



Report Reference Number: E/20/43

To: Executive
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Status: Key Decision
Ward(s) Affected: All
Author: Sarah Thompson, Housing and Service Manager
Lead Executive Member: Cllr Richard Musgrave,
Lead Executive Member for Place Shaping
Lead Officer: Suzan Harrington, Director of Corporate Services and
Commissioning

Title: Affordable Housing Delivery Strategy 2021-2025

Summary:

The Housing Revenue Account Business Plan details our ambitions to increase affordable housing over the next four years. The business plan aims to deliver a financially sustainable service which demonstrates value for money and ensures investment is targeted to Council priorities.

This new Affordable Housing Delivery Strategy provides details of our affordable housing delivery ambitions and supports the priorities in the Council Plan to enable the delivery of increased housing supply, invest in improving the quality of current stock and increasing the number of affordable homes

Recommendations:

Executive Members approve the draft Affordable Housing Delivery Strategy

Reasons for recommendation:

Approving the plan will allow the Council to further progress with the delivery

1 Introduction and background

1.1 The proposed strategy sets out the Council's plans for how our commitment to build new Council homes and the support to delivery by Selby and District Housing Trust (SDHT). It aims to strengthen and build on the aims for Selby District Council to increase its supply of affordable housing stock through direct development and the support provided to SDHT introduced in our original Affordable Development Strategy in 2013.

- 1.2 As a stock-retaining Local Authority, Selby District Council owns 3000 homes and we take pride in our strong landlord management service and this strategy aims to strengthen that service by increasing the number of homes in the Housing Revenue Account. The lifting of the borrowing cap in November 2018 has provided us with the opportunity to increase the direct development of affordable housing.
- 1.3 The new Affordable Housing Development Strategy links to a number of other strategies and associated policies and procedures including the Housing Revenue Account Business Plan and the York, North Yorkshire and East Riding Housing Strategy.
- 1.4 In February 2019 the Strategic Housing Market Needs Assessment (SHMA) highlighted the requirement of affordable housing in the Selby district and calculated the net need for affordable housing, including social rented housing, intermediate rented housing and low-cost home ownership housing products was 134 units per annum.
- 1.5 There was also an identified lack of supported housing in the district.

2 The Affordable Housing Delivery Strategy

The current Housing Revenue Account (HRA) Business Plan

- 2.1 The current HRA Business Plan demonstrates that the Council can maintain its assets and invest in new provisions, and at the same time deliver a high level of service to current and future tenants and leaseholders. The plan has three main objectives and commits to:
 - Meet local need by prioritising those with local connection for new build affordable housing and reduce empty homes within the community to increase affordable accommodation in local areas.
 - Acknowledge and try to meet the needs of our rural residents and those who may require specialist and/or supported accommodation.
 - Commit to one-for-one replacement of properties lost via Right to Buy and work to replace those already lost but not yet replaced.
 - Ensure that housing need takes precedence when deciding the location, property and tenure type of new housing schemes
 - Work with the Housing Trust to deliver increased affordable housing throughout the district via our three delivery pillars.

The objectives

- 2.2 This plan makes clear that Selby District Council is committed to purchasing and building new council homes to provide affordable housing and to sustain the HRA into the future. The delivery objectives are:
 - Increase the supply of social and affordable homes to meet the housing need in the district through acquisition and direct development. Modelling in the SDC HRA business plan would see the Council, in partnership with the Housing Trust; deliver almost 600 new properties over the next 30 years.

- Take a planned approach to delivery which provides value for money while maximising supply to support the financial viability of the Housing Revenue Account.
- Commit to the Government's 'one-for-one' replacement policy, which on average would see the Council build or acquire 20 new properties a year, replacing at the current rate we lose stock through the right to buy.

2.3 Delivery of the objectives will be through direct development, S106 on-site acquisition, the purchase of empty homes and buying back former council properties that have been sold through the right to buy.

Finance

2.4 The Housing Revenue Account business plan assumes that any new build or stock acquisitions will be supported by a viable business case which will use retained Right to Buy receipts, external grant funding (where possible) and new borrowing to achieve a reasonable payback period (typically 30 to 40 years). It is assumed that any new stock will be entirely financed over their whole life from the rental income they bring.

2.5 Each scheme will be assessed for viability and its contribution to the business. This provides a value for money assessment in some instances which are greater than pure return on investment. The impact of each scheme is calculated, and the cumulative effect of the programme and acquisitions must be affordable in the context of the wider Housing Revenue Account Business Plan.

2.6 To support scheme viability S106 Commuted Sums and Homes England Affordable Housing Grant Funding will be maximised where appropriate and subject to the relevant approvals.

3 Implications

3.1 Legal Implications

Section 74 of the Local Government and Housing Act 1989 requires the local housing authority to keep a separate HRA and Section 76 of the same Act provides that they must prevent a debit balance in the HRA.

3.2 Financial Implications

The HRA Business plan provides the strategy for investment whilst ensuring the sustainability of the HRA. The Affordable Housing Delivery Strategy links directly the HRA Account business plan and the Council's Capital Investment Programme, as approved by the Executive.

3.3 Corporate Plan Implications

Implementation of the Affordable Housing Delivery Strategy will meet the Council Plan Objectives to enable the delivery of increased housing supply, increase the number of affordable homes and to invest in improving the quality of Selby District Council housing stock.

4 Conclusion

This new Affordable Housing Delivery Strategy provides details of our affordable housing delivery ambitions and supports the priorities in the Council Plan to enable the delivery of increased housing supply, invest in improving the quality of current stock and increasing the number of affordable homes. Delivery on the plan will help meet identified housing need and help sustain the Housing Revenue Account.

5 Background Documents

Selby District Council Housing Revenue Account Business Plan 2020-2025

6 Appendices

Appendix i – Affordable Housing Delivery Strategy 2021-2025

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