

HOMES & COMMUNITIES COMMITTEE

13 SEPTEMBER 2021

AFFORDABLE HOUSING DELIVERY 2020/21

1.0 Purpose of Report

- 1.1 To provide the Committee with detail on affordable housing delivery across the district for the financial year 2020/21, along with a guide on future anticipated delivery.
- 1.2 An update will also be provided on the progress being made to deliver the approved 5 year Council housing (*Housing Revenue Account*) development programme including progress on the Broadleaves Extra Care Scheme at Boughton.

2.0 Background Information

- 2.1 The delivery of additional affordable homes across the district continues to be a strategic priority for the Council with an objective of the Community Plan being to; '*Accelerate the supply of new homes including associated facilities*'.
- 2.2 There is an ongoing requirement to develop a mixed provision of affordable homes to meet the requirements of younger people, families with young children and older people across the district's urban and rural communities.
- 2.3 The Council, along with enabling the supply of new affordable housing, continues to deliver directly new build Council owned homes. Phases one and two were delivered through its Housing Revenue Account (HRA) development programme in partnership with its housing management company, Newark and Sherwood Homes (NSH). Since February 2020, the Council brought back into house its arms-length management organisation and the same team delivered phase three and continues to be responsible for delivering the programme.
- 2.4 In addition to the Council's own developments, a range of approaches are adopted to secure the delivery of new affordable housing units in the district, through working with Registered Providers and developers to provide 100% affordable housing schemes and S106 housing.
- 2.5 The delivery of affordable housing is set against the Council having a robust evidence base of housing need. The Council sought approval to update the DCA 2014 Housing Market and Needs Assessment from this committee on 10th June 2019 (Item 7 refers). On committee approval, the Council underwent a tender exercise and commissioned Arc4 (Consultants) to commence a district wide housing needs assessment, the findings of which were presented to this committee in January 2021.
- 2.6 The 2020 assessment indicated a total net affordable housing need of 1,566 units per annum (677 @ 2014) and after deducting the annual supply of housing, the shortfall for the next 5 years was 243 homes per annum (152@ 2014).
- 2.7 The Council owns 5,516 dwellings (*31 March 2021*), with 28 homes being sold through the Right to Buy in 2020/21.
- 2.8 There are currently 4875 applicants on the Council's housing register (*31 March 2021*), an increase of 832 on the previous year.

3.0 **Affordable Housing Delivery 2020/21**

3.1 Over the past sixteen years, a total of 1,673 additional affordable homes have been provided across the district, through S106 planning agreements, 100% affordable housing developments, rural exception sites and the Council's own developments.

3.2 Between April 2020 and March 2021, **188** additional affordable homes have been built across the district (*located in Newark/Balderton, Clipstone, Edwinstowe, Southwell, Rainworth, Sutton on Trent, North Muskham and Elston*) and the approaches to deliver these are outlined below:

Developer: Section 106 Agreements	Registered Provider 100% Affordable Housing Schemes	HRA Development	Total
20	141	27	188

3.3 The tenure breakdown of these units is as follows:

Social Rent	Affordable Rent	Intermediate Housing (Shared)	Discount for sale/RTB	Total
0	100	73	15	188

Section 106 Agreements and 100% Affordable Housing Schemes

3.4 The table below details the location of the affordable housing units delivered through Section 106 planning agreements and 100% affordable housing schemes:

Location	Affordable Ownership	Affordable Tenure				Unit Type
		Affordable Rent (AR)	Shared Ownership	Discount for Sale (DFS)	Total Delivered	
Registered Provider 100% Affordable Housing Schemes						
Edwinstowe High Street (Grant Funded)	Nottingham Community Housing Association	10	11		21	5 x 2 bed houses (AR) 7 x 2 bed houses (S/O) 5 x 3 bed houses (A/R) 4 x 3 bed houses (S/O))
Newark Bowbridge Road (The Bearings)	Nottingham Community Housing Association	24 6 C&S*	25	7 RTB*	62	6x 1B2P flat – C&S 6x1B2P flats - AR 9x2B4P houses – A/R 5x2B3P bungalows - A/R 4x4B6P houses – A/R 7x2B4P houses - Rent to Buy 12x2B4P houses – S/O 13x3B5P houses S/O *Care and Support *Rent to Buy
North Muskham Main Street (Exception site)	Nottingham Community Housing Association		4		4	4 x 2 bed bungalows Conversion of market to shared ownership

Rainworth Top Street	Nottingham Community Housing Association	21	17	8	46	Phase 1 For AR 5 x 2B3P houses 12 x 3B5P houses For SO 7 x 3B5P houses 5 x 4B6P houses Rent to HB 3 x 2B3P house 5 x 3B5P house Phase 2 For AR 4 x 2B3P bungalows For SO 5 x 2B3P Bungalows
Southwell Allenby Road (Imperial Gardens) (Non s106)	Platform Housing Group (Grant Funded Additional purchase)		8		8	8 x 2 bed houses
Council HRA Development Programme - Year 3	District Council – see Further update at 3.5	27			27	10 x 1 bed bungalows 1 x 2 bed bungalow 8 x 1 bed flats 4 x 2 bed flats 5 x 2 bed houses
S106 Affordable Housing - (Developer Contributions)						
Southwell Allenby Road	Nottingham Community Housing Association	8	6		14	6 x 1 bed flats (A/R) 2 x 2 bed flats (A/R) 3 x 2 bed houses (S/O) 3 x 3 bed houses (S/O)
Sutton on Trent The Hemplands Gusto/Larkfleet	Nottingham Community Housing Association	4	2		6	4 x 2b4ph (A/R) 2 x 3b5ph (S/O)
	Totals	100	73	15	188	

HRA Development Programme

- 3.5 The following table shows the number of Council housing units delivered through phase three of the HRA development programme during 2020/21 (**Appendix A** provides pictures of Phase three recently completed properties).

Location	Affordable Ownership	Tenure: Affordable Rent	Unit Type
Balderton Knotts Court	HRA	1	1 x 2 Bed Bungalow
Balderton Masefield Crescent	HRA	3	3 x 2 Bed Houses

Clipstone Gorseway	HRA	3	3 x 1 Bed Bungalows
Newark Lindsay Avenue (grant funded)	HRA	10	6 x 1 bed flats 2 x 2 Bed Flats 2 x 2 Bed Houses
Rainworth Warsop Lane	HRA	1	1 x 1 bed bungalow
Sutton on Trent The Meerings	HRA	1	1 x 1 bed Bungalow
Winthorpe The Woodlands	HRA	1	1 x 1 bed Bungalow
Elston Winston Drive	HRA	3	3 x 1 Bed Bungalows
Newark Forster Avenue	HRA	4	2 x 1 Bed Flats 2 x 2 Bed Flats
Total		27	

4.0 Anticipated Affordable Housing Delivery

4.1 The following table identifies the number of units currently anticipated to be delivered over the next 4 financial years.

4.2 It is difficult to provide an accurate picture beyond 2025 as further sites may come forward through the planning system, some sites may be delayed (*especially those major developments phased over a long build period*) and national funding/policy arrangements may change:

Scheme Details	Registered Provider (Owner)	No of Units (Aff)	Type: AR (Affordable Rent) SO (Shared Ownership)	Progress
Newark Northgate – Land transferred as part of a S106 agreement at Hawton Lane. (100% affordable housing).	District Council -HRA Development Programme	12	Apartments for Affordable rent – SOS Dec 20	Due July 22
Collingham Braemar Farm (Part 2) Gusto and Larkfleet (S106)	Gusto	2	Discount for sale	Anticipated delivery Mid 2022
Bilsthorpe Land at Oldbridge Way (S106)	Not known	34	TBC	Started on site
Balderton Fernwood Extension – meadows south	Not Known	120	TBC	No start on site for affordable housing
Newark Yorke Drive, Newark	NSDC	130	2 & 3 Bed houses	No start on site

Council HRA New-Build Newark Phase 3 (Cluster 4) William Street – 2 units Northgate Phase 4 (Cluster 1) Fire Station Collingham Healy Close Collingham Cluster 2 – Ash Road/Lindsey Ave Newark Churchhill Dr/Jersey St Kirton Kirton Court Cluster 3 – Bilsthorpe The Crescent Bilsthorpe Grange Rd Newark Edwinstowe Abbey Rd Edwinstowe Southwell Coghill Ct Southwell Devon Rd Newark Eton Avenue Deans Close The Meadows Hatchets Lane Broadleaves Total		2 12 8 1 2 1 2 1 2 8 2 3 4 9 2 2 2 5 40 (105)	A mix of 1 and 2 bed bungalows, 1, 2 and 3 bed houses and 1 and 2 bed apartments	Due July 22
Blidworth New Lane S106 – 20/00475/Fulm	Not known (Gleeson)	24	2 and 3 bed houses for affordable rent and shared/0	No start on site
Newark Former Piano School, Mount Lane	St Leonard’s Trust, Newark	10	1 and 2 bed apartments for rent	No start on site
Ollerton Malt Kiln Close	Nottingham Community Housing Association	33	1, 2 and 3 bed houses and bungalows for AR	Completed July 21
Southwell Nottingham Road	Not known	2	2 and 3 Bed Houses for aff rent	District Council considering purchase
	Total	472		

Rural Exception Sites

- 5.1 Exception sites, in accordance with Planning Policy, are schemes solely for the development of affordable housing on land within or adjoining existing small rural communities, which would not be otherwise released for general market housing. The evidence to support the development of such sites includes the commissioning of a parish housing needs survey.

- 5.2 The Council continues to work in partnership with Nottingham Community Housing Association (NCHA) and Trent Valley Partnership to deliver rural affordable housing, involving the completion of parish housing needs surveys, liaison with Parish Councils, local ward Member(s) and land owners in the locality.
- 5.3 In February 2020, a scheme at North Muskham was completed by NCHA seeing the delivery of twelve affordable homes, consisting of two and three bedroom houses for affordable rent and shared ownership for local people. The scheme included four additional market sale two bedroom bungalow. Due to demand for shared ownership properties in this location and supported by the Parish Council, NCHA secured funding from Homes England to convert the four bungalows delivered as part of the scheme from market sale into shared ownership (Aerial photograph can be found at **Appendix B**).
- 5.4 The Partnership is currently working with Parish Councils towards the delivery of other exceptions sites for affordable housing in the district, including potential sites at Walesby (Phase 2), Oxtou and South/North Clifton all of which will be subject to continued parish consultation, land availability and planning approval.

6.0 Housing Revenue Account - Development Programme

- 6.1 The Policy & Finance Committee in 2016 approved an ambitious 5 year Council housing (HRA) development programme to deliver an indicative 335 additional homes across the district, to meet the housing needs of local residents.
- 6.2 The Council are project managing the development programme, and Robert Woodhead Ltd who have been awarded the build contract, are delivering the new Council owned homes.
- 6.3 The majority of the sites identified are relatively small, often disused HRA garage or infill sites. Flexibility is required within the 5 year development programme as sites may have to be swapped, as some will be able to be progressed for development and some will either be delayed or not suitable linked to further due diligence works. The Covid-19 situation has only slightly impacted upon development with a delay of a few weeks.

Phases One, Two and Three

- 6.4 The first three phases of the programme delivered 70, 50 and 27 units respectively, in addition to the 60 units developed at Gladstone House (*Extra Care Scheme*), Newark.

Phase Four

- 6.5 The Council are now progressing phase four with a target to deliver 49 units over 12 sites, (89 including Broadleaves, Boughton) the finances of which straddle over 2 financial years. All schemes have now commenced, including Northgate Newark (a S106 contribution), with an overall completion date of March 2020 (excluding Northgate).

Phase 3 sites which completed after 31-03-21 in addition to the 27 unit above. Site	No of Units	Unit Type
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Northgate	12	11 x 1 bed flats , 1 x 2 bed flat.
Hatchets Lane	5	3x2 bed house, 1x1 bed bungalow, 1x3 bed Bung
Williams Street	2	2 x 1 bed flats
The Meadows	2	2 x 1 bed flats
Deans Close	2	2 x 2 bed houses
Phase 4 sites	No of Units	Unit Type
<i>Fire Station</i>	8	4 x2 bed House, 4 x 1 bed flats
<i>Healy close</i>	1	1 x1 bed bungalow
<i>Ash / Lyndsey</i>	2	2 x 1 bed flats
<i>Churchill / Jersey</i>	1	1 x 2 bed bungalow
<i>Kirton Court</i>	2	2 x 2 bed bungalows
<i>The Crescent</i>	8	4 x 2 bed houses, 4x1bed flats
<i>Grange Road</i>	2	2 x2 bed bungalows
<i>Abbey Road</i>	3	3 x2 bed bungalows
<i>Coghill Court</i>	4	4 x2 bed bungalows
<i>Devon Road</i>	9	4 x 1 bed flats, 5 x 2 bed bungalows
<i>Eton Avenue</i>	2	2 x 3 bed flats
<i>Dale Lane</i>	7	4 x 1 bed houses, 3 x 2 bed houses
<i>Broadleaves Extra Care</i>	40	30 x 1 bed flats, 10 x 2 bed bungalows
Total	89	

- 6.6 Work continues to identify further suitable sites for phase 5. The Council is in the process of acquiring land for phase 5. Phase 4 will have 49 units spread over 12 sites that are currently under construction or awaiting start on site (not including 40 extra care units at Boughton). This will leave 39 units to be delivered in phase 5 of which we have identified currently 43 units from existing land infill sites. The Council will consider moving forward delivery beyond the 5 year HRA programme.

Scheme Finance

- 6.7 The average build costs per unit, including all external works, prelims and abnormal items due to small sites being delivered on ex-garage sites, is £147,698.19 excluding pre-construction and planning fees. The average cost per unit inclusive of all build costs and fees is £154,353.09 (excluding land).
- 6.8 The HRA Development Programme has to date secured approximately £4.307 million pounds of external grand funding (excluding Gladstone House); the programme also continues to utilise the Council's One for One receipts.
- 6.9 The Council continues to scrutinise the capital finances of this programme to ensure it meets the budgetary requirements set by the Policy & Finance Committee, with any variances and approval for these reported to that Committee.
- 6.10 In terms of continued grant support from Homes England, discussions have been held with officers locally who are keen to receive future bids from the Council to support the ongoing development programme.

Better Care Fund

- 6.12 The Better Care fund continues to provide funding for range of initiatives both within and outside of the Affordable Housing Programme. No specific initiatives relating to this

programme were funded in 2020/2021. Discussion about future initiatives for 2021/22 are currently taking place.

Extra Care Scheme - Boughton

- 6.13 At its meeting on the 28th June 2018 the Policy and Finance committee approved in principle the development of a new extra care scheme on the allocated HRA site in Boughton, to be delivered in partnership with Homes England, Newark and Sherwood Homes and Nottinghamshire County Council. Delivery of this scheme is outside of the 5 year HRA development programme.
- 6.14 The Council commenced the construction of the project following a procurement exercise and allocation of a budget of £8.9 million in August 2019. This scheme has secured £2,080,000 Homes England Grant.
- 6.15 The extra care scheme received full planning permission on 6th December, 2018. A tendering process awarded the contract to NMCN (North Midland Construction) Plc. The build commenced in January 2020. Progress on the development build is now 100% complete and practical completion was agreed on the 12th August 2021. The scheme is also currently forecast to be under budget by an estimated sum of £200,000. Covid-19 has presented a number of challenges throughout the project including loss of labour and material shortages. The Contractor is providing the Council with a good aftercare service. In terms of any defects, the Council holds a defect retention and independently insurance backed Premier Guarantee and warranties for key elements of the building for 25 years. **Appendix C** provides photographs of the completed scheme.
- 6.16 In terms of further background for the Committee the Council, last year, received a letter of support from Nottinghamshire County Council, stating:
- “.....In respect of the above development, as proposed by Newark & Sherwood District Council, I can confirm that Nottinghamshire County Council will be seeking to agree nomination rights to a proportion of the new homes to be created for use as ‘housing with care’ for its service users as part of the implementation plan.*
- The County Council will meet all of the ongoing eligible social care needs of all the occupants living in the units that the County Council’s has nomination rights for, as well as occupants living in the other units at the scheme where these individuals develop future needs that are assessed as eligible for social care support.*
- The care support contract will be funded from the County Council’s ongoing revenue budget.....”*
- 6.17 Officers of the Council are continuing discussions with the County Council to confirm the above arrangements and as with Gladstone House a Co-operation Agreement will be drawn up. Amongst other things, this will stipulate that the County Council will cover the void rent loss for empty units after a qualifying period of time, therefore protecting rental income into the HRA Business Plan.
- 6.18 Similar to the arrangements at Gladstone House those units not nominated to the County Council will be let as general supported housing, with the Council providing the housing management and repairs service for the whole scheme.

7.0 Equalities Implications

7.1 The Council's housing needs evidence base informs the type of affordable housing to be delivered across the district to meet the needs of all communities, including those with protected characteristics.

8.0 Impact on Budget/Policy Framework

8.1 The Council continues to work with Robert Woodhead to establish accurate costs for the delivery of each site prior to commencement for ongoing financial monitoring. This process will continue throughout the life of the project and work will be progressed to ensure that the average cost per unit over the programme achieves good value for money.

8.2 Monitoring of the HRA Business Plan continues based on the known changes and grant funding obtained via Homes England. Current indications show that the approved 5 year development programme is deliverable within the resources available.

9.0 Financial Implications (FIN21-22/9464)

9.1 During 2020/21, £218,428 was received in S106, in lieu of onsite affordable housing delivery. The majority of this relates to the Bluebell Wood development in Clipstone.

9.2 A summary of spend on site for each phase is detailed below (to the 31st August 2021) including grant received:

Scheme	Units	Expenditure	External Funding Received
		£m	£m
Gladstone House	60	8.19	4.7
Phase 1	70	10.13	2.986
Phase 2	50	7.7	1.322
Phase 3	* 21	5.6	0.211
Phase 4	0	1.0	0
Total	201	32.62	9.219

*21 completed and 19 under construction.

9.3 The Development Team work closely with Finance to ensure all budgets are accurate and any variations are approved in a timely manner and budgets are closely monitored.

9.4 The Right-to-Buy (RTB) receipts for Replacement Homes (known as 1-4-1 Receipts) are retained through a RTB agreement. Under the terms of that agreement, the RTB receipts have to be spent on new supply of affordable housing within 3 years of arising, or have to be returned to Government with penalty interest applied. Therefore, the latter phases of the development programme are maximising the use of 1-4-1 receipts in order to avoid any penalties. Grant and RTB 1-4-1 receipts cannot be used to finance the same scheme.

10.0 RECOMMENDATION

That the Committee notes the affordable housing delivery and progress with the Council's five year development programme, making any observations as appropriate.

Reason for Recommendation

To appraise Members of the current and future delivery of affordable housing across the district.

Background Papers

Nil

For further information please contact Jill Sanderson (Ext: 5624) in the Housing Strategy & Development Business Unit.

Suzanne Shead
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HRA Development Programme – Council Owned Affordable Rent Dwellings

2 Bed Houses at Balderton



Two Bed Houses at Hawtonville



2 Bed Bungalow at Rainworth



Mix of one and two bedroom apartments at Newark



Typical Kitchen in HRA Developments



APPENDIX B

Rural Affordable Housing Exception Site: North Muskham - Conversion of 4 market sale bungalows to Shared Ownership (to the front of the site)



Broadleaves Extra Care Scheme, Main Street, Boughton – Completed Scheme
30 x one bed apartments and 10 x two bed bungalows



Broadleaves Exterior (front)



Broadleaves Exterior (Rear)



Two Bedroom Supported Bungalows at Broadleaves



Communal Area at Broadleaves



Communal Area at Broadleaves



Communal Area at Broadleaves



Communal Area at Broadleaves



Access Corridor at Broadleaves



Typical Kitchen at Broadleaves



Typical Bathroom at Broadleaves



Bathing Facilities at Broadleaves



Visitor Accommodation within Broadleaves