

Briefing Report to Housing Scrutiny Commission

Housing Scrutiny Commission: 20th November 2017

Affordable Housing Programme: Review of 2013-2017 and Proposal for 2017/18 onwards

Lead director: Chris Burgin

Useful information

- Ward(s) affected: potentially all
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1. Summary

1.1 The city has evidenced need for an additional 786 units of Affordable Housing each year. In the past 4 years, a total of 707 new Affordable Housing units were completed and the projection for the next four years of 764 new units is dependent on both the government's confirmation of sustainable revenue funding for supported housing and on the council's release of additional funds to enable the acquisition of between 31-38 units.

1.2 There is limited land available for residential development (including Affordable Housing) in the city and much work is being done to identify new opportunities through the Local Plan process. With the majority of available sites being in private ownership, it is having sound policies within our Local Plan and good working practices to follow them through supported by National Planning Policies that will enable the council to secure new Affordable Housing through this land supply. Where the council owns land, it can choose to use its disposals to achieve more Affordable Housing of the mix, type and quality that the city needs.

1.3 There are significant uncertainties over the direction the government is taking with affordable housing. The government has recently announced a wide ranging review of social housing will soon take place leading to a Social Housing Green Paper. The Housing White Paper (Feb 2017) included a number of proposed changes to affordable housing in planning, such as the definition of what constitutes affordable housing, and alterations to the starter homes initiative.

1.4 There is therefore considerable uncertainty in the government's approach to affordable housing and consequently over how the emerging local plan will address these issues. As the government's approach to affordable housing becomes clearer, the emerging local plan will respond accordingly.

1.5 The provision of new Affordable Housing requires subsidy (as well as land / physical opportunity). The council is currently struggling to commit all its available Right To Buy Receipts (RTBR) funds and is seeking to address this by both proposing the acquisition of approximately 60 privately owned dwellings for tenure conversion into Affordable Rent and by exploring whether to enable non-Registered Partner (RP) Housing Organisations to apply for RTBR funds as well as RPs.

1.6 The council is exploring whether to develop and / or acquire further new Affordable Housing via the Housing Revenue Account (HRA) and / or via a Local Housing Company.

2. Recommendations

2.1 It is recommended that the Housing Scrutiny Commission notes:

- i) the annual need for 786 units of affordable housing in the city and the 707 completions of new Affordable Housing achieved over the past four years (128 of which are new LCC homes);
- ii) the current pipeline of 764 units of new supply of Affordable Housing for the next four years;
- iii) that this new supply is dependent upon sufficient additional funding being released by the council and upon the government confirming a sustainable revenue funding approach for supported housing;
- iv) that Planning and Housing Officers, within the parameters set by national planning policy, seek to ensure that there are sound policies within the new Local Plan and good working practices to follow them through, to ensure that the council is able to fully use its planning powers to achieve new Affordable Housing;
- v) that Property and Housing Officers seek to ensure that the disposal of any LCC-owned site / asset which could be suitable for residential development is first considered to achieve more affordable housing of the mix, type and quality that the council needs;
- vi) that Officers continue to explore opportunities for the city council to develop and or acquire new Affordable Housing via the Housing Revenue Account and / or via a Local Housing Company (should one be established and subject to its objectives including the provision of new affordable homes);
- vii) that Housing Officers continue to seek to maximise the amount of subsidy secured to enable the viable provision of new Affordable Housing in the city and to ensure the timely investment of any such subsidies held by the council (eg Right To Buy Receipts, Commuted Sums, any Homes and Communities Agency allocations, etc). Officers to also assist other Providers to invest their available funds within the city to deliver new Affordable Housing.
- viii) the proposal that Officers continue to pursue the purchase of up to 60 privately owned homes, maximising the amount of Right To Buy Receipt funds that can be used towards their acquisition.

3. Report:

Context:

3.1 The provision of more affordable housing is one of the commitments within the City Mayor's manifesto plan for Leicester for 2015-19.

The need for additional supply of Affordable Housing:

3.2 The city has an evidenced increase in its shortfall of Affordable Housing to meet its evidenced needs. The Housing and Economic Development Needs Assessment (HEDNA) 2017 established that Leicester has a need for an additional 786 new Affordable Housing dwellings a year for the period 2011-31. This need is 58% higher

than the previously assessed annual shortfall of 496 identified in the Strategic Housing Market Assessment (SHMA) update completed in June 2014.

3.3 Some households in need of affordable housing will also have additional requirements, for example:

- 141 households on the Housing Register require a home built to full wheelchair accessible standards (as of 30/06/17);
- Leicester has a significant number of people who require supported/staffed accommodation.

3.4 See Appendix 1 for more information on the HEDNA and the Affordable Housing need it identifies.

Recent supply of new Affordable Housing:

3.5 Our last progress report on Affordable Housing was in February 2014, to the Housing Scrutiny Commission, on the Affordable Housing Programme 2013-16. Over the past 4 years, there has been a total of 707 new Affordable Housing completions; an average of 177 completions a year: that's less than ¼ of the HEDNA evidenced annual need for new Affordable Homes in the city. (Over the past 9 years, 2008/09 – 2016/17, the average annual new Affordable Housing completions is 186).

3.6 Appendix 2 sets out where the completions for the past 4 years have been achieved and indicates where the council has provided subsidy via grant and/or land at less than market value.

New Supply:

3.7 Any/all new supply of Affordable Housing requires:

- i) A physical opportunity – land and/or property;
- ii) Subsidy – to enable the new home to be offered at an Affordable rent and/or sale price;
- iii) Catalyst/driver – to create/push the proposal through to completion. This could be the council itself, or another Registered Provider (RP), seeking to create/encourage new Affordable Housing; a private developer seeking to meet its planning gain responsibilities or to commit its Homes and Communities Agency (HCA) funding; any other organisation seeking to deliver new affordable housing to address either their primary or other objectives (eg Saffron Lane Neighbourhood Council's proposal to create a reliable source of revenue income has resulted in 68 new Affordable Housing dwellings at the Heathcott Road site).

3.8 The city's supply/capacity of physical opportunities, subsidy and catalysts is covered below at paragraphs 3.15 to 3.32.

3.9 The city does not have access to sufficient land nor subsidy to enable it to fully meet the HEDNA identified shortfall of 786 new Affordable Housing dwellings a year.

From needs to target setting:

3.10 Targets for the amount of affordable housing to be provided in Leicester are and will be included in the city's planning documents (Local Development Documents and the new Local Plan). These target numbers were and 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 other Plan priorities and an assessment of the likely levels of finance available for affordable housing and other plan priorities. The overall affordable housing target set within the current Core Strategy is for 4,065 new affordable homes to be delivered between 2006-2026. Given that 2,135 new Affordable Homes were delivered between 2006-2017, a further 1,936 (an average of 215 a year) is still required by 2026. A draft of the new Local Plan is currently out for public consultation and the aim is for it to be adopted in 2019. It will have a new target for the total amount of affordable housing to be provided within the Plan period, 2016-2031. Currently, the Housing Division does not have its own target for the number of new Affordable Housing units to be delivered in the next four years.

3.11 In addition to the issue of the number of affordable homes that the city needs, consideration is also required to secure the right size, type and quality of affordable housing and its location and neighbourhood. We have to ensure we secure the best mix of affordable housing in terms of tenure, dwelling size/type and location so that no particular group(s) of people / households are disadvantaged by the new supply of affordable housing. To date, it has often proved harder to secure new affordable family homes, in spite of the evidence of great need for this type of housing, and relatively easier to secure one bedroom homes for which the volume of need (for new supply) has been much less.

Right Size / HEDNA Mix:

3.12 The HEDNA recommended mix of new Affordable Housing supply for Leicester is:

- 35-40% - 1 bedroom
- 25-30% - 2 bedrooms
- 25-30% - 3 bedrooms
- 5-10% - 4+ bedrooms

3.13 Officers are currently considering the implications of this mix before proposing a policy / practice response to this evidence of Affordable Housing needs. There is concern about what form of 1 bedroom housing is likely to be appropriate and sustainable. Any policy / practice response to the HEDNA evidenced shortfall of 1 bed affordable housing will need to reflect that:

- HEDNA does not clarify how much of this shortfall is for supported housing and/or for older people;
- High density flatted schemes appear to be less attractive to RPs (and LCC) to take on because of management issues. RPs have advised of a preference for designs such as 'quarter houses' that do not require any communal areas nor service charges.

3.14 Similarly, the policy / practice response to the HEDNA evidenced shortfall of Affordable Housing homes with 4 or more bedrooms will need to reflect the likely implications of the HB and Universal Credit caps.

Land Supply / Physical opportunities for new Affordable Housing:

3.15 In May and July 2014, the Executive and the Housing Scrutiny Commission noted the availability of suitable land for affordable housing in the city for the 4 years up to 2018 was restricted.

3.16 The current situation is that there is unlikely to be a sufficient supply of identified sites for residential development of any / all tenures to meet the city’s housing needs, including Affordable Housing. Registered Providers have advised officers that they are struggling to find sites in the city on which to commit their existing funding allocations (to provide new affordable housing). There has been and continues to be considerable work underway by the council to seek to address this shortage of identified land for residential development. This work includes the following:

Workstream / Project:	Current Status:
Local Plan Review	<ul style="list-style-type: none"> - Call for sites: Regular calls for potential new housing sites are made to landowners, developers and the general public, and a call for sites exercise is running concurrently with the consultation on the Local Plan. - Consideration of any / all large LCC-owned sites which could, potentially be considered for residential development: - A number of Council owned open spaces are include in the Local Plan consultation with the potential that some could come forward for residential use. - The draft new Local Plan is currently out to public consultation up until the end of Nov 2017. The plan is consulting on the future use of all LCC owned green space over 0.5ha in size, including their potential for development. - Local Plan – aim is for it to be adopted in early 2019.
Transforming Neighbourhood Services (including depots)	When the Council are considering withdrawal of community services from buildings under TNS and depots under the depot review, one of the options is site clearance for redevelopment and in most locations the most likely end use would be for residential and potentially for affordable homes. The city wide review continues.
Small Space review	The Council is reviewing city wide small open spaces and the initial thrust of this has been the identification of sites with development potential, in the most case

	being for residential use. This first phase nears completion with sites both within the HRA and outside being identified.
Open Space review	(feeds into Local Plan review – see above)
HRA Backland site review	<p>Review completed in 2016. It identified 5 sites that were assessed as being readily available to develop at least 3 dwellings and two further sites that would require the acquisition of garden land from LCC tenants in order to be ready to develop. These 7 sites were approved for disposal to achieve new Affordable Housing by the Assistant Mayor (Housing) on 10.4.17.</p> <p>One ready to develop site is the subject of an ASC-led bid for NHS funds to develop 3 new Affordable Housing homes for ASC clients.</p> <p>The remaining 6 sites are awaiting actioning.</p>

3.17 It is expected that the majority of all identified opportunities for new-build homes in the city will be on privately-owned sites. Local Plan Policies allow the Council when determining Planning Applications for residential development to seek to negotiate a proportion of new homes built on any site above an agreed size-threshold to be for affordable housing subject to viability considerations. Securing affordable housing this way is dependent upon having sound policies within our Local Plan supported by national planning policy, and good working practices to follow them through. This work is therefore a priority within our Affordable Housing Programme.

3.18 The remainder of all identified opportunities for new build homes will be on Council owned sites. In addition to applying its planning policies to secure affordable housing, the Council as landowner can explore using its disposal of such sites to achieve additional affordable housing of the mix, type and quality that the City needs. Council land and property disposals are therefore an important element of our Affordable Housing Programme.

3.19 Proposed housing schemes will only be delivered if they are economically viable. The injection of sufficient subsidy can ensure a scheme which includes affordable housing is viable and may help to deliver some of the relatively expensive types of affordable housing needed e.g. large family homes, homes built to wheelchair access standard, etc. Maximising subsidy and targeting its timely investment is therefore a further part of our Affordable Housing Programme.

3.20 There are currently 3 large council-owned sites which had been approved for the development of new Affordable Housing in the past but not yet achieved any starts-on-sites. This is because the type of Affordable Housing prioritised for all 3 sites is new Extra Care provision. Two of the sites (Queensmead Phase 2 and Tilling Road) have full planning consent for Extra Care schemes, totalling 155 units.

However, both of these schemes are currently stalled because of the continued uncertainty surrounding the government's proposed revenue funding towards supported housing. A soft market testing exercise on the third site – Saffron Velodrome, Phase 2 – concluded that providers would be unlikely to bid for nor proceed with an Extra Care proposal at this site until there was greater certainty from the government on future revenue funding.

3.21 New supply of Affordable Housing can also be provided via the conversion of non-dwelling buildings and / or the purchase of newly built or existing private housing for tenure conversion. Given the current difficulties experienced in finding sites for new build and the desire to ensure that available subsidies (including Right To Buy Receipts) are invested, officers have explored the potential of acquiring up to 60 existing privately owned homes for tenure conversion into new supply of affordable housing (see Appendix 3 for more details of this). It is recommended that officers continue to pursue the purchase of up to 60 privately owned homes, maximising the amount of RTBR funds that can be used towards their acquisition.

Subsidy:

3.22 The currently available funding for new Affordable Housing in the city consists of:

RTBR: At least £10m currently uncommitted and likely to accumulate by 31.3.21.

LCC's own policy provisions for Affordable Housing: £1.953m.

Commuted Sums (received in lieu of on-site provision of Affordable Housing): £0.190m.

3.23 Further funds are available to seek from:

- i) The HRA reserves;
- ii) The Homes and Communities Agency's (HCA) current Shared Ownership and Affordable Homes Programme fund;
- iii) The council's own prudential borrowing.

3.24 The RTBR funds and any HCA funds will only ever cover a proportion of the costs of new Affordable Housing. The council or other Registered Provider must identify and provide the remainder of the funds.

3.25 RTBR funds, commuted sums and any HCA funding must be spent by given deadlines.

3.26 The current commuted sum receipt must be spent by 22.9.20. It is currently envisaged that this sum will be spent before the deadline, in part contributing towards a proposed Buyback of a former council flat; the balance could contribute towards other LCC acquisitions (please see Appendix 3 for more information).

Current pipeline for new Affordable Housing supply, 2017-2021:

3.27 The existing pipeline projects a total of 764 new completions for the four year period 2017-21 and includes for:

- 19 new homes to be completed from the council's conversion of four former hostels / houses in multiple occupation;
- 268 new planning gain / S106 affordable housing homes to be delivered on private developer-led residential sites;
- 4 homes to be delivered by the Ross Walk Housing Co-operative, part funded by RTBR funds;
- A new home from the council's conversion of a former shop unit within a popular residential area;
- 215 Extra Care units – the delivery of these will be dependent on the government confirming a viable long-term revenue funding arrangement for such supported housing;
- 20 new Affordable Housing homes to be delivered on HRA backland sites;
- 60 new Affordable Rent homes to be achieved via the acquisition of privately-owned existing houses. The acquisition of 31-38 of the proposed 60 privately-owned dwellings is dependent upon sufficient further policy provisions and reserves being released for spend between 1/10/18 – 31/3/21. (See Appendix 3 for more details).

(Please see Appendix 4 for more details of this current pipeline).

3.28 Our current pipeline strategy is based on:

- Investing our Right to Buy Receipts (RTBR) and commuted sums collected from developers;
- Working with developers who submit major planning applications;
- Having a planned programme of developing our own sites;
- Redevelopment of our housing stock, using HRA (Housing Revenue Account) revenue, capital and other subsidy sources;
- Maximising the Homes and Communities Agency's (HCA) investment in the City by providing good evidence of need and working closely with the HCA, Housing Associations and developers.

Future delivery options for Affordable Housing:

New council housing and Local Housing Company:

3.29 Officers are continuing to explore whether the council should seek to set up its own Local Housing Company, and if so, what its key objectives should be. Part of this work includes for an assessment of whether the council should develop and / or acquire new Affordable Housing via the HRA and / or via a Local Housing Company.

Care Home Conversions:

3.30 Work is underway to enable owners of current private care homes who are (or become) RPs to apply for RTBR funds towards the cost of converting their properties into Affordable Housing Independent Living Schemes. Any such specific proposal will need to seek the Assistant Mayor's approval for RTBR funds. Such schemes will then take nominations from the Adults and Social Care Division.

Seeking to increase the range of providers who can take up RTBR funds:

3.31 To date, Leicester City Council has only made RTBR payments to RPs (including itself). Both Leeds and Hull Councils make RTBR payments to non-RPs also, where the non-RP is a housing organisation with a proven track record in developing and managing Affordable Housing. Officers are currently assessing whether Leicester, too, should offer RTBR funds to such organisations. To date, one such organisation has approached the council, seeking such support.

Other issues currently impacting the future delivery of Affordable Housing (not already covered):

Space Standards:

3.32 For years, the city council was able to seek minimum floor areas for new Affordable Housing when determining planning Applications because of the minimum floor areas sought in its Supplementary Planning Guidance on Affordable Housing. Since the introduction of the National Technical Standards for Internal Space Standards the council cannot currently seek minimum floor areas this way because there is no space standards policy within the current Local Plan. In order to be able to seek minimum floor areas for dwellings on adoption of the new Local Plan, the council will need to include the National Internal Space Standards within its new Local Plan having evidenced both the need for such standards and that meeting the standards will not lead to developments being financially unviable. Space standards would then still need to be secured on a case by case basis considering all the relevant material considerations of the proposal, including site specific viability issues.

3.33 Given that new Affordable Housing is usually let at full capacity (rather than being under occupied), there are concerns in the interim about whether new supply will be fit for purpose in the absence of any minimum space standards.

Access Standards:

3.34 For years, the council has sought a proportion of its Affordable Housing to be built to wheelchair standards. Since the introduction of its current Local Plan, until 2015 the council sought new build dwellings to be built to Lifetime Homes Standards subject to feasibility. From 2015 the standards were replaced by the equivalent Building Regulations on access and use of buildings, which will apply until the new Local Plan is adopted. At that stage, the Council will only still be able to seek through its planning powers that a proportion of dwellings are built to wheelchair standards and all new build dwellings are built to a standard equivalent to the Building Regulations if such relevant policies are included within the Local Plan, the needs

are evidenced, and the policy's impact on financial viability demonstrated, and is otherwise feasible (eg there are no other practical or design constraints). There are concerns about the impact of this on Leicester's households who require wheelchair standard and other accessible standard housing. The latest assessment (30.6.17) of the city's shortfall of wheelchair accessible dwellings for Social/Affordable Rent concluded that the shortfall for wheelchair homes and the need for Cat B properties (ie properties with level access door entry, level access shower and lift transfers but not built/adapted to wheelchair standards) are currently the highest recorded since this monitoring began in December 2011. The shortfall for wheelchair homes has remained above 100 for the past two years and currently stands at 140. The demand for Cat B properties has remained above 245 since March 2014 and currently stands at 344 whilst relets available to meet this need since March 2014 have not exceeded 34 in any 3 month period. (The Housing Division monitor the need for and supply of both wheelchair accessible and Cat B Affordable Housing for rent in Leicester on a quarterly basis).

Planning gain Affordable Housing/ Local Plan:

3.35 Affordable housing can be secured through planning applications for major residential development based on policies within the local plan. The current Local Plan has different targets for different parts of the city, reflecting financial viability modelling. There is a risk that it might prove more difficult to secure Affordable Housing via the new Local Plan, primarily as a result of changes to national planning policy.

3.36 National planning policy and guidance set the framework within which local planning authorities can set policies to secure affordable housing. There are current uncertainties over the government's approach to affordable housing; the government has recently announced a wide ranging review of social housing will be undertaken. In addition a revised National Planning Policy Framework is expected to be published in Spring 2018, which, amongst other things, may include changes to what constitutes affordable housing.

3.37 Therefore the emerging Leicester Local Plan is being developed in an uncertain climate with regards affordable housing. The current draft plan does not contain a draft affordable housing policy. The consultation asks for comments on how affordable housing should be considered through the local plan with the view to developing policies as work on the plan progresses and the government's approach is refined.

Impact of the previously proposed Housing Benefits (HB) and Universal Credit Caps:

3.38 The Government's previously proposed cap on Housing Benefit has resulted in the majority of the country's new supported housing proposals, including for Extra Care, being stalled or aborted because of ongoing revenue viability concerns. The Government's announcement last month on this subject has not removed the uncertainty around how much rent will be covered by benefits in Extra Care schemes. The need for such accommodation is therefore not being met. In Leicester, in addition to the impact on needs, this stalling affects our pipeline of completions,

our ability to spend our RTBR funds and has stopped / prevented development on 3 council-owned sites.

3.39 It is expected that the roll out of Universal Credit in Leicester will impact on how low income households can afford / pay for Affordable Housing.

Overseeing Leicester's Affordable Housing Programme:

3.40 The Affordable Housing Programme Board oversees the Affordable Housing Programme and its associated work.

4. Details of Scrutiny

Officers from Planning and Property have been consulted in the drafting of this report.

5. Financial, legal and other implications

5.1 Financial implications

The Council can use receipts from the sale of properties that have been purchased through Right to Buy to part fund the development of new affordable housing. Up to 30% of the development costs can be funded in this manner, for both HRA and external developments. Due to the large number of Right to Buy sales there are sufficient unallocated retained receipts available (over £10m) towards funding of this type. If retained receipts are not spent within a 3-year period then they must be paid back to government with interest. This gives an incentive to the Council to ensure that retained receipts are applied.

One exception to the 30% rule outlined above is where properties have been sold through Right to Buy and are subsequently bought back by the Council. In these cases up to 50% of the costs can be funded from retained receipts. There are conditions attached to this, including that this type of funding does not exceed 6.5% of retained receipts. This would limit annual funding of this type to around £575k, equating to approximately 6 properties per year.

The report refers to 22-29 properties being acquired within the HRA. If 25 properties were to be acquired (6 through buy-backs and 19 through open market purchase) then the total scheme costs are estimated to be £4.8m. This would be funded using £1.67m of retained RTB receipts, £1.95m of existing policy provisions for affordable housing along with £1.18m of HRA reserves.

As the affordable housing programme develops, finance will need to be involved to provide assurance on the funding options available.

Stuart McAvoy – Principal Accountant (37 4004)

5.2 Legal implications

Under section 120 of the Local Government Act 1972 the Council has the power to acquire land by agreement for the purposes of any of their functions, or the benefit, improvement or development of their area. Any acquisition greater than the land's market value will have a financial implication for the Council and the Executive will need to ensure that the Council's general fiduciary duty is complied with in acquiring the assets and reasons justifying why it is reasonable for the Council to pay more for land/property will need to be provided.

Right to Buy Receipts must be applied in accordance with relevant legislation and guidance and particularly the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (as amended) ("the Regulations") and the terms of any agreement reached under the Local Government Act 2003 modifying the applicability of the Regulations. This includes using an element of receipts for the purpose of investing in new affordable homes for rent.

Under the Local Government Act 1972 the Council is under a duty to dispose of its land for the best consideration reasonably obtainable in the market. Selling the land on the open market would achieve best consideration and therefore satisfy the Council's statutory and fiduciary duties.

The Council is permitted to dispose of land for less than best consideration in certain circumstances according to the General Disposal Consent 2003 ('GDC') for the disposal of land and property. To justify a disposal under the GDC, the Council must consider the disposal will secure the promotion or improvement of the economic, social or environmental well-being of the subject area. The Executive will need to ensure, based on the advice contained in this report and any additional information supplied, that any disposal is consistent with the powers contained in the GDC and the disposal will result in the achievement of the benefits referred to above. An undervalue for the purposes of the GDC must not exceed £2 million, determined by independent valuations.

Given that any disposal at less than best consideration will have a financial implication for the Council, the Executive will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the GDC or the Disposals Framework.

The Council must advertise its intention to dispose of its open space land and consider any objections before a decision to dispose is taken. The land sale documents should also include appropriate provisions as to the future use of the land for the purpose of disposal, which will secure the achievement of the benefits set out in this report.

Safia Mukaddam, Solicitor (Commercial, Property and Planning (ext: x37-5184)).

There are no implications from a Commercial/Procurement perspective. There is mention within the report of acquiring Affordable Homes via a Local Housing Company, legal advice has been sought separately in this respect and once options have been explored in more detail, further legal advice should be obtained.

Mannah Begum, Solicitor (Commercial, Property & Planning) (x37-1423).

There are no implications from a Legal Planning perspective. There is mention within the report of the introduction of new planning policies and the adoption of a new local plan, and legal advice is being sought separately in this respect and is ongoing

Jane Cotton, Solicitor (Commercial, Property & Planning) (x37-0325).

5.3 Climate Change and Carbon Reduction implications

New affordable housing should be built to high environmental standards to help the council meet the city wide target to reduce carbon dioxide emissions by 50% by 2025/26. The use of council-owned sites provides greater opportunity. Any existing properties acquired should be refurbished to higher environmental standards (eg. increased insulation, draught proofing etc).

- Mark Jeffcote, Environment Team (x37-2251)

5.4 Equalities Implications

The proposal to build 764 new affordable housing units within the city over the next four years would have a positive impact on individuals/families across all protected characteristics. However it should be noted that this is below the amount needed for the city as a whole, as the city council does not have access to sufficient land nor subsidy to enable it to fully meet the HEDNA identified shortfall of 786 new affordable housing dwellings a year.

The proposal to pursue the purchase of up to 60 privately owned homes, maximising the amount of Right to Buy Receipt funds to acquire them, and making them into affordable rent homes to house those in need should be positive across all protected characteristics mentioned in the Equality Act.

The future delivery options for affordable housing and other issues currently impacting on the future delivery of affordable housing as stated in the report could have future equality implications and these will need to be explored at the appropriate time.

Sukhi Biring, Equalities Officer, ext 37-4175

6. Background information and other papers:

The Housing and Economic Development Needs Assessment (HEDNA) 2017.

Affordable Housing Programme 2014-18, Housing Scrutiny Commission, July 2014.

7. Summary of appendices:

Appendix 1: The Housing and Economic Development Needs Assessment (HEDNA) 2017.

Appendix 2: 'Completions tables' from March scheme matrix for 2013/14, 2014/15, 2015/16 and 2016/17.

Appendix 3: Potential acquisition of up to 60 existing privately owned homes for tenure conversion into new supply of affordable housing.

Appendix 4: Target cumulative spend of RTBR required to avoid any repayment or accrual of interests:

Appendix 5: List of sites / opportunities which can contribute to new affordable housing supply 2017/18 - 2010/21.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a "key decision"?

No

10. If a key decision please explain reason

Appendix 1: The Housing and Economic Development Needs Assessment (HEDNA) 2017.

The Housing and Economic Development Needs Assessment (HEDNA) provides an analysis of housing and economic development needs over the periods 2011-2031 and 2011-2036.

The HEDNA was approved by the Members Advisory Group on Thursday 26 January 2017. The assessment provides an evidence base to inform the preparation of statutory local plans by individual local planning authorities and a non-statutory Strategic Growth Plan for Leicester and Leicestershire.

Overall Housing Need:

The HEDNA establishes that there is a need for 96,580 new dwellings of any/all tenures to be provided across the Leicester and Leicestershire Housing Market Area (HMA) within the period 2011-2031 (or 4,829 per year). For Leicester City over the same period the need is 33,840 dwellings (or 1,692 per year). Just over one third of the total need for the HMA arises within the city.

Whilst the HEDNA establishes the housing need for each local planning authority it is up to the local plans of those authorities to set out an actual housing target or requirement.

Affordable Housing Need:

The HEDNA establishes that Leicester's estimated level of Affordable Housing Need per annum, for the period 2011-31, is 786. This is 58% higher than the annual shortfall of 496 identified in the SHMA update, June 2014.

The gross need for Intermediate and Affordable/Social Rented housing for Leicester is:

19% Intermediate
81% Social/Affordable Rent

HEDNA notes that Starter Homes will not meet the needs of those assessed as requiring Affordable Housing as the income levels required to access Starter Homes are above those typically required to access market housing as currently available (in the private rented sector).

Recommended mix of housing for Leicester:

	Market Housing	Affordable Housing
1 bedroom	0-10%	35-40%
2 bedrooms	20-30%	25-30%
3 bedrooms	45-55%	25-30%
4+ bedrooms	10-20%	5-10%

Leicester has a per annum need (2011-36) for 94 units of Specialist Housing for Older People.

Across the HMA, HEDNA confirms a need for around 4,322 wheelchair adapted homes (2011-36), equivalent to around 4% of new housing provision.

In addition to what the HEDNA tells us, the city has other evidence sources for the need for additional affordable housing. The policy response to the HEDNA and the other evidence will form part of our Strategy; other evidence of housing need includes:

- Our Housing Register: There are xxx households currently waiting for an affordable rented home (as of xxx) and yet only xxx households could take a rented tenancy last year (2016/17). Of those on the Housing Register, xx households require a home to be built to full wheelchair standards (30/06/17); xx such households were helped last year (2016/17). There are xxx children within the households on our Housing Register. In 2016/17, xxx children were in households that became statutorily homeless;
- Leicester's current/emerging strategies on Housing for Older People, Supporting People and Homelessness;
- The Gypsies and Travellers Accommodation Needs Assessment.

Appendix 2:

New Completions of Affordable Housing in 2013/14, 2014/15, 2015/16 and 2016/17

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes x = No	Comments
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total		
Empty Homes Initiative - Action Homeless	Various				4	25			29	DCLG funded x	No LCC nominations
Mortgage Rescue / East Midlands Housing (EMH)	Various				7	7			14	✓	
Crawford Close - EMH / Westleigh	New Parks	100,000 RTBR		28	28				28	✓	Includes 1 x 3b/5p home to wheelchair standard.
Two Triangles - EMH	New Parks	100,000 RTBR			10				10	✓	
Homecome	Various	50,000 Renewal Grant funding			7	6	6	2	21	x	
Empty Homes Initiative - Leicester City Council (LCC)	Various	Various			10	3			13	✓	
The Beeches, Gipsy Lane - Midland Heart	Humberstone & Hamilton			21	21				21	✓	
Barkby Thorpe Road – Midland Heart	Rushey Mead			37	16	15	6		37	✓	Includes 2 x 3b/5p and 3 x 4b/8p to wheelchair standards.

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes × = No	Comments
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total		
Gypsy and Traveller site, Redhill Nook - LCC	Abbey	Capital funds	LCC owns site			10			10	✓	10 x Gypsy and Traveller pitches.
Gypsy and Traveller site, Greengate Nook - LCC	Beaumont Leys	Capital funds	LCC owns site			6			6	✓	6 x Gypsy and Traveller pitches.
34-36 Upper Tichborne Street - LCC	Stoneygate	HRA borrowing plus 186,000 RTBR	LCC owns site			8			8	×	Includes 1 x 4b/6p flat to wheelchair standards.
38 Upper Tichborne Street. Supported Housing Scheme - LCC	Stoneygate	HRA borrowing	LCC owns site			6			6	×	Includes 1 x 1 person bedsit to wheelchair standards, within a 6 x bedsit supported housing scheme.
Laburnum Road Phase 2 - LCC	Humberstone & Hamilton	708,000 RTBR 221,000 Commuted Sums plus Prudential borrowing	LCC owns site			62			62	✓	Includes 1 x 3b/5p to wheelchair standard.
The Fairway (former Saffron Housing Depot site) - LCC	Saffron	241,000 RTBR + Prudential borrowing	LCC owns site			9			9	✓	Includes 1 x 3b/5p to wheelchair standard.

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes × = No	Comments
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total		
Hamelin Road (former garage site) - LCC	Braunstone Park & Rowley Fields	269,000 RTBR + Prudential borrowing	LCC owns site			10			10	✓	Includes 1 x 2b/4p to wheelchair standard.
Saffron Lane Velodrome site - LHA / ASRA	Saffron		Discounted land sale	45		45			45	✓	Includes a 10 unit supported housing scheme, two of which to wheelchair standard and 2 x 2b/4p and 1 x 3b/5p to wheelchair standards.
Abbey Mills Extra Care Scheme - LHA / ASRA	Belgrave	750,000 ASC funding		20		50			50	✓	Extra Care Scheme includes 1 x 1b/2p to wheelchair standards.
Sandhills Avenue – Midland Heart	Humberstone & Hamilton	360,000 RTBR		18		18			18	×	Includes 2 x 3b/5p to wheelchair standards.
Gipsy Lane, Towers / Former Oakham House site – Midland Heart	Humberstone & Hamilton			28		28			28	✓	Includes for 1 x 1b/2p and 1 x 2b/4p to wheelchair standards and

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes × = No	Comments
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total		
											a 4 x 1b/2p supported housing scheme.
Towers Hospital site / Gipsy Lane / Thurmaston Lane – Nottingham Community HA (NCHA)	Humberstone & Hamilton			25		5	10	10	25	×	Includes for 1 x 1b/2p & 2 x 2b/4p to wheelchair standards.
Erskine Street – Midland Heart / Westleigh	Castle		£79,500 discounted sale of freehold	23	23				23	✓	Includes 1 x 3b/5p to wheelchair standards.
Former Humberstone Depot / The Portway - NCHA	North Evington		Disposal at nominal value		9				9	×	Includes 1 x 1 bed flat to wheelchair standards for supported housing clients.
Empty Homes Initiative - NCHA	Various				2				2		
Bede Island Phase 4/5 - Waterloo / Barrats	Westcotes				8				8	×	Includes 1 x 3b/5p to wheelchair standards.
Knighton Fields Road West - EMH	Saffron	200,000 RTBR				10			10	✓	

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes × = No	Comments	
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total			
Manor Farm Phase 2 (Independent Living scheme and wheelchair housing) - EMH	Hamilton & Humberstone	197,200 RTBR				15				15	Dept. of Health / HCA funds	10 x supported housing flats, 2 to wheelchair standards, plus 2 x 1b/2p 2 x 2b/4p 1 x 3b/5p bungalows to wheelchair standards.
Wycombe Road Phase 2 – Kier / NCHA	North Evington	36,000 RTBR				20				20	✓	Includes 1 x 3b/5p to wheelchair standard and 3 x 1b/2p flats to wheelchair standards with communal hub for supported housing clients.
Disraeli Street - Waterloo	Aylestone					8				8	✓	
1-3 Raven Road conversion of former depot - LCC	Braunstone Park & Rowley Fields						2			2		
Queensmead (former	Braunstone	20,250	LCC land				21			21	✓	Includes an 8

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes × = No	Comments
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total		
school) site, Hamelin Road - NCHA	Park & Rowley Fields	RTBR	sale for £1								x 1b/2p supported housing scheme, 2 units of which to wheelchair standard.
Butterfield Close / Bendbow Rise Phase 2 - NCHA	Braunstone Park & Rowley Fields	22,500 RTBR	LCC land sale for £1	17			17		17	✓	Includes 1 x 1b/2p and 1 x 2b/4p to wheelchair standards.
45 Martindale Close, Buyback - LCC	Saffron	56,250 Buyback RTBR					1		1		
Heathcott Road – EMH / Saffron Lane Neighbourhood Council	Saffron		LCC land sale to SLNC for £1	68				68	68	✓	Includes 2 x 1b/2p, 5 x 2b/4p and 2 x 3b/5p to wheelchair standards.
Flat 86, Clipstone House, Taurus Close (conversion of former store) - LCC	Wycliffe	100% LCC funded						1	1	×	
126-130 Knighton Lane – Midland Heart	Aylestone			18				18	18		
Bendbow Phase 3 / Conkers Close - NCHA	Braunstone Park & Rowley		LCC land sale for £1	23				23	23	✓	Includes 1 x 1b/2p and 1 x 3b/5p to

Scheme / Site Name / Address / Provider (eg Housing Association, LCC)	Ward	LCC Support:		No. of units secured by S106 / Planning gain	No. of affordable homes delivered from 01.04.13 – 31.03.17					HCA funds: ✓ = Yes × = No	Comments
		Total funding contribution from LCC (£)	Land / Property Subsidy		2013/14	2014/15	2015/16	2016/17	Total		
	Fields										wheelchair standards.
28 Queens Road. One additional unit within existing scheme for older people - NCHA	Castle							1	1	✓	
Phase 1 East Hamilton / Keyham Lane West - NCHA	Humberstone & Hamilton	400,000 RTBR		5				5	5	×	
Bede Island South / Watkin Road - Waterloo	Westcotes			5				5	5	×	
TOTALS:				381	145	366	63	133	707		

Appendix 3: Potential acquisition of up to 60 existing privately owned homes for tenure conversion into new supply of affordable housing.

The council needs to commit and spend further RTBR funds in order to reduce the risk / amount it will need to pay back to the government .

Given the difficulty in securing ready to develop sites, officers have been exploring what might be possible to achieve by purchasing privately-owned houses.

For any former council house it buys back, the council can use RTBR for up to 50% of the purchase price. For any other purchase, we are limited to 30%.

In addition to RTBR, there is £1.953m within existing policy provision funds for Affordable Housing plus an availability of funds from the HRA reserves.

It is estimated that with a total budget of £3.6m (made up of £1.8m RTBR funds and £1.8m of existing policy provision funds for Affordable Housing , it should be possible to acquire approximately 25 private homes, for conversion into Affordable Rent tenure.

Should sufficient further policy provisions and reserves be released for spend between 1/10/18 – 31/3/21, then, together with RTBR, it should be possible to acquire a further approximately 35 private homes for conversion into Affordable Rent tenure.

Appendix 4:

List of sites / opportunities which can contribute to new affordable housing supply 2017/18 - 2010/21

Site Address:	Ward	2017-18 Soc Rent D	2017-18 Aff Rent D	2017-18 Inter D	2017-18 Soc Rent C	2017-18 Aff Rent C	2017-18 Inter C	2017-18 Soc Rent P	2017-18 Aff Rent P	2017-18 Inter P	2018-19 Soc Rent C	2018-19 Aff Rent C	2018-19 Inter C	2018-19 Soc Rent P	2018-19 Aff Rent P	2018-19 Inter P	2019-20 Soc Rent C	2019-20 Aff Rent C	2019-20 Inter C
Leicester City Council sites:																			
HRA Sites:																			
HRA Backland Sites	Citywide																		
129 Loughborough Road (ex-Hostel)	Belgrave					9													
31-35 Lower Hastings Street (ex-Hostel)	Castle					8													
102-104 Myrtle Road	Stoneygate				1														
40 Chandos Street - conversion	Stoneygate					1													
The Exchange Redevelopment	EM																		
Non-HRA Site:																			
Somerset Ave / Heacham Drive (formerly known as Blackbird Road Playing Fields)	BL								10	4					24	8			
Queensmead Phase 2 / Extra Care	BR&R																		
Ashton Green Phase 1	BL														22	8			

Private Sites – Leicester Regeneration Area:																			
Abbey Meadows:																			
Abbey Meadows site of former Wolsey Works (Sock Island)	Abbey					11						8	7						
Other HCA Schemes:																			
Advance, HOLD	Citywide			1					1										
HomeCome:																			
HomeCome Leases	Citywide			1															
TOTAL (ALL SITES):		0	13	11	1	36	0	0	13	5	0	156	91	0	86	21	0	0	0

KEY:
D = Delivered - Homes completed
C = Committed - a scheme with funding secured for affordable housing and/or on site.
P = Proposed - a scheme being discussed with no funding or planning approval

KEY:
Full Shade = Delivered
Light Shade = Committed
Produced by Housing Development Team - August 2017

Summary of potential new supply of Affordable Housing, projected from 01.04.17 - 31/03.21:

Delivered:	24
Committed:	284
Proposed:	456
Total:	764

