

Meeting: Housing Sub-Committee

Date:

Title: Affordable Homes Project

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Service: Environment, Housing & Leisure

Wards affected: All

1. Purpose of Report

To update the Housing Sub-Committee on the progress of the Affordable Homes Programme and Housing Growth.

2. Recommendations

- To note the progress to date and anticipated delivery going forward.

3. Details

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

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 target to increase the pace and scale of the Affordable Homes Programme within North Tyneside through the delivery of 3,000 affordable homes over the next 10 years. This includes 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 is also bringing empty properties back into use as affordable housing.

The need for affordable housing is supported by the Strategic Housing Market Assessment (SHMA) 2014; this provides a clear evidence base on the level of housing need within the Borough, including the need for affordable housing. A draft Market Position Statement for Specialist Housing has also been developed by Housing Services with support from Adult Social Care and Children’s Services. It sets out the type and number of specialist homes needed in the future.

In addition, an Affordable Housing Needs Assessment tool has been developed. This 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 on individual sites.

4. Affordable Homes Programme Overview

The project has made significant progress this year with an expected 370 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 873, exceeding the total number delivered in the previous 10 years.

Anticipated numbers have decreased for 2016/17 primarily due to difficulties experienced on some of the sites currently being developed by some Registered Providers. This included the sale of the Seaton Burn College site not proceeding, which would have delivered 41 homes, and slippage on a number of other sites that has meant the completion of 44 homes now moving to 2017/18. In addition, whilst the anticipated 28 specialist homes were delivered by a private developer this year the rents for the accommodation were eventually set above the level where they can be counted as 'affordable', so could no longer be included in the affordable homes figures. However, these reductions have been mitigated in part by the earlier delivery of a new build scheme under North Tyneside Living and the delivery of an increased number of homes from Volume Builders due to their reprogramming.

Plans are well developed to deliver a further 318 homes in 2017/18 and we remain on target to deliver 3,000 new affordable homes by 2024. A full delivery programme is given in Appendix 1.

4.1 Housing Revenue Account (HRA)

The HRA has delivered the 5 new Council homes anticipated for this year through the conversion of retail units in Bedford Avenue to provide 5 affordable apartments. In addition, a property in West Farm Road, previously used by Adult Social Care for respite purposes has been converted in to provide an independent living home.

In March 2016, Cabinet approved an indicative 4-year HRA Housing Growth Delivery Programme 2016-2020 to deliver new homes, subject to consultation with ward members and residents. 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 achieved in September 2015 and the original buildings have been demolished. The site will now be developed out with 20 new homes.

The development will consist of 2 x 3 bed houses, 8 x 2 bedroom houses, 5 x 1 bedroom apartments and 5 x 2 bedroom apartments. This corresponds to a Housing Community Needs Assessment for the area.

- **Chapelville, Seaton Burn: (Weetslade Ward):**

In October 2013 Cabinet approved a section of land at the rear of the new Chapelville sheltered scheme to be developed for build new homes.

The Sheltered scheme is now complete, enabling the development of 6 x 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 the property will be converted back to general needs Council housing.

The development will consist of 3 x 1 bedroom apartments and 4 x 2 bedroom apartments. This corresponds to a Housing Community Needs Assessment for the area.

4.2 NT 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 has included 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 have also been completed at Chapelville (Phase 2), Crummock Court (Phase 2), Phoenix Court, Broadway Court, Bisley Court and Eldon Court.

In 2016/17 the project was anticipated to deliver 169 new homes. However, due to the early 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. In order to carry out the works there has been a considerable logistics challenge as tenants have needed to be moved 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 the 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..

4.3 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 RPs (ISOS, Bernicia and Home Group) and developers (including Galliford Try and Kier) to deliver these homes.

In 2016/17, RPs expected to deliver 136 new affordable homes. This reduced to 67 new homes due to sale of the Seaton Burn College site not proceeding, which would have delivered 41 homes, and slippage on a number of other sites that has meant the completion of 44 homes now moving to 2017/18.

4.4 Empty Homes

In line with our 2016/17 target, to date three long-term problematic properties have been returned to occupation as affordable housing units in the North Shields and Wallsend areas. 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, 4 "trainer flats" have been procured for use by the Councils leaving care team.

A new Council Housing Strategy is due to go before Cabinet in February, this draft document continues to highlight the importance of returning empty homes to occupation and, where possible, that these homes are to be rented as affordable housing units. To reflect this there will be an increased overall target of returning 35 long term empty homes to occupation in 2017/18, which will include through the provision of advice and support to landlords. These

homes will be a mixture of affordable housing, undertaken by the Authority or RPs, and properties that will be let at market rents by landlords.

4.5 Volume Builders

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). Currently there are 279 affordable homes secured through outline planning permissions and 368 through full planning permissions, making a total of 647 known affordable homes in the pipe-line. 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.

4.6 North Tyneside Development Company

In October 2013, Cabinet acknowledged that there were gaps 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. This Committee played a key role in option appraisal of this.

Cabinet 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 subsequently secured Planning Permission 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 has now been completed. The homes are being let at a sub-market affordable rent, subject to a local sensitive lettings policy that gives priority to people from the Camperdown and Burradon area in need of affordable housing.

Work to identify new opportunities for the Development Company is continuing.

In addition, in November 2016 Cabinet approved the establishment of 2 further subsidiaries under the Trading Company to deliver homes for sale and homes for market rent. The first of these, the Commercial Sale Company, has been branded as Aurora Property (Sales) and will be starting to build the company's first homes for sale in 2017/18. Sales will potentially return a profit to the Company that could be used to deliver further homes for commercial purposes, support affordable homes projects or be returned to the Authority by way of a dividend.

4.7 Murton Gap and Killingworth Moor

Murton Gap and Killingworth Moor are strategic sites within the Authority's Local Plan. Murton Gap has the potential to provide approximately 3,000 new homes and Killingworth Moor approximately 2,000 new homes, which will include the provision of affordable homes.

The sites are in multiple ownership and include the Authority as an owner. Concept plans for the sites were prepared in collaboration with the landowner consortiums on both sites and these concept plans were included in the presentation of the pre submission draft of the Local Plan at Full Council on the 20th October 2015. Full Council approved the pre-submission draft and agreed to a formal public consultation on the draft Local Plan. Council further approved delegated powers for minor changes to be made following the consultation and for the submission of the Local Plan to the Secretary of State for examination.

The formal submission of the Local Plan took place on the 30th June 2016. The examination, including formal public hearings in November/December 2016, has now concluded and it is

anticipated that the Inspectors final report will be produced in May 2017. This would then enable the Council to adopt the Plan in summer 2017.

5. Affordable Homes Programme – Forward View

Building on the success of the Programme to date, 2017/18 will continue to see significant numbers of much needed affordable homes delivered in North Tyneside. As can be seen in the delivery programme in Appendix 1, a high level of activity is expected to be maintained through the life of the programme.

6. Summary

There will continue to be fluctuation within the delivery programme as it is very difficult to predict with absolute certainty the dates of completion for some of the schemes. However the progress to date against the 3,000 target has been significant and we remain extremely confident of delivering the target of 3,000 homes by 2024.

Appendix 1 - 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	34	22	35	35	35	35	348
RP	87	18	67	69	30	40	40	40	40	40	471
Vol. Builders	55	41	87	88	143	108	169	226	212	215	1344
Empty Homes	13	8	5	5	4	4	4	4	7	10	94
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	75	25	75	14	50	14	50	303
Total	265	238	373	331	271	277	262	355	308	350	00

7. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author.

- (1) [Cabinet Paper November 2016 ITEM title: "Delivering Housing Growth through the North Tyneside Trading Company"](#)
- (2) [Cabinet Paper September 14 2015 ITEM title: "Delivering Affordable Homes"](#)
- (3) [Core Strategy Preferred Options 2010](#)
- (4) [Draft Local Plan 2015-2030](#)