

Report of the Chief Executive

SOCIAL AND AFFORDABLE HOUSING NEEDS STUDY1. Purpose of report

To invite the Committee to consider the social and affordable housing need study commissioned by the Council.

2. Background

On 14 March 2018 the Committee commissioned a social and affordable housing need study. After a tendering exercise the work was undertaken by GL Hearn. The report produced by them is circulated separately with the agenda. The main recommendations of the report are summarised in the appendix.

3. Financial implications

Current housing debt attributable to the HRA totals £81.3m. As of the recent budget announcement, the Council is no longer constrained by the £85m debt cap. Other consultations may result in further relaxations to government regulations currently restricting the available spending on social house building. Together these changes make it economically more advantageous to build houses through the HRA than through a separate company structure. In June 2018 the government announced grant funding will be available to support social and affordable rented housing. The study proposes a build programme through the HRA of 230 new social rented homes over the next 10 years. Net rent income after deducting operating costs, including voids and bad debts, management costs and repairs and maintenance is greater than the debt costs on the required borrowing to fund this programme. The main limiting factors will be the availability of land and expertise and the Council's willingness to take on the debt levels.

RECOMMENDATION

The Committee is invited to CONSIDER the report circulated separately and RESOLVE:

- 1. To approve the recommendation of a house building delivery plan of a minimum of 230 social rented houses over the next 10 years delivered through the HRA.**
- 2. That a proposal for resourcing the delivery of this programme through an enhanced Capital Works team be submitted to the Finance and Resources Committee.**
- 3. That a proposal for a phased delivery plan to meet the identified affordable rented social housing need in the report be brought to a future meeting based on:**
 - land the Council currently owns**
 - purchase of already built properties**
 - a buy-back policy**
 - remodelling of existing under-used accommodation**
 - judicious use of partnerships where there is a proven business case to use this route to deliver dwellings faster or where additionally can be achieved.**

Background papers: Nil

APPENDIX

The study shows:

- The provision of new affordable housing is an important and pressing issue in the borough.
- Based on households unable to buy or rent in the market there is a need for 268 affordable homes per annum. The need for such homes is in all parts of the borough.
- If the additional category of need identified in the new NPPF is included (housing for those who can afford to rent privately but not afford to buy a home) the need is for 368 dwellings per annum.
- The focus of new affordable housing (rented) should be
 - 1 bed properties (30-35%)
 - 2 bed properties (30-35%)
 - 3 bed properties (25-30%)
 - 4 bed properties (5-10%)
- There may currently be an oversupply of rented/sheltered retirement housing but a shortfall in the leasehold sector. As the population ages there is a potential need for an additional 637 care beds over the 10 years to 2028.
- The Council should consider the potential role of bungalows as part of the future housing mix, encouraging households to downsize. The study identifies a need for about 170 wheelchair user dwellings.
- The most economically effective form of delivery will be through the Council's HRA rather than through a company or in partnership with registered providers.
- In addition to new build schemes HRA housing could consist of acquisition and buyback of properties and increased density through remodelling existing properties.
- The Council could build 230 social rented homes over the next 10 years through the HRA.