

Report to Cabinet
16 July 2014
Report of Head of city development services
Subject Delivering an affordable homes programme with a
registered provider or providers

Item

6

KEY DECISION

Purpose

To agree the principles for delivering an affordable homes programme with a registered provider or providers in addition to the council's own new build programme

Recommendation

To approve the three suggested principles which will guide how land will be allocated to and developed by, a registered provider or providers for new affordable housing.

Corporate and service priorities

The report helps to meet the corporate priority "Decent housing for all" and the service plan priority to deliver the council's programme of growth, new housing and investment priorities

Financial implications

N/A

Ward/s: All wards

Cabinet member: Councillor Bremner – Housing

Contact officers

Debbie Gould 01603 212851

Paul Swanborough 01603 212388

Background documents

None

Report

Introduction

1. The council has ambitious targets for housing and affordable housing delivery in the city over the next few years. However, in the medium term, it is limited in the number of new council homes it can deliver due to limits in its borrowing headroom in the housing revenue account as set up by the treasury. Based on latest estimates this limit is equivalent to some 250 new homes over the coming five years. To maximise affordable housing delivery beyond this limit therefore, it is proposed that the council also continue working with its registered provider/ housing association partners (hereafter known as providers), to enable a greater number of new affordable homes to be built.
2. Since 2005, the council's partnerships with providers have resulted in over 500 new affordable homes being built on former council sites. From recent discussions with providers, officers are aware that there is currently sufficient appetite and capacity amongst them for a further package of sites to be developed.
3. Over the past few months, the housing development team has been identifying potential development sites and is now assessing which of these sites would be suitable for council- led development, and which could be developed by providers.

Principles of delivery via providers

4. Officers are suggesting three main principles to guide the allocation of sites to providers:
 - a) **Maximum number of new homes:** it is proposed to allocate enough sites so that a sizeable programme of up to 100 homes can be built.
 - b) **High quality, well designed homes:** officers are drawing up a minimum specification for the new homes incorporating code level 4, HCA space standards and the Norwich standard. Providers will be encouraged to at least meet and preferably exceed these standards.
 - c) **New homes that are affordable in terms of rent and running costs:** providers will be made aware of the council's preference for social rent, followed by affordable rent (i.e. up to 80% of market rents). Energy efficient building standards (beyond code 4), such as Passivhaus, will also be encouraged.

Next steps

5. During the summer, officers will consult with ward councillors on the potential sites in their areas. Once this consultation has taken place, the list of sites to be allocated to the provider(s) will be finalised. The proposed list of sites will then be brought back to cabinet in the autumn for approval.
6. Following cabinet approval, the sites will be packaged up and put out to tender and providers will be asked to submit bids for delivery of the sites. The intention is that land will be effectively gifted to the provider(s), in exchange for high quality new affordable housing.

7. A small number of the sites will require some decommissioning of council and/ or leasehold or private dwellings in order to ensure a site is developed to its full potential. These sites will take considerably longer to develop than sites without tenants. Officers will manage the decommissioning and resettlement process prior to handing the sites over to the provider(s). It is intended to re-charge the provider(s) for the costs of such resettlement.
8. Providers will be able to work together in partnership or by consortium in order to achieve maximum efficiencies and spread their risk, should they wish to do so.
9. Providers will be given 4 weeks from the tender being advertised to submit a development proposal for the sites, and will also be required to provide evidence of recently delivered, good quality affordable housing on a similar scale.
10. The successful provider(s) will enter into contract with the council to provide the new homes, and the contract will ensure that all sites are progressed to the point of being built, unless a financial appraisal can be produced to show that a sites development is financially unviable.
11. It is envisaged that the delivery of the sites will take approximately three and a half years from award of tender to completion of all new homes (i.e. completion in Spring 2018).

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	16 July 2014
Head of service:	Andy Watt
Report subject:	Delivering Affordable Housing Partnership
Date assessed:	19 May 2014
Description:	Delivering an affordable homes programme with a registered provider or providers

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Enabling more housing is important in supporting sustainable economic growth and prosperity. <input type="checkbox"/>
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Enabling affordable housing will advance financial inclusion by helping to improve housing affordability
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Enabling more homes to meet changing needs will increase available accommodation for vulnerable adults and children.
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The provision of sufficient and decent quality housing is essential to ensuring decent levels of health and well being
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment

Positive

The allocation of council owned development sites will help to enable up to 100 new, affordable dwellings in the city.

Negative

Neutral

Issues