

REPORT TO THE EXECUTIVE		Report No. 17
Date of Meeting	7th February 2008	
Title of Report	Request for Affordable Housing Grant (AHG) to Provide Affordable Housing – Sutton Lane in Sutton Benger, Fiddle Farm in Cricklade and Market Quarter in Chippenham	
Portfolio	Housing	
Link to Corporate Priorities	Housing	
Key Decision	Yes - The decision will result in the Council requiring expenditure or making savings which amount to over £50,000	
Executive Workplan Ref	B377	
Public Report	Yes	

Summary of Report

This report seeks authorisation for an allocation Affordable Housing Grant to enable Jephson Housing Association to provide 7 affordable homes in Sutton Benger, Sarsen Housing Association to provide 13 affordable homes in Cricklade and Westlea Housing Association to purchase 12 affordable homes in Chippenham.

Officer Recommendations

That the Executive:

- 1. Authorise the commitment of Affordable Housing Grant of £943,000 to enable the provision of 32 new affordable homes at Sutton Lane in Sutton Benger, Fiddle Farm in Cricklade and Market Quarter in Chippenham.**
- 2. Delegate authority to the Legal Services Manager to agree a nomination agreement with the respective housing associations.**

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.

Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
Yes	Yes	Yes	None	Yes

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1. Introduction

1.1 The report seeks approval for allocation of;

- £105,000 of Affordable Housing Grant (AHG) to Jephson Housing Association to provide 7 homes at Sutton lane, Sutton Benger;
- £130,000 of Affordable Housing Grant to Sarsen Housing Association to provide 13 homes at Fiddle Farm, Cricklade; and
- £708,000 of Affordable Housing Grant to Westlea Housing Association to provide 12 homes at Market Quarter, Chippenham.

2. Options and Options Appraisal

2.1 To approve the allocation of the requested AHG to assist Jephson, Sarsen and Westlea Housing Associations in providing 32 new affordable homes.

2.2 Refusing the request for AHG could result in the 32 new affordable homes not being provided and the loss of Housing Corporation grant.

3. Background Information

Sutton Lane, Sutton Benger

3.1 Jephson Housing Association is a long-standing affordable housing partner in North Wiltshire.

3.2 The site is an exception site at Sutton lane, on the edge of Sutton Benger village.

3.3 The scheme will provide 7 homes for social rent: 4 x two beds and 3 x three beds.

3.4 The scheme will achieve the following: Housing Corporation design and quality standard, Lifetime Homes requirements, code for sustainable homes level 3.

3.5 The scheme will be jointly funded with the Housing Corporation.

3.6 The total scheme cost for the 7 homes is in the region of £1,058,000 requiring subsidy of £385,000. The Housing Corporation will grant fund £280,000 leaving £105,000 for the Council to fund; this works out at £15,000 per unit NWDC grant and £55,000 per unit total public subsidy and is considered good value for money for an exception site. The average public subsidy per affordable rented unit from the Housing Corporation National Affordable Housing Programme 2006-08 for the South West Allocations was £52,837.

3.7 There is a demonstrable housing need in Sutton Benger. A recent village survey (October 2007) identified 7 households who were in need of social rented accommodation. The report recommended the following affordable housing provision: 4 x one or two bed houses, 1 x three bed house, 1 x four bed house and 1 x one or two bed bungalow; this is the **minimum** need over the next three years for affordable housing development in the Parish. There are currently 9 households who have indicated Sutton Benger as their first choice on the housing register as at 8th January 2008.

- 3.8 Jephson Housing Association has agreed to enter into a nomination agreement to enable the Council to nominate to all of the properties on first let and 75% of re-lets thereafter.

Fiddle Farm, Cricklade

- 3.9 Sarsen Housing Association is one of the Council's affordable housing development partners.
- 3.10 Fiddle Farm is an exception site.
- 3.11 The scheme will provide will be 13 homes for social rent: a mix of two and three bed dwellings.
- 3.12 The scheme will achieve the following: Housing Corporation design and quality standard, Lifetime Homes requirements, code for sustainable homes level 3.
- 3.13 The scheme will be jointly funded with the Housing Corporation.
- 3.14 The total scheme costs for the 13 homes is £1,597,669 requiring subsidy of £673,000. The Housing Corporation will grant fund £543,000 leaving £130,000 for the Council to fund; this works out at £10,000 per unit NWDC grant and £51,769 per unit total public subsidy and is considered good value for money for an exception site. The average public subsidy per affordable rented unit from the Housing Corporation National Affordable Housing Programme 2006-08 for the South West Allocations was £52,837.
- 3.15 Cricklade has a high identified housing need. The 2005 District Wide Housing Needs Survey identified a shortfall of 45 affordable units in Cricklade per annum. The housing register shows that there are currently 43 households with general needs who have indicated Cricklade as their first choice as at 8th January 2008, and a further 23 retired households.
- 3.16 Sarsen Housing Association has agreed to enter into a nomination agreement to enable the Council to nominate to all of the properties on first let and 75% of re-lets thereafter.

Market Quarter, Chippenham

- 3.17 Westlea Housing Association is one of the Council's affordable housing development partners.
- 3.18 Market Quarter is a large development in Chippenham, off Cocklebury Road, on the old cattle market site.
- 3.19 Linden Homes, the developer, has offered Westlea Housing Association the chance to purchase 12 x two bed flats.
- 3.20 The scheme will achieve the following: EcoHomes excellent. Please note, the design of these units are already agreed and are to the developers own standards as they are being bought off the shelf at a discounted price.
- 3.21 The total scheme costs for the 12 homes is £1,806,240 requiring public subsidy of £708,000. Westlea will be part-funding the scheme with mortgage and internal subsidy of £1,098,240, leaving £708,000 for the Council to fund. The average public subsidy per affordable rented unit from the Housing Corporation National Affordable

Housing Programme 2006-08 for the South West Allocations was £52,837. NWDC grant and total public subsidy works out at £59,000 per unit and is considered good value for money, given the location of the units and their ability to meet the highest identified need in the district; which is for smaller units in Chippenham.

- 3.22 Chippenham has a high identified housing need. The 2005 District Wide Housing Needs Survey identified a shortfall of 312 affordable units in Chippenham per annum. The housing register shows that there are currently 513 households with general needs who have indicated Chippenham as their first choice as at 8th January 2008.
- 3.23 Westlea Housing Association has agreed to enter into a nomination agreement to enable the Council to nominate to all of the properties on first let and 75% of re-lets thereafter.

4. Financial Implications

- 4.1. The approved budget for 2007/08 for new affordable housing provision is £1.5m plus £152,978 brought forward from previous years making a total available of £1,652,978. £1.0m is identified in 2008/09 making a total of £2,652,978 available.
- 4.2. Schemes totalling £2,614,879 identified for payment during 2007-2009, are shown on Appendix 1 of which £1,671,879 has previously been approved by Members. Unapproved schemes total £943,000; this is the sum of the Affordable Housing Grant for the Sutton Lane, Fiddle Farm and Market Quarter schemes, the subject of this report.
- 4.3. Members have previously agreed that officers could enter into negotiations with RSLs for schemes which could be awarded grant funding in future years as these necessitate long lead times.

5. Legal Implications

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

6. Community and Environmental Implications

- 6.1. The provision of 32 new affordable homes in Sutton Benger, Cricklade and Chippenham with nomination rights for the Council is a valuable contribution towards the affordability of housing in rural villages and towns and towards meeting the high levels of housing need identified in North Wiltshire.

7. Equality and Diversity Implications

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

8. Risk Analysis

- 8.1. This is considered to be a low risk. Jephson, Sarsen and Westlea are long-standing partners of North Wiltshire District Council and are requesting funding at a reasonable

level for specific schemes. Two of the sites (Sutton Lane and Fiddle Farm) have been provisionally allocated funding from the Housing Corporation, the land purchase contracts have been exchanged and pre-planning consultations have been positive, therefore the schemes are viewed as deliverable. The Market Quarter homes are currently on site and will be completed by June 2008.

- 8.2. It is not considered that this scheme has significant strategic, policy or operational implications and therefore a risk assessment has not been completed.

Appendices:	<ul style="list-style-type: none"> • Appendix 1: Anticipated cash-flow 2004-09
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • District Wide Housing Needs Survey 2005 • Sutton Benger Local Housing Needs Survey 2007 • Housing Needs Register Report Summary – First Choice at 08/01/2008

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
<ul style="list-style-type: none"> • None 		