

## **Request for Affordable Housing Grant to Provide Affordable Housing – Flowers Yard, Chippenham (phase 2)**

### **1. Purpose of the Report**

- 1.1 This report seeks Members' authorisation for an allocation of £918,662 AHG to enable Sarsen Housing Association to provide 23 units of general needs social housing provision at Flowers Yard, Chippenham

### **2. Recommendation**

- 2.1 Members authorise the commitment of Affordable Housing Grant of £918,662 to enable the provision of 23 new affordable homes by Sarsen Housing Association at Flowers Yard, Chippenham.**
- 2.2 Members delegate authority to the Legal Services Team Leader to agree a nominations agreement with Sarsen Housing Association.**

### **3. Links to Corporate and Business Area Aims & Objectives**

- 3.1 Corporate Aim 2 To ensure high quality, cost effective services.
- 3.2 Community Aim 1.1 Housing (a) To help create sustainable local communities through housing and housing related activities
- 3.3 Community Aim 1.1 Housing (b) To implement an affordable housing policy which meets the needs of the community

### **4. Background Information**

- 4.1 Sarsen Housing Association is one of the Council's five affordable housing development partners.
- 4.2 Flowers Yard, Chippenham is a site being developed for residential use. Through planning policies outlined in Government Guidance on planning (PPG3) Local Authorities are permitted to seek an element of affordable housing on residential developments of more than 25 homes or 1 hectare.
- 4.3 Following negotiations with the site owner, using findings from the District Wide Housing Needs Survey as well as Housing Needs Register figures, officers were able to secure a section 106 agreement requiring 25% of the total number of dwellings on this site to be affordable.
- 4.4 The s.106 agreement also fixed the price of the affordable dwellings at 100% of the Housing Corporation's Total Cost Indicator. This is the amount the Housing Corporation would expect a dwelling to cost to provide including the cost of land, build cost and fees.
- 4.5 The site owners, Barratt Homes, have secured planning permission to construct 79 dwellings on the second phase of this development. Sarsen are negotiating with Barratts to enable 23 of those dwellings to be affordable.
- 4.6 These units will comprise 8 dwellings for rent (8 x 2 bed) and 15 dwellings for shared ownership (4 x 1 bed flats and 11 x 2 bed).

- 4.7 Sarsen Housing Association has bid for regional funding from the Housing Corporation for this scheme. However, the Housing Corporation has indicated that this scheme is unlikely to receive funding.
- 4.8 Housing Corporation allocations are due to be announced shortly. A verbal update will be given at the meeting.
- 4.9 The scheme represents good value for money for the Council at £39,941.83 per unit. The use of the Council's capital funding will enable the scheme to proceed as presented.
- 4.10 Chippenham is an area of particularly high need. As at 1<sup>st</sup> December 2005, there were 510 households on the Housing Needs Register with Chippenham as their first choice and the District Wide Housing Needs Survey 2005 indicated a net need for 326 new affordable homes in Chippenham per annum for the next five years.
- 4.11 Sarsen Housing Association has agreed to enter into a nominations agreement to enable the Council to nominate to all of the properties on first let/sale and 75% of re-lets/re-sales thereafter.
- 4.12 At the time of writing this report Sarsen Housing Association is negotiating a contract with Barratt Homes to acquire the affordable housing land and construct the homes. They anticipate start on site in September 2006 and completion of the units in February 2008.

## **5. Financial Implications**

- 5.1 The receipt obtained from the Goldiggers site included a commuted sum of around £525,000 as a 'contribution' to Affordable Housing. The Council's funding for affordable housing on the Flowers Yard site can partly be met from the commuted sum.
- 5.2 The Council has agreed a capital budget of £2,000,000 for new affordable housing provision for 2005/06 plus a rollover of £1,624,000 from 2004/05. A projected provision of £2,000,000 in each of the following 2 years is subject to member's approval.
- 5.3 It is anticipated that the affordable housing grant of £918,662 for this scheme can be accommodated within the budget for 2006/07

## **6. Community and Environmental Implications**

- 6.1 The provision of 23 new affordable homes in Chippenham with nomination rights for the Council is a valuable contribution towards meeting the high levels of housing need identified in North Wiltshire.
- 6.2 The mix of tenures for the affordable housing alongside a private development contributes to the establishment of mixed and balanced communities in the district.

## **7. Human Resources Implications**

- 7.1 None. The new homes will be managed by Sarsen Housing Association.

**8. Equal Opportunities Implications**

- 8.1 The provision of affordable housing helps to enable all residents in the district to have the opportunity to meet their housing needs locally.

**9. Legal Implications**

- 9.1 Local Authorities have powers under s22 (3) of the Housing Act 1996 to make grants to Registered Social Landlords.

**Documentation used in the preparation of this report**

- Housing Development Files

**REPORT OF THE COMMUNITY & ENVIRONMENT STRATEGIC MANAGER TO THE EXECUTIVE – 2<sup>ND</sup> FEBRUARY 2006**

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