

Internal Memo

To: Fjola Stevens

From: John Conway, Head of Housing

Copy to: Peter Chaplin

Your Ref: KET/2012/0617

Our Ref: KET/2012/0617 Housing

Date: 28th January 2013

Ext: 4288

Housing Supporting Statement for land off Ironwood Avenue, Desborough.

Background

Keyways currently has 2.984 registered applicants seeking accommodation in the Borough. 58% of these households are in Bands A-C. The number of applicants registered is steadily increasing and far outweighs the number of new homes becoming available each year (both through relets and new build). In 2011/12 each advertised property received on average 38 bids thus highlighting the significant need for new homes.

Aside from Dryden Street (a 100% affordable housing scheme granted planning last year and due to start on site this year) and larger private developments with planning permission that are on site already we have no other guaranteed completions of affordable housing in 2013/14 and beyond at present. We are therefore working hard with landowners, developers and Registered Providers to try and continue enabling affordable housing development to happen.

Affordable Housing in the Borough

Kettering Borough Council has historically been very successful in the delivery of affordable homes, predominantly (although not exclusively) with Registered Providers who have secured funding from the Homes and Communities Agency. During the last 5 years we were one of the highest recipients of Government grant funding for affordable housing in the East Midlands, second only behind Northampton for the period 2008-11. During this National Affordable Housing Programme (NAHP) period we delivered the 4th highest amount of grant funded homes in the East Midlands.

Since 2011 the way in which affordable housing has been funded has changed, as has the tenure being funded. The Government's Affordable Homes Programme (AHP 2011-15) has resulted in a significant reduction in grant available generally, and the average grant per unit available has dropped from around £60k to £21k per unit. In

the main the only tenure being funded this way is Affordable Rent (rents at up to 80% of market value). Our Registered Provider partners operating under this new framework now have less funding and less capacity to develop thus more than ever are being selective about which areas they wish to work in and what types of sites they will deliver. Windfall sites (our 'bread and butter' in terms of delivery) will be more and more difficult to stack up financially. The HCA has continuously stressed that Local Authorities must make themselves attractive places for Providers to want to continue to develop in.

We are now seeing the delivery of new affordable homes slowing. In 2010/11 there were 220 affordable completions. This dropped dramatically to just 87 completions in 2011/12. 2012/13 is looking slightly better at approximately 159 completions planned. Next year is not looking so promising, with 100 affordable homes currently proposed, but this is dependent on there being no delays and s106s delivering as planned. Beyond 2013/14 the number of guaranteed affordable completions apart from those relating to ongoing s106s is significantly reduced. Discussions are ongoing with Registered Providers in terms of ability to deliver.

Land off Ironwood Avenue, Desborough.

The findings of the Desborough Housing Market Assessment 2010 state that the estimated shortfall in the supply of housing for households in housing need for the Borough of Kettering including Desborough over the next 10 years is 228 properties per year. This number was not achieved for the years 2010/11 or 2011/12 and is not going to be achieved for the year 2012/13.

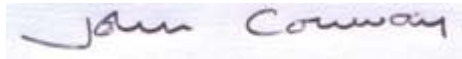
There are currently no committed sites providing affordable housing in Desborough with planning permission; which makes this site off Ironwood Avenue even more important in terms of meeting the needs of the Borough. The proposed scheme includes 1 and 2 bedroom properties all of which will be Affordable Rent in line with the needs of local people. The Desborough Housing Market Assessment 2010 reports that the strongest demand for affordable housing in Desborough is for smaller 1 and 2 bedroom properties. The Affordable Rent levels proposed for the properties have been assessed and we are satisfied that they will be affordable for households on our housing register.

We very much support this scheme and have been involved in talks to agree the house types and mix with Westleigh and asra throughout the application process. The revised scheme now includes additional parking which is ample for a scheme of this type. Car ownership amongst social housing tenants is low and large areas of parking on affordable housing schemes can often be left unutilised.

The incorporation of the two 1 bed units will also help meet the needs of households on our housing register, with many households seeking to downsize with welfare reform changes due to be implemented in April 2013. These changes mean that households who are reliant on benefits will have a reduction of benefit if they under-occupy their council or housing association property by 1 bedroom or more. This is likely to mean further increased demand for smaller 1 and 2 bedroom properties such as those proposed in this scheme.

asra Housing

asra are one of the larger Registered Providers that operate in the Borough. There are few Registered Providers that own and manage more affordable homes and are still delivering new schemes in the area. asra will be committing £456,000 of Affordable Homes Programme funding to this scheme. Attracting this amount of AHP investment is extremely important given that there are currently 1,461 new homes forecast to receive funding across Northamptonshire though our Borough has so far only attracted a small share.

A handwritten signature in black ink on a light-colored background, reading "John Conway".

John Conway
Head of Housing