

SUBJECT:	HOUSING DELIVERY UPDATE
DIRECTORATE:	MAJOR DEVELOPMENTS / HOUSING AND INVESTMENT
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1. Purpose of Report

- 1.1 To update on the progress made to deliver and enable a pipeline of affordable housing in the City, as laid out in Vision 2020.
- 1.2 To approve proposals to deliver new build affordable rented homes at the vacant Markham House site.
- 1.3 To seek approval to advance plans for a scheme of circa 44 units on Council owned land at Rookery Lane.
- 1.4 To provide a draft delivery programme for Council new build and acquisition for 2019-22 to keep a pipeline of development coming forward.
- 1.5 To seek approval for feasibility works on a range of potential in-fill sites.

2. Executive Summary

- 2.1 The report provides an update on the delivery of council housing in the city in the context of the Council's published target of enabling delivery of 400 additional affordable homes by 2020. A total of 284 homes have been delivered over the period 2017-19.
- 2.2 A draft Delivery Programme is now proposed to maintain a pipeline of affordable homes during the period 2019-22. This includes the delivery of five new build affordable homes for rent on the Markham House site and progression of a scheme comprising approximately 44 new-build affordable units on Council owned land at Rookery Lane.
- 2.3 These are sites which can be directly delivered by the Council, alongside a programme of acquisitions and potential remodelling, funded through a combination of existing resources, Right to Buy useable receipts, Homes England grant funding and prudential borrowing.

3. Background

- 3.1 Over the five-year period 2012-17 the Council directly delivered 30 affordable homes for rent across the following sites:

- Wellington Street - 5 lifetime homes
- Stapleford Court – 5 lifetime homes
- Birchwood – 20 bungalows (19 lifetime homes, 1 wheelchair standard)

3.2 During this same period housing association delivered and acquired approximately 70 affordable dwellings for rent and shared ownership.

3.3 In 2017, the council produced its Strategic Plan, Vision 2020 which set out a commitment to enabling the delivery of 400 affordable homes by 2020. Through a combination of acquisitions and enabling, 284 affordable homes were delivered over the period 2017-19. A summary is presented below.

	2017-18	2018-19	Total
Council new-build	14	170	184
Council acquisitions		5	5
Housing association new build and S106 acquisitions	16	79	95
Total	30	254	284

3.4 Whilst additional affordable homes are being delivered, it should be remembered that sales through the Right to Buy results in a reduction of affordable housing available provided through social housing tenancies. The table below shows Right to Buy sales and council housing delivery over the period 2012-19:

Financial Year	No. of RTB sales	No. of new homes	Cumulative net loss
2012-13	24	30	-6
2013-14	32	0	26
2014-15	35	0	61
2015-16	53	0	114
2016-17	62	0	176
2017-18	67	14	229
2018-19	48	175	58

3.5 Therefore, in order to replace the stock which is lost through Right to Buy and maintain supply, a pipeline of 45-50 new affordable homes per year is required.

3.6 In October 2018 the Housing Revenue Account (HRA) borrowing cap was lifted, enabling the Council to continue its own house-building programme after 2020. The scale and nature of this programme is being developed in consultation with all Members and will form part of the Vision 2025 programme.

4. Programme for Delivery – Short-term (2019-22)

4.1 In order to continue a pipeline of new affordable homes, the following schemes are approved / proposed:

- De Wint Court: a scheme of 70 one and two-bedroom affordable extra care sheltered housing apartments for rent (previously approved by the Executive)
- Markham House site: a scheme of five two-bedroom affordable houses for rent.
- Rookery Lane site: proposals for a scheme of circa 44 new-build affordable dwellings for rent and shared ownership.

- 4.2 In addition, the Council is working with local residents to develop an improved, and potentially remodelled / extended scheme at Hermit Street flats in Sincil Bank. The Executive will be updated on this project under separate cover.
- 4.3 A combination of Homes England and Lincolnshire County Council grant is part-funding the De Wint Court extra care sheltered housing scheme (delivering a net gain of 37 dwellings). In addition, Homes England grant funding is enabling partner housing associations to deliver a further 147 units over the period 2019-22.
- 4.4 The Council has viable levels of useable Right to Buy receipts. During 2019-20 the Council is continuing to acquire former local authority dwellings, on the basis that these dwellings are cost-effective to manage and maintain and usually have good size standards, with other dwellings considered for purchase when they meet a specific identified need. This programme of acquisitions will continue alongside a delivery of new housing to maintain a pipeline of council housing to serve immediate and future needs and to contribute to the wider inclusive growth agenda for the City.
- 4.5 **Markham House**
With respect to delivering affordable housing for rent on the vacant Markham House site, four new build options and two remodelling options have been considered. Each option has been appraised in terms of meeting housing need, value for money and design / impact on the local area. The option thought to provide the best solution to all three of these criteria is a scheme of five two-bedroom four person new-build houses. These houses will be built with the aim of meeting energy performance certificate rating A and Lifetime Homes Standard.
- 4.6 **Rookery Lane**
A further site with the potential for direct delivery is on council owned land at Rookery Lane. The site is considered suitable for the development of circa 44 new homes and an initial site layout plan has been produced. A proposal detailing final quantum and mix of units is subject to further input from the planning and housing teams, to ensure an appropriate balance which helps to meet local need and complement the existing housing 'offer' in this area. With respect to tenure of housing, all homes are to be affordable in perpetuity. Further due diligence is being undertaken with the aim of determining whether all homes should be for affordable rent, or there should be a mix of affordable housing for rent and shared ownership (whereby people unable to access market housing, but wishing to purchase a home, buy a percentage of the dwelling and pay rent to the Council on the remaining portion).
- 4.7 The draft development brief will be presented to the Executive by November for approval prior to a full design and build contract being let, including the proposed demolition of up to two existing council owned properties which is required to allow access to the site. It is anticipated that the scheme could be procured through a compliant Framework allowing the site to progress quickly in order to accelerate housing delivery. The estimated final completion of the development would be in 2020-21.
- 4.8 Concurrently, Officers will explore proposals and delivery options for a wider portfolio of sites in order to ensure a longer-term development pipeline. This will begin by assessing the development potential, in terms of housing need and deliverability for a range of small in-fill sites. The delivery strategy will then consider proposals and potential delivery options for Queen Elizabeth Road and other strategic sites. A wider development strategy will be the subject of a separate report to follow later in 2019 and to be informed by a further Member Workshop.

4.9 A summary of the proposed delivery plan for 2019-22 is shown below. This is subject to site assessments and viability of proposals.

	2019-20	2020-21	2021-22
Council new build completions		49	100
Council acquisitions	30		
Housing association new build completions	24	82	41
Totals	54	131	141

5. Strategic Priorities

5.1 Let's drive economic growth

The delivery of new housing and repair of acquisitions will support jobs and training opportunities in the construction sector. Providing access to the right type of housing in the right location, with access to infrastructure will help to support local residents to access local services and assist in accessing employment.

Officers will seek to maximise local economic benefits through the procurement, contracting and delivery of the proposed schemes.

5.2 Let's deliver quality housing

The proposed delivery plan for 2019-22 will maintain a pipeline of quality, affordable homes to support the Council's objective to deliver quality housing in the City.

A wider programme of delivery is also being developed to include large sites such as Queen Elizabeth Road, which could contribute a further 325 new homes (mixed tenure residential development).

5.3 Let's enhance our remarkable place

The Markham House redevelopment proposals will replace a vacant community centre with a row of modern terraced properties.

The Rookery lane scheme has further potential to include connectivity with 'The Backies', leading to Boutham Park. An application for funding from European Regional Development Fund (ERDF) has been submitted to support the cost of this work. This approach is aimed at enhancing the biodiversity of the area and improving connectivity between the residential area and the parks for cycles and pedestrians.

Future housing proposals at Queen Elizabeth Road will include a range of improvements to the areas surrounding the sites, including enhanced green spaces, play areas and connectivity between the consented development and existing community/ local services.

6. Organisational Impacts

6.1 Finance

A development of five dwellings will result in the Council's general fund benefitting from New Homes Bonus and additional Council Tax. Moreover, five additional council dwellings will positively add to the Housing Revenue Account's balance sheet.

6.2 Legal Implications including Procurement Rules

All procurement activity will be undertaken taking account of the Council's Contract Procedure Rules (CPR's) and ultimately Public Contract Regulations 2015 (PCR's), which is embedded into UK Law. All frameworks which the Council may consider using are PCR compliant.

6.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

Proposals for both Markham House and Rookery Lane will be designed in response to local housing need and informed by urban planning principles. Policies are in place with regards to the allocation of these units to ensure that allocations are made in line with housing legislation.

The scheme design in each case will aim to deliver high quality housing which seeks to integrate with and enhance the existing neighbourhood.

6.4 Human Resources

This project will be managed by existing staff within the Housing Strategy and Investment and Major Development Directorates. A multi-disciplinary project board and delivery group has been formed to oversee this programme and ensure a coherent approach to delivery.

6.5 Land, Property and Accommodation

This programme will increase the stock of Council housing across the city, bringing additional units into the Housing Revenue Account.

6.6 Significant Community Impact

Proposals for both Markham House and Rookery Lane will be designed in response to local housing need and will deliver high quality housing for the benefit of the local community.

The scheme at Markham House will regenerate a long-term vacant site through the creation of modern terraced housing, following good urban design principles.

The scheme proposed for Rookery Lane will seek to integrate with the existing community.

7. Recommendation

To approve:

- proposals to deliver five two-bedroom four person affordable houses for rent at the vacant Markham House site;
- survey and design work be undertaken for an affordable housing scheme at Rookery Lane; and
- initial feasibility works be undertaken in order to explore the viability of in-fill sites.

Is this a key decision? Yes

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers: None

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