their view of current market conditions, i.e. dictated by the specific economics of the site. For example we can anticipate 47 new affordable homes at the Northfield Farm site in Somerton, but currently have no prospective dates for delivery

2012/13 Outturn

2012/13 has been a very unusual year in Area North with only one scheme completing and two other properties created or acquired. The outturn is shown at appendix A.

The last seven homes at Westfield, Curry Rivel have already been reported to the Committee last July. As previously reported, the public subsidy associated with the overall redevelopment scheme at Westfield has been accounted for in previous financial years. Whilst the last seven homes completed the substantial redevelopment, there remain two further properties which Yarlinton plan to demolish and replace with up to four additional dwellings for shared ownership. This final piece of the jigsaw is subject to appropriate planning permission and will not come to fruition until next financial year (at the earliest).

Since the last report to the Committee there have only been two other, individual, properties. One is a mortgage rescue acquisition and the other is the conversion of two properties into one in order to create a larger home adapted to the very specific needs of a particular family. Whilst this conversion has met an unusual set of circumstances, ironically it results in a net loss of one dwelling. However the conversion has been designed in such a way as to easily facilitate the 're-conversion' back into two separate dwellings when the property is no longer required for its current purpose.

2013/14 Provisional Outturn

2013/14 is also an unusual year in Area North with both schemes already completing even though we are only a third of the way through the current financial year. Rather than wait another twelve months this report can effectively cover the outturn for the current financial year, although it remains possible that there could be the odd additional acquisition (such as another mortgage rescue) before the end of the financial year. The provisional outturn is shown at appendix A.

The three new homes constructed by Yarlington at Parsons Close, Long Sutton have been built to Passivhaus standard, a construction model which should radically reduce the cost of heating. Actual energy consumption patterns are being monitored over an eighteen month period to evaluate the effectiveness of these measures in real life and compare these with the savings expected in the theoretical model.

The thirteen dwellings at South Petherton have been acquired by Raglan under the planning obligation imposed by the s106 agreement on the larger site (constructed by Wyatt Homes), hence there being no public subsidy required.

Future Programme Prospects

Given the level of funding currently available from the HCA and the fact that Housing Associations are now tied to the details of their four-year contracts, the prospects for additional schemes within Area North for the remainder of the 2011/15 funding period are not hopeful. Any schemes requiring public subsidy will probably depend on whether an allocation can be made by the district council which, in turn, will depend on what other options are available.

We will, then, be more reliant on the provision of affordable housing through planning obligation alone in the immediate future. As previously mentioned, this will depend on economic factors beyond our control, there being no mechanism whereby the Council can force the development of a site once appropriate planning permission is in place, other than the natural lapsing of that particular permission due to inactivity.

Currently we can only confirm one such scheme, under construction by C G Fry at Fern Green in Huish Episcopi (although commonly referred to as Langport). We anticipate a total of 18 properties, of which four will be for shared ownership, being produced under the planning obligation requirements. Once completed, these properties will be transferred to Hastoe Housing Association, who already own and manage the properties produced on the adjacent Old Kelways site. The first few properties may be ready for occupation as early as April 2014 but the completion of all 18 is not anticipated until November 2014; in any event delivery is anticipated during next financial year (2014/15).

Rural Housing Needs

Members of the Committee may recall that the report on the affordable housing programme in July 2011 referred to the (then) recently adopted Rural Housing Action Plan. This plan has recently been reviewed and revised and the 2013/14 Rural Housing Action Plan was approved by the Portfolio Holder last month. It is included here as appendix B.

Attention should be drawn in particular to the final appendix in the Plan, beginning on page 20, which sets out parish specific action. In particular members will be aware of the Community Land Trust led scheme at Norton Sub Hamdon. Since the last formal report to this Committee the scheme has been successful in obtaining grant funding from the Homes and Communities Agency and planning permission has been granted (by the Area West Committee as the site, although immediately adjacent existing dwellings at Norton, is in the parish of Chiselborough). The section 106 agreement has been completed and a start on site is now imminent, with an expected completion next financial year.

Financial Implications

The level of SSDC capital funding is shown in the appendix. However this does not indicate the size of the unallocated programme, including the newly created rural housing fund. The main 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.

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

Equality and Diversity Implications

All affordable housing let by Housing Association 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.

Council Plan Implications

The Affordable Housing development programme clearly provides a major plank in addressing “Focus Three – Homes” and in particular meets the stated aim:

“With partners, enable additional new homes to meet the needs of the district, including mixed housing schemes to buy or rent that are affordable.”

and the major statement in the Plan:

“We want decent housing for our residents that matches their income”

Background Papers: Affordable Housing Development Programme: Adaptation work to two existing properties (report to Portfolio Holder)
Executive Bulletins no.s 511 & 512 - 17th & 24th February 2012

Area North Affordable Housing Development Programme
Area North Committee – 25th July 2012

Affordable Housing Development Programme
District Executive – 2nd August 2012

Approval of the Rural Housing Action Plan 2013/14 (report to Portfolio Holder)

Executive Bulletins 578 & 579 - 7th & 14th June 2013