
NEW BUILD COUNCIL HOUSING

**Responsible Cabinet Member -
Councillor Andy Scott, Housing, Health and Partnerships 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 to provide additional Council homes for rent and to acquire affordable homes built in response to Section 106 planning obligations as opportunity arises.

Summary

2. The Homes and Communities Agency (HCA) now have a rolling programme for Registered Providers to bid for Affordable Housing Schemes. Two schemes at Branksome comprising of 16 units are currently being worked up and funding from HCA sought. The estimated total cost is around £2m and it is hoped we may be successful in obtaining grant funding of approximately 30%.
3. A number of grant conditions apply, including a requirement to let the properties at affordable rents.
4. A current development of Council owned land at Hartington Way has presented the Council with an opportunity to acquire three units to be built by Keepmoat in response to the Section 106 planning obligation for on-site affordable housing.
5. The three units are to be acquired using the Council's Housing Revenue Account.

Recommendation

6. It is recommended that :-
 - (a) Cabinet support the bid to the Affordable Housing Programme for 16 units of accommodation.
 - (b) A maximum of £2m from the Housing Capital Programme is released for the provision of the new Council homes.

- (c) 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.
- (d) The Director of Neighbourhood Services and Resources be given delegated powers to proceed with additional new build housing schemes for affordable rent using the investment fund allocation of £17.7m agreed by Council in March 2017.
- (e) The Director of Neighbourhood Services and Resources be given delegated powers to proceed with the acquisition of the three affordable homes at Hartington Way and to acquire other affordable units as opportunities arise.

Reason

- 7. To enable a further programme of new build to take place from 2017 onwards to meet housing need and to support the economic growth of the Borough through housing development.

Paul Wildsmith
Director of Neighbourhood Services and Resources

Background Papers

No background papers were used in the preparation of this report

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| 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 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 various locations. |
| 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 | This is not a key decision |
| 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

8. The Homes and Communities Agency are encouraging Registered Providers to make bids to the Affordable Housing Programme on a rolling basis as and when schemes have been worked up in sufficient detail. This helps with respective organisations workflow and helps us maintain a steady supply of new homes provision. As previously, bids will need to demonstrate key objectives such as strong deliverability and value for money, particularly in relation to grant levels.

Financial Implications

9. The Schemes have now been worked up in sufficient detail to be able to satisfy this criteria.
 - (a) 8 two bedroomed flats at Jedburgh Drive, Branksome.
 - (b) 8 two bedroomed houses on the former Jack Horner Public House site at Branksome.
10. The proposals will be subject to the planning permission process, that will determine the precise design and numbers each site can accommodate and that will involve its own consultations process.
11. The bids to the HCA for around 30% grant reflect the gap between cost of building/future management and maintenance costs and the income generated from the affordable rents model. Account has also been taken of 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.
12. It is proposed that building works will continue to be undertaken by the Council's Building Services Division
13. A number of grant conditions apply to the HCA funding, including a requirement to let the properties at affordable rents, which are 80% of open market rent.
14. For comparative purposes the charge for an affordable rent for the two bedroomed flats will be around £90 compared to a social rent of £80. Two bedroomed homes at Branksome will be around £92 per week at an affordable rent compared to £82 for a social rent.
15. The total scheme costs for the initial 16 homes at Branksome are estimated to be over £2m but HCA grant at 30% would significantly reduce the contribution required from the Housing Capital Programme. However, at this stage Cabinet are requested to release the full £2m to allow planning and delivery to commence and negate any potential delays if further approvals were required. Actual grant awards will be reported to a future meeting. The total Housing Investment Fund identified from the

Housing Revenue Account as indicated in the Housing Business Plan approved by Council in 26 March 2017 was £17.7m therefore sufficient funding is available to deliver these projects.

Acquisition of Affordable Units at Hartington Way

16. A current development of Council owned land at Hartington Way has presented the Council in its capacity as a Registered Provider with an opportunity to acquire three units being built by Keepmoat in response to the Section 106 planning obligation for on-site affordable housing.
17. The three units which will comprise of two 2 bed and one 3 bed houses are to be acquired using the Council's Housing Revenue Account for £275k.
18. These units are being built to a standard acceptable to the Council and will be capable of being let as Council Housing in an area where there is demand for social housing.
19. This purchase is seen to be a cost effective and quick way of the Council increasing its housing numbers and providing social housing in much needed parts of the Borough.

Outcome of Consultation

20. The HRA Business Plan is developed in consultation with Council tenants through their Customer Panel and Housing Executive. They are fully supportive of more new build schemes. Local residents will be consulted as part of the pre-planning application consultation and their feedback reflected in the final scheme layout.