

**Committee:** Community and Housing Committee

**Agenda Item**

**Date:** 21 January 2010

**14**

**Title:** **THE USE OF GROWTH AREA FUNDING TO  
SECURE AFFORDABLE HOUSING**

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Item for decision

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### Summary

1. This report is asking Members of the Committee to authorise officers to seek a valuation for the land from the District Valuer and then recommend to Council that it secure central sites in Harlow for the provision of affordable housing through the Stansted Area Housing Partnership and then claim the payment back from Harlow Renaissance, the holders of the Growth Area Funding. The sites will provide approximately 40 houses for rent and be nominated to those on the housing registers of Uttlesford, Harlow and East Herts Councils.

### Recommendations

2.
  - Officers be authorised to obtain a valuation for the sites for affordable housing in Harlow for the Stansted Area Housing Partnership,
  - Recommend to Full Council that the sites in Harlow be purchased by this Council for the SAHP development programme for the value determined by the District Valuer, provided that the valuation is satisfactory in terms of the viability of the scheme as an affordable housing development, and the payment can be successfully claimed back from Harlow Renaissance, the holders of the Growth Area Funding.
  - Recommend to Full Council the transfer of the sites to Moat Housing Group, the SAHP delivery partner for the scheme, for a nominal sum.

### Background Papers

3. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
  - Stansted Area Housing Partnership Minutes 2008/2009
  - GAF 3 Programme of Development Minutes 2008/09

### Impact

- 4.

Communication/Consultation	None
Community Safety	None
Equalities	None
Finance	The Council will buy the sites on behalf of the Stansted Area Housing Partnership and then claim the amount paid from Harlow Renaissance.  There are no budgetary implications, all costs will be reclaimed from Harlow Renaissance.
Health and Safety	None
Legal implications/Human Rights	The sites will need to be conveyed to the Council from Harlow Council and then conveyed to the Moat Housing Group. The action is within the Council's powers because of the access to nominations to sites that it would consequently secure
Sustainability	The developments will be built to lifetime homes standard and Code for Sustainable Homes level 4
Ward-specific impacts	None
Workforce/Workplace	None

### Situation

5. The Stansted Area Housing Partnership was set up in 2003/2004 as a result of Uttlesford District Council approving a planning agreement enabling Stansted Airport Ltd (STAL) to develop the existing runway at Stansted Airport to serve 25 million passengers per annum. Under the terms of the planning agreement STAL agreed to provide a £2.2m fund for the provision of affordable housing through a Registered Social Landlord (RSL), in a defined area comprising of Uttlesford and Harlow Districts and parts of Braintree and East Hertfordshire Districts. This funding has enabled the provision of affordable housing in all four partnership areas.
6. The Partnership has also recently received £1.4 million of Growth Area funding to provide an eco exemplar affordable housing development. This funding is held by Harlow Renaissance and Uttlesford as the lead authority has to secure the site and then draw down the funding from Harlow Renaissance. A search for sites was carried out across Uttlesford, Harlow and East Herts and in depth discussions were had with landowners. However land values still remain high and landowners were not willing to sell their land in the current market.

7. Potential sites have been identified in Harlow which are owned by the District Council and can provide approximately 40 houses for affordable rent, built to Lifetime Homes Standard and Code for Sustainable Homes level 4. These properties will be open to nomination from Harlow, Uttlesford and East Herts Councils.
8. A valuation will be carried out by the District Valuer and sites will be purchased at affordable housing value rather than full market value ensuring that good value for money is gained. This valuation will need to be forward funded by the Council and claimed back from Harlow Renaissance. Harlow Council has offered to pay half of the valuation fee.
9. This report is asking Members of the Committee to authorise officers to seek a valuation for the land from the District Valuer and then secure the sites at an affordable housing value and claim the payment back from Harlow Renaissance, the holders of the Growth Area Funding.
10. A recommendation from this Committee to proceed would need to go to Full Council for final approval in view of the likely valuation of the sites.

### Risk Analysis

11.

Risk	Likelihood	Impact	Mitigating actions
DV valuation is not accepted by Harlow Council and site is put back on the market	2 Harlow may feel the valuation does not provide the capital receipt it is seeking	2 Currently there are no alternative available sites	Further sites are being looked at in case this one falls through.
The Council is unable to obtain reimbursement of the purchase from the Growth Area Fund	1 Harlow Renaissance has confirmed that the Council would be eligible for reimbursement.	4 The Council could potentially have to sell sites on to other parties, which could take time and be subject to market shifts.	Negotiations with Harlow Council could secure appropriate safeguards to avoid this risk.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.