

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No.

meeting date: 20 MARCH 2014  
 title: AFFORDABLE HOMES PROGRAMME  
 submitted by: CHIEF EXECUTIVE  
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### 1 PURPOSE

1.1 To inform Committee of the new Affordable Homes Programme 2015-2018. The Homes and Communities Agency have released details of the new scheme. This is the funding stream made available for Registered Providers to assist them in the development of affordable housing.

1.2 Relevance to the Council's ambitions and priorities

- Community Objectives – To meet the identified housing needs of the borough. To achieve a balanced housing market.
- Corporate Priorities - None.
- Other Considerations – None.

### 2 INFORMATION

2.1 £2.9 billion capital funding has been made available nationally to fund affordable housing over the three year programme period 2015-2018. The programme seeks to:

- increase the supply of new affordable housing for affordable rent and affordable home ownership (shared ownership);
- maximise the number of affordable homes delivered with the available grant funding supplemented by bidders own contributions;
- build homes that address demographic challenges facing social housing including the need for more one and two bedroom homes that match the needs of smaller households;
- maximise delivery within the programme period and deliver new homes by March 2018; and
- encourage providers with a capacity who do not currently develop or who could do more to bring that capacity to utilising the skills, expertise of existing delivery partners.

#### Changes

2.2 The 2015-2018 capital AHP has much in common with the 2011-2015 AHP. This includes that the products that would be funded using Registered Providers own resources to support delivery. Differences in this programme include the approach towards bidding that there is a proportion of funding ring-fenced to be available for market engagement.

- 2.3 There is also a focus on ensuring that the homes will be funded to help to address any mismatch between existing stock and the needs of households, for example by building one and two bedroom homes in areas where tenants under-occupy social homes and do not have the option to move to suitably sized properties.
- 2.4 The prospectus focuses on utilising funding from income from new properties, active asset management, disposals and conversions from social to affordable rent. The programme also makes quite clear that local authorities are strongly encouraged to consider contributions that they can make to support providers bringing forward housing supply and meeting local needs, through the use of their own land holdings, as well as through their negotiation of Section 106 Agreements to deliver affordable housing.
- 2.5 Where local authority land can be brought forward at nil consideration, it is anticipated that this will reduce the call on capital grant funding. It also signals clear support that the proposed scheme meets local strategic priorities as well as an expectation that the scheme has a high degree of certainty of delivery. Taking together it is anticipated that the provision of local authority land at nil consideration will have a positive impact on the assessment criteria applied by the Homes and Communities Agency.
- 2.6 Local authorities are also encouraged to consider the application of other sources of funding, such as the New Homes Bonus or Community Infrastructure Levy to support delivery of new supply. Such support will be taken as a strong signal of local strategic fit and should improve the value for money of the capital grant requested, which will be taken as positive factors in the assessment of bids.
- 2.7 The Homes and Communities Agency lead representative for Lancashire, Hazel Cooper, gave a brief overview of the changed programme to the Strategic Housing Working Group on 4 March 2014. During the meeting she emphasised the need to provide a clear steer to registered providers as to the housing needs of the borough. The meeting concluded with the proposal to organise a workshop for Members to set out the funding opportunities for affordable homes development and the potential for local authorities to consider development.

### 3 RISK ASSESSMENT

- 3.1 The approval of this report may have the following implications
- Resources – It is essential that registered providers are supported to deliver affordable units.
  - Technical, Environmental and Legal – No implications identified.
  - Political – Registered providers require local authority support to achieve any grant.
  - Reputation – A key ambition of the Council is meeting housing needs and demonstrating Ribble Valley Borough Council's commitment to schemes is important.
  - Equality & Diversity – No implications identified.

4 **CONCLUSION**

- 4.1 That Committee accept the contents of the report and for further information please see:

[www.homesandcommunities.co.uk/ourwork/affordable-homes-programme-2015-18](http://www.homesandcommunities.co.uk/ourwork/affordable-homes-programme-2015-18)

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