

# North Tyneside Council Report to Cabinet 10 March 2014

**Item 7(i)  
Delivering  
Affordable Homes  
Update**

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**Portfolio(s):** Housing and Environment

**Cabinet Member(s):** Cllr John Harrison

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**Report from Service Area:** Housing

**Responsible Officer:** Ian Conway, Head of Housing (Tel: 0191 643 7500)

**Wards affected:** All

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## PART 1

### 1.1 Purpose:

Cabinet agreed on 14 October 2014 to receive further updates on the Affordable Homes Programme. The purpose of the report is to:

- provide Cabinet with an update on the progress made during 2013/14 on delivering more affordable homes within North Tyneside; and
- seek Cabinet's approval for the next steps required to progress the Affordable Homes Programme.

### 1.2 Recommendation(s):

It is recommended that Cabinet:

(1) notes:

- (i) the progress made in delivering more affordable homes during 2013/14
- (ii) the development of the Affordable Housing Needs Assessment Tool (as outlined at section 1.5.2 (b)ii and Appendix 4)
- (iii) the application of the Design Standard principles (as outlined at section 1.5.2 (b)iii and Appendix 5)

(2) authorises the Client Manager (Property) in consultation with the Head of Housing, the Elected Mayor, Cabinet Member for Housing and Environment, the Head of Finance and Commercial Services and the Head of Law and Governance, to agree terms and enter into the leases or other legal arrangements to enable the empty properties, as detailed in this report, to be bought back into use.

- (3) authorises the Client Manager Property in consultation with the Head of Housing, the Elected Mayor, the Cabinet Member for Housing and Environment, the Head of Finance and Commercial Services and the Head of Law and Governance to:
  - (i) declare sites, deemed surplus to the Authority's requirements and deemed suitable for development by a registered provider available for sale by private treaty to the agreed Registered Providers;
  - (ii) agree the final terms of disposal of sites declared surplus by private treaty to secure best consideration;
  - (iii) complete negotiations for the sale of surplus sites to agreed Registered Providers in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations;
  - (iv) deal with all ancillary matters arising that are consistent with the preceding recommendations;
  - (v) agree to support bids by Registered Providers to the Homes and Community Agency for Affordable Housing Grant in line with the approach set out in this report.
- (4) authorises the Client Manager Property in consultation with the Head of Housing, the Elected Mayor, the Cabinet Member for Housing and Environment, the Head of Finance and Commercial Services and the Head of Law and Governance to include additional sites into the programme to deliver new affordable housing.
- (5) agrees to enter into a leasing arrangement for 31 Avon Avenue, and enter into an option to purchase in respect of 33 and 35 Avon Avenue in accordance with the principles set out at paragraph 1.5.3 c(ii) of this report, and:
  - (i) authorise the Client Manager Property in consultation with the Head of Housing, the Elected Mayor, the Cabinet Member for Housing and Environment, the Head of Finance and Commercial Services and the Head of Law and Governance, to agree final terms of the leasing arrangement and option to purchase and complete matters in accordance with all relevant legal requirements, the Authority's Constitution and Financial Regulations; and
  - (ii) to deal with all ancillary matters arising that are consistent with the preceding recommendation.
- (6) agrees to seek authorisation from full Council to approve the acceptance of financial support offered by the Local Growth Fund, should the bid be successful along with details of any match funding required by the Authority.
- (7) agrees to receive further reports as necessary in relation to the Affordable Homes Project.

### **1.3 Forward Plan:**

This report was first published on the Forward Plan on 27 November 2013.

### **1.4 Council Plan and Policy Framework:**

This report relates to the following priorities in the 2013-17 Our North Tyneside Plan:

Our Places will:

- Be places that people like living in and will attract others to either visit or live
- Have more quality affordable homes

## 1.5 Information:

### 1.5.1 Background

The Mayor and Cabinet have clearly stated their policy intention in the Our North Tyneside Plan that the Authority will deliver “more quality affordable homes.”

In October 2013, Cabinet agreed an ambitious target to increase the pace and scale of the affordable homes programme within North Tyneside. Over the last 10 years the Authority has delivered 789 new affordable homes and now plans to deliver 3,000 over the next 10 years.

This will include new Council housing as well as delivery through the Authority’s strategic and enabling role, working with the Homes and Communities Agency, Registered Providers (RPs) and developers to meet a range of housing needs including the needs of vulnerable groups. The Authority will also seek to bring empty properties back into use as affordable housing, where appropriate using its statutory powers.

There are currently three phases to the Delivery Programme:

- Phase 1 – New build Council housing funded primarily via the Housing Revenue Account (HRA) Business Plan;
- Phase 2 – Conversion of HRA assets funded via the HRA Business Plan;
- Phase 3 – Medium and long term new build / conversion / bringing empty property back into use, which will be a mixture of a range of tenures and ownership, funded by a range of appropriate mechanisms.

A draft Local Plan has been developed which sets out the Authority’s approach to delivering sufficient additional homes within North Tyneside to meet the anticipated needs arising from demographic changes including a projected increase in the Borough’s population by 2030.

The Local Plan sets out to make provision for between 10,500 to 12,000 additional homes in the period between 2015 and 2030. The first round of consultation has recently been completed and the results are being collated.

It is anticipated that the Local Plan with agreed changes will be adopted in 2015.

The draft Strategic Housing Market Assessment 2013 has recently been completed, providing a clear evidence base on the level of housing need within the Borough and has identified an annual shortfall of 495 affordable homes.

The Joint Strategic Needs Assessment (JSNA) as well as further detailed work with Children Young People and Learning and Adult Social Care will ensure the long term housing needs of vulnerable groups are captured and catered for.

An Affordable Housing Needs Assessment tool has been developed which utilises this intelligence to establish the type and size of affordable housing needed on individual sites.

### 1.5.2 Progress on Affordable Housing Delivery in 2013/14

#### (a) New affordable homes

It is anticipated that 95 affordable homes will be delivered and completed by the end of this financial year. The detailed delivery programme for 2013/14 is given in Appendix 1.

Significant progress to accelerate the delivery affordable homes is underway. Plans are well developed to deliver a further 262 units in 2014/2015. A full delivery programme for 2014/15 is given in Appendix 2.

The Indicative Affordable Homes Delivery Programme 2013-2024, setting out long term plans for meeting the Authority's aspirations on affordable homes, is given in Appendix 3.

(b) Other Progress

(i) Land availability assessment

All land within the Authority's ownership, including land belonging to the Housing Revenue Account (HRA), General Fund and assets recently transferred into the Authority from the former Tyne and Wear Economic Development Company (TWEDCo) are being assessed.

HRA land (including garage sites) has been Red/Amber/Green (RAG) rated in terms of suitability/ease of development. An initial filter of all General Fund land has been completed and further viability work is being undertaken by Planning.

The rationalisation exercise of office and depot accommodation, currently being conducted by Capita, is progressing; the results of which will feed into the land availability assessment in due course.

(ii) Assessing the need for Affordable Housing

The Affordable Housing Needs Assessment Tool has been developed to establish the type and size of affordable housing needed on development sites across the borough (including HRA, General Fund, and market sites). Cabinet is asked to note the principles that have been agreed to support the model. These are attached at Appendix 4.

(iii) Designing new affordable homes for North Tyneside

To ensure a balance between quality, sustainability and value for money, work is progressing to develop a bespoke set of building design principles to guide our own and construction partners' development. This will include tailoring new build to support particular client groups within Adult Social Care and Children Young People and Learning.

Cabinet is requested to note the design principles set out at Appendix 5 which take into account all relevant standards and good practice guidelines.

Sustainability and resilience to flooding have been highlighted as particular issues to be addressed. Within this framework, officers will work with tenants, to understand which design features make a real difference to them.

Design options, including cost implications, will then be drawn up for further discussion with Members before bespoke North Tyneside design standards and output specifications are finalised.

(iv) Section 106 Agreements

Currently the Authority's standard Section 106 agreement states that any affordable homes that are delivered through Section 106 agreements must be at social rent levels on first let. The Registered Provider can then choose to convert to an affordable rent on subsequent re-let, however this may be many years hence.

Registered Providers have highlighted this as an issue which affects the financial viability of purchasing any new homes that have been provided as part of the affordable homes requirement by developers. Registered Providers do not receive any grant on affordable homes provided as part of a Section 106 agreement. Even where affordable rents are charged there is likely to be a shortfall which needs to be provided directly from the Registered Providers resources. If Registered Provider's acquire affordable homes through planning obligations (via Section 106 agreement) and want these to be part of their contract with the Homes and Communities Agency (HCA) then they must also be let at an affordable rent.

The HCA Affordable Homes Prospectus highlights affordable rents and affordable home ownership options as part of Section 106 agreements and suggests that the price paid should be no more than the capitalised value of the net rental stream. Further the HCA will only support social rent schemes in very limited circumstances e.g. where the decanting of existing social rent tenants is necessary.

The financial viability of developments where a social rent would be charged are even more acute. When negotiating future Section 106 agreements an affordable rent model may need to be considered. Proposals to make changes to Section 106 agreements would require decision by Full Council.

### 1.5.3 Next Steps

The next steps in the development of Phase 3 of the Affordable Homes Programme are:

#### (a) Bringing back Empty Properties into use as affordable housing

The report "Delivering Affordable Homes," which was considered by Cabinet on the 14<sup>th</sup> October 2013, recognised the contribution that bringing empty properties back into use could make to the overall Affordable Homes Delivery Programme:

At its meeting on the 10<sup>th</sup> February 2014, Cabinet approved proposals to progress legal arrangements with the owners of four previously long term empty properties in North Shields and Marden. This will enable the Authority to carry out the necessary improvement works to enable the properties to be let, later this year, to applicants in housing need. This initiative will be funded by the New Homes Bonus, which will create a revolving loans fund, with the cost of refurbishment being paid back to the Authority via the rental income collected over an agreed term, typically 7 to 10 years. During the period outlined, North Tyneside Homes will manage the properties (taking full responsibility for repairs and maintenance) and let at affordable rent to applicants on the housing register.

As the Authority makes progress towards the regeneration of Wallsend, it is proposed that activity is also targeted towards tackling empty homes in this area so that there is a comprehensive approach towards improving the area and addressing poor conditions.

A high level of empty homes, shops and commercial units has been identified within this priority area. A Project Plan has been developed, outlining the action to April 2014, necessary to ensure effective targeted actions in the focus area as outlined in Appendix 6. Cabinet is therefore requested to endorse this approach and allow the Authority to enter into suitable arrangements with owners of properties which fall within the focus area.

(b) Wallsend Town Centre

At its meeting on the 10<sup>th</sup> February 2014, Cabinet agreed to finalise property negotiations between the Authority and the current owner of the former Wallsend Police station to secure the acquisition of this building in exchange for the Wallsend Town Hall. Once the transfer has been completed, the police station will be in the ownership of the General Fund, arrangements will then need to be made for the HRA to re-imburse the General Fund with a capital receipt equivalent to the swap value, before any council homes can be built on the site. The Temporary Accommodation Unit at Alexandra Street (initially planned for refurbishment as Council homes in Phase 1) and former Wallsend Police Station are adjacent to each other. Subject to the completion of the transaction, the transfer of the former Police Station provides an excellent opportunity to further develop the whole of the site, and create a real impact in this area.

Initial plans for Phase 1 and Phase 2 have been reviewed following Wallsend Library receiving listed status from English Heritage, preventing the building from being redeveloped at this stage, and the potential opportunity to develop more ambitious plans for the Wallsend Town Centre site. Whilst the decision to list Wallsend Library is being challenged, it is important to bring forward further sites into Phase 1 to maintain delivery targets.

Cabinet is requested to authorise the inclusion of additional sites into the programme to deliver new affordable housing.

(c) Working with Registered Providers (RPs):

The Authority continues to work closely with RPs to identify opportunities and funding to creatively meet housing need in the Borough:

(i) Homes and Communities Agency Affordable Homes Programme 2015-2018

The prospectus for the Homes and Communities Agency (HCA) Affordable Homes Programme 2015-2018 was published 27 January 2014. The funding will be available to RPs that are able to demonstrate a track record in delivering affordable homes and have solid proposals for sites where homes can be delivered. This presents a real opportunity to bring additional funding for affordable homes into the borough. Discussions with RPs, who are most active in North Tyneside, have shown that they would require some sites to be identified in order to take advantage of this opportunity.

A number of sites will be identified to support RP bids to the HCA for funding for around 120 new affordable housing units. Any sites provided would not be those that the Authority required in the immediate future to undertake direct development itself.

Sites will be disposed of, to the RPs, using the best value principle which means capital receipts could be secured for sites dependent on individual site conditions.

The 2011-15 Affordable Homes Programme introduced the new affordable rent product, which is charged at up to 80% of market rents. All new affordable homes receiving HCA grant funding must be let at an affordable rent.

It is proposed that an exercise is undertaken to appoint RPs to deliver affordable housing on approved sites. The land identified will be made available to the RPs and this will be subject to further analysis. RPs will be given the opportunity to express an interest in the identified sites which will then be assessed according to an agreed set of criteria.

A development agreement will be entered into with the RPs to ensure that the developments are carried out in a timely fashion. Land will transfer to the RPs which may produce a capital receipt that would support the overall HRA Business Plan.

(ii) Gentoo proposal: Avon Avenue

The Authority has the opportunity to work with the Gentoo Group and secure four additional one-bedroom flats as part of its Affordable Homes Delivery Programme. The properties that have been identified for conversion are all within Avon Avenue on the Meadow Well Estate. They currently comprise:

- 1 single ground floor vacant shop unit owned by the Authority (No 31);
- A private adjacent vacant shop unit with a flat above (Nos. 33/33a); and
- 1 vacant ground floor shop unit in private ownership (No.35).

Gentoo has secured agreement to purchase the private properties with the intention of converting the shops into one bedroom flats and refurbishing the existing first floor flat. Gentoo has proposed that the Authority enter into an option to purchase the properties. Once Gentoo has completed the renovation works to the property, the Authority will exercise the option to purchase and take ownership of the properties for an agreed price. The properties would then be available to let by the Authority at an Affordable Rent.

The company would also like to secure a lease from the Authority for No. 33 with the intention of converting this property into a one bedroom flat. The lease shall be at a peppercorn rent for the duration of the works.

Gentoo are prepared to finance the cost of conversion/refurbishment with the assistance of a Homes and Communities Empty Homes Grant. On completion of the works, Gentoo would then surrender the lease for No. 33 back to the Authority. The lease would be for a maximum of 5 years or determined earlier upon completion of the works.

Cabinet's approval is sought to take advantage of this opportunity.

(d) Local Growth Fund Bids

As part of the Council's submission to the Growth Fund administered through the Local Economic Partnership (LEP), a number of potential pipeline prioritisation submissions have been entered in relation to works associated with the Affordable Homes Programme. Two bids have been submitted totalling £10.6m.

The first bid is based around the infrastructure works associated with the Annitsford Farm site amounting to £5.564m over 2015/16 and 2016/17.

The second bid focuses on the regeneration work that is being undertaken in Wallsend Town Centre amounting to £5.036m over 2015/16 and 2016/17.

Cabinet approval is requested to seek authorisation from full Council to approve the acceptance of financial support offered by the Local Growth Fund, should the bid be successful along with details of any match funding required by the Authority

1.5.4 Ongoing Work

In accordance with the Cabinet report "Delivering Affordable Homes" dated 14 October 2013, further work is being undertaken by officers, Cabinet will receive further reports detailing:

(a) Community lets and recreation rooms

A review is being undertaken to gain a fuller picture of Housing Revenue Account (HRA) assets which are not currently being used as housing and may be suitable to bring back into use as affordable homes. Some of these are well used for the benefit of the wider community e.g. community groups, however others may be being under-used and may have the potential to be converted back into housing. In some instances the letting arrangements for these buildings, the way the groups are constituted and the use to which the buildings are put, will need to be formalised.

(b) Appraisal of delivery models

Work is progressing to appraise the range of delivery models available to deliver Phase 3 of the Affordable Homes Programme. DWF, an external legal company with expertise in this area, has been engaged by the Authority to ensure the legal and tax implications of each model, under consideration, are fully understood. More detailed financial modelling will be undertaken to provide an appropriate level of assurance and due diligence.

## 1.6 Decision options:

The following decision options are available for consideration by Cabinet

Option 1

Receive the update and agree the recommendations detailed at paragraph 1.2 of this report

Option 2

Receive the update and reject the recommendations detailed at paragraph 1.2 of this report

Option 3

Receive the update and request further work is completed and a further report presented to Cabinet.

Option 1 is the recommended option.

## 1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

- It will support progress on delivering the Elected Mayor and Cabinet's commitment to deliver more quality affordable homes.

## 1.8 Appendices:

Appendix 1: Affordable Homes Delivery Programme 2013/14

Appendix 2: Affordable Homes Delivery Programme 2014/15

Appendix 3: Indicative Affordable Homes Delivery Programme 2013-2024

Appendix 4: Principles of Affordable Housing Assessment Tool

Appendix 5: Design Principles

Appendix 6a: Empty Homes Focus Area

Appendix 6b: Empty Homes Plan



## 1.9 Contact officers:

Ian Conway, Head of Housing tel. (0191) 643 7500  
Roy Marston, Manager Quality Homes for Older People & Support Services  
tel. (0191) 643 7580  
Alison Campbell, Finance Business Manager, tel (0191) 643 7038  
Sarah Heslop, Manager – Legal Services, tel (0191) 643 5456

## 1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) [Cabinet Paper October 14 2013 ITEM title: “Delivering Affordable Homes”](#)
- (2) [Cabinet Paper February 10 2014 ITEM Title: Empty Homes “Lease to Let Scheme”](#)
- (3) [Core Strategy Preferred Options 2010](#)
- (4) [Draft Local Plan 2015-2030](#)

## PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

### 2.1 Finance and other resources

#### Phases 1 and 2

Table 1 below shows the updated summary position with estimates for Phase 1 and Phase 2 which show identified scheme costs to-date of £11.2m including client fees. An average build cost of £0.090m per new unit has been used which will vary depending upon mix of units. An additional allowance of £0.015m per unit has been allocated for statutory services, site specific / abnormal and associated risk items.

The budgets for conversion and refurbishment work have been developed using current or recently completed projects. The budget envelope for the works includes some allowance for statutory service connections and site specific / abnormal costs, however the final costs for individual projects will need to be refined after detailed site surveys and the production of final design and relevant planning and building regulations consents.

The current HRA Business Plan has allocated £7.124m in 2014-15 and £6.909m in 2015-16 towards new build costs, in addition £0.320m of New Homes Bonus and Section 106 funding has been allocated towards Phase 2 costs. Table 1 below summarises the current overall new build budget position with regards to HRA schemes.

**Table 1 – Phases 1 & 2 – Summary Projected Cost and Budget Position**

	2013-14	2014-15	2015-16	2016-17	TOTAL
	£000	£000	£000	£000	£000
Phase 1 – New Build	42	2,752	5,035	0	7,829
Phase 2 - Conversions	230	1,146	1,221	135	2,732
New Build Client Fees	0	205	205	205	615
<b>Total Spend</b>	<b>272</b>	<b>4,103</b>	<b>6,461</b>	<b>340</b>	<b>11,176</b>

HRA Budget	252	7,124	6,909	4,785	19,070
Other Funding Identified	20	300	0	0	320
<b>Total Funding Available</b>	<b>272</b>	<b>7,424</b>	<b>6,909</b>	<b>4,785</b>	<b>19,390</b>
<b>Balance yet to be Allocated</b>	<b>0</b>	<b>3,321</b>	<b>448</b>	<b>4,445</b>	<b>8,214</b>

### Phase 3

In parallel with possible delivery options being developed, financial models are also being developed for various elements of Phase 3. These will be used to show that each constituent part of the phase is viable and will also help inform the decision on which delivery model is most appropriate in each case. The models will consider the required term for the delivery options for each part of Phase 3 to pay back any funding required, and sensitivity to changes in rental income, void rates and other variables.

A further report will be brought to Cabinet during the summer. This will contain full details of the implications of the different delivery options and will detail the financial implications associated with any recommendations made in that report.

### Wallsend Town Centre – Wallsend Police Station (WPS)

Cabinet should be aware that following the swap involving Wallsend Police Station(WPS) and Wallsend Town Hall, WPS will effectively be in the ownership of the General Fund. In order to use the site for Council homes, the HRA will have to “pay” the General Fund for the value of the site estimated to be circa £200k.

### Avon Avenue, Meadow Well

If the Authority enters into legal arrangements with Gentoo Homes to deliver the scheme as detailed in Section 1.5.3 (c)ii of this report, it will commit itself to capital expenditure of £120,000 on completion of this scheme which will be during the financial year 2014/15. This can be financed by funding set aside for the delivery of affordable homes within the Housing Revenue Account.

### Local Growth Fund Bids

As part of the Council’s submission to the Growth Fund administered through the Local Economic Partnership (LEP), two potential pipeline prioritisation submissions have been submitted totalling £10.6m.

	<b>2015/16</b>	<b>2016/17</b>	<b>Total</b>
Annitsford Farm	£2.5m	£3.064m	£5.564m
Wallsend Town Centre	£3.0m	£2.036m	£5.036m
<b>Total</b>	<b>£5.5m</b>	<b>£5.100m</b>	<b>£10.600m</b>

## **2.2 Legal**

### Ongoing works

It is understood that the current conversion/refurbishment works will fall within the scope of works Kier North Tyneside will carry out under the terms of the Joint Venture agreement.

## Empty Properties

The details of the proposed structure are set out in the Cabinet report dated 10 February 2014 and any further properties brought forward would be dealt with on a similar basis.

## Registered Providers

The procurement exercise to appoint Registered Providers to a framework shall be undertaken in accordance with the Authority's Contract Standing Orders. As this will be a land transaction this will not require compliance with EU Public Procurement Regulations. The opportunity however should be advertised as appropriate to ensure appropriate providers are appointed to the framework. In disposing of the land to Registered Providers the Authority must ensure it complies with s123 Local Government Act 1972 and obtains best consideration for the land. It should be noted that the properties are constructed on the land will be subject to 'Right to Acquire' legislation.

## Gentoo

The lease to Gentoo must represent best value to the Authority pursuant to s123 of the Local Government Act 1972. This can be demonstrated by the value of the works to be carried out to the property. S120 of the Local Government Act 1972 allows the Authority to acquire land and will allow the Authority to enter into the option to purchase the additional properties when the works are completed.

## Acceptance of Grant

The Authority may accept the grant proposal should it be successful in its bid. The terms and conditions of the grant should be reviewed to ensure there are no onerous conditions attached.

In accordance with the Local Government Act 2000 and the regulations made under that Act in relation to responsibility for functions, Cabinet is responsible for determining the matters identified in this report.

## **2.3 Consultation**

### **2.3.1 Internal Consultation**

Comprehensive governance arrangements have been put in place for the Affordable Homes Programme which support internal consultation. This includes a regular monthly discussion with the Senior Leadership Team and consultation with the Affordable Homes Programme Board.

Members and key officers are consulted through the Strategic Property Management Group comprised of the Elected Mayor, Deputy Mayor, Cabinet Member for Housing and Environment, Cabinet Member for Economic Development, Chief Executive, Deputy Chief Executive and Heads of Housing, Business and Economic Development and Finance and Commercial Services. They receive a monthly update on the Affordable Homes Programme and makes recommendations for key decisions.

As part of overview and scrutiny arrangements, the development of the Affordable Homes Programme has been fully discussed with the Housing and Economic Prosperity Committee and the Affordable Homes Sub-group. The Affordable Homes Sub-group have considered the information, available so far, in relation to delivery options. The Sub-group are of the view that the two most important objectives should be:

- for the Council to maintain a level of control over the delivery vehicle
- to maximise the number of affordable homes achieved and would like to see these prioritised in further investigations.

The views of these groups will continue to be sought as further information about delivery options becomes available.

The Council's partners Kier North Tyneside and Capita continue to be updated about the development of the Affordable Homes Programme through partnership governance arrangements.

### **2.3.2 External Consultation**

Detailed discussions have been held with Registered Providers regarding the Homes and Communities Agency (HCA) Affordable Homes Programme 2015-2018. Consultation is being held with Members for wards where sites, subject to Cabinet approval, have been identified to support RP bids to the Affordable Homes Programme 2015-2018. RPs will undertake consultation with existing residents on their future proposals for these sites prior to submission for planning approval. There are also detailed planning requirements in terms of the consultation to be undertaken as part of the formal planning approval process.

A Visioning Day was held March 2013 with the interested developers of the site. This was followed with 1:1s with interested developers to assess market interest in the Annitsford Farm site and wider proposal for delivering affordable homes across the borough.

In August 2013, a preliminary consultation event was held for residents who live near the Annitsford Farm to gain greater understanding of their views on the development of the site. Consultation on potential development sites, including the Annitsford Farm site, has also taken place as part of the initial consultation on the Authority's draft Local Plan.

In November 2013, the Developers Forum met with RPs, small builders and the HCA to discuss potential future opportunities under the Affordable Homes Programme and explore further ways to support the Council's Affordable Homes aspirations.

All necessary consultation has been undertaken ahead of the developments included in Phase 1 and Phase 2. Further consultation with tenants, residents and members will be held with all stakeholders as the Affordable Homes Programme progresses.

## **2.4 Human rights**

There are no human rights issues directly arising from this report.

## **2.5 Equalities and diversity**

An increase in mixed tenure homes would help to meet local need as set out in the Draft Strategic Housing Market Assessment and would increase the overall affordable housing supply, including helping reduce some of the potential pressure for 1-2 bedroom properties.

The Affordable Homes Delivery Programme is also likely to include purpose built housing for specific client groups which will help promote equality for groups with specific characteristics.

## 2.6 Risk management

Any associated risks will be considered as part of the investigation of options. A project risk register has been collated. At this stage it is considered that there are no specific risks that need to be added to the Directorate Risk Register.

## 2.7 Crime and disorder

Should any sites be brought forward for development, crime and disorder issues will be considered as part of the normal planning procedure.

## 2.8 Environment and sustainability

Design specifications are being developed for new homes which will reflect national standards for Sustainable Homes and key local priorities e.g. flood prevention will be brought to Cabinet for discussion and approval. This will include considering the use of appropriate renewable energy sources, such as solar PV, biomass and ground source heat pumps where financially viable and developments are of suitable size and scale to make them affordable.

Refurbishment projects will enhance the energy efficiency ratings of the buildings to a standard acceptable by the Building Regulations 2010.

## PART 3 - SIGN OFF

- Chief Executive  X
- Deputy Chief Executive  X
- Head(s) Of Service  X
- Mayor/Cabinet Member(s)  X
- Chief Finance Officer  X
- Monitoring Officer  X
- Strategic Manager Policy and Partnerships  X



## 2013/14 Delivery Programme

DEVELOPMENT	DELIVERY METHOD	START DATE	COMPLETION DATE	UNITS
Balliol Avenue	HRA	Jan-12	Apr-13	1
Mickley Close	First Buy scheme		Jul-13	2
Stanley Miller	Vol. Builders (s106)	Sep-12	Sep-13	4
Kelso Gardens	HRA	Sep-13	Nov-13	1
Swan Close	HRA	Feb-13	Dec-13	12
Wideopen UDP	Vol. Builders (s106)	Sep-12	Dec-13	9
Park Road	Registered Provider/AHP	Apr-13	Jan-14	6
<b>Sub Total (units delivered)</b>				<b>35</b>
Wideopen UDP	Vol. Builders (s106)	Sep-12	Mar-14	51
Barrasford Street	Empty Homes Programme	Jan-14	Mar-14	1
High Street East	Empty Homes Programme	Feb-13	Mar-14	1
Woodbine Avenue	Empty Homes Programme	Feb-13	Mar-14	1
Burn Terrace	Empty Homes Programme	Feb-13	Mar-14	1
Seymour Street	Empty Homes Programme	Feb-13	Mar-14	1
Wallsend Road	Empty Homes Programme	Feb-13	Mar-14	4
<b>Total (units delivered and units due for completion by 31 March 2014)</b>				<b>95</b>

## 2014/15 Delivery Programme

DEVELOPMENT	DELIVERY METHOD	START DATE	COMPLETION DATE	UNITS	COMMENT
Bank Top Cottages	HRA	Feb-14	Apr-14	2	The two stone cottages will be upgraded and converted internally to provide 2 bungalows. Work started in February 2014 and is due to complete in April 2014.
Wright Drive	HRA	Feb-14	Apr-14	1	This building has historically been used as a community recreation room and will be converted to provide one bungalow. Work commenced in February 2014 and is due to complete in April 2014.
Barr Close	HRA	Nov-13	May-14	9	Work has commenced on site for the development of nine new homes at 21- 29 Barr Close, Battle Hill (formerly known as Byrness Court.)
Coast Road	HRA	Mar-14	Jul-14	2	The ground floor of the building will be converted into two apartments. Work is planned to commence in April 2014 and due to complete in July 2014.
Victoria Terrace	HRA	Jul-14	Sep-14	5	The former housing and customer service building will be converted to provide up to 5 apartments. The planning application and detailed design are currently progressing. Work is planned to commence in July 2014 and due to complete in November 2014.
Berkley Close	RPs (AHP)	Jan-14	Sep-14	10	
Amble Close	RPs (AHP)	Jan-14	Sep-14	12	



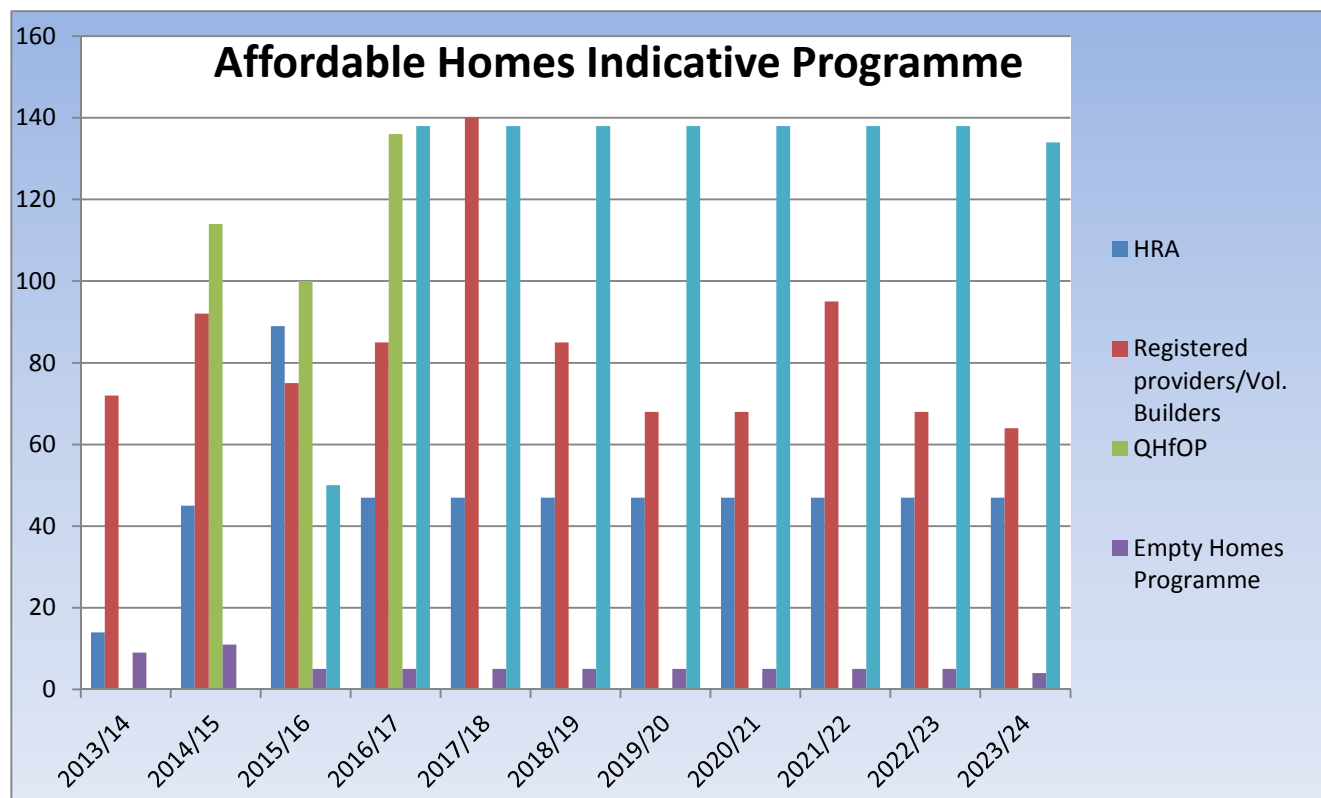
Bude Court	HRA	Jul-14	Dec-14	9	This has the potential to build 7 - 9 new homes. Discussions are on-going, with Adult Social Care to assess the feasibility of developing a purpose built facility for a specific client group
Bedford Avenue	HRA	Aug-14	Dec-14	3	The ground floor of the building, comprising 5 redundant retail units, will be converted into 3 apartments. Consultation is taking place with residents. Work is currently planned to commence in August 2014 and due to complete in December 2014, however we are looking to accelerate this project.
Meadow Drive/Dudley Lane	RPs (AHP)	Dec-13	Dec-14	20	
Warwick Road	RPs (AHP)	Nov-13	Jan-15	20	
Bristol Drive	QHOP	Apr-14	Mar-15	49	
Blandford Rd – Phase 1	HRA	Jul-14	Mar-15	14	The site comprises the site of the former Brig Public House and adjacent. We are currently working with Galliford Try as the land owner of a part of the site to develop homes across the site with ownership being transferred to the authority
Crummock Phase 1	QHOP	Apr-14	Mar-15	29	
Chapelvile Phase 1	QHOP	Apr-14	Mar-15	24	
Clifton Court	QHOP	Apr-14	Mar-15	8	
Rudyard Court	QHOP	Apr-14	Mar-15	2	
Fernlea	QHOP	Apr-14	Mar-15	2	
Norgas House, Killingworth	Vol. Builders (s106)	April-14	Mar-15	6	
Stanley Miller, Benton	Vol. Builders (s106)	April-14	Mar-15	16	
Scaffold Hill	Vol. Builders (s106)	April-14	Mar-15	8	
Seymour Street	Empty Homes Programme	Feb-14	TBC	2	
Buttermere Road	Empty Homes	Feb-14	TBC	1	

	Programme				
Avon Avenue*	Empty Homes Programme	TBC	TBC	4	Please see section 1.5.3 (c)ii of this report for more information.
Balkwell Avenue	Empty Homes Programme	TBC	TBC	2	
Verne Road	Empty Homes Programme	Feb-14	TBC	1	
Vine Street	Empty Homes Programme	TBC	TBC	1	
<b>Total</b>				262	

*\*subject to Cabinet's approval*

## Indicative Affordable Homes Delivery Programme 2013-2024

The graph below identifies the expected delivery for the duration of the programme.



Delivery method	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	Total
<b>HRA</b>	14	45	89	47	47	47	47	47	47	47	47	<b>524</b>
<b>Registered providers/Vol. Builders</b>	72	92	75	85	140	85	68	68	95	68	64	<b>912</b>
<b>QHfOP</b>		114	100	136								<b>350</b>
<b>Empty Homes Programme</b>	9	11	5	5	5	5	5	5	5	5	4	<b>64</b>
<b>Delivery vehicle</b>			50	138	138	138	138	138	138	138	134	<b>1150</b>
<b>Sub-total</b>	<b>95</b>	<b>262</b>	<b>319</b>	<b>411</b>	<b>330</b>	<b>275</b>	<b>258</b>	<b>258</b>	<b>285</b>	<b>258</b>	<b>249</b>	<b>3000</b>

### **Principles of Affordable Housing Assessment Tool**

The following principles have been agreed to support the Affordable Housing Assessment Tool:

- To ensure that housing development is tailored, as far as possible, to meet the overall needs of the borough; whilst at the same time making the best use of individual sites
- To establish the type and size of affordable housing required on a site by site basis by bringing together all relevant information from:
  - Draft 2013 Strategic Housing Market Assessment (SHMA)
  - demand data from T&W Homes Scheme
  - demographic information taken from 2011 Census
  - Council housing stock information
  - wider information from partners including Health and Adult Social Care
- To work with Adult Social Care and Children, Young People and Learning to understand the long term housing needs of vulnerable groups.

## Design Standards

Our principles are guided by the following recognised standards that meet key requirements around HCA funding for affordable homes:

- HCA's Design and Quality Standards
- HCAs Housing Quality Indicators
- Lifetimes Homes Standard
- Building for Life Standard 12
- Code for Sustainable Homes

Subject to Cabinet approval the following **design and construction principles** have been agreed to guide our design:

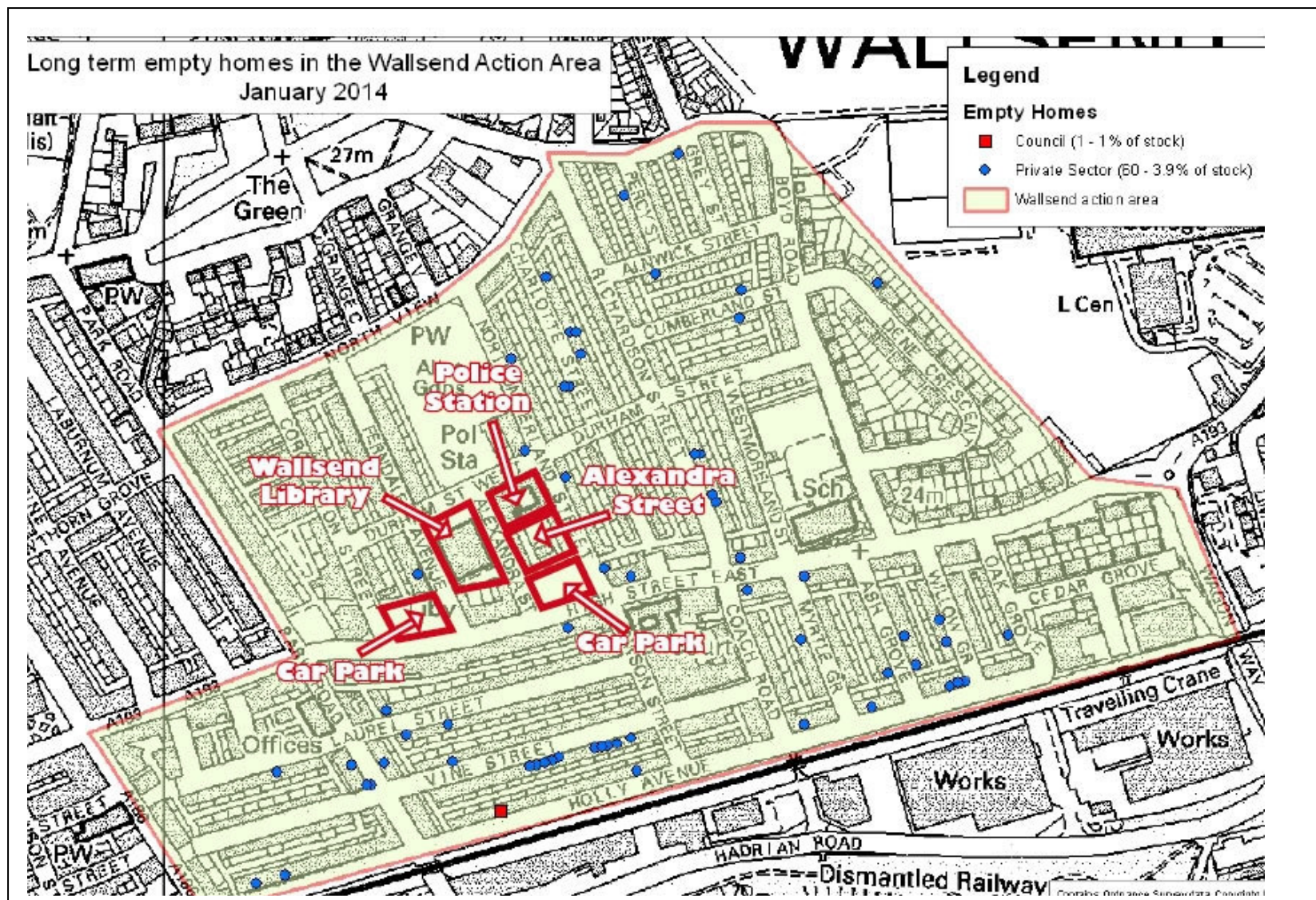
### **Sustainable Construction**

- Innovative and reliable construction
- Renewable, high quality materials for ease of maintenance
- Adaptable construction allowing for future improvements
- Robust detailing for an air-tight, energy efficient home
- Insulation to above standard requirements.
- A number of homes built for people with limited mobility or wheelchair users.
- Homes that run efficiently resulting in low CO2 emissions.
- Homes designed to allow connection to energy saving technologies in the future.
- Homes built with materials that have a lower environmental impact over their life-cycle.
- Adequate bin storage areas for recyclable and non-recyclable waste.
- Environmentally friendly insulation.

### **Innovative Design**

- Where beneficial we will implement innovative design and construction solutions.
- Space and storage within homes is designed around best use of space and standard furniture
- "Lifetime Homes" standards to ensure that homes can develop as needs change:
  - Ample parking space close to home with level access
  - Wider doorways
  - Ground floor living room adaptable for additional bedroom
  - Accessible WC on ground floor with shower room potential
  - Space and design for stair and floor lifts, hoists and wheelchair adaptable if required
  - Easy open windows and easy bin access
- Larger internal space standards
- Homes designed to bring as much daylight into the home as possible
- High quality landscaped public areas and open spaces.

### Empty Homes Focus Area



### Empty Homes Delivery Plan

Appendix 6b

	16/12	23/12	30/12	06/01	13/01	20/01	27/01	03/02	10/02	17/02	24/02	03/03	10/03	17/03	24/03	31/03	07/04
<b>WORK STREAM 1 RESEARCH</b>																	
Begin Collation of available information																	
Postal Survey of Empty Home Owners																	
Arrange Empty Property Surgery																	
Draft Background Report Available for comment																	
Postal Survey Data collated																	
State of Area Report Complete																	
RAG Rating Process																	
Full Report and Rag Rating Complete																	
<b>WORK STREAM 2 RESOURCES</b>																	
Senior Management Capita Identified																	
Identification of Core Team and Wider Stakeholders																	
“Provisional PEPTeam” Meeting																	
Individual Team Member Feedback Sessions																	
Agreement of Approach with Capita NT																	