

Committee: Housing Board

Agenda Item

Date: 8th March 2016

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Title: Affordable Housing Update

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Summary

This report provides an update on developer led affordable housing schemes, rural exception sites, viability and potential home ownership schemes.

Recommendations

1. That the Housing Board notes the report

Financial Implications

2. Affordable housing schemes and the financial implications of them are detailed in the Housing Strategy 2016-21.

Background Papers

3. None

Impact

Communication/Consultation	N/A
Community Safety	N/A
Equalities	The schemes listed will meet the needs of older people, those with a learning disability along with those who have a general need for affordable housing
Health and Safety	N/A
Human Rights/Legal Implications	None
Sustainability	N/A
Ward-specific impacts	Whole District
Workforce/Workplace	N/A

Situation

4. This report provides an update on developer led affordable housing schemes in partnership with a registered provider.

- 96 affordable homes have been delivered during 2015/16, these include schemes with our housing association partners and the Council's house building programme. (Programme attached)
- Radwinter Road Independent living scheme, Saffron Walden is starting to progress with an anticipated start on site scheduled for May 2016. The scheme will deliver 40 rented and 33 shared ownership for those aged over 55 who require a minimum of 6 hours a week of assessed care.
- Smiths Farm Independent living scheme, Great Dunmow is also progressing and a start on site is planned in January 2017. This will provide 60 affordable rented extra care units and a 10 unit learning disability scheme.
- Everitt Road learning disability scheme, Saffron Walden, a verbal update will be given at the meeting as discussions are still ongoing.

5. Rural Housing

We are currently working with Hastoe Housing to relook at our rural housing schemes. The Homes and Communities Agency (HCA) has withdrawn grant funding on all affordable rented schemes which means that some of our rural exception sites are unviable. A report was taken to Cabinet on 16th February to request that S106 contributions were used to fund the shortfall on a rural exception site in Chrishall. This was approved and the scheme can now progress. Hastoe are currently discussing a HCA grant allocation for a rural scheme in Little Hallingbury and we will know the outcome in April. This scheme has planning and is ready to start once funding is confirmed.

6. Viability

We have been approached by two developers recently who want to relook at the mix on their schemes due to viability issues. Officers have been asked to consider a 50/50 split between affordable rent and shared ownership and a 70/30 mix whereby 70% of the properties would be shared ownership and 30% affordable rent. In both of these cases, we have asked to see the viability assessment of the schemes and will provide a further update to Housing Board as we have more information.

7. Rent Plus

Officers have been approached recently about the rent plus model for delivery of affordable housing. Rent plus is a new product aimed at those people living in the District who work and aspire to own their own property. Information below is taken from the rent plus website for information.

"Funded by institutional investors or pension funds seeking ethical investment, Rentplus properties are let on 20-year full repairing leases to responsible housing

associations who will manage the stock. The properties can then be allocated to people and families in housing need.

This can include households on council housing lists who wish to become home owners, those registered with choice based lettings and Help to Buy agents, or persons in private rented accommodation with limited or no ability to save for a deposit.

Tenants have five-year renewable tenancy agreements, at an affordable rent set at 80 per cent of market rent, including any service charge, with no maintenance responsibilities, giving them time to save for a deposit and build creditworthiness records that will support mortgage applications.

After a tenancy period of five, ten, 15 or 20 years, the occupier will be invited to purchase their property. While there is no obligation to purchase, those who do choose to buy receive a gifted deposit of ten per cent of the property's market value. As there is no chain and they are already in situ, there are none of the delays, uncertainties or moving expenses of most house purchases.

All Rentplus homes are sold after 20 years. If they are not purchased by the occupier or the housing association, houses will be sold on the open market, with a percentage of net proceeds paid to the local authority for future affordable housing.

Rentplus aims to replace properties as they are sold, to maintain the number of affordable homes for rent in any local authority area”

(Text taken from <http://rentplus-uk.com/>)

This scheme could meet a need for those living in the District who aspire to home ownership but will not meet the needs of those on our housing register, on low incomes or benefits.

Risk Analysis

9.Risk	Likelihood	Impact	Mitigating actions
Schemes are delayed/do not go ahead due to lack of funding	1 – little risk, Officers will work with partners to ensure the schemes can be delivered	3 – schemes not available to meet housing need	Close partnership working will ensure that schemes progress.

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.