

Body: Cabinet

Date: 29 May 2013

Subject: Housing Investment in Eastbourne

Report Of: Senior Head of Community

Ward(s): Langney and Devonshire

Purpose:

- To request Cabinet approval for the transfer of Council owned land to Raglan Housing Association to support the development of affordable homes in Langney.

Decision Type: Key Decision

Recommendation: Cabinet is recommended to approve:

1. The transfer of by means of a 125 year lease of the following pieces of land:
 - Pensford Drive
 - Foxglove Road
 - Freshford Close
 - Hever Close
 - Wayford Close
 - Barming Closeto Raglan Housing Association at a peppercorn rent for the development of affordable housing.
2. The delegation to the Senior Head of Community in consultation with the Chief Finance Officer and Cabinet Portfolio Holder for Community the authority to agree the final arrangements for the land disposals to Raglan Housing Association.

Contact: Andy Thompson, Strategic Housing Manager.
Telephone: 01323 415736 or internally on extension 5736.
E-mail address: andrew.thompson@eastbourne.gov.uk

1.0 Introduction

- 1.1 This report considers how the Council can effectively make use of its ability and assets to directly invest to help increase the range of affordable homes available to people in Eastbourne.
- 1.2 The Council faces a growing demand for affordable, secure homes. The cost of renting privately is outstripping the incomes of many households and changes to the social security system mean that there will be less

help available to some households to make their rent payments. As the largest provider of social homes in the Borough, the Council faces increased pressure on its housing waiting lists. The same situation applies to housing associations working in Eastbourne.

1.3 The Council's corporate objectives include:

Prosperous Economy

- A wide range of employment opportunities

Thriving Communities

- Support for families and young people to reach their full potential
- A high level of community volunteering and involvement in our neighbourhoods
- A wide range of quality homes including affordable housing for those in need

1.3 The Council has an opportunity to help increase the availability of affordable housing and bolster the economic development of the town. This report considers this opportunity.

2.0 Provision of new affordable homes in Langney

2.1 The Council's Housing Team has over the last year been identifying sites within the ownership of the Council that may provide an opportunity to develop additional affordable homes. To date, three sites have been identified and agreed for new Council owned homes (Minute 90, Cabinet February 6th, 2013) and approval has been given for the disposal of three sites (Hawkhurst Road/Faversham Road, Chilham Close, Garages of Faversham Road) in Langney to Raglan Housing Association (Minute 55, Cabinet October 24th, 2012).

2.2 Further work has taken place in Langney by officers from Raglan Housing Association and the Council's Housing Specialists to consider how best to enhance the project to develop more affordable homes. This has included examining other land holdings held by the Council which, following consultation with representatives of the local community and Planning Specialists, offer further opportunities to provide new homes.

2.3 The following additional sites have been identified:

- Pensford Drive
- Foxglove Road
- Freshford Close
- Hever Close
- Wayford Close
- Barming Close

Taken together, these six sites have the potential to provide between 12 and 15 additional affordable homes. The final number will be dependant upon the final mix of property types which will be informed by the latest needs data accrued via the Council's Housing Register. A map showing the location of the sites, currently laid to grass, is attached as Appendix A to this report.

2.4 The circumstances that informed the recommendation made in October

2012 to transfer sites to Raglan Housing Association – the lack of borrowing capacity within the Council’s Housing revenue Account to support extensive development and the ability of Raglan Housing Association to consider the possibility of bringing into the initiative the additional benefits of support from the National Affordable Housing Programme - remain equally relevant today.

- 2.5 Including these sites into the overall programme for Langney, which already includes sites at Hawkhurst Road and Chilham Close will allow the programme to be delivered more effectively, allow greater coherence of design and speed up delivery of a total of between 16 and 19 additional homes. Working with Raglan Housing Association will allow for work already undertaken by the association on design and feasibility to be used effectively and will make the project more effective to manage and support developing a clear and focused vision and partnership for the local community.
- 2.6 The six sites noted above in paragraph 2.3 in total, have an estimated value of approximately £375,000 if they were to be sold on the open market. By leasing them for a peppercorn rent to a housing association, the Council would be foregoing a capital receipt. However, the transfer proposal would secure up to 15 new rented affordable homes. The estimated development cost of 15 family homes is in the region of £1,950,000. As such by transferring the sites at an average estimated net value of £25,000 per unit, the Council is able to cost effectively facilitate the provision of new affordable housing.
- 2.7 Disposal of the selected sites will require input from the Council’s Legal and Estates specialists. Continued project engagement in the development of the new homes will require input from the Council’s Housing Specialists. There is sufficient capacity within the current teams to be able to absorb this work.
- 2.8 Cabinet is therefore asked to approve the transfer of by means of a 125 year lease of the following pieces of land currently occupied by garage sites and disused play areas to Raglan Housing Association at a peppercorn rent
- Pensford Drive
 - Foxglove Road
 - Freshford Close
 - Hever Close
 - Wayford Close
 - Barming Close
- subject to the following conditions being included within the transfer agreement:
- a) The sites are used exclusively for the provision of affordable housing, of a type and tenure approved by the Portfolio Holder for Community and the Council’s Strategic Housing Manager.
 - b) The properties are let on an Introductory Tenancy for a period of one year, followed by conversion, subject to the tenant complying with the terms of their introductory tenancy, to an Assured Periodic Tenancy.

3.0 Environmental, Human Rights, Community Safety Implications

3.1 Increasing the choices available to people who need a secure, affordable home will lead to stronger, more vibrant communities and neighbourhoods. This will in turn improve the environment and community safety within Eastbourne will be stronger.

3.2 There are no Human Rights implications arising from this report.

4.0 Youth and Anti-Poverty

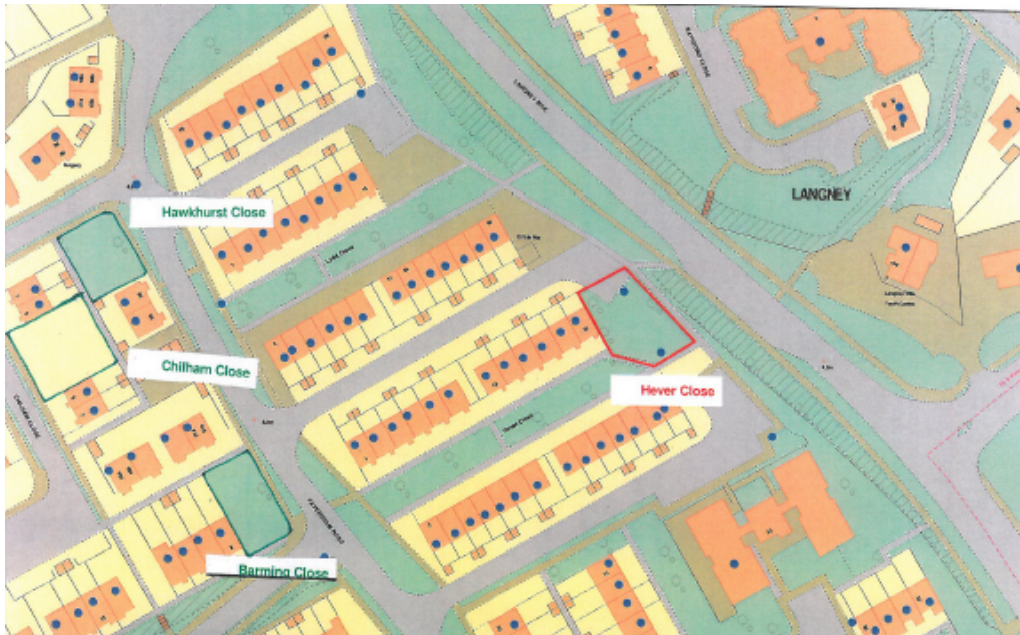
4.1 The provision of addition of affordable homes, will help provide more options for people who need to move to different accommodation to reduce the impact of changes being made to the support given by the Social Security system to help people make their housing costs or to allow them to have housing costs that are more manageable within their total income.

5.0 Conclusion

5.1 To deliver the Council's corporate outcomes of a more equitably prosperous Eastbourne, the provision of more affordable housing represents a positive way forward.

Lead Officer: Andy Thompson (Strategic Housing Manager)

Appendix A: Langney Affordable Housing Sites



N.B. Please note that Hawkhurst Close and Chilham Close were approved for transfer in October 2012



