

HOMES & COMMUNITIES COMMITTEE

10 JUNE 2019

AFFORDABLE HOUSING DELIVERY 2018/19

1.0 Purpose of Report

- 1.1 To provide the Committee with detail on affordable housing delivery across the district for the financial year 2018/19, 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.

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 Council homes through its Housing Revenue Account (HRA) development programme in partnership with its housing management company, Newark and Sherwood Homes (NSH).
- 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.
- 2.5 The delivery of affordable housing is set against the Council having a robust evidence base of housing need and as the Committee will recall at its meeting on 7 January 2015, the findings of the Newark and Sherwood Housing Market and Needs Assessment (2014) were presented and endorsed. Members will note at Agenda Item No.7 a report is being presented seeking approval to undertake a new housing assessment.
- 2.6 The 2014 assessment indicated a total net affordable housing need of 677 units per annum and after deducting the annual supply of housing, the shortfall for the next 5 years was 221 homes per annum.
- 2.7 The Council owns 5,460 dwellings (*31 March 2019*), with 35 homes being sold through the Right to Buy in 2018/19.
- 2.8 There are currently 3287 applicants on the Council's housing register (*31 March 2019*), an increase of 565 on the previous year.

3.0 Affordable Housing Delivery 2018/19

- 3.1 Over the past fourteen years, a total of 1,312 additional affordable homes have been provided across the district, through S106 planning agreements, 100% affordable housing developments, exception sites, the Council's own developments and NSH Growth Programme.

- 3.2 Between April 2018 and March 2019, 115 additional affordable homes have been built across the district (*located in Newark, Farnsfield, Blidworth, Rainworth, Farndon, Southwell, Collingham and Elston*) and the approaches to deliver these are outlined below:

Developer: Section 106 Agreements	Registered Provider 100% Affordable Housing Schemes	NSH	HRA Development	Total
40	10	0	65	115

- 3.3 The tenure breakdown of these units is as follows:

Social Rent	Affordable Rent	Intermediate Housing (Shared Ownership)	Discount for sale	Total
8	90	9	8	115

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 (SO)	Discount for Sale (DFS)	Total Delivered	
Farnsfield Augustus Grange <i>S106 - Miller Homes</i>	Nottingham Community Housing Association(NCHA)	11	7	-	18	14 x 2 bed houses (AR & SO)
Farnsfield Southwell Road <i>S106 - Bellway</i>	Gedling Homes Developer Discount for Sale			6	6	4 x 2 bed houses 2 x 3 bed houses
Rainworth Warsop Lane <i>S106 -Taylor Wimpey</i>	Derwent Living	8 (Social rent)	-	2	10	8 x 2 bed houses (SR & DFS) 2 x 3 bed houses (SR)
Blidworth Belle Vue Lane	Newark Sherwood Homes	6			6	6 x 1 bed flats (AR)
Elston Willow Rundle Dr (Exception site - 100% aff hsg)	NCHA	8	2		10	10 houses & bungalows for A/R & S/O
		33	9	8	50	

HRA Development Programme

3.5 The following table shows the number of Council housing units delivered through the HRA development programme.

Location	Affordable Ownership	Tenure: Affordable Rent	Unit Type
Newark Cluster	HRA	13	5 x 2 bed houses 8 x 1 bed flats
Farndon Cluster	HRA	17	2 x 1 bed bungalows 5 x 2 bed bungalow 1 x 3 bed bungalow 6 x 2 bed houses 3 x 3 bed houses
West of Newark (inc. Southwell) Cluster	HRA	16	3 x 1 bed bungalows 5 x 1 bed flats 3 x 2 bed bungalows 1 x 1 bed house 4 x 2 bed houses
Collingham Cluster	HRA	9	7 x 2 bed houses 2 x 3 bed houses
Balderton Cluster	HRA	10	2 x 1 bed bungalows 3 x 2 bed bungalows 3 x 2 bed houses 2 x 3 bed houses
Total		65	

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 2023 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	Type: AR (Affordable Rent) SO (Shared Ownership)	Progress
Clipstone x 3 sites (100% affordable housing)	NCHA	25	13 x 2b houses (AR) 12 x 1b flats (AR)	Completion April - June 2019

Farnsfield Southwell Rd, Bellway Homes (S106)	Gedling Homes & Bellway Homes	8	6 x 2 bed (AR) 2 x 3 bed (AR)	Completion July 2019
Southwell Allenby Road Miller Homes (S106)	NCHA	20	10 x 1 & 2 b flats (AR) 4 x 3 bed houses (AR) 6 x 2 bed house (AR/SO)	Anticipated delivery late 2019/2020
Newark Bowbridge Road, (100% affordable)	NCHA	62	18 (AR/SO) 1 x 2b flats (AR) 3 x 3 bed houses (AR) 4 x 2 bed houses (AR/SO)	Consent granted March 19, 2 year anticipated completion.
Newark The Council has agreed to take an off- site S106 contribution in the form of land and a monetary sum. (100% affordable housing).	Land in Newark HRA Programme	12	To be determined	No start on site.
Collingham Braemar Farm (Part 2) Gusto and Larkfleet (S106)	NCHA Heylo Housing	24	24 (8 AR/16 SO)	Anticipated delivery 2019/20
Edwinstowe Former Miners Welfare, (100% affordable housing development)	NCHA	28	(14 SO/12 AR & 2 Rent to buy) 1,2 3 bed houses and flats	Anticipated start on site December 2019
Edwinstowe Robert Woodheads (Affordable housing by planning condition)	NCHA	21	AR & SO 2 and 3 bed houses	No start on site date
North Muskham Main Street (100% affordable housing exception site scheme)	NCHA	12	12 AR & SO 5 x 2 bed 7 x 3 bed	Start on Site May 2019.
Bilthorpe Land at Oldridge Way (S106)	Not known	34	TBC	No start on site date
Balderton Fernwood Extension	Not Known	120	TBC	No start on site date
	Total	366		

5.0 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 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 March 2019, a scheme at Elston was completed by NCHA seeing the delivery of ten affordable homes, consisting of two and three bedroom houses and two bedroom bungalows for affordable rent and shared ownership for local people. The scheme has been part funded by Homes England. A photograph of the scheme can be found at **Appendix A**.
- 5.4 NCHA are now commencing a further rural housing development at North Muskham for twelve affordable units, consisting of two and three bedroom houses for affordable rent and shared ownership to applicants with a local connection to the village. Four, two bedroom bungalows for market sale are also being provided on the site to cross subsidise the overall finance of the scheme, in addition to attracting grant funding from Homes England.
- 5.5 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), Oxtun and Edingley 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 is working in partnership with Newark and Sherwood Homes (NSH), who are project managing the development programme, and Robert Woodhead Ltd who have been awarded the build contract to deliver the new Council 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.

Phase One

- 6.4 The first phase of the programme delivered 70 units (*65 in the 18/19 financial year*) over 27 sites, in addition to the 60 units developed at Gladstone House (*Extra Care Scheme*), Newark. Photographs of some phase one units can be found at **Appendix B**.

Phase Two

- 6.5 The Council and Company are now progressing phase two with a target to deliver 50 units over 12 sites, the finances of which straddle over 2 financial years. All schemes have now commenced, though Valley View, Coddington has an outstanding planning condition to be resolved, with an overall completion date of March 2020.

Phase 2 Site	No of Units	Unit Type
Newark Cluster		
Queens Court	9	6 x 1 bed flats and 3 x 2 bed flats
St Marys Gardens	7	7x 2 bed houses
Lyndsey Avenue	10	6 x 1 bed flats, 2 x 2 bed flats, 2 x 2 bed house
Meldrum Crescent	4	4 x 1 bed flats
Coddington Cluster		
Parke Close/Thorpe Close	4	1 x 1 bed bungalow, 3 x 2 bed bungalows
Thorpe Close	1	1 x 2 bed bungalow
Valley View	3	3 x 2 bed houses
West of District Cluster		
Rainworth Water Road	2	2 x 1 bed flats
Blidworth, Central Avenue,	4	2 x 1 bed flats, 2 x 3 bed bungalows
Ollerton, Beech Avenue	2	2 x 2 bed houses
Rainworth, Thoresby Rd	1	1 x 1 bed bungalow
Southwell, Westhorpe	3	1 x 3 bed bungalow, 2 x 1 bed bungalows
Total	50	

- 6.6 Work continues to identify further suitable sites for phases 3, 4 and 5. It is possible that the Council may have to acquire additional land to complete the programme.

Scheme Finance

- 6.7 The average build cost per unit for phase one is £138k, this has increased to £148k in phase two. The build costs reflect the constrained nature of the sites being developed; with a large proportion being small infill sites and contaminated that require for example asbestos removal.
- 6.8 To date the Council has successfully received Homes England grant funding via the Affordable Homes Programme for 65 units in phase 1, equating to £2.8m and averaging £42k per unit.
- 6.9 The total grant claim in phase two is £1.32m, averaging £38k per units. Phase two has also utilised 1-4-1 Right to Buy Receipts to ensure that the Council does not incur a financial penalty imposed by Government for not spending the receipts; this has resulted in lower average grant rate when compared with phase one.
- 6.10 Both the Council and Company continue to scrutinise the capital finances of this programme to ensure they meet the budgetary requirements set by the Policy & Finance Committee, with any variances and approval for these reported to that Committee.

- 6.11 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 Through the Better Care Fund the Council has successfully secured £39,515 grant funding, under the heading of 'independent Living', to enable accessible wet rooms to be installed to 10 of the new build Council homes in phase two. Once completed these will be allocated to appropriate applicants on the housing register.

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 scheme is to be financed through the HRA and Homes England grant funding of £2m. The County Council has not contributed a capital sum towards the cost of the development, which it did for Gladstone House.

- 6.15 The extra care scheme received full planning permission on 6th December, 2018. A tendering process for the development works is soon to be concluded and the final scheme costs will then be reported to June's Policy & Finance Committee for approval.

- 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 Company and Council are now in 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 Company 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 Company, in consultation with the Council, 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 (FIN19-20/9733)

9.1 The current approved budget for the HRA development programme stands at £43.878m. Spend to date has amounted to £11.282m.

9.2 The budget for the 2019/20 financial year, which incorporates finalising phase two and the start of phase three, is £8.339m. Slippage from the 2018/19 budget amounted to £3.758m, which will be reported to Policy and Finance Committee and requested for carry forward to increase the budget for 2019/20 to £12.097m.

9.3 Finance Officers from the Council meet regularly with Finance Officers from Newark and Sherwood Homes, in order to monitor the current position and forecasts of costs going forward. This will ensure that budget provision is adequate, and where variations need to be made, these can be reported and approval sought from the Policy and Finance Committee.

9.4 The current approved budget for the Extra Care scheme at Boughton is £7.6m which includes an amount of £2.080m in grant funding from Homes England. Tenders have recently been received based on the detailed design works. These tenders currently outweigh the budget, and as such work is being undertaken to review the costs of the scheme through a value engineering exercise. An update report will be tabled at Policy and Finance Committee during June to update and seek approval for additional funding where appropriate.

10.0 RECOMMENDATION

That the Committee notes the affordable housing delivery in 2018/19, future anticipated 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 Rob Main (Ext: 5930) or Jill Sanderson (Ext: 5624) in the Housing Strategy & Development Business Unit.

Matt Lamb
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Rural Affordable Housing Exception Site: Elston



HRA Development Programme: Completed Units (Balderton)



