



Community & Regeneration Scrutiny Committee

Briefing Paper

Report of: Kate Bailey, Strategic Housing Services Manager
Date: Thursday, 4th November 2010
Open

Funding for Affordable Housing

1. Summary

- 1.1 To consider a bid for funding for Affordable Housing through the Capital Strategy.
- 1.2 The Cabinet Member for Housing & Environmental Services has been given responsibility to make decisions on the award of financial support for Affordable Housing through the Council's capital following consultation with the Community & Regeneration Scrutiny Committee. Should the Cabinet Member for Housing & Environmental Services disagree with Community and Regeneration Scrutiny Committee's recommendation, the matter would be referred to the Cabinet for a final decision.

2. Background

- 2.1 The Council has a target within its Corporate Housing to provide more affordable housing. It has also committed to delivering affordable housing through the countywide Local Area Agreement target (2008/11) to contribute to the provision of 1175 homes – the Wyre Forest proportion of this is 250. To date a total of 174 units has been provided and we have delivered a further 27 units this year (2010/11) but due to severe cuts in funding to the Homes and Communities Agency and no new affordable housing being delivered via Section 106 monies, Wyre Forest is unlikely to meet its target for affordable housing delivery in 2010/11.
- 2.2 The Council has a legal obligation, through the Housing Act 1996, to secure accommodation for those people to whom it owes a full rehousing duty to because of their homelessness. However due to the shortage of permanent accommodation households often spend many months in temporary accommodation.
- 2.3 The use of Bed and Breakfast is very costly to the Council, despite the recently negotiated contracts with Bed and Breakfast providers. The reduction of use of Bed and Breakfast represents a real revenue saving

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to the Council. In the last year the Council has reduced the spend on Bed and Breakfast by £50,000 through offering a variety of prevention measures and alternative accommodation but it is hard to envisage how more reductions can be achieved without greater provision of social housing.

- 2.4 Cabinet approved the Temporary Accommodation Reduction Plan in November 2009 which proposes increasing the supply of social housing as a method of reducing use of Bed and Breakfast and Temporary Accommodation. Reducing Temporary Accommodation use is also important to meet our Business Plan targets of only having an average of 25 units of accommodation in use on average throughout the year. Unfortunately during 2009/10 this target was not met due to the number of placements made into Bed and Breakfast and delays in moving people on through a lack of suitable accommodation.
- 2.5 Previously the Cabinet Member for Housing and Environmental Services has agreed to support the purchase of accommodation to be used as shared housing as an alternative to Bed and Breakfast accommodation. In July Cabinet agreed to the disposal of land at East Street to the Community Housing Group to enable them to build two properties for social rented housing.

3. Key Issues

- 3.1 Partnership work with Community Housing Group has identified East Street as being suitable for two properties, one two bedroom four person unit and one three bedroom, five person unit that can be used for rehousing households in need of accommodation.
- 3.2 It is anticipated that rent for the two bedroom house will be £76.80 and for the three bedroom house £80.98 per week.
- 3.3 The properties will be owned and maintained by The Community Housing Group / Wyre Forest Community Housing.
- 3.4 Planning consent for the properties has already been obtained and the build will need to start on site by 21st December 2010. The aim is to complete the properties by May 2011.

4. Options

- 4.1 To recommend to the Cabinet Member for Housing and Environmental Services that he approve the grant of funding for the building of two rented affordable housing units by the Community Housing Group.

5. Consultation

- 5.1 Not applicable

6. Related Decisions

6.1 Not applicable.

7. Relevant Council Policies/Strategies

7.1 The provision of more affordable housing is currently a corporate priority and the need to reduce the use of temporary accommodation is a priority set and monitored through National Indicators.

8. Implications

8.1 Resources: There will be a requirement to spend 100k from the single housing capital pot but there should be a subsequent reduction in the level of revenue expenditure for Bed and Breakfast as a consequence of not accommodating households in this type of accommodation. £60k will be made available to the Community Housing Group for the build and 40k by internal transfer for the land to Wyre Forest District Council property section.

8.2 Equalities: The accommodation will be available to all households approaching as homeless or potentially homeless where we believe they might be vulnerable and would otherwise have used Bed and Breakfast accommodation or to transfer cases where their accommodation is no longer suitable providing the unit they free up can be used to accommodate a homeless or potentially homeless household.

8.3 Partnership working: The Council has worked in partnership with The Community Housing Group to develop this project.

8.4 Human Rights: Not applicable.

8.5 E-Government: Not applicable.

8.6 Best Value: The use of capital to reduce overall revenue expenditure is making more effective use of resources.

9. Equality Impact Needs Assessment

9.1 An Equality Impact Assessment for the Homeless and Housing Advice Service and the Homeless Strategy have been undertaken in 2009/10.

10. Wards affected

10.1 All.

11. Appendices

11.1 Bid for funding.

12. Background Papers

12.1 Temporary Accommodation Reduction Plan.

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Appendix One

**Bid for funding for Affordable Housing through the Capital Strategy
Planning & Regulatory Services**

Date	4 th November 2010		
Partner RSL	The Community Housing Group (TCHG)		
Scheme address	East Street		
Details of units	No of units	No of beds	m ²
	Two	One two and one three	<ul style="list-style-type: none"> • 1 no 2 bed 4 person house @ 76.52ms sq • 1 no 3 bed 5 person house @ 92msq
Tenure	Rented		
Rent levels	All at target rents- 2bed £76.80 and 3 bed £80.98		
Council's nomination arrangements for the scheme	100% for all lettings		
Average grant per unit in HCA programme in district	£49,000		
Details of bids to the Homes & Communities Agency of other funders and the outcome	N/A		
Is this bid for joint funding? If so please provide details.	N/A		

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<p>What is the Planning status of the scheme – is it deliverable?</p>	<p>Yes – planning consent already obtained</p>
<p>Information to support the bid (e.g. sustainability, community safety, supported housing)</p>	<p>The bid is to deliver housing on land previously owned by the District Council. This housing will contribute to meeting the Council’s corporate priority of delivering affordable housing and help to enhance the community. The accommodation will be for general needs and let to households on the Council’s Housing register (Home Choice Plus). The grant is being given in addition to the land and this has been approved by Cabinet earlier in the year (July). The scheme will commence in December 2010 if approved with the units becoming available in May 2011.</p>
<p>Recommendation of the Community and Regeneration Scrutiny Committee</p>	<p style="text-align: center;">Accept / Reject</p>
<p style="text-align: center;"><i>Cabinet member for Housing and Environmental Services decision</i></p>	
<p style="text-align: center;"><i>Accept / Reject</i> <i>Delete as appropriate</i></p>	
<p><i>Signed</i></p> <p><i>please also print name</i></p>	<p style="text-align: center;"><i>Date</i></p>