

Report to Cabinet
12 December 2012
Report of Head of city development services
Subject Provision of new affordable housing at Wilberforce Road

Item

13

KEY DECISION

Purpose

To agree provision of new affordable housing at Wilberforce Road by a Registered Provider under affordable rent arrangements

Recommendation

Cabinet is asked to approve the disposal and redevelopment of the former garage site at Wilberforce Road to Cotman housing association, for the development of one shop and 13 flats to be let at an Affordable Rent Tenancy.

Corporate and service priorities

The report helps to meet the corporate priority “Decent housing for all” and the service plan priority to enable new affordable homes, which achieve the highest standards in energy efficiency in places where people want to live.

Financial implications

The site will be sold for £180,000, a sum which will be reinvested as grant funding to Cotman to enable the build.

Loss of annual income of £5,500 through demolition of the shop unit.

Ward/s: Bowthorpe, University

Cabinet member: Councillor MacDonald – housing

Contact officers

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Background documents

None

Report

Background

1. The Wilberforce Road development site was first allocated to Cotman housing association in 2006, via the Delivering Affordable Housing Partnership. It comprises a former garage site and a council owned shop unit. Wilberforce Road is the last of the Partnership sites.
2. Cabinet has previously approved the redevelopment of this site; the demolition of the shop unit and the disposal of the site for affordable housing to Cotman housing association.

Public consultation

3. On 18 September 2012, a pre-planning public consultation event was held jointly by the council and Cotman. Over 150 local households were invited to attend a drop-in event at a nearby community centre to view the plans and discuss the proposals with officers. Local people were asked to provide feedback either prior to the event; in person on the day; or subsequent to the event, via email, phone or letter.
4. The majority of the feedback was positive in relation to the former garage site being developed and the design of the scheme was well received; however, an overwhelming majority of feedback received stated an opposition to the loss of the shop unit.
5. A petition was also received, entitled, 'Petition against the closure of the Wilberforce Road mini market'. This was formerly presented to the cabinet at their meeting 17 October. At the time of writing, the petition contained over 600 signatures.

Re-provision of the shop unit

6. As a result of the feedback received, council officers discussed with Cotman, the possibility of a new shop unit being provided as part of the design of the scheme.
7. Cotman has now agreed to provide the shell of a shop unit within their development proposals, reducing the total of new homes provided on the scheme by one, as the shop unit will be the same size as a two- bed flat.
8. The Council would lease the shop unit on a long- lease arrangement, paying a peppercorn rent to Cotman. The Council would then market the shop unit for up to 12 months in order to identify a tenant, the tenant being responsible for fitting out.
9. If no suitable tenant is identified, Cotman would be able to submit a change of use application to the Council for consideration, enabling them to convert the unit to a two- bed flat. This flat would also then be advertised via the Council's Choice-based Lettings scheme.
10. Cotman's planning application is due for determination on 17 January.
11. If the planning application is approved, the existing shop unit will be demolished by the council early 2013. There would be a period of approximately one year during which there would be no shop provision at this location, whilst the scheme is being built and completed.

Tenure and viability

12. In light of the changes to affordable housing funding in 2010, which saw drastic reductions in grant funding for social rent schemes, the council wrote to Registered Providers that were in the process of designing and delivering schemes in the city, to express support in the delivery of Affordable Rent Tenancy to enable schemes.

13. This scheme is the last one that was in the process of being designed at this time, and Cotman therefore intends to deliver it as an Affordable Rent scheme.

14. Affordable Rents are charged at up to 80% of the market rent in the immediate area of the new housing. This is a difficult calculation to make, as there is very little market rent housing in the immediate area, however, based on the information available, Cotman predicts that the rental charges could be shown in the Table below:

Weekly rents	Social rent	Affordable rent
One-bed flat	£71.50	£70.38
Two- bed flat	£82.65	£98.08

15. Cotman has received a funding allocation from the Homes and Communities Agency (HCA) to deliver 14 two- bed flats. In order to provide the shop unit, one of the two- bed flats must be lost and so the proposed development has been amended to one shop unit, four one- bed flats and nine two- bed flats. Despite the loss of one dwelling, the HCA are still willing to support the scheme in its new version with grant funding. Provided the scheme is completed in 2014.

16. Cotman will incur the build costs of the shop unit and the loss of the rental income from a two- bed flat, resulting in losses to Cotman of approximately £150,000 over 30 years.

17. All 13 flats would be advertised via the council's Choice-based Lettings scheme.

Integrated impact assessment



NORWICH
City Council

Report author to complete

Committee:	Cabinet
Committee date:	12/12/12
Head of service:	Andy Watt
Report subject:	Provision of new affordable housing at Wilberforce Road
Date assessed:	21/11/12
Description:	Disposal of six HRA sites to Orwell Housing Association

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The council will lose the income from the shop unit (approximately £6,000 per annum) for approximately one year.
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"/>	There will be new jobs created as a result of the building work.
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	In creating new, affordable housing, there will be a positive impact on financial inclusion within the city.
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<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 checked="" type="checkbox"/>	Provision of high quality, affordable housing will have a positive impact on health and well being for people in housing need. Loss of the shop as a community facility has a negative impact.
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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Any transport impact is likely to be limited. However there is potential for parking displacement which may add to existing on-street parking and access problems.
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Development of new affordable housing will provide improvements to the areas identified. The former garage site, which has been a target for anti- social behaviour, will be replaced with new housing, parking and landscaped areas.

	Impact			
Waste minimisation & resource use	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Registered Provider contractors will have to recycle as much of the building materials as possible, during the demolition process.
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"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Reducing the council's liability in terms of the former garage site. Providing new, affordable housing to those in need.

Recommendations from impact assessment

Positive

To dispose of the site to Cotman to build new affordable homes and a replacement shop unit.

Negative

To require Cotman to work with the local community to maximise additional parking facilities on the site.

Neutral

N/a

Issues

The most significant issue raised was that of the loss of the shop unit, which is now being replaced as part of Cotman's proposals.