

HOMES & COMMUNITIES COMMITTEE
23 NOVEMBER 2020

AFFORDABLE HOUSING DELIVERY 2019/20

1.0 Purpose of Report

- 1.1 To provide the Committee with detail on affordable housing delivery across the district for the financial year 2019/20, 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 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 is carrying on to deliver 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 to commence a district wide housing needs assessment, the findings of which is being presented to this committee in January 2021.
- 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 5,520 dwellings (*31 March 2020*), with 30 homes being sold through the Right to Buy in 2019/20.
- 2.8 There are currently 4043 applicants on the Council's housing register (*31 March 2020*), an increase of 756 on the previous year.

3.0 **Affordable Housing Delivery 2019/20**

3.1 Over the past fifteen years, a total of 1,485 additional affordable homes have been provided across the district, through S106 planning agreements, 100% affordable housing developments, rural exception sites, the Council's own developments and NSH Growth Programme.

3.2 Between April 2019 and March 2020, 174 additional affordable homes have been built across the district (*located in Newark, Clipstone, Southwell, Farnsfield, Ollerton, Sutton on Trent, Blidworth, Farndon, North Muskham and Rainworth*) and the approaches to deliver these are outlined below:

Developer: Section 106 Agreements	Registered Provider 100% Affordable Housing Schemes	HRA Development	Total
54	80	40	174

3.3 The tenure breakdown of these units is as follows:

Social Rent	Affordable Rent	Intermediate Housing (Shared Ownership)	Discount for	Total
0	107	44	23	174

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						
Clipstone Forest Road	Nottingham Community Housing Association	25			25	13 x 2 bed houses 12 x 1 bed flats
Edwinstowe Former Miners Welfare	Nottingham Community Housing Association	12	14	2 (rent To Buy)	28	6 x 1 bed flats (AR) 6 x 2 bed houses (AR) 6 x 2 bed houses (S/O) 8 x 3 bed houses (S/O) 2 x 2 bed houses (rent to buy)
North Muskham Main Street	Nottingham Community Housing Association	5	7		12	4 x 2 bed houses (A/R) 1 x 3 bed houses (A/R) 6 x 2 bed houses (S/O) 1 x 3 bed house (S/O)
Rainworth Top Street	Nottingham Community Housing Association	8	7		15	4 x 2 bed houses (A/R) 4 x 2 bed bungalows (A/R) 4 x 2 bed bungalows (S/O) 3 x 3 bed houses (S/O)

S106 Affordable Housing - (Developer Contributions)						
Collingham Braemar Farm	Nottingham Community Housing Association/ Heylo Housing (For Profit Registered Provider – x 8 for S/O)	8	16		24	8 x 1 bed house (A/R) 14 x 2 bed houses (S/O) 2 x 3 beds (S/O)
Farnsfield Southwell Road S106 – Bellway	Jigsaw Homes (Gedling Homes)			8	8	5 x 2 bed houses (dfs) 3 x 3 bed houses (dfs)
Rainworth Warsop Lane Taylor Wimpey	Taylor Wimpey discount for sale product			7	7	4 x 2 beds 3 x 3 beds (All developer dfs)
Southwell Allenby Road Miller Homes	Nottingham Community Housing Association	4		2	6	2x1b2pf (A/R) 3x2b4ph (A/R) (S/O) 1x3b5ph (S/O)
Sutton on Trent The Hemplands Gusto/Larkfleet	Nottingham Community Housing Association	5		4	9	4x2b4ph 5x3b5ph
		67	44	23	134	

HRA Development Programme

- 3.5 The following table shows the number of Council housing units delivered through the HRA development programme during 2019/20. (Phase 2).

Location	Affordable Ownership	Tenure: Affordable Rent	Unit Type
Blidworth Central Avenue	HRA	4	2 x 1 bed flat 2 x 3 bed bungalows
Coddington Parkes Close/Thorpe Close	HRA	4	3 x 2 bed bungalows 1 x 1 bed bungalow
Coddington Valley View	HRA	3	3x2b bungalows
Coddington Thorpe \close (Scheme 2)	HRA	1	1 x 2 bed bungalow
Newark St Marys Gardens	HRA	7	7 x 2 bed houses
Newark Queens Court	HRA	9	6 x 1 bed flats and 3 x 2 bed flats
Newark Meldrum Crescent	HRA	4	4 x 1 bed flats
Ollerton Beech Avenue	HRA	2	2 x 2 bed houses

Rainworth Rainworth Water Road	HRA	2	2 x 1 bed flats
Rainworth Thoresby Road	HRA	1	1 x 1 bed bungalow
Southwell Westhorpe	HRA	3	1 x 3 bed bungalow & 2 x 1 bed bungalow
Total		40	

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 2024 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
Southwell Allenby Road Miller Homes (S106)	NCHA	6	1 & 2 bed flats and 2 and 3 bed houses	Anticipated delivery mid 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	Affordable rent – SOS Dec 20	No start on site.
Collingham Braemar Farm (Part 2) Gusto and Larkfleet (S106)	NCHA Heylo Housing	16	16 (8 AR/8 SO)	Anticipated delivery Mid 2020
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 <i>(Affordable housing by planning condition)</i>	NCHA	21	AR & SO 2 and 3 bed houses	No start on site date
Bilsthorpe Land at Oldridge Way <i>(S106)</i>	Not known	34	TBC	No start on site date
Balderton Fernwood Extension	Not Known	120	TBC	No start on site date
Newark,Yorke Drive	NSDC	130	2 & 3 Bed houses	No start on site
Ollerton Malt Kiln Close	Not Known	33	1, 2 & 3 Beds	No start on site
	Total	328		

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 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 has been part funded by Homes England. Photographs of the scheme can be found at **Appendix A**. In order to meet housing need, negotiations are underway by NCHA to secure funding from Homes England to convert the four bungalows delivered as part of the scheme from market sale into shared ownership.
- 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), 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 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 and Two

- 6.4 The first two phases of the programme delivered 70 units and 50 units respectively, in addition to the 60 units developed at Gladstone House (*Extra Care Scheme*), Newark. Photographs of some phase two units can be found at **Appendix B**.

Phase Three

- 6.5 The Council and Company are now progressing phase three with a target to deliver 50 units over 12 sites, the finances of which straddle over 2 financial years. All schemes have now commenced, with the exception of Northgate Newark (a S106 contribution), with an overall completion date of March 2020 (excluding Northgate).

Phase 3 Site	No of Units	Unit Type
Newark Cluster		
Forster Avenue	4	4 x 2 bed flats
Lyndsey Avenue	10	6 x 1 bed flats, 2 x 2 bed flats, 2 x 2 bed house
Masefield Avenue	3	3 x 2 bed houses
Knotts Court	1	1 x 1 bed bungalow
Northgate	12	10 x 1 bed flats and 2 x 2 bed flats
Hatchets Lane	5	1 x 3 bed bung 2 x 2 bed bung and 2 x 2bh
Williams Street	2	2 x 1 bed flats
Rest of District		
Elston – Winston court	3	2 x 1 bed bungalows and 1 x 2 bed bungalow
Sutton on Trent – The Meerings	1	1 x 2 bed bungalow
Winthorpe – The Woodlands	2	1 x 2 bed bungalow
Farndon – The Meadows	2	2 x 1 bed flats
Caunton – Deans Close	2	2 bed houses
West of District Cluster		
Clipstone, Gorseway	3	2 x 1 bed bungalow and 1 x 2 bed bungalow
Total	50	

- 6.6 Work continues to identify further suitable sites for phases 4 and 5. The Council is in the process of acquiring land for phases 4 and 5. Phase 4 will have 54 units spread over 12 sites that are currently progressing to planning (not including 40 extra care units at Boughton). This will leave 59 units to be delivered in phase 5 of which identified land acquisitions would potentially provide 74 units. The Council will consider moving forward delivery beyond the 5 year delivery 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 grant 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 meet 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 Through the Better Care Fund the Council has successfully secured £128,462 grant funding, under the heading of 'independent Living'. Two schemes were identified in 2018/19 for wet rooms. Three schemes were identified during 19/20 for wet rooms and accessible parking.

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 75% complete and on-track for delivery in June/July 21. The scheme is also on budget; the delay due to covid-19 was two weeks only. **Appendix C** provides images of progress to date on the build.
- 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 (FIN20-21/6272)

9.1 During 2019/20, £326,026 was received in S106, in lieu of onsite affordable housing delivery. The majority of this relates to the Cavendish Park development in Clipstone.

9.2 A summary of budget and spend (to the end of October) including grant received is below:

Scheme	Units	Expenditure £m	External Funding Received £m
Gladstone House	60	8.190	4.700
Phase 1	70	10.130	2.986
Phase 2	50	7.700	1.322

Phase 3	* 5	2.690	0
Total	185	28.710	9.008

*5 completed 21 under construction.

- 9.3 The total amount of capital invested in the HRA Programme to date is £22.5m. This figure is inclusive of £4.307m grant funding secured from Homes England excluding Gladstone House of £8.19m and grant from HE of £.5m and a contribution from NCC of £3.2m.
- 9.4 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.
- 9.5 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.

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Rural Affordable Housing Exception Site: North Muskham



HRA Development Programme: Completed Units (Westthorpe, Southwell)



HRA – Beech Avenue, Ollerton



Main Street, Boughton – Progress on the Extra Care Scheme

