

WEST AREA COMMITTEE - 11 NOVEMBER 2009

Title of paper:	Local Authority New Build Social Housing	
Director(s)/ Corporate Director(s):	Derek Martin, Director of Housing and Regeneration	Wards affected: Bilborough
Contact Officer(s) and contact details:	Mark Lowe, Policy and Development Officer (Affordable Housing), mark.lowe@nottinghamcity.gov.uk 0115 8762343	
Other officers who have provided input:		
Relevant Council Plan Strategic Priority:		
World Class Nottingham		
Work in Nottingham		
Safer Nottingham		
Neighbourhood Nottingham	✓	
Family Nottingham		
Healthy Nottingham		
Serving Nottingham Better		
Summary of issues (including benefits to customers/service users):		
The provision of new social rented housing owned by Nottingham City Council and managed by Nottingham City Homes (NCH) in the Bilborough area built to Code for Sustainable Homes level 4 and which will involve the training of apprentices towards their NVQ qualifications as part of the building process.		
Recommendation(s):		
1	To support the proposal to build new social housing owned by the Council and managed by NCH at Conway Close in Bilborough.	
2	To support the proposal to build new social housing owned by the Council and managed by NCH at Yatesbury Crescent in Bilborough.	

1 BACKGROUND

- 1.1 As part of the economic stimulus package the government has announced a unique funding package to allow local authorities to directly build new council housing.
- 1.2 These funds will be allocated through two bidding rounds. The first bidding round was in April 2009 and Nottingham City Council successfully bid for grant to develop 8 new houses in Clifton. The second round bid deadline was the 30 October 2009 and 4 bids have been placed for the development of sites in Nottingham City. The outcome of these bids will not be known until December 2009.
- 1.3 Two of the four sites intended for the second round bids are in the Bilborough Ward – the Camrose Close site and the land in the centre of Yatesbury Crescent.
- 1.4 The Camrose Close site was formerly a sheltered housing scheme that has been decommissioned and demolished. We plan to incorporate the main site along with the land formally used for a community building and a triangle of previously undeveloped

land adjacent to the site, as shown in the plan attached as Appendix 1. The intention is to develop this site as a mix of bungalows and family housing on this site including one larger family house with a through floor lift for rent to a larger family with disabled children.

- 1.5 The Yatesbury Crescent site is a former garage site that has been demolished and the intention is to develop for social rented housing. The development will involve the demolition of number 30 Yatesbury Crescent to create adequate access. The site area is shown in Appendix 2.
- 1.6 The option of developing Yatesbury Crescent as Bungalows for older persons was considered, however the specialist housing team advised against this due to the gradient at the entrance to Yatesbury Crescent, the nature of the route out of the site to the main road and the narrow pavements along this route (which would be unsuitable for mobility scooters).
- 1.7 A condition of the build contract for these sites will be that the developer allows for the training of up to 10 Nottingham City Homes Apprentices on each site in skills necessary to achieve their NVQ qualifications. Some elements of these qualifications can only be achieved from new build experience.

2 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 This will provide new social rented housing in the Council's ownership and NCH management to help to alleviate housing need in Nottingham City. It will also make use of a unique funding opportunity to secure investment in Nottingham.
- 2.2 The new homes will be to a high environmental sustainability standard, built to Code for Sustainable Homes level 4 (above current build standards for both the housing association sector and the private sector) and as such will help to tackle climate change.
- 2.3 Camrose Close has been the site of anti-social behaviour recently which would be addressed by the development of this site for housing.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Officers considered a large number of possible sites in the City but various constraints, land ownership and strategic issues resulted in only four sites being short listed for development within the tight timescales and constraints of the bid terms and conditions.
- 3.2 The option of not bidding for funding and leaving development of these sites to either New Homes Nottingham or a housing association partner was considered. However as the local authority new build scheme represents a unique funding opportunity available as part of the economic stimulus package announced by the Government, it was sensible for Nottingham City Council to take advantage of this to facilitate the physical regeneration of Nottingham's neighbourhoods where appropriate.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 4.1 The financial model for development of these units imposed via the funding terms and conditions is that 50% of the costs of development will be met by grant funding and 50% will be met by prudential borrowing by the Council secured against the rent stream from the new council house assets.

- 4.2 Any additional and abnormal costs such as the demolition of 30 Yatesbury Crescent and the provision of a larger family home with a through floor lift on Camrose Close may need to be initially subsidised from the Section 106 Affordable Housing commuted sum funds pot, from which money has already been set aside for this purpose if necessary.
- 4.3 Under recently announced changes to Housing Revenue Account Subsidy rules, these properties will be outside the scope of subsidy and the Council will be able to retain the rent surpluses. Had they been included in the subsidy claim there would have been an annual payment of £1,000 per property to Communities and Local Government. However, the Council will not be able to claim for the Major Repairs Allowance of £580 per property, an allowance that is available for the remainder of the stock to maintain it in the existing condition. Although the Right to Buy will apply for tenants with an entitlement, the Council will be exempt from the pooling arrangements and be able to retain the full capital receipt as a capital resource to invest in the stock.
- 4.4 The rents set for the new properties will be the target rent in the region of £80 per week at Camrose Close and £92 per week at Yatesbury Crescent, as calculated under the national rent convergence formula. The cost of prudential borrowing on a loan of (an estimated) £55,000 per property is estimate to be £3,670 per annum, against which rent income of £4,200 will be received

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)

5.1 Legal Implications:

The use of money secured through section 106 obligations for the provision of affordable housing within the area of Nottingham City Council is appropriate in this case. Social Rented Housing falls within the definition of affordable housing that is contained in Planning Policy Statement PPS3.

5.2 Risk Implications:

It will be necessary, as part of the acceptance to provide to Homes and Communities Agency that in the event of NCH failing to complete the development, then the City Council will assume responsibility for its completion.

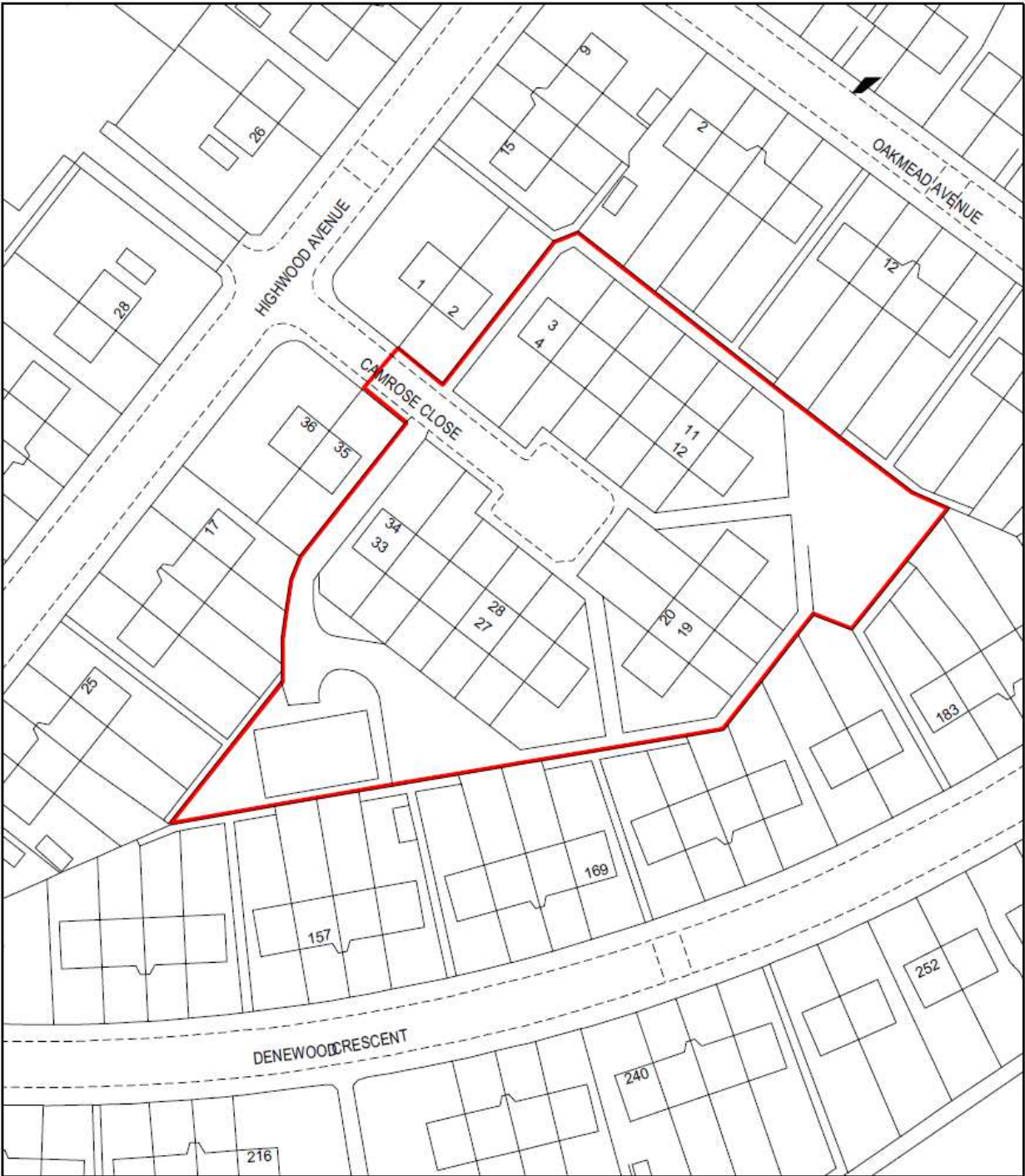
6 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION



None

7 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

Guidance document - Local Authorities: bidding for Social Housing Grant. HCA,
Publication date: May 2009 Publication code: HCA0029

APPENDIX 1



Title: LAND AT CAMROSE CLOSE BROXTOWE NOTTINGHAM		
Key	Map produced on: OCT2009	 Nottingham City Council Resources
	Map produced by: PG	
		 Scale 1:750
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APPENDIX 2



Title: LAND AT YATESBURY CRESCENT BILBOROUGH NOTTINGHAM

Key

Map produced on:
OCT2009

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PG



**Nottingham
City Council**

Resources



Scale 1:1,000

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