

Meeting: Housing Sub-Committee

Date: 22 March 2016

Title: Affordable Homes Update

Author: Richard Brook

Service: Environment, Housing and Leisure

Wards affected: All

1. Purpose of Report

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

2. Recommendations

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

3. 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.”

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

Significant progress has been achieved this year with an expected 247 new affordable homes programmed to be delivered by the end of this financial year, against the 312 projected. This will bring the total of new affordable homes delivered over the first two years of the Affordable Homes Programme to 512.

Anticipated numbers decreased for 2015/16 primarily due to some re-programming on some of the North Tyneside Living schemes and also one of the Registered Providers contractors going into administration. These homes will now be delivered in 2016/17. Plans are well developed to deliver 411 homes in 2016/17 and a full delivery programme is given in Appendix 2.

Following the budget announcements last summer, work has been undertaken to understand the impact of the Welfare Reform and Work Bill that is currently progressing through Parliament. An indicative revised 10 year delivery programme has been developed. This was necessary due to the potential introduction of new social rent setting criteria that requires Local Authorities to reduce their social rents by 1% each year for the next 4 years. This reduction has been accounted for within the HRA that provides capital funding for our new build programme. This reduction will also affect our partner Registered Providers and will result in a slow down of affordable homes for rent being provided by this sector.

Even with these changes we remain on target to deliver 3,000 new affordable homes with a projected increase of new affordable products including shared ownership and starter homes being delivered by RPs and volume house builders.

4.1 Housing Revenue Account (HRA)

Using HRA Capital funding, including Government Grant under the Affordable Homes Programme, the Authority will achieve the target of 99 new affordable homes in 2015/16 in the following developments:

- 6 apartments and 3 bungalows at Bude Court, Battle Hill in conjunction with Kier North Tyneside
- 32 new homes at Blandford Road, West Chirton in conjunction with Galliford Try Partnerships North Ltd.
- A mixed development of 9 properties, including a 4 bed bungalow and a respite unit for Adult Social Care, on the site of the former Somervyl Court, Longbenton in conjunction with Kier North Tyneside.
- Conversion of the former housing office in Victoria Terrace, Whitley Bay into 5 new homes in conjunction with Kier North Tyneside
- Conversion of a property in Bamburgh Crescent, Shiremoor into 3 new homes in conjunction with Kier North Tyneside
- A mixed development of 41 new homes at Wallsend High Street East (site of the former Wallsend Police Station and Direct Access Unit in conjunction with Kier. This development will see the 500th home completed under the Affordable Homes Programme.

4.2 NT Living

The North Tyneside Living project continues to transform 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 February 2017.

Significant progress towards the completion of the North Tyneside Living project has been achieved this year. 6 refurbishment schemes at Eccles Grange, Rosebank Hall, Feetham Court, Moorcroft, Rudyerd Court and Percy Lodge have been completed with a further 6 new build developments at Clifton Bungalows, Windsor Grange (phase 1), Chapelville (Phase 1), Mayfield Park, Whinstone Lodge and Rothley Grange also completed.

In 2015/16 the project was anticipated to deliver 105 new homes. However, due to circumstances beyond the contractor's control, some scheme completions had to be re-scheduled. Consequently, the project delivered 72 new homes in 2015/16. A further 169 new homes are due to be handed over in 2016/17.

Works are currently in progress on the new builds at Phoenix Rise, Crossgates, Bisley Court and Eldon Court, along with Phase 2 works for both Windsor Grange and Chapelville as well as refurbishment works at The Orchard, Southgate Court, Tamar Court, Ferndene, Cheviot View and Emmerson Court.

Refurbishment Works are also due to commence shortly at Victoria Court, Carlton Court, Carville House and Preston Court. The demolition of Wallington Court will start once the tenants have been moved into their new homes in the newly completed Rothley Grange.

By the end of 2015/16, there will have been over 400 tenant moves, arranged and carried out by a dedicated team. Tenant feedback regarding this service and the quality of their new or refurbished home continues to be extremely positive. In addition, over 90 new tenants have now moved into the new or refurbished homes to date.

Open days have been held at 2 of the refurbished schemes, Eccles Grange and Moorcroft, for tenants aged over 60 in the locality and housing applicants who have expressed an interest in the new North Tyneside Living apartments. Invitations were sent out to these households and attendees were given conducted tours that included a show apartment. Attendees were also asked for their comments about the schemes. The open days have been well attended and have elicited positive reactions for the design and quality of the accommodation.

4.3 Delivering Specialist Housing

Working with Adult Social Care and Children's Services a Market Position Statement for Specialist Housing has been produced. This identifies the type and number of specialist homes needed in the future within the Borough.

In 2015/16 the Authority has continued to deliver the targets within the Market Position Statement. A respite unit and a 4 bed bungalow for Adult Social Care have been completed as part of the HRA development on the Somervyl site in Longbenton. In addition, three 3-bed bungalows were included in the HRA development on the Bude Court site in Battle Hill, two 3-bed bungalows were delivered on the Blandford Road site and the recreation room at Bamburgh Crescent was reconverted back in to three 1-bed bungalows. Registered Providers also delivered 14 supported living apartments in Whitley Bay for homeless young people.

It is anticipated that a further 28 specialist homes will be delivered by Registered Providers in 2016/17.

4.4 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 2015/16, RPs expected to deliver 61 new affordable homes. This reduced to 18 new homes as a result of one of the RPs contractors going in to administration. A new contractor has now been appointed and the homes on the affected sites will now be delivered in 2016/17. These are included in the expected delivery of 136 new homes by RPs in 2016/17.

4.5 Empty Homes

In October 2013 Cabinet recognised the contribution that bringing empty properties back into use could make to the overall Affordable Homes Delivery Programme.

The Empty Homes target for 2015/16 was to bring back five long term empty properties as affordable homes. This target has been exceeded with eight properties brought back into use, with four of the properties providing decent affordable homes for 7 tenants as part of the Community Learning Disability Teams Independent Supported Living Scheme.

Plans to support empty property owners as part of the wider Chirton and Riverside Action Plan are being developed for 2016/17. This will see a further 5 properties brought back into use by April 2017. Our partners Changing Lives are undertaking the conversion of a large House in Multiple Occupation property in Wallsend into 3 self contained flats. This will provide a sustainable solution for a long term and problematic property. As well as our own targeted activity in Chirton and Riverside, our partners Changing Lives hope to purchase an additional 18 properties over the next 12 months, focusing on North Tyneside.

4.6 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 450 affordable homes secured through outline planning permissions and 338 through full planning permissions, making a total of 788 affordable homes. 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.

4.7 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. Section 106 funding will be utilised to fund North Tyneside Trading Company (Development) build programme.

This Company has recently secured Planning Permission for their first site at Reed Avenue, Camperdown and a Esh Property Services have been appointed following a procurement exercise. It is anticipated that initial site works will start before the end of this financial year, with the new homes being delivered in 2016/17. This will deliver 13 affordable homes on the site. The homes will be let at a sub-market affordable rent, and will be subject to a local sensitive lettings policy that will enable people in need of affordable homes to access them from the Camperdown and Burradon area.

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

4.8 Murton Gap and Killingworth Moor

Murton Gap and Killingworth Moor are strategic sites within the emerging 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 have been prepared in collaboration with the landowner consortiums on both sites. 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 which then permitted a formal public engagement period to commence for six weeks which ended in December 2015.

Work is now progressing on the viability and phasing of the sites with the landowners to be in a position to submit the Submission Draft of the Local Plan to the Secretary of State in May 2016. It is anticipated that the Examination in Public of the Local Plan could then take place during Autumn 2016 with potential adoption in Spring 2017.

5. Affordable Homes Programme – Forward View

Building on the success of the Programme to date, 2016/17 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.

This activity will include the direct delivery by the Council of further Council homes subject to Cabinet agreeing a new three year delivery programme that will see a further 88 new Council homes being built by 2019.

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	5	51	28	11	35	35	35	35	348
RP	87	18	136	41	30	40	40	40	40	40	512
Vol. Builders	55	50	55	110	125	116	162	219	203	208	1,303
Empty Homes	13	8	5	5	4	4	4	4	7	10	64
NT Living	96	72	169	26	0	0	0	0	0	0	363
Delivery Company	0	0	13	31	35	28	0	0	0	0	107
Supported Housing	0	0	28	75	25	75	0	50	0	50	303
Total	265	247	411	339	247	274	241	348	285	343	3,000