
NEW BUILD COUNCIL HOUSING

**Responsible Cabinet Member - Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio**

**Responsible Director – Paul Wildsmith,
Director of Neighbourhood Services and Resources**

SUMMARY REPORT

Purpose of the Report

1. This report seeks approval for the release of funding from the annual Housing Capital Programme to provide an additional 102 new Council homes for rent. Retrospective approval is also sought for a further grant application to the Homes and Communities Agency's (HCA) Affordable Housing Programme 2015-18.

Summary

2. The HCA have announced a further opportunity for Registered Providers to bid to the Affordable Housing Programme 2015/18 as the programme is not yet at capacity. Whilst there was no specific deadline there was a need to respond quickly whilst funding was still available. A bid has therefore been submitted to provide 102 houses and flats, in addition to the original new build scheme for 66 dwellings approved by Cabinet in April 2014. The total cost of this second new build programme is £14.9m and grant funding of £2m has been requested in total across three sites. Confirmation has been received of £1.68m grant funding being provided for two sites at Anfield/Aintree Court and Allington Way with a decision on the remaining grant requested for Sherborne Close expected very shortly. The contribution required from the Housing Capital Programme therefore is £12.9m over a two year period of 2015/2017. This includes the cost of transferring the land at Allington Way from the General Fund to the HRA at a value of approximately £0.5m.
3. As before, a number of grant conditions apply, including a requirement to let the properties at affordable rents.

Recommendation

4. It is recommended that :-

- (a) £12.9m from the Housing Capital Programme and £2m HCA grant is released for the provision of 102 new Council homes.
- (b) The Director of Neighbourhood Services and Resources be authorised to proceed with those works indicated at Paragraph 7 in the report subject to planning consent.
- (c) Land at Allington Way is transferred from the General Fund to the HRA at a cost of approximately £0.5m
- (d) Cabinet agree retrospectively to the submission of a second bid to the Affordable Housing Programme

Reasons

5. The recommendations are supported by the following reasons :-
- (a) There is a need to meet the demand for more low cost housing options for rent.
 - (b) Funds are available through the HRA to build Council homes and grant of around 20% will replace some of the Council's funding and make our limited funds stretch further.

**Paul Wildsmith,
Director of Neighbourhood Services and Resources**

Background Papers

No background papers were used in the preparation of this report

Pauline Mitchell : Extension 5831

S17 Crime and Disorder	All works will be carried out to Secure by Design standards to minimise potential criminal activity.
Health and Well Being	The homes are being built to sustainable Code Level 3 to maximise energy efficiency and households living in these properties will benefit in terms of their health and well-being.
Carbon Impact	The properties will be designed to enable low carbon emissions
Diversity	There are no issues
Wards Affected	The building works will take place in Cockerton, Redhall and Lingfield Wards.
Groups Affected	The residents living nearby to the building work will be affected by the noise and disturbance associated with the proposed works but the disruption will be kept to a minimum with care taken around hours of activity. Applicants for social rented housing will benefit from the increase choice available.
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework.
Key Decision	Although, this is not a key decision as the spend has previously been agreed, it has been included within the Forward Plan as a matter of good practice.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The recommendation will help to achieve the Perfectly Placed priority by improving the housing offer.
Efficiency	Modern new build properties are more effective and efficient in terms of future maintenance requirement.

MAIN REPORT

Information and Analysis

6. The Homes and Communities Agency announced the opportunity for Registered Providers to make further bids to the Affordable Housing Programme 2015-18. On this occasion no specific deadline was given but clearly the earlier a good quality application could be made the more likely it would be that funding was still available. As previously, bids are assessed against several criteria. The two principal criteria are strong evidence of delivery and value for money, particularly in relation to grant per unit and grant as a percentage of the total scheme cost.
7. It was considered that a strong bid could be submitted for :
 - (a) 12 two bedroomed flats and 6 three bedroomed houses at Sherbourne Close, Branksome.

- (b) 8 two bedroomed flats and 12 three bedroomed houses at Anfield and Aintree Court, Red Hall.
 - (c) 30 two bedroomed flats and 34 two and three bedroomed houses at Allington Way, Lingfield.
8. The proposals will be subject to the planning process that will determine the precise design and numbers each site can accommodate and that will involve its own consultation processes.
 9. The bid to the HCA was for grant of £2m to provide 102 flats and houses, reflecting successful bids made in previous Affordable Housing Programmes. It also reflected data on housing demand in Darlington and the relatively low numbers, in particular of 2 bedroomed flats in our current housing stock. Two-bedroomed accommodation has the additional benefit of being suitable for a wide range of ages and household mixes. There is however a need also for larger family housing. The HCA have notified us that our bid has been successful for grant funding of £1.68m in respect of the schemes at Aintree/ Anfield Court and Allington Way and we expect to know the outcome of the request for grant for Sherborne Close very soon. The proposal is to phase the works over 2015/18.
 10. All properties would be built to Sustainable Code 3, to provide a high level of energy efficiency. Subject to the release of capital funding it is proposed that the building works would be undertaken by Building Services.

Affordable Rents Model

11. A number of grant conditions apply to the HCA funding being offered, including a requirement to let the properties at affordable rents. An Affordable Rent is 80% of an open market rent and is therefore generally higher than a social housing rent. The primary purpose of introducing Affordable Rent is to generate more resources to support new development at a time when Government Support has been reduced.
12. For comparison purposes the charge for an affordable rent for a large two bedroomed flat at Redhall would be around £84 per week compared to £69 for a social rent and similarly an affordable rent at Branksome for a three bedroomed house would be around £104 compared to £82 for a social rent.

Financial Implications

13. The total scheme cost has been estimated at £14.9m and with HCA grant of £2m the contribution required from the Housing Capital Programme is £12.9m. This includes the cost of transferring the land at Allington Way from the General Fund to the HRA at a value of £0.5m. The works will be funded from the Housing Revenue Account as indicated in the Housing Business Plan approved by Council on 27 February 2015.

Outcome of Consultation

14. Local residents will be consulted as part of the pre-planning application consultation and their feedback reflected in the final scheme layout. Members of the Tenant's Board have undertaken some site visits and are supportive of the proposals.