

Report on the Carlton Affordable Housing Project**Notes for the Carlton Meeting - 9 Feb 2011****Context**

Following announcements made in the October Spending Review, we are aware that funding for affordable housing will be reduced. It also signals a shift in the way in which housing and regeneration is delivered.

In 2009/10 the amount of government funding available for new projects was £3.7bn. The budget for 2010/11 is £2.7bn and for the period 2011/15 £4.5bn will be made available, of which £2.3bn has already been committed. This leaves just £2.2bn spending for the 4 years.

Although headline statements were made in the Spending Review, the detail of the cuts and the how schemes will be procured in future is only just coming out. The publication of a housing prospectus by the Homes and Communities Agency which will clarify the details around bidding for funds in 2011/15 was expected two weeks ago. Unfortunately this has not yet been published.

However, the HCA have released some information regarding the likely changes. We are therefore aware that Housing Providers such as NCHA will be expected to look at other ways of funding schemes, not relying on grant funding and private finance alone. The implications of this are significant, as we consider how funds can be generated to support the delivery of new housing schemes. Other changes are outlined below:

Rents

There will be a move from a 'social rent' to an 'affordable rent'. An affordable rent is one charged at 80% of a market rent. The biggest differences will be in areas such as the South East where there is a massive gap between market and social rents. Local Authorities and Registered Social Landlords (RSL'S) are currently considering their response to this, however the HCA has made it clear that social rent will no longer be funded.

Tenure

It is also possible that flexible tenancies may be utilised. The minimum term would be two years but landlords can set longer terms if required. Again, Local Authorities and RSL'S are considering their response on this.

Bidding process

In terms of bidding for new schemes, it appears likely that Housing Providers will be asked to put forward a programme of schemes, which means that developments will not necessarily be assessed individually. We are also likely to be asked to provide details of our capacity for development, the rents policy and any additional funds we will be putting into developments. This could be in the form of sales of existing stock and higher rents on re-lets. We will also need to outline indicative numbers, location, tenure etc as well as average costs.

As stated earlier, this marks a significant change in the provision of affordable housing in the future, and the funds that will be available to facilitate this. NCHA is responding to this change, and is very keen to carry on developing in order to meet housing need. To this end, there is a lot of work going on within NCHA currently regarding the future funding and procurement of schemes and how we can rise to the challenges that face us in this difficult climate.

To enable us to consider our response and programme in a fully informed manner, we will need to wait until clarification on all these issues is received in the form of the Housing Prospectus. In the interim though, we are progressing schemes as far as possible and we remain committed to the development at Carlton. It is a priority for us and the Local Authority as well as both Parish Councils.

Scheme Specific Information

Land

We have set out how we intend to take the acquisition of the land forward. It is intended that we will purchase all of the land, and will then sell on any remaining land to the PC for use as an open space. Prices have been agreed and I will write to the landowners setting out the terms, although this will be conditional on the resolution of numerous issues.

We have also been having on-going discussions with one landowner regarding their requirements for the retained land and the necessary visibility splay. This will be further informed by a speed survey that we need to carry out.

Planning and Highways

I've had recent informal discussions with James Hicks from Hinckley and Bosworth BC. I have explained that there is current uncertainty regarding funding but that we are still looking to progress the scheme. I also explained that changes may be required to the layout if significant cost savings were required, and there was a straightforward way of achieving this through altering the design/layout.

Highways have a new Officer allocated to the scheme who has raised some issues regarding sustainability. We will look to address these through the planning process. We also need to carry out a new speed survey, and our contractor has been asked to provide a quote for completing this work.

Drawing/Layout

A topographical survey has been completed. When the update speed survey has been undertaken, and the required visibility splays established, our architect will re-draw the scheme accurately. We will remove the allotments and paths shown on the current plan, as we will not be able to provide these. A revised drawing will be circulated when this is completed.

S106 contributions and Agreement

As stated in my recent letter, the scheme cannot support any S106 contributions and we will provide a financial information to Hinckley and Bosworth to show this.

The S106 Agreement is a legal agreement between NCHA and the Local Authority. It sets out the local occupancy criteria. The PC's are welcome to get involved in agreeing villages to include in the cascade mechanism.

We have also had discussions with Hinckley and Bosworth BC and they have confirmed that they have no commuted sums that could be used to support the scheme.

NCHA Project Manager
10th February 2011