

Area West Committee – 20th January 2010

10. Affordable Housing Development Programme

Strategic Director: Rina Singh, Place and Performance
Assistant Director: Simon Gale, Economy
Service Manager: Andy Foyne, Spatial Policy Manager
Lead Officer: Colin McDonald, Corporate Strategic Housing Manager
Contact Details: colin.mcdonald@southsomerset.gov.uk or (01935) 462331

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 West.

Public Interest

As 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 West, it will be of particular interest to members of the public concerned about the provision of social housing for those in need in their local area.

Recommendation

The Committee is asked to note the current position of the Affordable Housing Development Programme for 2008/11.

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 Area West Committee on 19th November 2008. 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.

2008/09 Outturn

The first year of the 2008/11 programme has produced a further 172 net additional homes, reported in full to the District Executive in May 2009. Appendix A (page 16) shows affordable housing schemes completed in Area West during that financial year. This includes those dwellings that were allocated subsidy during the 2006/08 round but reached completion during 2008/09. Of the 172 net additional dwellings gained district wide, 56 were in Area West, in the three main towns provided by three of our preferred partner RSLs.

2009/10 & 2010/11 Programme

During 2009/10 three further schemes were due to complete in Area West. These are shown on Appendix B (page 17) together with the other three schemes currently funded with an anticipated completion date in 2010, i.e. before the end of the financial year 2010/11.

Only those schemes that currently have an allocation of public subsidy (either from HCA or SSDC or both) are listed on Appendix B. A number of other schemes are being worked up and some have had bids submitted to the HCA under the 'continuous market engagement' process, but at the time of submitting this report the outcome of these bids remains unknown.

It should be noted that the approved schemes total 84 new additional dwellings but 96 new affordable homes for the purposes of NI155. This is because the scheme at Bradfield Way, Chard includes the demolition of twelve homes owned by Yarlinton Housing Group (formerly South Somerset Homes). Of the schemes listed on Appendix B, this represents the most significant development, attracting just under £ 4 million from the HCA (of a total in Area West of about £6.4 million).

The current projection is, then, for a further 68 homes for rent (net gain) in Area West between now and the end of the financial year 2010/11. A further 16 homes will be built for 'intermediate' affordable housing (usually shared ownership), making a total net gain of 84. This projection may increase slightly if further schemes acquire HCA funding approval during the remainder of the current three year period (2008-2011).

Rural Housing Needs

Members of the Committee will also be aware of the programme of carrying out parish housing needs surveys to produce 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.

A rural housing action plan is currently in draft form for formal adoption by the portfolio holder in the near future.

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. The allocation of all the required subsidy for the Hastoe scheme at Tatworth effectively releases SSDC capital

previously allocated for that scheme. It is intended that this funding remains earmarked for a rural exceptions scheme, subject to confirmation from the Portfolio Holder.

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 West 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.

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*
Area West Affordable Housing Development Programme - Area West Committee – 19th November 2008