

Appendix 2 – Council House Building Programme Q&A

1. Where there is a build on Council owned land (non HRA) how much does the HRA pay for it?

The majority of the non HRA sites are rural farm sites. On the rural farm sites we are still assessing the amount of land required on each site to deliver the affordable housing but on the basis that the majority of the sites can accommodate between 2 and 10 units, the size of site required is likely to range from 0.5 – 1 acre. The Homes and Communities Agency (HCA) has allocated grant funding to support the delivery on the majority of the sites. To be able to bid for funding the council has to commit to providing the land at nil consideration. E.g. on one rural site we have bid for funding of £60K for 6 units with land at nil consideration. For the rural sites, the amount received in grant funding exceeds the value of the sites. If the HRA has to pay the general fund for the land, that would preclude the opportunity of bidding for grant funding to stretch the HRA funding further.

2. I assume that the bungalows are going to be fitted out for elderly residents at additional cost to the project. Can we restrict tenancies to older people?

As a landlord, the council is able to restrict tenancies to older people. The council has a range of properties where allocation is restricted e.g. sheltered accommodation, adapted accommodation. We are not anticipating a much higher cost as the properties will be built as accessible from design stage. Initial assessments suggest that if planned in from the outset the cost of building to suit older people will not necessarily be significantly higher than building standard general needs properties.

3. Can we prevent right to buy?

Under Schedule 5 to the 1985 Act, paragraph 10, the right to buy does not apply if the dwelling house -

- a) is part of a group of dwelling houses;
- b) which due to its location, size, design, heating system and other feature is particularly suitable for occupation by elderly persons; and
- c) in respect of which it is the practice of the landlord to let for occupation by elderly persons; AND
- d) which includes special facilities, including (as a minimum), an off- or on-site warden, a common room and a system for calling the warden.

Accordingly, any new build bungalows occupied by Wiltshire Council secure tenants would likely be subject to the RTB unless each of the criteria above are met. The extra care accommodation, due to the provision of on site communal facilities, will be excluded from the Right to Buy.

Should the RTB be exercised, the council is able to reduce the discount to ensure the capital cost of providing the property is repaid. That capital receipt can then be recycled to invest in a new affordable home.

4. What will be the average saving on adult care for these tenants?

It is intended that the properties will be targeted at older people in rural communities currently living in larger family homes and/or needing to move because their property is no longer suitable for them. It is difficult to estimate any potential savings as a result of enabling older people to live in more suitable accommodation.

The benefits are expected to include; less likelihood of falls and accidents, more support from friends, neighbours and relatives therefore less reliance on public sector, better health and wellbeing and quality of life. Any real savings for Adult Care will occur if we can support people to stay at home rather than going into residential care. There is an estimated savings figure of approximately £150 per week per person but it is dependent upon each individual circumstances

5. Is there a model that shows the income and costs including interest and capital repayment? A 30-40 year capital payback through rental income is shown in the presentation given on 7th April 2014.

Yes the initial feasibilities for each scheme are based on a model developed for the first council house building programme 2008-11. This model has been signed off by the finance team. The model estimates the total cost of building the homes including all on costs and project management time then calculates the annual rental income, less management, maintenance and voids/bad debt costs and calculates how long it will take with the surplus rental income to pay off the initial capital investment including interest.

6. As these bungalows will be distant from the Salisbury maintenance team has there been an assessment of an uplift that might be needed to cover these extra costs?

The team is already managing properties in Trowbridge built as part of the council housing built between 2009-11. Housing management and maintenance services are fully involved in the proposals and will work to enable services to tenants across Wiltshire in an efficient and effective way.

7. There is a drive by the government to encourage self-build. Is the land proposed at risk?

The Government is encouraging self-build but we are not aware that local authorities are required to provide land for this purpose.

8. Is there a role for Town and Parish Councils to manage these bungalows?

The funding restrictions of HRA require that the land and properties are owned within the HRA. However, it is possible for the Council to contract out the management and maintenance of council properties if this would be a function the town or parish councils would like to take on. This is not something we have considered as we are trying to develop and build the Council housing service.

