

**BRECKLAND COUNCIL**

**OPERATIONS MANAGERS – 5<sup>th</sup> DECEMBER 2007**

**EXECUTIVE BOARD – 17<sup>th</sup> DECEMBER 2007**

**CABINET – 8<sup>th</sup> JANUARY 2008**

**REPORT OF THE EXECUTIVE MEMBER FOR ENVIRONMENT AND HOUSING**

**(Author: Darryl Smith, Principal Housing Officer (Strategy and Enabling))**

**SECOND HOMES COUNCIL TAX MONIES FOR AFFORDABLE HOUSING SCHEME IN  
YAXHAM**

This report seeks Cabinet approval for the use of the Second Homes Council Tax monies allocated to Breckland to be spent on a Housing Project in Yaxham for 5 affordable units.

**1. INTRODUCTION/BACKGROUND**

- 1.1 In 2004 Norfolk County Council agreed that the additional income collected from the increase against second home owners would be apportioned to the District as follows :-  
50% would be given to the Local Strategic Partnership for the council's area  
25% would be pooled into the County Strategic Partnership Fund  
25% would be ring fenced for affordable housing projects within the District.
- 1.2 The current amount of resources available to be used within Breckland amount to £105,748.75. The resources are for the Council to allocate in conjunction with its strategic partners.
- 1.3 The proposal has been presented to the Local Strategic Partnership who agreed the submission of the project to the Council for consideration

**2. KEY DECISION**

- 2.1 This is not a key decision.

**3. COUNCIL PRIORITIES**

- 3.1 The matter raised in this report falls(s) within the following council priorities:
  - A well planned place to live which encourages vibrant communities.

**4. PROPOSAL**

- 4.1 The proposal is to use the resources available to develop 5 units of affordable housing at Yaxham. A scheme has been put together by Flagship Housing Group on land owned by the Council. The sale of the land was at the District Valuers value thus the sale was agreed without having to seek Cabinet approval.
- 4.2 The transfer of the land has previously been agreed by the Council and taken place. A grant has also been made by the Housing Corporation to support part of the public subsidy required to develop the project. The grant from the Housing Corporation totals £280,251.25.
- 4.3 The Total Scheme Cost of the project is £690,150. This equates to an average of £138,030 per unit. The average unit cost for affordable housing within the district is £110,000 but this cost is based on a reduced land value and a lower energy efficiency level.

- 4.4 The project will deliver a new concept in eco homes called Green Gauge Housing, which will achieve the highest energy efficiency level of excellent. This system will combine modern methods of construction with sustainable materials. This is part of a pilot project in Norfolk. The only other scheme which is not yet complete is being developed in Lingwood. External European Larch cladding from sustainable sources and Warmcell insulation, manufactured from 100% recycled waste newspaper, will be used, in conjunction with a breather membrane, to improve insulation performance and limit CO2 emissions.

The homes will also incorporate renewable energy provisions, thus benefiting the tenant through reduced fuel bills. The south-facing, glazed 'sun room' at the front of the house contains a solar heat recovery unit (powered by a small flow of electricity) which extracts warm air from the Sunspace and filters and cleans this for the home. Potentially, this will eliminate the need for central heating.

Other initiatives elsewhere include rainwater harvesting with collection tanks placed at the front or back of the house. Water from the dwellings' gutters and down pipes is collected and filtered for use within the home, in particular for washing machines and toilets. This could achieve a 50% reduction in the household water use.

- 4.5 The provision of affordable housing has been a priority for the Council. The development of this project will enable homes to be provided for a number of residents from Yaxham under a local lettings policy.
- 4.6 The comparable costs identified in paragraph 4.3 shows the scheme is more expensive than a traditionally built affordable housing scheme. The costs for Yaxham also incur some abnormal costs for due to site constraints as well as a new method of construction not widely used and currently higher in cost. This energy efficiency cost has been weighed against any anticipated benefits to the tenant in reducing energy bills.
- 4.7 The greatest risk for the Council in not progressing the scheme is not delivering against the target for affordable housing in an area of need. The method of construction is untested and the benefits to the tenant may not be as great as predicted but the effect of this will be managed by the Housing Association. The Housing Association is responsible for all costs in developing the scheme and thus if there is additional overrun costs, has to meet these costs within their own resources
- 4.8 As a pilot project regular monitoring will be undertaken with tenants on their running costs of the properties, as well as the efficiency of the buildings. The Housing team will undertake a value for money exercise with Flagship Housing Group after 12 months.

## **5. OPTIONS**

- 5.1 To agree to allocate the resources against this project which will begin on site immediately and be delivered by summer 2008.
- 5.2 Not agree the allocation of resources to this project and consider other options for the use of resources although this course of action will limit the resources available to the project and affect the deliverability of the scheme.

## **6. REASONS FOR RECOMMENDATION**

- 6.1 The resources have been sitting with the County Council for 2 years and are at risk of being used for other purposes. The resources have levied in match funding from the Housing Corporation and The Housing Association its self which will be lost if the shortage of funding is not met.

- 6.2 Housing is a strategic priority for the Council and this proposal will meet the housing improvement targets the Council has for the Strategic Housing Function.
- 6.3 The Council has a role to meet the housing needs of its community which have been identified through the Housing Needs survey (2007) and Strategic Housing Market Assessment (2007). There is a Shortfall of 964 affordable housing units a year for the next 5 years.
- 6.4 In this particular sub area which Yaxham falls within there is a shortfall of 81 units per year for the next 5 years.
- 6.5 The Housing Corporation assesses stringently value for money of schemes when allocating funding, this process also takes into account a weighting for match funding or free land. This scheme was approved by the Housing Corporation because of the opportunity to maximise a match funding opportunity with the second homes resources. If this funding is not available the Housing Corporation will look to reallocate the grant provided. There is no guarantee this will be reallocated in Breckland.

## **7. RECOMMENDATION**

- 7.1 I recommend that Cabinet :
  - a) approve the use of second homes funding for the delivery of affordable housing in the parish of Yaxham.

Appendix A – Pro forma B

*This report has taken account of the need for compliance with the Council's Equal Opportunities Policy and the requirements of Section 17 of the Crime and Disorder Act 1998 and the Human Rights Act 1998. This report raises no matters to which attention specifically needs to be drawn under the legislation.*