

JOINT OVERVIEW & SCRUTINY TRANSITION – HOUSING TASK GROUP

Housing Enabling – Key Issues in the Transition

Purpose of Report

1. To provide an opportunity for the task group to consider issues for the Housing Enabling Service in the transition.

Action Required of the Task Group

2. To discuss the issues raised in this report.

Background

3. Ensuring the provision of affordable housing has been a major strategic role of all four Wiltshire district councils. When the new Wiltshire Council comes into being on 1st April 2009, delivery of affordable homes will become a very important and high profile role for the new authority.
4. The Wiltshire Local Area Agreement (LAA) incorporates National Indicator 155 (NI155 Number of affordable homes delivered). In the year 2007 / 08, a total of 598 new affordable homes were completed across Wiltshire. Forecast completions are 2008/09 – 427, 09/10 – 328, 10/11 – 622, 11/12 – 715. However, see below regarding issues which may impact upon delivery. A key target for the LAA is to increase annual completions of new affordable housing by 50% to 590 per year in 2010/11.
5. Affordable housing is defined in Planning Policy Statement 3 (PPS3) published by Communities & Local Government, November 2006. Being nationally defined, there are no discrepancies between existing Wiltshire district councils as to what constitutes affordable housing. There are, however, a number of policy and practice differences which will need to be addressed in order to achieve a consistent and uniform approach for the new Wiltshire Council.
6. Development (enabling) officers from the four Wiltshire districts have been meeting regularly for some months in order to consider issues which will face the new Wiltshire Council and to plan for the continuation of affordable housing delivery post – April 2009. The divergence of affordable housing policies such as differing thresholds, reliance on developer contributions or grant funding will, as published policies or guidance, need to continue initially. However, this will change over time

through the development of a Wiltshire – wide Local Development Framework (LDF) and Core Strategy (CS). Getting this right will be critical in ensuring the continued provision of affordable housing on a legally sound basis which will not be open to frequent challenge. All four district councils are currently at differing stages in their LDF consultations, and it is important that no precedents are set in Salisbury (which is ahead in its consultation) which may risk binding the new authority before an overarching set of affordable housing policies are agreed. Similarly, the Housing Strategies of the four Wiltshire districts are at different stages in their 'life'. A new Housing Strategy for Wiltshire will need to be produced which also provides an overarching strategic framework.

Future Risks

7. The downturn in the national economy presents a number of challenges and risks in terms of affordable housing delivery. In particular, developers may not start on sites which have affordable housing allocations on them, or bring forward new sites. There is strong evidence to suggest that this is already happening. There is little a local authority can do about this, and affordable housing outputs risk being significantly reduced. Projected completions will therefore be revised downwards.
8. The creation of the new Homes and Communities Agency (which will supersede the Housing Corporation) may introduce a period of uncertainty and shifts in policy and practice. The agency will come into being on 1st December 2008.
9. Salisbury DC and Kennet DC in particular are highly reliant on capital grant input to enable affordable housing. The new Wiltshire Council may wish to reduce or withdraw capital grant funding. This would result in a reduction in affordable housing delivery in these areas until such time as alternative mechanisms for delivery are put in place.
10. Similarly, the new council may not choose to continue involvement in Private Finance Initiatives (PFI). This would impact on delivery in West Wiltshire, where over 400 new affordable homes are due to be delivered through PFI.

Future Opportunities

11. All four district councils, together with WCC, have agreed to the undertaking of a public sector land audit. This is a key action in the Local Agreement for Wiltshire. Salisbury has already identified a number of potential sites which could deliver affordable housing. Where the new council makes its own land available, this will introduce far greater certainty and control over the delivery of additional affordable homes. The certainty over delivery may also assist in attracting grant funding from central government.

12. At a recent meeting of the Wiltshire Assembly, Councillor Jane Scott referred to affordable housing as the top ambition for Wiltshire.
 13. Salisbury and West Wiltshire DC's have been successful in attracting a total of £20,000 grant funding in order to provide a court desk at Wiltshire County Court. This will provide support and legal advice to households at risk of repossession.
 14. The Mortgage Rescue Package is making £200m available to home owners in difficulty with their mortgage repayments. Households may have the option of having their debt cleared by a housing association and then renting back the property. There are other variations, such as a shared ownership type option.
 15. In the short term, opportunities may arise for housing associations to acquire 'off the shelf' completed (or near completion) homes from private developers who are seeking to dispose of unsold units. There is an expectation that any sales would be significantly below open market value.
 16. The Housing Corporation (South West) has just announced measures to boost affordable housing outputs over 2009 – 11 and in particular, for social rented units. This may include grant input at slightly higher levels than might normally be expected, a change in tenure balance on existing sites towards social rented housing, and the possible funding of nil grant S.106 sites where a start on site has been deferred by the builder.
 17. The Implementation Executive has agreed to the preparation of an expression of interest for round 6 Housing PFI. Officers at District and County level are now working on a bid to deliver extra care housing, specialist accommodation for young people and general needs housing. This bid will be considered by the IE on 29/10/08 and if approved will be submitted to Government by 31/10/08.
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