

Item No. 6.	Classification: Open	Date: 17 September 2013	Meeting Name: Planning Committee
Report title:		Directly Funded Housing Delivery Programme	
Ward(s) or groups affected:		All	
From:		Director of Planning	

RECOMMENDATION

1. That the Planning Committee note the details of the council's directly funded housing delivery programme.

BACKGROUND INFORMATION

2. Cabinet agreed in July 2012 in principle to the council directly building and providing new affordable homes in the borough within the financial limits of the Affordable Housing Fund (AHF) and in line with the council's local planning policy framework.
3. Cabinet subsequently agreed in October 2012 a range of priorities and an outline delivery mechanism for the development of new homes using the AHF and for a number of schemes to be worked up as Phase 1 of an overall programme for direct delivery of new council housing on council owned site.

KEY ISSUES FOR CONSIDERATION

Phase 1

4. The sites identified for Phase 1 are as follows;
 - 169 Long Lane, SE1: Former Borough / Bankside Housing office.
 - Willow Walk, SE16: Former temporary accommodation site. The project will also include for the development of a new 54 unit temporary accommodation to be funded separately.
 - Clifton Estate, SE15: garage site fronting Clayton Road.
 - East Dulwich Estate, SE22: Sites of Southdown and Gatebeck House. The project also includes environmental improvements and the conversion of drying areas into homes – one of the projects referred to as 'hidden homes'.
 - Cator Street SE15: area fronting Commercial Way, on land in front of the Learning Resource Centre. This scheme will be extra care housing.
 - Masterman House, SE5: garage site to the rear of Masterman House.
 - Nunhead Green, SE15: site currently occupied by the former Nunhead community centre adjacent to Citron Terrace. The project also includes a

replacement community centre on an adjacent site, along with new build private housing. These elements will be delivered separately.

- Sumner Road, SE15: vacant former housing site.
5. Three of the schemes, Willow Walk, Gatebeck / Southdown and Nunhead Green have secured planning permission. The remaining schemes are programmed to be submitted for planning permission during September and October 2013.
 6. The schemes include a mixture of homes for social rent, extra care and 'Social HomeBuy' (a form of intermediate housing) and private housing, where required in accordance with planning policy.

Phase 2

7. Cabinet on the 22 October will consider recommendations of schemes to be included in Phase 2 of the direct delivery programme.

Hidden Homes

8. The programme also includes the development of 'hidden homes', which is aimed at creating new homes from vacant or underused spaces in existing housing blocks. Planning Committee on the 3 September authorised expenditure of £160,000 from the AHF towards the provision of two new affordable housing units at Wade House in SE1.

Programme Funding

9. The initial key sources of funding for the programme are the AHF and right to buy (RTB) receipts from the sale of existing council homes. Grant funding from the Greater London Authority (GLA) has also been bid for to support the programme.

Affordable Housing Fund

10. It is proposed that the key source of funding from the programme is the AHF. The funds generated as a result of in lieu payments are pooled in the AHF. When sufficient funds are accumulated, they are used to fund specific new affordable housing schemes. To date this has been a fairly modest activity with use of £7 million of the AHF across the last 10 years to support the delivery of 66 social rented homes, in conjunction with housing associations. Approval of the use of in lieu payments is reserved to Planning Committee. The AHF is ring fenced for the use towards new affordable housing.
11. The resources received or expected from in-lieu payments from signed s106 agreements are set out in the table below. Everything profiled to date has been received and the remaining is from developments under way but not for which the payment trigger has not yet been met.

Resources Expected (£'m)	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Kings Reach	0	22.4	4.8	0	0	0	27.2
Potters Field	0	0	10.5	0	0	0	10.5
Union Street	0	1.6	0	0	0	0	1.6
Neo Bankside	9.0	0	1.0	0	0	0	10.0
1 Blackfriars	0	0	7.25	7.25	7.25	7.25	29.0
19 Spa Road	0	1.0	1.0	0	0	0	2.0
Total	9.0	25.0	24.55	7.25	7.25	7.25	80.3

Right To Buy Receipts

12. The other key source of funding will be from RTB receipts from the sale of council homes. Useable receipts of £3.4m were realised in 2012/13. It is currently estimated that receipts in the region of £9.9m will be realised in 2013/14. The conditions of use for development include that resources are committed within 3 years, that RTB receipts can only be 30% of useable scheme funding and other public subsidy (e.g. GLA grant funding) cannot be used as match funding.

GLA Funding

13. Bids were submitted for grant funding from the GLA's Building the Pipeline (BTP) funding opportunity for all schemes in the Phase 1 programme. These bids initially were unsuccessful; however, they have now been resubmitted following discussion with GLA colleagues in relation to improved value for money and/or deliverability position.

Programme Cost

14. In the Cabinet report in October 2012 it was estimated that the Phase 1 programme would deliver 217 affordable homes, costing around £34.7 million to develop. This was based on a development cost of £160,000 per unit, based on no land cost.

Policy implications

15. The homes delivered as part of the AHF programme will assist in increasing the supply of good quality affordable housing and will contribute the following targets;
- Policy 5 of the Core Strategy sets a housing target for the borough of 24,450 net new homes between 2011 and 2026 (1,630 per year).
 - The London Plan sets the borough a housing target of 20,050 net new homes between 2011 and 2021 (2,005 per year)
 - Core Strategy policy 6 sets an affordable housing target of 8,558 net affordable housing units between 2011 and 2026.

Community impact statement

16. Southwark is a borough with high levels of deprivation, low median income levels, and high levels of housing need. Southwark's Housing Strategy 2009-2016 identified that there is a shortage of affordable housing in the borough, particularly of larger homes. Households from black and minority ethnic communities tend to be over-represented among those living in overcrowded, poor quality housing.
17. Southwark has an ageing population, particularly those aged 85 plus. By 2020 the number of older people over the age of 85 is expected to grow by 21.0%. There is a shortage of extra care sheltered housing for older people as an alternative to residential care. Surveys of older people have found residential care to be an unpopular housing option among older people.
18. There are similar demographic pressures arising in the disabled population in Southwark. The number of people with learning disabilities is projected to increase by 22% by 2030; this will inevitably create increased demand for ordinary housing options for people with disabilities living in the borough.
19. The proposals to increase the supply of affordable, good quality homes will benefit households in need from all Southwark's communities, and will increase the housing options available for older people and people with disabilities living in Southwark
20. Those living in the vicinity of the new developments may experience some inconvenience and disruption in the short-term, while works are taking place but that communities as a whole will benefit in the longer term from the new homes. In local areas, the effects will be eased, in part by working closely with residents on the delivery process, and also through the specific planning requirements to mitigate the effect of development in that local area.

Resource implications

21. There are no resources implications for the planning committee.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

22. The financial and legal considerations of the Direct Delivery Programme have been considered by the Cabinet when taking decisions. This report is for information only so advice from the Director of Legal Services and the Strategic Director of Finance and Corporate Services have not been sought.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Cabinet Report 23 October 2012: Directly Funded Housing Delivery	Chief Executive's Department 160 Tooley Street SE1 2QH	Tim Bostridge 0207 525 1222

AUDIT TRAIL

Lead Officer	Simon Bevan, Director of Planning	
Report Author	Tim Bostridge, Housing Supply Manager	
Version	Final	
Dated	6 September 2013	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
Cabinet Member	No	No
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