

<b>REPORT TO THE EXECUTIVE</b>		Report No. 16
<b>Date of Meeting</b>	13/03/2008	
<b>Title of Report</b>	<b>Request for Affordable Housing Grant (AHG) to Provide Affordable Housing at Market Quarter in Chippenham</b>	
<b>Portfolio</b>	<b>Housing</b>	
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	

<p><b>Summary of Report</b></p> <p>This report seeks Members' authorisation for an allocation of Affordable Housing Grant to enable Sovereign Housing Association to purchase 11 affordable Homes in Chippenham.</p>
<p><b>Officer Recommendations</b></p> <ol style="list-style-type: none"> <li><b>Members authorise the commitment of Affordable Housing Grant of £737,000 to enable the provision of 11 new affordable homes with Sovereign Housing Association at the Market Quarter.</b></li> <li><b>Members delegate authority to the Legal Services Manager to agree a nomination agreement with Sovereign Housing Associations.</b></li> </ol>

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 Member's approval for allocation of;
- £737,000 of Affordable Housing Grant to Sovereign Housing Association to provide 11 homes at Market Quarter, Chippenham
  - This is in addition to the Affordable Housing grant to Westlea Housing Association in respect of the same site.

## **2. Options and Options Appraisal**

- 2.1 To approve the allocation of the requested AHG to assist Sovereign Housing Associations in providing 11 new affordable homes.
- 2.2 Refusing the request for AHG could result in the 11 new affordable homes not being provided.

## **3. Background Information**

### **Market Quarter, Chippenham (Sovereign HA)**

- 3.1 Sovereign Housing Association is one of the Council's affordable housing development partners.
- 3.2 Market Quarter is a large development in Chippenham, off Cocklebury Road, on the old cattle market site.
- 3.3 Linden Homes, the developer, has offered Sovereign Housing Association 11 x three bed houses.
- 3.4 The scheme will achieve the following: EcoHomes excellent. Please note, the design of these units is already agreed and is to the developers own standards as they are being bought off the shelf at a discounted price.
- 3.5 The total scheme costs for the 11 homes is £1,959,160 requiring public subsidy of £737,000. Sovereign will be part-funding the scheme with mortgage and internal subsidy of £1,222,160 leaving £737,000 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's grant works out at £67,000 per unit. This is considered good value for money, given the location of the units and their ability to meet the highest identified need in the district and their specification.
- 3.6 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 8<sup>th</sup> January 2008.
- 3.7 Sovereign 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. £1.4m is approved in 2008/09, making a total of £3,052,978 available.

- 4.2 The recent announcement from the Housing Corporation has confirmed that Phelps Parade will be funded, reducing the Council's grant requirement by £360,000.
- 4.3 Schemes totalling £2,200,879 identified for payment during 2007-2009, are shown on Appendix 1 of which all have previously been approved by Members. Unapproved schemes total £737,000 this is the sum of the Affordable Housing Grant for the Market Quarter scheme, the subject of this report.
- 4.4 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 11 new affordable homes in Chippenham with nomination rights for the Council is a valuable contribution towards the affordability of housing in 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. Sovereign is a long-standing partner of North Wiltshire District Council and are requesting funding at a reasonable level for specific scheme. The proposal is to purchase completed new homes which makes the scheme deliverable.
- 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.

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

### Previous Decisions Connected with this Report

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