



CABINET

Allocation of funding for the development of new affordable housing

Following the Council's successful registration as an Investor Partner with the Greater London Authority, GLA, the Council submitted bids for housing development funding under the Mayor of London's 'Building the Pipeline' bidding round. The bids consisted of a number of affordable housing schemes to be built on Council-owned land held within the Housing Revenue Account, HRA.

The Council's proposals focused on the provision of bungalows for older people and general needs houses and flats in line with locally-defined strategic priorities.

In total, the Council's bids for seven schemes were accepted by the GLA and the corresponding grant funding will be received upon completion of these schemes. The total of seven schemes includes one scheme receiving a grant allocation from the GLA's Care and Support Specialist Housing Fund. The seven schemes are summarised in the table below.

Scheme	Number of new homes	Type and tenure mix
Bideford Close	9	Flats for affordable rent
Holsworthy & Ravenscourt (2 sites)	6	Older people's bungalows for affordable rent
Albys Close	20	10 older people's bungalows for affordable rent and 10 older people's bungalows for shared ownership
Conversion of hard-to-let bungalows into houses	12	12 houses for affordable rent
Thomas England & William Pike Ground Floor Conversion (2 sites)	4	4 flats for social rent
New Plymouth & Napier Ground Floor Conversion (2 sites)	3	3 flats for social rent
Ullswater Way	7	4 bungalows and 3 flats for Adult Social Care clients
TOTAL	61	

In all instances:

- the new homes will be developed on land held within the HRA
- the Council will retain a freehold interest, albeit on a shared ownership basis where applicable
- the properties will be held and managed within the HRA
- development using the Council's own land and capital resources will remove, or at most reduce to an absolute minimum, any requirement to offer nominations to other boroughs.

The proposed use of HRA land is in keeping with the Council's Asset Management Plan which states that land and property assets should only remain in Council ownership if they:

- need to be retained in Council control for the provision of services
- are of great value to the Council, community and other stakeholders and are in need of the degree of protection from development or other uses afforded only by ownership
- are investment properties providing a financial return that can fully satisfy relevant investment criteria.

In line with the bidding guidance, all schemes would meet the standards set by the London Design Guide including the current Lifetime Homes Standards and Level 4 of Code for Sustainable Homes which, among many design improvements, aims to reduce fuel bills for the occupants.

Homes and Housing intends to carry out public consultation regarding the design details for both sheltered housing extension schemes in advance of any statutory planning consultation to be carried out by the Planning department.

It is anticipated that around £1,300,000 could be generated from the sale of 50% shares in the shared ownership bungalows proposed to be developed on the site of the former Albyns Close sheltered scheme. Early discussions are currently underway regarding shared ownership and/or rented development at the site of the former Diana Princess of Wales hostel.

Cabinet, having given its support for the scheme, RECOMMENDS to the Council that:

- 1. Approval be given for an allocation of £1,001,863 from the proceeds of right-to-buy council property sales accruing between 1 April 2012 and 31 March 2013 for this new build programme**
- 2. Approval be given for an allocation of £3,399,936 resources from the HRA Business Plan, including £353,000 already approved for Hidden Homes works, for this new build programme**
- 3. Approval be given for an allocation of £311,891 of section 106 commuted sums for this new build programme**

- 4. Approval be given for an allocation of £110,000 from the Adult Social Care capital budget, from Department of Health grant, to enable the addition of assistive technology to a scheme specifically for Adult Social Care clients for this new build programme**

- 5. Approval be given for a virement of £655,949 from unallocated capital resources held in the Housing General Fund previously earmarked to support vulnerable and/or disabled residents**