

North Tyneside Council

Report to Cabinet

Date: 13 March 2017

ITEM 6(d)

Delivering the Affordable
Homes Programme

Portfolio(s): Housing and Transport

Cabinet Member(s): Councillor John
Harrison

Report from Service Area: Environment, Housing and Leisure

Responsible Officer: Phil Scott, Head of Environment,
Housing and Leisure (Tel: (0191) 643
7295

Wards affected: All

PART 1

1.1 Executive Summary:

In October 2013, Cabinet confirmed its commitment to delivering 3,000 affordable homes over the next 10 years. Cabinet on 10 March 2014 agreed to receive an annual information report on the progress and delivery of the Affordable Homes Programme.

To date excellent progress has been made with around 850 new affordable homes delivered within 3 years under the Affordable Homes Programme, which now exceeds the total number delivered in the previous 10 years.

The new homes have been delivered through the provision of new Council housing as well as working with our partners through the Authority's strategic and enabling housing role. This includes working with the Homes and Communities Agency (HCA), Registered Providers (RPs) and developers to meet a range of housing needs, including the needs of vulnerable groups. The Authority is also bringing empty properties back into use as affordable housing.

In addition, the Authority has now established a subsidiary under the Authority's wholly owned North Tyneside Trading Company to act as a provider of affordable housing. The Company, North Tyneside Trading Company (Development) Ltd, will see its first development completed this month, with further opportunities currently being explored.

This report provides information on progress made during 2016/17 in delivering 347 new affordable homes within North Tyneside.

The report also sets out the anticipated delivery of affordable housing in 2017/18 together with the indicative affordable homes delivery programme through to 2024.

1.2 Recommendation(s):

It is recommended that Cabinet notes progress to date of the Affordable Homes Programme.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on the 16th January 2017.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 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 clearly stated their policy intention in the Our North Tyneside Plan that the Authority will deliver “more quality affordable homes.”

The need for more affordable housing is clear. The Strategic Housing Market Assessment (SHMA) 2014 provides a robust evidence base on the level of housing need within the Borough, including the need for affordable housing. In addition, the Affordable Housing Needs Assessment tool brings together a range of information (e.g. SHMA, Census data, Market Position Statement, demand from our housing register) and is used to assess the type and size of affordable housing needed in different parts of the Borough.

In the 10 years to 2013, a total of 789 new affordable homes were delivered within the Borough. In October 2013, Cabinet agreed an ambitious programme to increase the pace and scale of the affordable homes delivery within North Tyneside through the delivery of 3,000 affordable homes over the next 10 years.

To date around 850 new affordable homes have delivered within 3 years under the Affordable Homes Programme, exceeding the total number delivered in the previous 10 years.

1.5.2 Progress on Affordable Housing Delivery in 2016/17

Overview

Significant progress has been made in 2016/17 with an expected 347 new affordable homes programmed to be delivered by the end of this financial year, against the 411 projected. This will bring the total of new affordable homes delivered over the first three years of the Affordable Homes Programme to 850.

Plans are well developed to deliver a further 301 homes in 2017/18 and we remain on target to deliver 3,000 new affordable homes by 2024. Full delivery programmes are provided in Appendix 1 attached to this report.

(a) HRA Housing Delivery

The Housing Revenue Account (HRA) has delivered 5 new Council homes this year through the conversion of retail units in Bedford Avenue, Northumberland Ward to provide affordable apartments. In addition, a property in West Farm Road, Howdon Ward previously used by Adult Social Care for respite purposes, is being converted to provide 5 independent living homes for people with learning disabilities.

In March 2016, Cabinet approved an indicative 4-year HRA Housing Growth Delivery Programme 2016-2020 to deliver new homes. This will see the delivery of new Council homes on the following developments in 2017/18:

- Dudley & Weetslade Social Club (Weetslade Ward):

The acquisition of the former club site was completed in September 2015 and the original buildings have been demolished. On the 14 March 2016, Cabinet agreed to the site being developed for affordable homes as part of the Housing Revenue Account (HRA) Housing Growth Delivery Programme Phase 1.

The site will now be developed out with 20 new affordable homes.

The development will consist of two 3 bed houses, eight 2 bedroom houses, five 1 bedroom apartments and five 2 bedroom apartments. This corresponds to a Housing Community Needs Assessment for the area.

- Chapelville, Seaton Burn: (Weetslade Ward):

In October 2013 Cabinet approved the use of a section of land at the rear of the new Chapelville sheltered scheme for the development of new Council homes.

The sheltered scheme is now complete, enabling the development of six 2 bedroom bungalows to go ahead. The Council has secured Homes and Communities Agency (HCA) Grant Funding for this scheme.

- Perth Gardens, Howdon (Former Care Call Office Accommodation)

Cabinet gave approval in October 2013 for the exploration of future options for the Perth Gardens building following completion of the Accommodation Review. The building has now been vacated and we are considering the future use of the premises to best meet need.

- Wallington Court

Wallington Court is on the Marden Estate within the Cullercoats Ward. It is currently held within the Authority's Housing Revenue Account and is the site of a former sheltered housing scheme that has been demolished as part of the North Tyneside Living PFI project.

On 13 February 2017, Cabinet agreed that the principle for developing the site for housing be explored. A feasibility study for bungalows is currently being explored for this site. An appropriate proposal and Business Plan will be developed for Cabinet's consideration, which will include the full financial implications of the scheme.

(b) North Tyneside Living

The North Tyneside Living PFI has been a major project that has seen the transformation of the Authority's sheltered housing with the refurbishment of 582 homes and the

provision of 342 new build homes. The project is on target to complete all construction work by the end of 2016/17.

In its final year the project will see the completion of 16 schemes. This sees the completion of 10 refurbishment schemes at Emmerson Court, Tamar Court, The Orchard, Southgate Court, Ferndene, Carville House, Cheviot View, Victoria Court, Carlton Court and Preston Court. In addition, 6 new build schemes at Chapelville (Phase 2), Crummock Court (Phase 2), Phoenix Court, Broadway Court, Bisley Court and Eldon Court will also be complete.

In 2016/17 the project was anticipated to deliver 169 new homes. However, due to the anticipated earlier completion of the last scheme the project will deliver 195 new homes this year.

The PFI project has not only been a substantial build contract but, in order to carry out the works, there has also been a considerable logistical challenge as large numbers of tenants required decanting to achieve the build. This has included tenants in refurbishment schemes being moved temporarily to allow their homes to be renovated as well as tenant moves to other new build schemes. By the end of 2016/17, there will have been around 750 tenant moves, all arranged and carried out by a dedicated team. Tenant feedback regarding this service and the quality of the new or refurbished homes has been extremely positive throughout. In addition, over 160 new tenants have already moved into the new or refurbished homes.

(c) Bringing back Empty Properties into use as affordable housing

Three long-term empty properties have been returned to occupation as affordable housing units in the North Shields and Wallsend areas with at least a further two refurbishments are due to start on site before the end of March 2017. In addition, as part of our proactive approach, four “trainer flats” have been procured for use by the Authority’s Leaving Care team.

A new Council Housing Strategy was approved by Cabinet in February 2017. This document continues to highlight the importance of returning empty homes to occupation and, where possible, ensuring that these homes are rented as affordable housing units. The Affordable Homes Programme will reflect this and we will look to bring more long term empty homes back into use during 2017/18. This will be achieved by providing advice and support to private landlords both directly by the Council and in partnership with the National Landlord Association.

(d) Working with Registered Providers (RPs)

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

As part of the Homes and Communities Agency’s Affordable Homes Programme 2015-18 North Tyneside Council was successful in securing £7.2 million worth of grant funding to support the development of 300 affordable homes in the Borough. The Authority is working in partnership with a number of RP’s (ISOS, Bernicia and Home Group) and developers (including Galliford Try and Kier) to deliver these homes.

In 2016/17, RP’s expected to deliver 136 new affordable homes. This reduced to 51 new homes due to sale of the purchase of a site not proceeding and a number of sites experiencing delays due to ground conditions and also to ensure that further consultation with local residents could take place. Following this consultation and the resolution of the ground conditions, the completion of the 44 homes are now scheduled to be complete in 2017/18.

(e) Planning Obligations

Delivering affordable housing through planning obligations is central to meeting the need for affordable housing in the Borough. Through Section 106 Town and Country Planning Act 1991 Agreements, the Authority successfully secures 25% affordable housing on relevant sites (developments with 15 or more units). In 2016/17 a total of 78 new homes have been delivered across the Borough by Developers through this route.

(f) North Tyneside Trading Company

In October 2013, Cabinet acknowledged that there were challenges in the Affordable Homes Delivery Programme and that the Authority needed to act to create capacity and capability to fill those gaps. It was also recognised that new creative models for the development of affordable homes were emerging in response to the difficult market and that these should be investigated and tested to explore whether they would be applicable in North Tyneside.

Cabinet subsequently agreed in March 2015 to the establishment of a wholly owned subsidiary of the North Tyneside Trading Company, North Tyneside Trading Company (Development) Limited, to deliver affordable homes within existing resources.

The Company successfully secured planning approval in January 2016 for their first site at Reed Avenue, Camperdown, to build 13 new homes comprising 5 houses and 8 apartments. Esh Property Services were appointed to build the homes following a procurement exercise and the development is now reaching completion. The homes will be let at a sub-market affordable rent, subject to a local lettings policy that gives priority to qualifying people from the Camperdown and Burradon area in need of affordable housing.

Work to identify new opportunities for the Company is continuing.

1.5.3 Plans for 2017/18

Overview

A delivery of 301 new affordable homes has been identified for 2017/18 and a breakdown of these is provided in Appendix 2. This will bring the total number of homes delivered in the first 4 years of the programme to 1,115.

(a) HRA Housing Delivery

The HRA Housing Growth Delivery Programme will deliver 33 new homes in 2017/18. These will be through new developments on the sites of Dudley/Weetslade Club, the Chapelville site in the Weetslade Ward, and the conversion of Perth Gardens, Howdon.

(b) Working with Registered Providers (RPs)

The Homes and Communities Agency's Affordable Homes Programme 2015-18 grant funding to support the development of affordable homes in the Borough will see our partner RP's (ISOS, Bernicia and Home Group) deliver a further 99 homes in 2017/18. Details of these schemes can be seen in Appendix 2.

(c) Bringing back Empty Properties into use as affordable housing

Through our work with the National Landlord Association and directly with private landlords in the borough, we are projecting to bring a further five empty homes back into use for affordable homes in 2017/18.

Two properties have already been identified, and discussions with the owners are underway at homes on Burradon Road, Camperdown and Stadium Villas, Wallsend.

(d) Planning Obligations

There are a further 279 affordable homes already secured through outline planning permissions and 368 through full planning permissions, making a total of 647 known affordable homes in the pipe-line. However, the delivery of these will depend upon when developers start their housing schemes, which is influenced by a number of factors including the buoyancy of the housing market.

It is currently anticipated 118 affordable homes be delivered through Section 106 requirements in 2017/18. These have been identified on eight sites where builders have started the developments.

Additional affordable homes will continue to be secured through Section 106 requirements in the future as further planning applications are submitted by developers.

(e) Specialist Housing

We are currently supporting the YMCA to bring forward a 15 bed specialist scheme to support young, homeless people. It is expected that this will be completed by March 2018.

1.6 Decision options:

Cabinet are asked to note progress made during 2016/17 in delivering new affordable homes within North Tyneside.

1.7 Reasons for recommended option:

Cabinet are requested to note the report.

1.8 Appendices:

Appendix 1: Detailed Delivery Programme for 2016/17

Appendix 2: Delivery Programme for 2017/18

Appendix 3: Indicative Affordable Homes Delivery Programme 2014-2024

1.9 Contact officers:

Roy Marston, Senior Manager Strategy and Support Services, tel. (0191) 643 7500

Richard Brook, Housing Growth Manager, tel. 07540 182 225

Alison Campbell, Senior Business Partner, tel. (0191) 643 7038

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 September 14 2015 ITEM title: “Delivering Affordable Homes - Update”](#)
- (2) [Cabinet Paper March 9 2015 ITEM title: “Delivering Affordable Homes - Update”](#)
- (3) [Cabinet Paper March 10 2014 ITEM title: “Delivering Affordable Homes - Update”](#)
- (4) [Cabinet Paper October 14 2013 ITEM title: “Delivering Affordable Homes”](#)
- (5) [Cabinet Paper February 10 2014 ITEM Title: Empty Homes “Lease to Let Scheme”](#)
- (6) [Core Strategy Preferred Options 2010](#)
- (7) [Draft Local Plan 2015-2030](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

- HRA

The current Investment Plan budget for 2016-17 for HRA new build schemes of £4.915m is forecast to spend £2.428m as per the January Capital Monitoring report, with re-programming of £2.487m which makes up part of a £6.446m approved budget for 2017-18. As mentioned in the body of the report Bedford Avenue and West Farm Road will be completed in 2016-17, with the main schemes that will be delivered in 2017-18 being Dudley & Weetslade Club, Chapelville and Perth Gardens – in addition there are a number of other earmarked sites currently being investigated.

- Housing General Fund – bringing Empty Properties back into use

There is currently budget of £0.159m available to continue a small programme bringing empty properties from the private sector back into use as affordable homes. To-date two properties have been committed to in 2016-17 with total estimated refurbishment costs of £0.045m, and further properties are currently being investigated.

- North Tyneside Trading Company (Development) Limited

The scheme to deliver affordable homes on the Reed Avenue site through the North Tyneside Trading Company (Development) Limited is included as part of the 2016/17 Investment Plan as project HS047 with a budget of £1.380m funded through Section 106 monies earmarked for affordable housing. Spend against this budget is £1.307m. It is anticipated that the project will be delivered within the budget available.

2.2 Legal

As this report is to note the update of the Affordable Homes programme there are no legal implications arising. Any future disposals will be dealt with by a separate report and in accordance with the Authority's Financial Regulations and Standing Orders relating to Contracts.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Comprehensive governance arrangements have been put in place for the Affordable Homes Programme. Members and key officers are consulted through the Strategic Property Group comprised of the Elected Mayor, Deputy Mayor, Cabinet Members for Housing and Environment, Economic Development and Finance and Resources, Chief Executive, and Heads of Environment, Housing and Leisure, Commissioning and Investment, Finance and Commercial Services and Business and Economic Development. They receive a monthly update on the Affordable Homes Programme and make recommendations for key decisions.

In addition our Investment Programme Board comprised of the Deputy Mayor, Cabinet Member for Finance and Resources, Deputy Chief Executive, and Heads of Environment, Housing and Leisure, Commissioning and Investment, Finance and Commercial Services and Business and Economic Development receives update reports on the delivery of our Affordable Homes Programme.

Consultation continues to be 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.

2.3.2 External Consultation/Engagement

RPs undertake consultation with existing residents on their future proposals for these sites prior to submission for planning approval and an officer from the Housing Strategy Team attends. There are also detailed planning requirements in terms of the consultation to be undertaken as part of the formal planning approval process.

Pre-planning consultations are held with Ward Members, local residents and businesses for all HRA development sites.

Our tenants are kept up to date with progress of our new build and conversion projects through our Repairs and Investment Service Development Group that are held on a monthly basis.

In addition there are regular press releases to ensure the local communities are kept up to date with progress and the key milestones on our developments.

The Local Plan has also involved extensive consultation around housing, which has included engagement with Developers.

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 Strategic Housing Market Assessment and would increase the overall affordable housing supply, including helping to reduce some of the potential pressure for 1-2 bedroom properties.

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

2.6 Risk management

There is multiple risk registers associated with all Council new build schemes and as well as the development at Reed Avenue through the North Tyneside Development Company. These are monitored on a regular basis as part of their respective governance arrangements. A project risk register has been collated for the Affordable Homes Programme, however 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

Any sites being brought forward for development by either the Authority or by a private developer must address crime and disorder issues as part of the normal planning process.

When building new homes the Authority's Design Standard are followed ensuring that Secure by Design Principals are followed.

2.8 Environment and sustainability

Environment and sustainability issues will be considered as part of the normal planning process on any sites brought forward for development by either the Authority, RP or a private developer.

The Authority's goal is to create buildings with minimal environmental impact and will continue to explore a range of appropriate renewable energy sources on current and future developments of suitable size and scale to make them affordable.

In line with the Authority's Design Standards, we will continue to exceed the changing Building Regulation standards and other national standards as these are being used as the mechanism to ensure the Authority delivers greener homes.

PART 3 - SIGN OFF

- Deputy Chief Executive
- Head(s) of Service
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Head of Corporate Strategy

Appendix 1

Delivery Programme 2016/17

DEVELOPMENT	DELIVERY METHOD	START DATE	EST. COMPLETION DATE	HOMES
Norgas House	Vol. Builders	Jan-13	Jan-17	3
Stables and Land at Billy's Pit	Vol. Builders	Dec-14	Sep-16	10
Hospital Site (Rake Lane)	Vol. Builders	Nov-15	Oct-16	5
REME depot	Vol. Builders	2015	Jan-17	22
St Stephens Roman Catholic Primary School	Vol. Builders	2015	Oct-16	6
Parkside School	Vol. Builders	2015	Jan-17	11
Earsdon View	Vol. Builders	Apr-16	Jan-17	10
Bedford Avenue	HRA	Jan-16	Jan-17	5
36 West Farm Road	HRA	Oct-16	Jan-17	1
Carlton Court	NT Living	Mar-16	Feb-17	4
Victoria Court	NT Living	Mar-16	Feb-17	3
Southgate Court	NT Living	Mar-15	Aug-16	2
Cheviot View	NT Living	Feb-16	Dec-16	2
Bisley Court	NT Living	Jul-15	Dec-16	28
Crummock Court (Phase 2)	NT Living	Apr-14	Feb-17	24
Phoenix Court	NT Living	Mar-15	Oct-16	47
Chapelville (Phase 2)	NT Living	Apr-14	Dec-16	7
Tamar Court	NT Living	Apr-15	Jul-16	1
Ferndene	NT Living	Sep-15	Sep-16	1
Emmerson Court	NT Living	Mar-14	Jul-16	1
Carville House	NT Living	Feb-16	Feb-17	1
Balkwell Green	RP	Feb-16	Mar-17	5
Blackhill Avenue	RP	Feb-16	Mar-17	15
Oban Avenue	RP	Apr-16	Sep-16	5
West Farm Wynd	RP	Feb-16	Oct-16	5
Firtrees Avenue	RP	Jan-16	Aug-16	8
9 Lovaine Place West	Empty Homes	Mar-16	Apr-16	1
Westmoreland Street	Empty Homes	Mar -16	Apr-16	1
7 Archer Street	Empty Homes	Mar -16	Apr-16	1
Sub Total (homes delivered)				235
Land to west of Station Rd, Backworth	Vol. Builders	Apr-15	Mar-17	11
Reed Avenue	Delivery vehicle	Jun-16	Mar-17	13
46 Sibthorpe Street	Empty Homes	Feb-17	Mar - 17	1
Broadway Court	NT Living	Jun-15	Mar-17	48
Eldon Court	NT Living	Mar-16	Mar-17	26
Brookland Terrace	RP	Jun-16	Mar-17	13
Total (homes delivered and homes due for completion by 31 March 2017)				347

Appendix 2

Delivery Programme 2017/18

DEVELOPMENT	DELIVERY METHOD	START DATE	EST. COMPLETION DATE	HOMES
Scaffold Hill	Vol. Builders	Apr-16	Mar-18	16
Hospital Site (Rake Lane)	Vol. Builders	Nov-15	Mar-18	8
Field North Of 45 Sunholme Drive	Vol. Builders	2016	Mar-18	34
Land to north of East Wideopen Farm	Vol. Builders	Apr-16	Mar-18	9
Land to west of Station Rd, Backworth	Vol. Builders	Apr-15	Mar-18	17
Darsley Park, Whitley Road	Vol. Builders	2016	Mar-18	18
REME Depot	Vol. Builders	2015	Mar-18	10
Parkside School	Vol. Builders	2016	May-17	6
Falcon Place	RP	TBA	Mar-18	8
Staithe Avenue	RP	TBA	Mar-18	8
Silverbirch Industrial Estate	RP	TBA	Mar-18	40
Site of the former Seaton Burn First School	RP	Feb-17	Mar-18	8
Church Bank	RP	TBA	Mar-18	8
Charlton Court	RP	TBA	Mar-18	13
Taunton Close	RP	Feb-17	Mar-18	8
Glebe Crescent	RP	TBA	Mar-18	6
Chapelville Bungalows	HRA	Oct-16	Jun-17	6
Dudley & Weetslade Social Club	HRA	Mar-17	Mar-18	20
Perth Gardens	HRA	Mar-17	Mar-18	7
TBA	North Tyneside Trading Company	-	Mar-18	31
Burradon Road	Empty Home	Jul-17	Sep-17	1
Stadium Villas	Empty Home	Jul-17	Sep-17	1
TBA	Empty Homes	TBA	Mar-18	3
YMCA - Church Road	Specialist Housing	TBA	Mar-18	15
Total (homes due for completion by 31 March 2018)				301

Appendix 3 – Indicative Affordable Homes Delivery Programme 2014-2024

Delivery Method	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
HRA	14	99	6	33	28	11	35	35	35	35	331
RP	87	18	51	99	30	40	40	40	40	40	485
Vol. Builders	55	41	78	118	151	147	169	221	212	215	1,407
Empty Homes	13	8	4	5	5	4	4	4	7	10	64
NT Living	96	72	195	0	0	0	0	0	0	0	363
Delivery Company	0	0	13	31	35	28	0	0	0	0	107
Supported Housing	0	0	0	15	25	75	14	50	14	50	243
Total	265	238	347	301	274	305	262	350	308	350	3,000