

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	22 November 2017
Subject:	Affordable Housing Allocations on Strategic Sites
Report of:	Peter J Tonge, Head of Community Services
Corporate Lead:	Robert Weaver, Deputy Chief Executive
Lead Member:	Cllr E J MacTiernan, Lead Member for Built Environment Cllr J Greening, Lead Member for Health and Wellbeing
Number of Appendices:	One

Executive Summary:

The HomeseekerPlus Policy, agreed by Council, informs us that affordable rented housing built within a district is to be let to households with a local connection to that Borough. We also ensure this method is secured for sales of affordable home ownership properties, such as shared ownership, through Section 106 legal agreements.*

Under the Joint Core Strategy, the Strategic Allocations for Cheltenham Borough and Gloucester City (the urban extensions) that fall within the administrative boundary of Tewkesbury Borough are to meet the unmet housing needs, including the affordable housing needs, of Cheltenham Borough and Gloucester City respectively. Consideration is also given to the development of a site at Mitton that comes under Wychavon District Council.

In order to alter and formalise the lettings and sales arrangements on these Strategic Allocations, we are able to enter into a lettings plan on a site by site basis. These plans enable us to take into account the needs of the current and new residents to ensure a responsible letting/sale is made.

The following report outlines an allocations plan which both meets the needs of Gloucester and Cheltenham whilst retaining allocations for Tewkesbury residents in highest housing need. A further agreement regarding the Mitton site will also be outlined.

** The terms such as 'lettings' and 'sales' refer to affordable housing properties (as opposed to market properites) throughout this document.*

Recommendation:

That the proposed lettings and sales arrangements be RECOMMENDED TO COUNCIL for adoption.

Reasons for Recommendation:

To help meet the unmet affordable housing needs of Cheltenham Borough and Gloucester City respectively within the Strategic Allocations (urban extensions) that fall within the administrative boundary of Tewkesbury Borough as required by the Joint Core Strategy.

Resource Implications:

Additional staff time will be required to monitor these arrangements and are expected to be met within the existing budget allocations.

Legal Implications:

The Council is required to have in place a policy for allocating social rented housing in accordance with Part 6 Section 166A of the Housing Act 1996 where Local Housing Authorities are required to have a scheme for determining priorities and the procedure to be followed in allocating housing. The Council should also take in to account the Statutory Code of Guidance on the Allocation of Accommodation 2012, the Localism Act 2011 and the Welfare Reform Act 2012.

Risk Management Implications:

None.

Performance Management Follow-up:

Lettings and sales arrangements will be reviewed at least every 5 years by the Housing Services Manager (or equivalent post) of the three Joint Core Strategy local authorities. The arrangements will be reviewed sooner if required.

All arrangements will be monitored by the JCS Affordable Housing Partnership.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Housing Act 1996 requires all Local Housing Authorities to set out a policy for allocating social rented housing within their District. The latest HomeseekerPlus Policy was agreed by Council in 2013 with minor amendments agreed in 2015.
- 1.2** The formation of the Joint Core Strategy (JCS) Affordable Housing Partnership was supported by the JCS Cross Boundary Programme Board which is made up of Chief Executive Officers from the three local authorities. The Partnership was set up by strategic housing lead officers from Tewkesbury Borough Council, Cheltenham Borough Council and Gloucester City Council to meet regularly and discuss the issues and challenges associated with affordable housing within the proposed JCS Strategic Allocations (urban extension) sites. This report details the lettings and sales arrangements proposed by the partners.
- 1.3** The JCS specifically includes provision to support the otherwise unmet housing needs of Cheltenham Borough and Gloucester City through Strategic Allocations (urban extensions) on sites wholly or partially within the Tewkesbury Borough administrative boundary. To ensure a balanced housing market is achieved across the JCS area, any future housing provision will also include an element of affordable housing and the JCS sets out a common affordable housing policy (SD13).
- 1.4** Given that some of Cheltenham Borough's and Gloucester City's future affordable housing requirements will be provided on Strategic Allocations (urban extensions) falling within Tewkesbury Borough's administrative boundary, it was necessary to establish an Affordable Housing Partnership to oversee the delivery, allocation and management of

affordable housing on proposed strategic allocations (urban extensions).

- 1.5** This is specifically recommended in the JCS document in Section 4.13.11 (page 93) of the JCS Submission Document November 2014:

“The JCS approach to affordable housing delivery is to balance provision across the JCS area. It is, however, recognised that affordable housing need varies across the area with higher levels of need in Gloucester City than other districts. To ensure that provision meets localised needs, the JCS authorities will therefore need to employ a partnership approach to affordable housing nominations. Within the Strategic Allocations, this affordable housing partnership will have a critical role in determining the proportion of new affordable housing to be allocated to each local authority district.”

- 1.6** The Strategic Allocations (as identified by the JCS) are required to meet the housing needs of the three Councils. Through the JCS examination process the Inspector recommended (Interim Report, May 2016) that the Strategic Allocations which form urban extensions to Cheltenham and Gloucester should contribute fairly to meeting their respective unmet needs. The Strategic Allocations sites identified in the JCS will therefore require a formal lettings plan for these arrangements.

2.0 LETTINGS AND SALES ARRANGEMENTS FOR THE AFFORDABLE HOUSING ON THE JCS STRATEGIC ALLOCATIONS SITES

Current Arrangements

- 2.1.1** At present our allocations policy (the HomeseekerPlus Policy) for the letting of rented affordable housing states that the homes built in a district are to be prioritised to that district and so local connection to Tewkesbury Borough will apply to all properties within our boundaries.
- 2.1.2** Affordable housing cannot be empty i.e. not let or not sold, and as the Local Housing Authority we have a cascade mechanism in place on all of our developments to ensure the home is occupied in a timely manner. Priority is given to households with a local connection to the administrative area in which the new homes are built. Local connection then cascades out to the rest of Gloucestershire if the property cannot be occupied by the household with a local connection to the administrative area.
- 2.1.3** Section 11 of the HomeseekerPlus Policy defines local connection; it states:
- “11.1. Due to the exceptional demand for housing across the HomeseekerPlus area and the difficulty in solving local housing need, preference will usually be given to applicants with a local connection to the appropriate district.*
- “11.2. Local Connection is defined in Part VII of the Housing Act 1996 as:*
- *Those who are normally resident in the local authority area, and that residence is or was of their own choice. (Local Authority Agreement guidelines suggest this as having resided in the area for six of the last twelve months, or three of the last five years, where residence has been out of choice);*
 - *Those who are employed in the local authority area. (Local Authority Agreement guidelines suggest this as employment other than of a casual nature);*
 - *Those who have family connections in the local authority area. (Local Authority Agreement guidelines suggest this as immediate family members who have themselves lived in the area for five years).*
 - *Members of the armed forces have a local connection to the district of their choice*

(Those currently serving, served within the immediate preceding 5 years; bereaved spouse or civil partner who has recently or will cease to be entitled to Ministry of Defence accommodation following the death of their service spouse and the death was wholly or partly attributable to their service; existing or former members of the reserve forces who are suffering from a serious injury, illness or disability which is wholly or partly attributable to their service).

- *Other special circumstances.”*

2.1.4 The Homeseeker Plus Policy also states that local lettings plans will be used where necessary to let homes in a particular way, as per Section 33 as follows:

“33.1. The Homeseeker Plus Partnership is committed to creating balanced communities. For new developments and in areas where there are known problems, such as anti-social behaviour or abandoned properties, a local lettings plan may be applied. The plan will take into account the needs of the current and new residents and the make-up of the block, street or cluster of streets, to ensure a responsible letting is made. The local authorities will review each letting plan periodically with landlords.”

2.1.5 We also use this approach for the sale of intermediate housing such as shared ownership and discounted sales to prioritise households with a local connection to the Borough.

The Proposed Arrangements

2.2.1 The JCS currently proposes 10,900 homes to be met by the Strategic Allocations within the JCS area to the year 2031.

2.2.2 The aim is to allocate the affordable housing [built within the Tewkesbury Borough administrative boundary] based on real time need in each of the districts. This will be achieved by advertising each property with a dual local connection to Tewkesbury Borough and the urban extension area and then ‘cascading’ to the third authority within the JCS partnership and finally to the rest of the County.

2.2.3 This will mean that applicants to the new rented properties within Tewkesbury Borough with a local connection to either area will be considered equally. If no applicants from either authority apply then applicants with a connection to the third partner authority will be given preference. For example: New properties built in Brockworth would be given a local connection to Tewkesbury Borough and Gloucester jointly, then Cheltenham, then Gloucestershire. Alternatively on sites closer to Cheltenham, a local connection would be awarded to Tewkesbury Borough and Cheltenham jointly then Gloucester, then Gloucestershire. The applicant’s level of housing need and length of time registered with that need will dictate their priority. This approach has been proposed to ensure that housing need across different districts drives the allocation process.

2.2.4 This approach will also help to ensure that future needs are met rather than having fixed percentages for each authority that may not be reflective of local needs in the future.

2.2.5 For the site at Mitton a planning statement agreed between Wychavon District and Tewkesbury Borough Councils includes provision of 10% of the affordable housing properties to Wychavon District for allocation and 90% for Tewkesbury Borough.

2.2.6 A number of matters to be taken forward include:

“11. Up to 10% of the total affordable housing agreed on site will be attributed to Wychavon District who will have control over the nomination rights and re-lets, and contribute towards Wychavon’s affordable housing needs. This will be reflected in any affordable housing planning obligations, affordable housing nomination agreements and

planning conditions. This will also be set out though the policies and trajectory in the JCS to apportion the supply against Tewkesbury Borough's housing requirements."

- 2.2.7** Due to the fact that Wychavon District and Tewkesbury Borough do not share a common allocations scheme (unlike Tewkesbury Borough, Cheltenham Borough and Gloucester City with HomeseekerPlus), the properties delivered at Mitton cannot be allocated with a joint local connection approach.

Monitoring and Review of the Arrangements of the Strategic Allocations

- 2.3.1** It will be the responsibility of all involved in the lettings and sale of the affordable housing to monitor the agreement. These are, including but not exclusively, the housing enabling officer at Tewkesbury Borough Council and the Registered Provider of the affordable housing.
- 2.3.2** It is expected that Council officers and Registered Providers will report back to the JCS Affordable Housing Partnership at every meeting (quarterly or otherwise agreed) to review the lettings and sales arrangements.
- 2.3.3** The allocation of affordable housing on new Strategic Allocations (urban extensions) will be monitored and reviewed based on a new Strategic Housing Market Assessment (SHMA).

Non-Strategic Developments

- 2.4.1** These arrangements are proposed on the JCS Strategic Allocations (urban extensions) that fall within Tewkesbury Borough administrative area only.
- 2.4.2** Any development sites delivered by the three Councils as identified in their individual Local Plans, and any windfall sites, plus any Strategic Allocations (or parts of) that fall within Cheltenham or Gloucester's administrative area, will continue to be allocated in the usual way and in accordance with the policies set by the individual Councils.
- 2.4.3** In addition, any cross-boundary sites outside of the JCS area, but contributing to the housing needs on one of the JCS authorities, would be subject to a separate agreement.

Non-Adoption of the JCS

- 2.5.1** At the time of writing the JCS is not adopted. The proposed lettings arrangements in this document are contingent on the adoption of the JCS.
- 2.5.2** The JCS Affordable Housing Partnership along with any arrangements and agreements outlined in this document will terminate if the JCS is not adopted.
- 2.5.3** It is acknowledged that alternative mechanisms need to be in place if the JCS is not adopted.

3.0 OTHER OPTIONS CONSIDERED

3.1 Several options were previously considered. These included proposals that 100% of first lets on the urban extensions were to meet the housing needs of the urban areas, and also a formulaic approach whereby first lettings were allocated on a 70:30 split to the Gloucester urban areas and a 65:35 split to the Cheltenham urban area. It was considered that this may not adequately reflect emerging housing need and the current proposal will protect the allocation of housing to those who need it most from each area.

4.0 CONSULTATION

4.1 The JCS Affordable Housing Partnership meets regularly with Registered Providers of Affordable Housing and had presented them with the proposed arrangements. The general view from Registered Providers was that arrangements agreed by the Local Authorities would be accepted.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 HomeseekerPlus Allocations Policy.
Emerging Joint Core Strategy.
Housing Strategy 2017-2021.
Council Plan 2016-2020.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Housing Act 1996 (as amended).
Localism Act 2011.
Welfare Reform Act 2012.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 None.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 Housing is a basic human need; and through the current allocations policy all relevant groups have been considered. The proposed lettings and sales arrangements will meet the objectives of the Joint Core Strategy.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

- 10.1** Homeseeker Plus Policy agreed by Council in 2013 with minor amendments agreed in 2015.

Background Papers: Joint Core Strategy Submission Document 2014, the Main Modifications Document 2017 and additional papers as found on the website www.gct-jcs.org

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Appendices: Appendix 1 - Scenarios for the proposed arrangements for letting and selling affordable housing on the Joint Core Strategy Strategic Allocations sites.

Scenarios for the proposed lettings and sales arrangements for affordable housing on the Joint Core Strategy Strategic Allocations sites (urban extensions)

Scenario 1 – Cheltenham urban extensions

Urban extension sites	E.g. A5 – North West Cheltenham
Land within	Tewkesbury Borough administrative boundary

Principles for these sites

- SHMA evidence percentage split Cheltenham Borough (231) to Tewkesbury Borough (126) equates to 65% to Cheltenham Borough and 35% to Tewkesbury Borough.
- The properties developed within the Tewkesbury Borough administrative boundary will have an equal priority in terms of local connection to Cheltenham Borough AND Tewkesbury Borough. Local connection will then cascade to Gloucester City. It is thought that this approach will result in a 65/35% split between the two areas as Cheltenham Borough has a greater number of applicants with a higher housing need
- These arrangements will remain unchanged on second and subsequent lets/sales households with a local connection to Cheltenham Borough AND Tewkesbury Borough administrative areas will have equal priority.

Note: The land that is within the Cheltenham Borough administrative boundary will continue to be allocated in accordance with the current Homeseeker Plus Policy of 100% 1st priority to households with a local connection to Cheltenham Borough.

Scenario 2 – Gloucester urban extensions

Urban extension sites	E.g. A4 – Brockworth
Land within	Tewkesbury Borough administrative boundary

Principles for these sites

- SHMA evidence percentage split Gloucester City (282) to Tewkesbury Borough (126) equates to 70% to Gloucester City and 30% to Tewkesbury Borough.
- On all sites, all the land is within Tewkesbury Borough administrative boundary so the properties developed will have an equal priority in terms of local connection to Gloucester City AND Tewkesbury Borough. Local connection will then cascade to Cheltenham Borough. It is thought that this approach will result in a 70/30% split between the two areas as Gloucester City has a greater number of applicants with a higher housing need.
- On the second and subsequent lets/sales households with a local connection to Gloucester City AND Tewkesbury Borough administrative areas will have priority.

APPENDIX 1

Quick view tables

Cheltenham urban extensions

First lets and sales household local connection cascade

	Land within the Cheltenham Borough	Land within the Tewksbury Borough
1st Priority Area(s)	100% Cheltenham Borough households	Cheltenham Borough households and Tewkesbury Borough households equally
2nd Priority Area(s)	Rest of Gloucestershire	Gloucester City households
3rd Priority Area(s)	N/A	Rest of Gloucestershire

Second and subsequent lets and sales household local connection cascade

	Land within the Cheltenham Borough	Land within the Tewksbury Borough
1st Priority Area(s)	100% Cheltenham Borough households	Cheltenham Borough households and Tewkesbury Borough households equally
2nd Priority Area(s)	Rest of Gloucestershire	Gloucester City households
3rd Priority Area(s)	N/A	Rest of Gloucestershire

Gloucester urban extensions

First lets and sales household local connection cascade

1st Priority Area(s)	Gloucester City households and Tewkesbury Borough households equally
2nd Priority Area(s)	Cheltenham Borough households
3rd Priority Area(s)	Rest of Gloucestershire

Second and subsequent lets and sales household local connection cascade

1st Priority Area(s)	Gloucester City households and Tewkesbury Borough households equally
2nd Priority Area(s)	Cheltenham Borough households
3rd Priority Area(s)	Rest of Gloucestershire