
Meeting	Business Management Overview and Scrutiny Committee
Date	11 March 2014
Subject	Local Authority New-Build Programme
Report of	Housing and Environment Lead Commissioner
Summary of Report	This report provides an update of the progress of the local authority new-build programme approved at the Cabinet Resources Committee on 24 June 2013.

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Status (public or exempt)	Public
Wards Affected	All
Function of	Business Management Overview and Scrutiny Committee
Enclosures	None
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1. RECOMMENDATION

- 1.1 That the Committee consider the update on the Local Authority New-Build Programme as set out in the report and make appropriate comments and/or recommendations to the Cabinet Member for Housing

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 24 June 2013 - approved funding and property arrangements for Barnet Homes to build 41 new affordable homes on behalf of the Council.
- 2.2 Cabinet, 25 February 2013 – approved the Council’s Business Plan 2013/14 - 2015/16, which included an overview of the Housing Revenue Account Business Plan (Appendix 7) and the potential need for additional spend of up to £32.5m on the council’s housing stock.
- 2.3 Cabinet approved the existing Housing Strategy on 12 April 2010 (Agenda Item 8). Cabinet approved Barnet’s approach to social housing reforms and how they relate to the existing Housing Strategy on 14 September 2011 (Agenda Item 6). Cabinet also approved the Council’s Regeneration Strategy at this meeting (Agenda item 7).

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The local authority new-build programme will contribute to the Corporate Plan 2013-2016 strategic objective to “**Promote responsible growth, development, and success across the borough**”. In particular, the new affordable homes will help the council to achieve the priority outcome to maintain the right environment for a strong and diverse local economy through the delivery of new affordable homes. The building of 41 new local authority homes will assist the Council in its growth strategy to create more than 3,000 new homes over the next five years.
- 3.2 The programme supports the Council’s Housing Strategy 2010-2025 which includes “Increasing housing supply, including family sized homes” and “Promoting mixed communities and maximising opportunities available for those wishing to own their home” as strategic objectives.
- 3.3 The programme also supports the Council’s Regeneration Strategy strategic objective to “Deliver sustainable housing growth and infrastructure, and improve the condition and sustainability of the existing housing stock” and “Enhance Barnet as a Successful London Suburb through delivery of quality new places and neighbourhoods in the areas of the borough in greatest need of investment and renewal”.

4. RISK MANAGEMENT ISSUES

- 4.1 All sites selected for residential development will need to be evaluated by the Council’s property services and legal teams to ensure that new housing development is possible and any easements or restriction that could affect the

development will be dealt with in an appropriate way. For example, it may be necessary to appropriate the land for planning purposes to facilitate the development.

- 4.2 There is a risk that not all the sites identified will be successful in obtaining planning permission. To mitigate against this, pre-application meetings will be held with named planning officers to provide advice.
- 4.3 Costs will be controlled through regular monitoring by the council to ensure the schemes deliver within the assigned budget.
- 4.4 It is proposed to fund the new-build programme through usable right to buy receipts. Failure to spend these will result in the receipts being returned to the government with interest.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Pursuant to the Equality Act 2010, the council has a legislative duty to have “due regard” to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act, advancing equality of opportunity between those with a protected characteristic and those without, and promoting good relations between those with protected characteristics and those without. The protected characteristics include age, race, disability, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation. The protected characteristics also include marriage and civil partnership with regard to eliminating discrimination.
- 5.2 The new affordable housing units built under this programme will be let in accordance with the council’s housing allocations scheme. The latest scheme was approved in September 2013 and was subject to a full equalities impact assessment to ensure it does not disadvantage any households on the basis of ethnicity, faith, gender, disability or sexual orientation or age. The scheme has also been subject to extensive consultation with residents and housing applicants.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The scheme has been capped at a total cost of £7.660m to build 41 affordable homes. This will be funded through usable capital receipts achieved through right to buy sales and supported by HRA surpluses from the balance account. The HRA modelling shows that the HRA can support this level of funding and still retain capacity to deliver on other priorities in the HRA business plan including supported housing and regeneration.
- 6.2 The land at Alexandra Road, N10, used to be a car park for the use of residents from the surrounding housing estate but was no longer required for this purpose and was appropriated for the development of 3 new-build family homes.
- 6.3 The Cabinet Resources Committee report on 24 June 2013 identified a number of other sites for the development of 38 additional homes at a cost of

not more than £7,093m. These sites are indicated in the table below. However, it was also established that if these sites did not progress then Barnet Homes would have the opportunity to submit other sites to replace them on the understanding that the total number of homes to be built and the overall cost did not change.

Site	Planning application submission	Start on site	Practical completion	Outputs in number of homes
Brent Place, EN5	September 2013	January 2014	December 2015	9
Haldane Close, N10	September 2013	January 2014	December 2015	13
Tarling Road, N2	October 2013	March 2014	February 2015	8
Warwick Close, EN4	September 2013	March 2014	February 2015	8
Total units				38

3.1

7. LEGAL ISSUES

7.1 The Council has a power under s122 of the Local Government Act 1972 to appropriate land from one statutory purpose to another where:

- The land is no longer required for the purpose for which it is currently held; and
- The purpose for which the land is to be appropriated is one for which the authority is empowered to acquire land by agreement.

7.2 The procurement of construction works must comply with the Public Contracts Regulations 2006 (as amended) where the works value exceeds the relevant statutory threshold.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

8.1 The Terms of Reference of the Overview and Scrutiny Committees are set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution).

8.2 Item 8 of the Business Management Overview and Scrutiny Committee Terms of Reference states that its role is:

“To have responsibility for the review of the policy framework and development of policy and strategy not within the remit of other overview and scrutiny committees”.

9. BACKGROUND INFORMATION

9.1 As is the case across most of London, Barnet Council is experiencing a rising cost in housing homeless households in temporary accommodation in its

duties as a housing authority. This cost is being pushed up by market conditions, particularly in the private rented sector and is exacerbated by the cap on the total benefits a household can receive. There is then a gap between what a household can pay and the cost of the temporary accommodation they are housed in and the council is currently meeting that gap. It therefore makes sense for the council to use its ability to build new housing to mitigate that cost (alongside a series of other measures). Sites have been identified on land that is within the curtilage of existing council housing estates that could provide up to 300 new-build homes over the next 10 years. This will assist the council in providing homes needed for Barnet residents.

- 9.2 As part of this a programme to build at least 41 homes on land on existing housing estates commenced in July 2013. The new homes will be owned by Barnet Council and let to households in housing need in accordance with the council's housing allocations scheme and local tenancy strategy. The council will receive all rent charged on the properties in accordance with the council's rent policy. At the same time the council is drawing up a new housing strategy and the precise make-up of the types of homes built and the rents to be charged on these sites should respond to the conclusions of the new strategy.
- 9.3 Barnet Homes, the council's Arms-Length Management Organisation, is managing the construction process. On completion, the homes will be managed by Barnet Homes in accordance with existing management arrangements for the existing council housing stock.
- 9.4 The first site for re-development is at Alexandra Road, N10. This was previously a car park for the benefit of the surrounding housing estate but has not been used as such for a number of years and is no longer required for this purpose. Therefore, two 4-bedroom and one 3-bedroom houses are being constructed on this site. These are on target to be completed on 19 February 2014 and residents have already been allocated these homes with the tenancies due to start on 21 February 2014.
- 9.5 Barnet Homes were tasked with working up further detailed proposals on other sites to develop a further 38 new-build homes on other sites.
- 9.6 Further to the sites identified in the Cabinet Resources Committee report of 24 June 2013, Barnet Homes has reconfigured the remaining programme and will be shortly formally seeking delegated approval for the changes from the Strategic Director for Growth and Environment as was agreed at the committee meeting. The table below shows the reconfigured sites and when the homes will be completed.

Site	Planning Application Submission	Start on Site	Practical Completion (latest)	Output in No. of Homes
Bedford Road NW7	February 2014	Sept 2014	October 2015	4
Brent Place CN5	April 2014	Sept 2014	October 2015	5
Woodcroft Ave NW7	April 2014	Sept 2014	October 2015	2
Tarling Road N2	March 2014	Sept 2014	October 2015	8
Haldene Road N10	March 2014	Sept 2014	November 2015	8
Wade Court N10	April 2014	Sept 2014	November 2015	11
Total				38

9.7 The new homes will be predominately family sized accommodation to meet priority housing need. In addition, a number of fully accessible wheelchair homes will be included to meet the needs of applicants with physical disabilities. All the homes will be completed by November 2015.

10. LIST OF BACKGROUND PAPERS

10.1 Interim Update Report on the Growth and Regeneration Programme:
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=119&MID=7689#A15700>

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