



**WARDS AFFECTED
ALL**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

9 November 2009

AFFORDABLE HOUSING STRATEGY AND DELIVERY PLAN 2008-2013

Report of the Director of Housing Strategy & Options

1. PURPOSE OF REPORT

To seek Cabinet's adoption of the Affordable Housing Strategy and Delivery Plan 2008-2013.

2. SUMMARY

- 2.1 On the 30th March 2009, Cabinet Briefing agreed the release of the draft Affordable Housing Strategy and Delivery Plan for wider stakeholder consultation. The Strategy and Delivery Plan sets out how we will seek to achieve our One Leicester vision in terms of its affordable housing outcome.
- 2.2 The wider consultation and an Equality Impact Assessment of the Strategy and Delivery Plan have now been completed, considered and reflected within the latest version of the document. The amendments are largely updates, typing corrections and insertions of explanations. The amended final draft (version 10) is attached.
- 2.3 This report seeks Cabinet's adoption of the Strategy and Delivery Plan to confirm the direction and proposed actions for work towards the One Leicester affordable housing outcome.

3. RECOMMENDATION

- 3.1 That Cabinet adopt the Affordable Housing Strategy and Delivery Plan 2008-2013.

4. SUMMARY OF THE CONSULTATION EXERCISE

- 4.1 The wider consultation consisted of inviting comments on the draft document from the Leicester Partnership, the Leicester Social Housing in Partnership, Prospect Leicestershire, house builders and placing the draft on the Council's website and inviting people to comment on it. The Equality Impact Assessment was undertaken alongside this consultation.

A summary of comments received and resultant proposed changes to the document is available on the Council's website. There were no significant changes sought to the strategy but the consultation exercise has proved very useful in both refining the draft document and in highlighting areas for further consideration (for example, many comments received will be very relevant to the drafting of a Supplementary Planning Document to support the Core Strategy's policy on affordable housing and has been sent to the Director for Planning and Economic Development).

5. SUMMARY OF THE STRATEGY AND DELIVERY PLAN

Summary of the Draft Strategy:

The need for additional affordable housing:

- 5.1 Leicester has an annual shortfall of 790 affordable homes (evidenced by the Strategic Housing Market Assessment), yet, on average, we have achieved 205 new affordable homes each year. The subsidy required to deliver affordable housing means that it is not viable to seek a target amount of affordable housing as high as 790 a year.
- 5.2 In addition to number, the Strategy and Delivery Plan considers the issues of size, type and quality (including location, neighbourhood) of affordable homes needed. The Strategic Housing Market Assessment and other evidence will be used to inform the mix, size and type of affordable housing sought. For example, data used to inform the City's Extra Care Housing Strategy will be used to indicate the level of need for social rented affordable Extra Care housing provision for older people.

The Vision – Setting the target:

- 5.3 New affordable housing requires both a physical opportunity (a site or existing house), subsidy and a developer. The City Council does not have access to either sufficient land nor subsidy to enable it to have a target to fully meet the SHMA affordable housing shortfall of 790 homes a year. Such a needs-based

target would suggest that 55% of all new homes produced in the city should be for affordable housing. Experience shows this is unlikely to be economically viable: subsidy, from whatever sources, is unlikely to be available on this scale.

- 5.4 Targets for the amount of affordable housing to be provided in Leicester will be included in the city's planning documents (Local Development Documents). This target number will be arrived at through considering the city's housing needs, together with the city's Growth Infrastructure Assessment, an Economic Viability study into the provision of affordable housing and an assessment of the likely levels of finance available for affordable housing. The first of these Local Development Documents (the Core Strategy) is currently programmed for adoption in 2010. (These planning targets will be in line with government guidance – Planning Policy Statement 3).
- 5.5 For our Five Year One Leicester Outcome target (for up to 2013) a calculation was made of what amount of affordable housing is likely to be achieved using current planning powers and likely levels of subsidy plus an element of "stretch".
- 5.6 **Our One Leicester five-year outcome target is therefore to deliver 992 new affordable homes (social rented and intermediate affordable housing) by 2013.**

Our 3 year LAA local target is to provide a total of 672 new social rented affordable homes. (This local target is part of the National Indicator for affordable housing; NI 155: Number of affordable homes delivered (gross)).

The Delivery Plan

- 6.0 **Our strategy to achieve this vision** is set out in the **Delivery Plan** which considers how best to address the 3 key issues of shortfall (number), mix and type and quality of affordable housing needed alongside the three major ways to increase the supply of new affordable homes:
- **Making best use of negotiation skills and planning powers** to seek to secure affordable housing on privately-owned sites for housing in the City. (About 80% of all identified opportunities for new build homes in the City are on privately owned sites).
 - **Optimise the affordable housing outcomes from Council-owned land and property disposals.** (Around 20% of all identified opportunities for new build homes are on Council-owned sites. These sites offer us the best opportunity to seek the mix and type and quality of affordable housing we seek).

- **Maximise the amount of subsidy for affordable housing**, eg funds from Homes and Communities Agency, New Growth Point, Private Finance Initiative, etc.

Reflecting the One Leicester theme of investing in skills and enterprise, our Delivery Plan seeks to maximise opportunities to develop skills and jobs in the city via investment in affordable housing.

7. FINANCIAL AND LEGAL AND OTHER IMPLICATIONS

7.1 Financial Implications – Ben Eruchie, ext 297427.

There are no immediate/direct financial implications arising from this report.

7.2 Legal Implications – John McIvor, ext 297035.

7.2.1 The Implications below are general only at this stage and Legal Services will continue to provide further advice as required.

7.2.2 Proposed revisions or amendments to issues of strategic importance are matters reserved to Cabinet under the Council's Constitution. Revisions to the Council's Affordable Housing Strategy as referred to in this Report are likely to come within the reservation to Cabinet.

7.2.3 When considering the formulation of the Strategy and Delivery Plan, officers will need to have regard to those policies on affordable housing that have previously been adopted by the Council and ensure that the Strategy and Delivery Plan accord with existing and established policies (including where relevant adopted planning policies).

8. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	YES	throughout	
Policy	YES	throughout	
Sustainable and Environmental	NO		
Crime and Disorder	NO		
Human Rights Act	NO		
Elderly/People on Low Income	YES	throughout	

9. RISK ASSESSMENT MATRIX

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/appropriate)

10. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Draft Affordable Housing Strategy and Delivery Plan 2008-2013 (Version12).

11. CONSULTATIONS

None on this report but Property (Neil Evans) and Planning (Neal Moore) have been involved in drafting the Strategy.

12. Report Author

Janet Callan – Head of Housing Development, Ext: (29) 8713.

Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)