



**OPEN REPORT
COMMUNITY AND ENVIRONMENT COMMITTEE**

Community and Environment Committee – 30th July 2024

AFFORDABLE HOUSING DELIVERY PROGRAMME

Report of the Director of Housing

Report Author and Contact Details

Robert Cogings, Director of Housing,
01629 761354 or robert.cogings@derbyshiredales.gov.uk

Jeremy Mason, Rural Housing Enabler,
01629 761256, jeremy.mason@derbyshiredales.gov.uk

Niki Wells, Housing Needs and Research Officer,
01629 761186 or niki.wells@derbyshiredales.gov.uk

Wards Affected

All

Report Summary

This report brings together the different elements of the affordable housing delivery program for Members to review and endorse. Affordable housing is delivered via S106 schemes, direct provision by Housing Associations, council housing and community led schemes. Delivery is dependent on availability of capital finance and grant programmes, provider confidence as well as a range of other key factors that are part of the development process including land, planning consents and provider capacity.

Recommendation

1. That Committee endorses the priority list of schemes set out in paragraph 3.1.
2. That officers prepare affordable housing proposals for inclusion in the next round of the capital programme.

List of Appendices

Nil

Background Papers

Consideration of report by Council or other committee

No

Council Approval Required

No

Exempt from Press or Public

No

AFFORDABLE HOUSING DELIVERY PROGRAMME

1. Background

- 1.1 Affordable housing provision within the market towns and protected landscapes of the Derbyshire Dales remains challenging. The post covid period and the cost of living crisis, coupled with the historically low-wage economy of the district, has ensured local need for affordable housing continues to outstrip available supply. Turnover of the existing social housing stock, supplemented by new provision, continues to fall short of the expressed housing needs.
- 1.2 The District Council entered the market of Registered Providers in 2021 and now owns 40 properties, with 38 as social rent and 2 as shared ownership. These have been delivered primarily through utilising off-site S106 contributions, government grant via the Local Authority Housing Fund (Rounds 1 and 2) and Homes England grant. The context remains challenging for housing providers, particularly given the cost of borrowing and the focus on improving their existing stock following the Grenfell tragedy and damp and mould. There is also the heightened level of regulation and oversight by the Regulator of Social Housing and the Housing Ombudsman. The cost and availability of materials and skilled labour is also an issue. For rural authorities like the Derbyshire Dales, remoteness of housing stock and the distance contractors need to travel also adds cost. All these factors limit the resources Registered Providers can spend on building new homes.
- 1.3 Despite these challenges, housing associations remain keen to deliver affordable homes in the Derbyshire Dales. The 'not for profit' providers such as Platform, Nottingham Community HA and Peak District Rural HA have schemes in their programs; whilst the 'for profit' sector such as Sage and Halo have some interest in s106 schemes. Smaller community led housing providers such as those in Youlgreave and Bradwell, continue to make important contributions in their localities. Faith groups, Almshouse Trusts and other community providers also make contributions from time to time. Given the range of providers and the different challenges each faces to deliver, the Council's enabling role remains central to ensuring a continuous pipeline of new homes across the affordable housing sector.
- 1.4 The outturn performance for 2023/24 delivered 51 homes, which is below the Council's rolling average of 67 homes per year. Table 1 below provides the details of the outturn. The 5 homes at Monyash are included to reflect the Council's own housing delivery. The properties were transferred from another registered provider so do not represent new additions, though 3 had been empty for several years. These are now occupied in part due to the Council's investment.

The key message from Table 1 is the amount of delivery via S106 sites, with 75% of the programme delivered through market sites that are required to provide a proportion of their homes as affordable housing.

Table 1 Affordable Housing Completions 2023/24

Village/Town	Scheme	S106 site	Registered Provider (Housing Association)	Units
Bradwell Head Rd, Swift Close, Bradwell	2 bedroom social rented units	Yes	Peak District Rural HA (owned by Bradwell CLT)	6
Elleby Place, Ashbourne	2 bedroom Shared Ownership units	Yes	Platform	7
Turnpike Way, Ashbourne	2 bedroom social rented units	Yes	DDDC (managed by NCHA)	3
Soldiers Croft, Monyash	4 x 2 beds, 1 x 3 bed – all social rented units	No	DDDC (managed by NCHA)	5
Weavers Road, Hardy Close, Darley Dale	3 x 2 bed houses, 6 x 2 bed bungalows (affordable rent)	Yes	Sage Homes	9
Weavers Road, Hardy Close, Darley Dale	Discounted market sale	Yes	Persimmon Homes	5
Fern Close, Tansley	5 for local people (3 social rented/2 shared ownership) 3 for the LAHF programme (all social rent).	Yes	DDDC (managed by NCHA)	8
Ashbourne	Properties for the LAHF programme (all social rented). 2 x 1 bed flats 2 x 2 bed flats 2 x 2 bed houses 3 x 3 bed houses 2 x 4 bed houses	No	DDDC (managed by NCHA)	11
Highfield Drive, Bakewell	2 bed (social rented) for the LAHF programme	No	DDDC (managed by NCHA)	1
Rowan Close, Darley Dale	2 bed (social rented) for the LAHF programme	No	DDDC (managed by NCHA)	1
Total	40 x for local residents 16 x LAHF programme			56

- 1.5 Table 2 below sets out the programme for 2024/25, which is projected to deliver up to 80 homes across a number of small to medium sized sites. Whilst S106 provision is only 22% of the programme in this year, 50% is by direct provision via housing associations, notably Nottingham Community HA and their eco scheme in Ashbourne. This scheme was part funded by a significant grant from the District Council of £0.5m and will deliver new energy efficient timber framed homes, with air source heat pumps and solar panels.
- 1.6 The main risk to the programme is the Local Authority Housing Fund round 3 allocation (LAHF3). Despite the Council's Expression of Interest submitted in March 2024, there has not yet been any confirmation that funding will be made available. Even if the LAHF3 programme is confirmed relatively soon, this will place considerable pressure on the service to deliver 20 homes by the end of the year. The majority of the programme will likely come forward in 2025/26 and the total programme will mostly rely on acquisitions given the tight timescale. Officers have already been working up opportunities in the event the LAHF3 grant is confirmed.

Table 2: Projected Affordable Housing Completions 2024/25

Village/Town	Scheme	s106 site	Registered Provider or Community Led Organisation	Status	Units
Yeld Rd, Bakewell	1 x 1 bed 2 x 2 beds Social rented	No	Peak District Rural HA	Completed and occupied	3
Mayfield Road, Ashbourne	17 x rented 18 x SO (6 x 1 beds, 18 x 2 beds, 13 x 3 beds)	No	NCHA	Completion due summer 2024	37
Marston Lane, Doveridge	2 rented 2 SO 2 first homes	Yes	DDDC (managed by NCHA). First Homes are privately owned	Completion due summer 2024	6
Normanhurst Park, Darley Dale	First Homes	Yes	Woodall Homes	Completion due in Q3	2
Thatchers Croft, Tansley	1 x 1 bed flat 2 x 2 bed houses 1 x 3 bed house	Yes	PDRHA	Completion due summer 2024	4
Tansley House Gardens, Tansley	4 x First Homes 2 x SO units	Yes	Halo	Completion due summer 2024	6

LAHF Round 3 (awaiting funding allocation)	Up to 20 homes	No	DDDC (managed by NCHA)	From Q2 onwards	20
Matlock Green, Matlock	2 x 1 bed flats	No	Harrison Almshouse Trust	Q4 2024/25	2
Total					80

1.7 There is much more uncertainty around the programme beyond 2024/25, given the complexities of the development process and the reliance on other organisations to support delivery. Table 3 sets out the known long list of opportunities. Some are progressing well and others are at a very early stage of assessment. The following schemes are likely to require financial support from the District Council, either delivering the schemes as council housing or by financial support to the partner registered provider.

1.8 The current capital programme contains an ongoing allocation of funding for the provision of 20 homes in Tideswell. While a site has been identified and a planning application has been submitted, the scheme has been delayed by new nutrient neutrality requirements. This relates to the treatment of water coming from new developments within the catchment area of certain rivers. Officers will continue to search for a way forward and aim to bring recommendations to a future Committee.

Table 3: Pipeline of potential affordable housing programme for 2025/26/27

Village/Town	Scheme	S106 site	Status	Provider	Potential year	No. of units
Hannah Bowman Way, Youlgrave	2 x 3 bedroom houses, 2 x 2 bedroom houses, 2 x ground floor 1 bed flats, 2 x first floor 1 bed flats, 1 x bungalow	No	Starting on site 2024, completion anticipated 2026.	PDRHA	2025/26	9
Washgreen, Wirksworth	1 x 2 bed house 2 x 1 bed flats £586,505 allocated in capital programme	No	Planning application submitted March 2024, completion anticipated 2025.	DDDC (managed by NCHA)	2025/26	3
Cavendish Drive, Ashbourne	6 x 2 beds 4 x 3 beds	Yes		NCHA	tbc	10

Eyam	Potentially 3 or more homes	No	Hydrology reports completed; ground investigations required	DDDC (managed by NCHA)	2026/27	3
Parwich	tbc	No		DDDC/PDRHA	2026/27	4
Bakewell	40	No		TBC	2025/26	40
Hathersage	tbc	No		PDRHA	2026/27	14
Tideswell	Delayed due to Nutrient Neutrality. Capital programme allocation £412,500	No		NCHA	Tbc	20
LAHF Round 3	Up to 30 homes		Subject to EOI	DDDC (managed by NCHA)	2025/26	30
Total						113

1.9 As discussed above, the delivery of affordable homes through S106 schemes is a key feature of the overall affordable housing delivery programme. Building new homes carries a great deal of risk and upfront capital finance. Affordable homes are usually provided on site or via an off-site cash contribution to fund affordable housing elsewhere. Such provision is market led and takes place when private developers hit trigger points within their planning consents. It is therefore difficult to be precise about when such schemes will come forward. Table 4 below sets out the long list of S106 sites currently in the planning system. There are some gaps and more work is needed to assess the full extent of the programme, taking into account planning consents, refusals and appeals.

1.10 S106 homes are sold at a discount by the developer to registered providers, usually via a tender. As mentioned in the background to this report, registered providers are struggling with other priorities that take up much of their capital financing. It is clear that many housing associations have withdrawn from the S106 market or have significantly reduced the numbers they are prepared to buy and/or the areas they will operate in. The Council has successfully bought 23 homes across three S106 schemes with a fourth scheme on the way in Doveridge. Whilst the Council can help meet some of the demand, the

affordable homes in the Table below have a value of around £37m. S106 homes are sold a substantial discount but total value is still very high.

Table 4: Number of Affordable Housing units on Developer Led sites with outline or detailed planning permission

Scheme	No. of affordable units	S106 agreement completed	Planning Ref.
Land East Of 91 Belper Road, Ashbourne	7		23/00553/OUT
Land South Of Mercaston Lane And East Of Luke Lane, Brailsford	0	Yes (15/01/2019)	23/00463/FUL
Land East Of Dog Lane, Hulland Ward	5		23/00435/FUL
Land To Rear Farm Cottage, Old Hackney Lane, Hackney	12		23/00363/FUL
Meynell Hunt Kennels, Ashbourne Road, Sudbury, Ashbourne	Off-site contribution		23/00209/FUL
Land South East Of Marston Bank Farm, Barway, Marston Montgomery	2		22/01389/FUL
Land Between Ashbourne Airfield And Derby Road Yeldersley	39	Yes (30/03/2017)	22/00641/REM
Former Highfield House Nursing Home, 28 Clifton Road, Ashbourne	0		23/00223/FUL
Land To The North Of Jacksons Ley, Middleton By Wirksworth	17		23/00229/FUL
Land Off Chesterfield Road & Quarry Lane, Matlock	23	Yes (16/03/2023)	23/00695/REM
Hall Dale Quarry, Snitterton Road, Snitterton, Matlock	0		22/01371/FUL
Land East Of Dog Lane Hulland Ward	3		23/00038/OUT
Land Off Millers Green, Wirksworth	2		19/00455/OUT
8 - 10 Snitterton Road, Matlock, DE4 3LZ			20/01332/FUL
Leys Farm, Wyaston Road, Ashbourne, DE6 1NB			20/01189/FUL
St John Street, Ashbourne, DE6 1GP	(offsite potentially)		20/01078/FUL
Land off Wheeldon Way, Hulland	21		14/00698/OUT, 19/00159/REM
Land Off Derby Road (to the East of Bakers Lane), Doveridge	11		15/00389/OUT & 18/00891/REM
Land South of Dale Road North, Darley Dale	20	Yes (14/03/2019)	17/01243/FUL

Land off Old Derby Road	33		18/00223/FUL and 18/00214/VCOND
Land South Of Main Road, Brailsford	23 (but Rob suggesting 6-8 on site discounted to £1)		23/00616/OUT - 24/00012/HEAR
Land Between Sandy Lane, Bent Lane And Gritstone Road, Matlock	62	Refused, subject to appeal	18/01242/EIA
Land To The Rear Of Windsor Close, Ashbourne	13		23/00636/OUT
Lot 2, Leys Farm, Wyaston Road, Ashbourne	22	Approved on appeal	22/01339/FUL
Land North of Hawthorn House, Clifton Road, Clifton	0		23/01102/FUL
Lumsdale Mill, Lumsdale Rd, Lower Lumsdale			24/00030/FUL
Land North East Of Windsor Close, Ashbourne			24/00097/OUT
Plot 5 at Land At Chequers Farm Workshop, Millers Green, Wirksworth			24/00070/VCOND - Variation of 22/00634/REM
Royal Bank of Scotland, 8 Snitterton Road, Matlock			23/01229/FUL
Land at Biggin View, Hulland Ward	2	Yes (24/10/2023)	22/00008/OUT
Land adjacent Bakewell Road, Matlock	17	Yes (12/01/2017)	15/00814/OUT 19/01140/VCOND 19/01188/REM
Total	338		

2. Key Issues

2.1 As set out above the Council can demonstrate a reasonable track record of delivery of affordable homes with a healthy pipeline of direct provision by Registered Providers and the Council. The numbers of S106 units is a concern because of the limited number of housing associations who want to buy such homes and the total investment required. However they are coming forward as market schemes gain approval and so they generally have a reasonable level of certainty. Rural developments led by registered providers take time to evolve into opportunities. At an early stage, the financial risk is minimal, though some funds are needed to support the cost of appraisals and assessing viability.

2.2 The Council has established partners who remain open to development opportunities provided the conditions are right for their business. There are some new providers wanting to invest locally and the Council's own council

housing programme will play a role in the wider delivery. Other councils are facing the same S106 challenges and the Local Government Association have been working either side of the general election with government officials to understand the problem further and help find ways forward.

- 2.3 The Local Authority Housing Fund rounds 1, 2 and 3 continue a theme of direct investment by government for local authorities to help shape their housing markets. The grant rates are encouraging, and many councils have responded positively to the opportunity (though many haven't) where they have established delivery mechanisms. Councils are waiting for further announcements concerning the outcome of LAHF3.
- 2.4 Working with Community Land Trusts, faith groups, Almshouses and other small providers can harness the energy and resources of such groups to deliver new affordable homes. These are often in a specific village or focused on supporting a particular vulnerable group. The Council will continue to offer support and resources to help groups access grants and expertise to assist their growth.

3. Options Considered and Recommended Proposal

- 3.1 Given the limited capital resources available and the current known deliverability of each scheme, officers are proposing a programme in priority order as set out below:
 - LAHF3. In the event this funding is confirmed, a further report will need to be prepared to include the scheme in the capital programme. The scheme will rely on the acquisition of existing homes.
 - Washgreen, Wirksworth. This is a council housing scheme on land in Council and Platform ownership. A planning application has already been submitted and the scheme has a high likelihood of progressing. The scheme is already in the capital programme and Homes England grant will also be sought
 - Youlgreave. This scheme is very well advanced with a site identified and strong support from the community and PDNPA. The Housing Department has been working with partners for the last 2 to 3 years to bring this scheme forward. A financial contribution has been requested by the registered provider to support delivery of the scheme. This will be subject to a future bid to the Council's capital programme.
 - Bakewell. Work has been ongoing to support a new and significant affordable housing scheme in Bakewell. Considerable pre application work has taken place. This scheme is likely to seek financial support from the District Council.
 - Parwich/Eyam/Hathersage. These three opportunities are all at a similar stage with sites identified and negotiations taking place with landowners. There is community support for these schemes, but each has one or more constraints linked to landscape, planning support, landowner expectations, ground conditions, drainage, surface water, existing use and other community aspirations that complicate delivery. Officers will continue to support the enabling

work required to assess the deliverability of these opportunities. The Council established an enabling fund in 2022/23 which is now nearly depleted. Additional resources will be required to fund further surveys and assessments and this will be the subject of a future report.

- 3.2 The Corporate Plan includes measures to boost the Council's delivery of affordable homes. Officers are working on a brief to support the understanding of the capital finance options open to the Council that might lead to more council homes.

4. Consultation

- 4.1 Consultation takes place within each scheme, either through the planning process with S106 sites or through community engagement with registered provider schemes.

5. Timetable for Implementation

- 5.1 The schemes detailed within the report are programmed over the short to medium term.

6. Policy Implications

- 6.1 New affordable homes has a positive economic impact, reduces the government's expenditure on benefits and provides energy efficient homes for future generations. Provision also supports the Council's efforts to reduce homelessness and reduce the need for temporary accommodation.

7. Financial and Resource Implications

- 7.1 The capital funding required to buy homes is largely based on S106 payments made by private developers. Other sources of income include first tranche and subsequent equity purchases of shared ownership properties, disposal receipts, Homes England grants and potentially Right To Buy receipts. All of these sources come at no direct cost to the Council. A reasonable programme of new homes reflecting the Council's rolling of average of 67 homes per year should be deliverable within the current available resources.

- 7.2 Considering other finance options is the subject of the proposals set out in para 3.2.

8. Legal Advice and Implications

- 8.1 This report brings together the different elements of the affordable housing delivery program for Members to review and endorse.
- 8.2 The legal risk if the two recommendations are approved by Members is assessed as low.

9. Equalities Implications

- 9.1 There are no direct equality issues relating to the report, although more affordable homes have a positive impact on households in need of warm, efficient and secure homes.

10. Climate Change Implications

- 10.1 There are no climate change implications to report, other than repeating the existing commitment to achieve EPC B on all acquired properties. Given the homes to be purchased will be relatively new, the homes should already achieve EPC B. Empty homes purchased and brought back into use will help reduce the need to release new land for development.

11. Risk Management

- 11.1 There are no direct risks relating to this report itself. However development of affordable homes inevitably carries risk and this will need to be considered by the organisations taking forward their own schemes. The main risk already alluded to in this report concerns S106 schemes which remain unsold. The impact on the developer and their planning permission could see affordable homes sold as market homes. This would be the worst possible outcome for households unable to buy open market homes.

Report Authorisation

Approvals obtained from Statutory Officers:-

	Named Officer	Date
Chief Executive	Steve Capes	19 July 2024
S.151 Officer (or Financial Services Manager)	Gemma Hadfield	22/07/2024
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	22/07/2024