

Report on the Carlton Affordable Housing Project**a) History**

1. The provision of affordable homes in the village was supported by the first Parish Appraisal, carried out in 1991, and more strongly in the second in 2001. The PC surveyed all dwellings within the settlement boundary in 2007, and showed that there had been a loss of 2 and 3-bedroomed dwellings in favour of four, five and six-bedroomed properties since 1997.
2. It was recognised that the demand for affordable homes would vary from time to time, and agreed that Carlton PC would work in partnership with Shackerstone PC so as to cover the local settlements of Carlton, Barton in the Beans, Bilstone, Congerstone, Odstone and Shackerstone.
3. A Housing Needs Survey was carried out in late 2006 and followed up by a public information event in July 2007. This work evidenced a local need for 11 affordable homes, comprising 7 two-bedroomed houses (5 for rent and 2 for shared equity purchase) and 4 two-bedroomed bungalows (3 for rent with 2 adapted for disability, and 1 for shared equity purchase).
4. The preferred site comprises two paddocks between Nailstone Road and Barton Road at the north-eastern end of Carlton village. The local planning authority (Hinckley & Bosworth Borough Council) has agreed that the land qualifies as a Rural Exception Site. The two landowners are anxious to sell these parcels of land, and have now been waiting for almost four years for the project to proceed. Conditional offers to buy the land have been made. The site is likely to be sold privately if funding cannot be found in the near future.
5. The project was incepted by NCHA in December 2007, and the PC has repeatedly complained about the very slow rate of progress.
6. A topographic survey of the site has been made, preliminary site investigations carried out, and a draft layout plan agreed. Detailed plans cannot be drawn up until the financial position is known and decisions can be made about constructions, materials, equipment and finishes.
7. The landowners have accepted conditional offers totalling £112,000 for the Rural Exception Site. In view of current market conditions and funding constraints, these offers might be subject to renegotiation.
8. To help reduce costs, the PC has offered to acquire a strip of land on the northern side of the site to provide an area of tree planting, a path between Nailstone Rd and Barton Rd, and vegetable garden plots for rent to parishioners. These plans would be part of the site landscaping scheme, and subject to planning conditions. This proposal has been agreed in principle with NCHA and the local planning authority.

b) Recent developments

9. The position was last reviewed in February 2011 (Report 2011-04). Since then, the Homes & Communities Agency (HCA) has issued its prospectus for housing providers, and Nottingham Community Housing Association has applied for funding for a suite of projects, including the Carlton scheme, for the period 2011-15.

10. On 17th July 2011, the HCA issued its list of 146 organisations which had been awarded funding. NCHA was not included in this list.

11. The HCA has retained some funding for small community led organisations such as community land trusts or small rural groups and others, who were not in a position to bring forward proposals at the outset of the programme.

12. NCHA is now considering the implications of the HCA's decision, and ways in which the organisation can continue to develop new homes without HCA funding.

13. The NCHA Project Manager has advised that at the moment, it is unlikely that NCHA will be able to proceed with the proposed affordable housing scheme at Carlton. NCHA have spoken to the H&BBC Housing Strategy & Enabling Officer, and have agreed that alternative models of funding rural homes will be investigated.

14. The Project Manager has raised the possibility of affordable units being cross-subsidised by outright sales units, but has noted that this model will need much further research to establish whether it is viable. It would also need to be acceptable to all parties involved since it would mean operating outside of current exception site policy [see 20: Option E below].

c) Potential ways forward

15. This is a flagship project, and failure would damage the credibility of the Parish Council and its partners. It would also mean that an enormous amount of work would be wasted. The landowners have been very supportive, but their patience is wearing thin, and the site is likely to be sold if it cannot be acquired for this project in the near future.

16. Carlton PC does not have the financial resources to acquire this site without outside help. Affordable Housing may only be provided and managed by approved organisations – not parish councils.

17. Leicestershire County Council has a fund of £530k from its New Homes Bonus funding, which has been earmarked to rescue viable affordable housing projects which would otherwise fail because of the recent funding cuts. A report on potential projects is in preparation by LCC Officers for consideration by the LCC Cabinet on 13th September.

18. H&BBC has been awarded New Homes Bonus funding of £349,762, and is considering the allocation of part of this specifically for Parish development initiatives.

19. LCC, Leicester City Council and Leicestershire District Councils are proposing to develop a joint strategy for the introduction of a Community Infrastructure Levy.

20. The following options merit consideration:

Option A. NCHA obtains sufficient external funding to complement its own resources to make the project financially viable. NCHA has already committed significant resources to project development, and will be reluctant to abandon the project. In the past NCHA has been found to be very slow and may not be capable of responding promptly to current initiatives. Funding might be sought from the LCC New Homes Bonus fund, and possibly H&BBC, but additional funding from other sources would probably be required.

Option B. A different organisation with HCA funding is found to replace NCHA as project partner. This is unlikely, as the organisations awarded HCA funding did not get all they asked for and will find it hard to fund more expensive rural schemes.

Option C. The PC gains access to the HCA funding reserved for small rural groups and Community Land Trusts. The Carlton scheme may not be eligible, as it has already been rejected as part of the NCHA bid. This option may require the PC or a third party to set up a new organisation to run the project.

Option D. The Rural Exception Site is purchased to ensure its retention for affordable housing in the future. The site might be acquired by the PC, with most of the funding provided by the LCC New Homes Bonus fund, and possibly H&BBC. The PC might be able to contribute £5k towards the total required. Alternatively, the site might be acquired directly by LCC, using the New Homes Bonus fund. The PC could agree to maintain the land, which might be used as temporary allotments. The site is not suitable for use as a temporary playing field. There would need to be some kind of legal agreement that the land would be used for affordable housing; it might be necessary for the land to be held in a Community Land Trust.

Option E. A developer of social housing acquires not only the Rural Exception Site, but Northfield and the associated land to the south. The whole site could then be developed, with affordable housing on the Rural Exception Site as currently envisaged, and open market housing on the additional land. The affordable housing part of the development would be funded by the profits from the open market housing. H&BBC and the landowner are both prepared to consider a proposal along these lines. This approach would probably require the development to be considered as a departure from the local plan.

21. Of the above options, Option D appears to offer the best immediate way forward, particularly as a decision on use of the LCC New Homes Bonus will be made in September, and the Carlton Project appears to meet the criteria for the scheme. An agreement might be made for the purchase cost of the land to be reimbursed to LCC

in the event that a financially viable development takes place. Option E would require the minimum amount of external funding, and would ensure that the redevelopment of the Northfield site would be well integrated with the Rural Exception Site.

d) Recommendations

22. That all of Options A – E listed in 20 above be investigated and pursued urgently and concurrently.

23. That the primary objective be to secure the Rural Exception Site for the development of affordable homes.

24. That the secondary objective be to identify a developer and appropriate scheme to ensure the satisfactory completion of the Carlton Affordable Housing Project.

C J Peat
Parish Clerk
24th July 2011