

 Overview and Scrutiny Committee – 13th December 2011		Agenda Item No. 8
Title	Work the council is undertaking to deliver more affordable housing	
For further information about this report please contact	Satnam Kaur, Interim Housing Strategy Manager – Ext: 6422	
Service Area	Housing and Property Services	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	N/A	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	28.11.11	Bill Hunt
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holder(s)		
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

1.1 This report sets out the work the council is undertaking to increase the supply of affordable housing in the district.

2. **RECOMMENDATION**

2.1 To note the progress the council has made in increasing affordable housing need in the district.

3. **REASONS FOR THE RECOMMENDATION**

3.1 The table below highlights the progress the council has made and is making in delivering affordable housing. The initiatives are explained in further detail from section 7 onwards in this report.

3.2

Initiative used to meet housing need	Delivery between 2010-2014	Future pipeline
W2 – Joint Venture with Waterloo Housing Group	34 units	236 units
Joint Commissioning Partnership	76 units	240 units
Making best use of existing stock: Tenants Incentive Scheme	21, 3 bedroom properties	Continue to be proactive in seeking opportunities to use the incentive scheme
Bringing Empty Homes back into	Average of 60 per annum	40 homes per annum
Mortgage Rescue Scheme	7	Continue to be proactive in using the scheme
Total	190	516

4 **ALTERNATIVE OPTION CONSIDERED**

4.1 None, this report is for information only.

5. **BUDGETARY FRAMEWORK**

5.1 No direct budgetary implications at this stage.

6. **POLICY FRAMEWORK**

- 6.1 Increasing affordable housing directly contributes to Fit for the Future and meeting the vision and objectives of the Council as set out in the Sustainable Community Strategy. The provision of new high quality, affordable housing will help to meet the needs of residents of the District, and by increasing the overall supply will help to ease some of the housing pressures currently experienced within the district.

7 **BACKGROUND**

- 7.1 One of the key priorities for Warwick District Council, as set out in the Sustainable Community Strategy is to ensure an adequate supply and choice of affordable housing to meet the housing needs of local people in the District.
- 7.2 The need for affordable housing has been measured both through the council's housing register and through the commissioning of Housing Needs Surveys. The most recent Housing Needs Survey undertaken in 2011 identified an annual shortfall of 698 affordable homes. The level of need identified is very significant, and likely to be substantially higher than the number of new affordable homes which can realistically be delivered. The level of need is influenced by the reduction in the affordable housing stock which has occurred over the last decade – this in turn has reduced the availability of stock and restricted the options available to households in need.
- 7.3 There are a number of ways in which the council is enabling the delivery of affordable housing:
- a) W2 – Joint Venture Partnership between the Council and Waterloo Housing Group (WHG)
 - b) Working in partnership with its Registered Provider Partners through the Joint Commissioning Partnership (JCP).
 - c) Making the best use of existing council stock through the use of the Tenants Incentive Scheme
 - d) Empty Homes – Bringing empty homes back into use
 - e) National Mortgage Rescue Scheme – working in partnership with Orbit Housing Group
 - f) Private Sector Landlords Forum

8 **W2 – Joint Venture Partnership between the Council and Waterloo Housing Group**

- 8.1 In June 2011 the Council entered into an unincorporated joint venture with WHG. The objective of the Joint Venture is to deliver up to or greater than 300 units of affordable accommodation within Warwick District. The overall project will deliver 180 affordable rent, 90 shared ownership and 30 outright sale properties. These properties will be owned and managed by WHG.
- 8.2 The units delivered will be through a mixture of 100% affordable housing on council owned land and through s106 agreements on new build developments.
- 8.3 The JV has now been formally signed and site feasibility and development of sites is underway. WHG has submitted a planning application for the

development of the Kingsway Community Centre. This is council owned land and planning permission permitted, will deliver 100 per cent affordable housing on the site. A total of 11 units will be built for affordable rent, consisting of 6 x 2bed flats and 5 x 2 bed houses.

- 8.4 The development will include enhanced energy efficiency measures to keep fuel bills to a minimum. Should planning permission be granted it is anticipated that the development will be completed during 2013.
- 8.5 The other advanced development is that of the old North Leamington School site. This is a s106 development with a mixture of affordable and open market housing. There will be a total of 58 units, of which 23 will be affordable. Of these 23, 18 will be let at affordable rents (60% of market rents) and 5 will be for low cost home ownership units. Completion of the development is scheduled for December 2012.
- 8.6 Work continues to progress W2 with a number of sites being explored in terms of feasibility.

9 **Joint Commissioning Partnership (JCP)**

9.1 Alongside W2 the council continues to work with its existing Joint Commissioning partners to deliver affordable housing.

9.2 The council's partners are:

- Jepson Housing
- Orbit Housing Group
- Waterloo Housing Group
- Bromford Housing

9.3 The main objectives of the Partnership arrangement are to:

- Maximise the delivery of affordable housing in the district
- Contribute towards the delivery of the council's strategic aims.
- Develop and maintain a range of affordable rented housing and low cost home ownership options to meet identified needs within the district
- Optimise resources to develop affordable housing in the district
- Identify land and buildings for new housing development in accordance with the council's local plan.
- Create balanced, sustainable communities

9.4 **Allocation of sites through the JCP**

9.4.1 Section 106 Sites

9.4.2 Where the council is negotiating with a developer to formalise a section 106 agreement, the developer will be given the contact details of the council's preferred partners. The negotiation as to who is allocated the site once the s106 negotiations have been completed between the developer and the council is a matter between the Registered Provider (RP) and the developer.

9.4.3 Where RPs are approached by a developer regarding affordable housing provision on a S106 site, they must advise the Council. The negotiation as to who is allocated the site will be a matter between the RP and Developer.

9.4.4 The council ensures that all partner RPs are aware of the basis upon which offers should be made to developers (in line with Planning Policy) to ensure that there is a 'level playing field' and to avoid unnecessary "bidding" wars between RPs.

9.4.5 Council Owned Sites

9.4.6 Council owned sites will be dealt with through the council's Corporate Strategic Asset Management Group. Where opportunities arise to develop council-owned sites for affordable housing, the site will be allocated to Waterloo Housing Group as part of W2.

9.4.7 Appendix 1 outlines the housing schemes that are currently in the planning system.

10 Making Best Use of Existing Stock - The Tenants Incentive Grant Scheme

10.1 The Council is fully committed to making the best use of existing stock and to ensure that an appropriate supply of affordable housing is available to those who need it.

10.2 The Tenants Incentive Grant Scheme (TIGS) which is a council initiative assists the council in addressing the issue of under-occupation. A grant of £5000 is available to tenants 60 years of age or older who wish to downsize from a 3 bed house (or larger) to a 2 or 1 bed bungalow.

10.3 The grant is also available to tenants under 60 who wish to downsize to a 1 bed flat from a 3 bed (or larger) house.

10.4 In 2010/11, 11 allocations were made under the TIGS. The allocation of 2 one bed bungalows, 5 two bed bungalows and 4 one bed flats released 4 three bed/two living room houses and 7 three bed houses. (A net gain of 21 bedrooms).

10.5 In 2011/12 to date 10 moves have been made under the TIGS. The allocation of 5 one bed bungalows, 2 two bed bungalows and 3 one bed flats under the scheme has released 1 three bed/two living room house and 9 three bed houses. (A net gain of 19 bedrooms).

10.6 Therefore, by using the TIGS a total of £105,000 has been spent to gain 21, 3 bedroom houses, compared to the cost of building 21 new 3 bedroom houses, which would have been circa £2,625,00 (based on a build cost of £125,00 per unit).

11 Empty Homes - Bringing Empty Homes back into use

11.1 The Council has committed itself to reducing the number of long-term empty homes to help meet housing need in the district. The Empty Homes Strategy 2011-2014 was approved at the September 2011 Executive.

- 11.2 The number of long term empty homes within the District has been falling since 2008. It is difficult to attribute this to any one particular factor.

Year	Number of long term empty properties
October 2008	738
October 2009	659
October 2010	571
October 2011	445

- 11.3 It can be argued that since the economic downturn owners know they cannot sell their properties due to the depressed housing market, so are therefore renting them instead. Conversely it can be argued that the downturn is having the opposite effect in that it has become more difficult for owners to raise money to carry out renovation works, especially those who are renovating properties for their own use without capital to draw on. For those owners who do have the funds to renovate their property, there is little incentive to redevelop and sell because house prices have fallen and owners may believe they will achieve a better price by waiting for a market recovery.
- 11.4 What is known is that since April 2010 the Council has increased the Council Tax liability for long term empty homes from 50% to 100% and this is likely to have had a positive impact in bringing down the numbers.
- 11.5 In the summer of 2010 the council was successful with a funding bid of £53,000 to help address the problem of empty homes in the district, with a view to meeting housing need. This enabled a dedicated approach to empty homes being undertaken through the employment of a full time empty homes officer. The work of this officer since 2010 can also be attributed to the decrease in numbers.
- 11.6 The council is currently considering tying its financial assistance policy to nominations rights, whereby the council would have 5 year nomination rights to a property in exchange for financial assistance in the form of grants/loans offered to owners to help bring empty homes back into use.

12 Mortgage Rescue Scheme

- 12.1 The mortgage rescue scheme is a nationwide scheme which assists households unable to afford their mortgage re-payments through no fault of their own, to sell their property to Orbit Housing Group and to remain in the property as an Orbit Housing tenant. Referrals to the scheme are made through the council.
- 12.2 In 2010/11 the council assisted 5 households to remain in their homes through the scheme.
- 12.3 In the year to date 2 households have been assisted through the scheme.

13 Private Sector Landlords Forum

- 13.1 In April 2011 the council relaunched its Private Sector Landlords Forum. This is a partnership between the council and private sector landlords which enables the council to update landlords on current changes in legislation and council led initiatives, as well as providing a platform for landlords to raise any issues or concerns they may have.
- 13.2 This forum has enabled the council to forge new relationships with landlords and promote its Rent/Deposit Bond Scheme which assists households to access the private rented sector to meet their housing need.
- 13.3 It has also enabled the empty homes agenda to be raised and promoted the importance of the private sector in meeting housing need.

Appendix 1

Site Address	RSL	Developer/ Applicant	Planning App Number	Planning Status	Aff Housing Mix/Tenure (%)	Section 106 Agreement Mark with "x"	SOS	Estimated Completion Date	Comments
Kenilworth Street, Leamington Spa		Brian Bassett Ltd	08/1717	Granted, subject to S106 12.03.09	4 x 1 b Flats, 8 x 2 b Flats RENT	X			s106 agreed but not yet signed
Pottertons		Gladedale	02/1472 outline 05/1528 RM	Granted	34 x 2 b flats SO	x			Negotiating with landowner for s/o units
Cape Road, Lower Cape, Warwick		Mayfair Properties	10/0160	Granted 8.2.10 subject to s106	TBC	x			Outline application, indicative layout for aff hsg would be 4 x 2 BH, 1 x 3 BH and 1 x 4BH RENT. S106 draft approved, number, type, size and tenure of affordable housing to agreed prior to the submission of reserved matters application.

Site Address	RSL	Developer/ Applicant	Planning App Number	Planning Status	Aff Housing Mix/Tenure (%)	Section 106 Agreement Mark with "x"	SOS	Estimated Completion Date	Comments
Queens Square, Warwick	Orbit	Orbit	10/1429 and 07/1799	Granted	6 x 3 b houses RENT				
SW Warwick, Phase 9		Taylor Wimpey	09/1042	Granted 21.01.10	21 x 3 b houses				21 affordable in total, 6 rent and 15 s/o.
Portobello Works		Gladedale/ Pettifers	06/0456	Granted	10 x 2 bed flats, 3 x 3 bed houses				Has consent for residential but not built out
North Leam School Site	WHG	AC Lloyd	10/1250	Granted 14.06.10 subject to s106	5 x 3BH, 8 X 2 BH & 5 X 2 BF AR, 3 X 3 BH & 2 X 2 BH S/O	x	Apr-12	Dec-12	s106 completed
Barford (rural)					7 x 2 bh, 2 x 2bb, 1 x 3 bh rent, 1 x 2 bh s/o				HNS Jan 2009, Site identified, public consultation event to be scheduled in September
Edmondscote Manor, Leamington		Guide Dogs for the Blind Association	W10/0748 Outline	Granted 14.10.10 subject to s106	approx 14 (total 35)	x			s106 being negotiated

Site Address	RSL	Developer/ Applicant	Planning App Number	Planning Status	Aff Housing Mix/Tenure (%)	Section 106 Agreement Mark with "x"	SOS	Estimated Completion Date	Comments
SW Warwick (Land at Aylesford School)		Warwickshire County Council	11/0074	Outline	Approx 90	x			Granted July 2011 subject to completion of s106
Old Warwick Road, Lapworth (rural)		Cross & Craig Associates	11/0467	Granted 06.11.11 subject to s106	2 x 2 BH R, 1 x 2 BH S/O	x			
Avon Court, All Saints Road	Housing 21	Housing 21	11/0515	Granted 16.11.11 subject to s106	21x 2 BF AR, 21 x 2 BF S/O				100% affordable extra care scheme
Land at Stratford Road, Warwick		Kestrel Properties	11/1251		Approx 91	x			Employment land at SW Warwick
Kingsway (Edinburgh Crescent) Leamington Spa	WHG	WHG	11/0942		6 x 2 BF, 3 x 3BH, 2 x 2 BH - AR		Apr-12	Apr-13	100% affordable - part of JV