

Meeting: Housing Sub-Committee

Date: 21 March 2022

Title: Progress Update on the Affordable Homes Programme

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Service: Housing & Property Services

Wards affected: All

1. Purpose of Report

To provide the Housing Sub-Committee with details of changes to the Affordable Homes Programme and provide an update on delivery of affordable homes in 2021/22 and plans for 2022/23.

2. Recommendations

- To note the progress to date and anticipated delivery going forward.

3. Details

The Mayor and Cabinet clearly stated their policy intention in the Our North Tyneside Plan that the Authority will deliver “more quality affordable homes.” At its meeting on 14 October 2013, Cabinet confirmed its commitment to delivering 3,000 affordable homes.

The programme has been a significant success to date with 1,916 affordable homes expected to have been delivered by the end of 2021/22 including 573 homes directly delivered by the Authority. This performance represents a 135% improvement on the ten years prior to the programme starting.

The Our North Tyneside Plan was approved at full Council on 23 September 2021 increasing the delivery target to 5,000 affordable homes and confirming a commitment to reduce the number of derelict properties across the borough. This new, ambitious target increases the previous delivery target by 1,000 affordable homes whilst remaining within the Authority’s objectively assessed housing need and in line with the North Tyneside Local Plan that was adopted in July 2017. To meet this challenge the target of 5,000 homes will be delivered in two phases.

Phase one will see the delivery of a further 2,000 affordable homes bringing the Phase One total to 4,000 by 2032. This will include the delivery of a ten-year HRA plan that will deliver around 350 new Council homes, utilising new technology to reduce carbon emissions, supporting the Authority’s work in response to the climate emergency declaration.

Phase two of the plan will consist of several workstreams to deliver the additional 1,000 homes. These include:

- Identifying potential ‘windfall’ opportunities for both the Authority and private developers
- Exploring the potential of brownfield sites that could be used to provide new affordable homes
- Increasing the number of derelict properties that are brought back as affordable homes
- And further increase the delivery of affordable homes through the North Tyneside Trading Company Limited

4. Affordable Homes Programme 2021/22

In 2021/22, 266 new affordable homes were delivered. A full breakdown of the overall delivery programme is given in Appendix 2.

4.1 Council Housing

The Ten-Year Delivery Plan for the Housing Revenue Account was approved by Cabinet in January 2021 and aims to significantly increase the number of Authority owned homes. The plan includes further investment of circa £50m and will deliver around 350 new affordable homes by 2032 including at least 300 new Authority homes. This plan is reviewed and adjusted on an annual basis and the current ten-year programme is provided in Appendix 2.

The Authority, through the Housing Revenue Account, built 12 new homes and converted 11 empty homes into 7 affordable homes in 2021/22. Details of the work this year include:

- **The Cedars (Collingwood Ward)** - 12 new affordable homes were delivered on the site of the former resource centre, comprising 8 two bed and 4 three bed houses.
- **Charlotte Street (Wallsend Ward)** – 11 problematic empty homes were renovated and converted into 7 affordable homes. The scheme comprises 4, three bed houses and 3, two bed flats.
- **Homes England’s Rough Sleepers Accommodation Programme (RSAP)** - The Authority successfully bid for grant funding from to purchase 5 homes from the open market and convert them to affordable homes. These homes have been purchased and support put in place for meeting the tenants’ needs.

4.2 Reducing the number of Derelict Properties

The Authority has continued to bring back derelict and empty homes for use as affordable homes. This includes targeting long-term empty properties and working with owners who may be struggling to maintain their rental properties.

Phase one of the AHP will see between at least 60 derelict homes targeted with further plans being developed to increase this number significantly. In-line with the Authority’s Housing Strategy, the Authority continues to work with homeowners, private landlords, landlord groups and communities to focus on bringing derelict properties and empty homes back into use, where possible as affordable homes.

In 2021/22, 8 long-term empty properties were returned to use as affordable housing homes by the Local Authority.

4.3 Working with Registered/Care Providers

The Authority continues to work closely with RPs and Care Providers to identify opportunities to meet housing need in the Borough.

Riverside Housing completed 50 affordable homes on the site of West Chirton industrial estate, North Shields. The homes are a mix of affordable rent and intermediate affordable housing.

Bernicia delivered 11 new affordable homes at East View Terrace, Dudley. The development comprises of 8, two bed and 3, three bed houses for affordable rent.

Age UK have completed the development of a 40-unit extra care scheme at Backworth Park. The scheme comprises 28 one bed apartments and 2 bed bungalows for older persons with dementia.

Galliford Try have completed the construction of a 64-bed extra care scheme on the behalf of Housing 21. The scheme comprises 45, one bed and 19, two bed apartments off Stanton Road, Cullercoats.

4.4 Private Developers

The largest volume of homes within Phase One of the programme will be delivered by private developers who are subject to ever changing market conditions. The decision on when to bring forward large sites for development are not within the Authority's direct control and the AHP is heavily reliant on the strategic sites at the Murton Gap and Killingworth Moor coming forward. It is expected that private developers will contribute circa 1,500 homes in Phase One of the AHP.

In 2021/22 a total of 54 new homes have been delivered across North Tyneside by private developers.

4.5 Aurora Affordable Homes

The North Tyneside Trading Company Limited through its subsidiary Aurora Affordable Homes, currently has plans in place to increase its asset base to 100 affordable homes in 2022/2023 as part of Phase One of the AHP.

In 2021/22, the Company successfully acquired 15 new homes from the open market to be let at an intermediate affordable rent. By the end of this financial year the Company aims to own 72 homes which are spread across the Borough in areas of high demand for homes.

5. Work Planned for 2022/23

275 affordable homes are expected to be delivered in 2022/23. A breakdown is provided in Appendix 3.

5.1 Council Housing

The Authority through its HRA will deliver 21 new homes in 2022/23. The new schemes being brought forward are:

- **Falmouth Road garage site** – 9 modular bungalows using the innovative HUSK system will be delivered on the site of Authority garages at Falmouth Road.
- **Battle Hill garage sites** – 10 modular bungalows will be delivered at the site of unused garages in Battle Hill.
- **25-26 Wellington Avenue, Wellfield** – The former children's home will be refurbished and converted into 2, three bed semi-detached affordable homes.

5.2 Working with Registered/Care Providers

The Authority continues to work in partnership with Registered Providers who are expected to provide 99 affordable homes in 2022/23. These include:

- **West Chirton Industrial Estate South phase 2** – 50 new homes are expected to be completed at Riverside's development of Norham Road North Shields.
- **Castle Square, Backworth** – 32 new affordable homes at the former HRA site at Castle Square will be completed by Bernicia in 2022.
- **Action Building Maintenance, Oswin Road** – 16 affordable homes for vulnerable clients with mental health issues are expected to be completed by Mersten Limited.

5.3 Reducing the number of Derelict Properties

Whilst the number of long-term empty and derelict properties continues to reduce in North Tyneside, the programme will continue to target properties that are causing blight. The Authority will continue to use the Repair and Manage programme to refurbish long-term empty homes and take ownership of them until all costs have been repaid. This approach will deliver at least 6 affordable homes in 2022/23 but further opportunities will be considered if and when required.

5.4 Private Developers

The number of affordable homes delivered through planning obligations is expected to be 122 affordable homes delivered in 2022/23. Additional affordable homes will continue to be secured through Section 106 requirements in the future as further planning applications are submitted by private developers.

5.5 Aurora Affordable Homes

The North Tyneside Trading Company Limited through its subsidiary Aurora Affordable Homes will deliver at least 23 affordable homes in 2022/23 to bring the total number of owned to 100. The Council has formally requested that the Company consider increasing its delivery targets.

6. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author.

- (1) [Cabinet Paper February 21 2022 ITEM TITLE: "Delivering 5000 Affordable Homes and Reducing Derelict Properties in North Tyneside"](#)
- (2) [Cabinet Paper January 25 2021 ITEM title: "Supporting the Ambition for North Tyneside through Housing Growth"](#)
- (3) [Appendix 4 January 25 2021 ITEM title: "A 10-year Affordable Homes Delivery Plan for North Tyneside Council"](#)
- (4) [Planning for the Future – White Paper August 2020](#)
- (5) [Cabinet Paper May 28 2019 ITEM title: "Delivering the Affordable Homes Programme"](#)
- (6) [Cabinet Paper April 9 2018 ITEM title: "Delivering the Affordable Homes Programme"](#)
- (7) [Cabinet Paper March 13 2017 ITEM title: "Delivering the Affordable Homes Programme"](#)
- (8) [Cabinet Paper September 14 2015 ITEM title: "Delivering Affordable Homes - Update" ../..../Business Devpt/Affordable Homes/BOARDS and Cabinet/Cabinet/October 2013/7k Delivering Affordable Homes FINAL.doc](#)
- (9) [Cabinet Paper March 9 2015 ITEM title: "Delivering Affordable Homes - Update" ../..../Business Devpt/Affordable Homes/BOARDS and Cabinet/Cabinet/October 2013/7k Delivering Affordable Homes FINAL.doc](#)
- (10) [Cabinet Paper March 10 2014 ITEM title: "Delivering Affordable Homes - Update"](#)
- (11) [Cabinet Paper October 14 2013 ITEM title: "Delivering Affordable Homes"](#)
- (12) [Cabinet Paper February 10 2014 ITEM Title: Empty Homes "Lease to Let Scheme"](#)

(13) [Core Strategy Preferred Options 2010](#)

(14) [Local Plan 2015-2030](#)

Appendix 1

Phase One Delivery Programme - 2021/22

DEVELOPMENT	DELIVERY METHOD	HOMES
Scaffold Hill	Private Developers	20
Former Grange Interiors	Private Developers	8
Field North Of 45 Sunholme Drive	Private Developers	14
Land East of Salters Lane	Private Developers	12
The Cedars	Council Housing	12
Charlotte Street regen	Council Housing	7
Various locations	RSAP Council Housing	5
Land North Of, East View Terrace, Dudley	Registered / Care Providers	11
West Chirton Industrial Estate South phase 2	Registered / Care Providers	50
Land North West Of, Brierdene Way, Backworth	Registered / Care Providers	40
Land Adjacent To 43 Stanton Road, Cullercoats	Registered / Care Providers	64
Various locations	Empty Homes	8
Various locations	Aurora Affordable Homes	15
Total (homes delivered by 31 March 2022)		266

Appendix 2 – Sites included within the new ten-year HRA plan

Scheme	Scheme Description	Potential No. of affordable homes	Programmed Construction Phase (Start dates)	Budget Estimate (£m)
Former Bawtry Court, Battle Hill Ward	Work is underway to provide a mix of affordable homes on the former Bawtry Care homes site in Battle Hill	9	Complete 2021/22	-
Edwin Grove, Howdon Ward	Work is underway to provide three new general needs homes on a former children's home in the Howdon ward	3	Complete 2021/22	-
The Cedars, Collingwood Ward	Work is underway to build 12 new affordable homes on the site of the former care home at the Cedars in Collingwood Ward	12	Complete 2021/22	-
Charlotte Street, Wallsend Ward	The regeneration of Charlotte Street will see several long-term empty homes brought back into use as affordable	11	Complete 2021/22	-
Garage Site, Falmouth Road - Collingwood Ward	It is proposed that a small brownfield garage site is used The proposal is to use the HUSK MMC solution to build new bungalows	9	Jan 2022	£1.344m
Various Garage Sites - Battle Hill	6 small brownfield garage sites across Battle Hill The proposal is to use the HUSK MMC solution to build new bungalows	10	2022/23	£1.493m
Conversion of Recreation Rooms	Conversion of underutilised Recreation Rooms into affordable homes following consultation with local Ward Members.	7	2022/23	£0.400m
Wellfield Avenue Refurbishment, St Mary's Ward	Based on a successful compulsory purchase of a long-term empty care home that was causing blight, these will be converted into general needs homes	2	2022/23	£0.214m
Murton West – Collingwood Ward	Council owned land within the wider strategic site at Murton Gap will be used to build a new fully affordable council community. The scheme will include a mixture of bungalows and 2,3 & 4 bed affordable homes	120	2023/24	£16.800m
Benton Lane - Benton Ward	Mid-sized site to provide new 2,3, and 4 bed affordable homes	30	2024/25	£3.900m
Charlton Court, Monkseaton South	Charlton Court sheltered scheme was not included within the NT Living project. The plan is to demolish and rebuild the scheme to provide a new 40 bed sheltered scheme and 14 new Council owned, affordable apartments. This development would be contained within the footprint of the existing site	54 new homes – (net gain of 13 affordable homes)	2024/25	£4.359m
Annitsford Farm, Weetslade Ward	This site has already been approved for development but to date has not been taken forward due to constraints. The plan is to design a new 100% owned Council community that considers the noise issues from the airport that is currently constraining the site	100	2026/27	£14.000m

Appendix 3

Phase One Delivery Programme - 2022/23

DEVELOPMENT	DELIVERY METHOD	HOMES
Land East of Salters Lane	Private Developers	27
Moorhouses Reservoir, Billy Mill, North Shields	Private Developers	19
Land to The West of Station Road North and Land South of East Benton Farm Cottages	Private Developers	41
Field North Of 45 Sunholme Drive	Private Developers	9
Tynemouth Jubilee Infirmary	Private Developers	4
Land East Of, 9 Laurel End, Forest Hall	Private Developers	6
West Chirton Industrial Estate South phase 1	Private Developers	8
Howdon Green, Willington Quay	Private Developers	5
Unicorn House	Private Developers	7
25-26 Wellington Avenue, Wellfield	Council Housing	2
Husk / Falmouth Road garages	Council Housing	9
Husk / Battle Hill garages	Council Housing	10
West Chirton Industrial Estate South phase 2	Registered / Care Providers	50
Castle Square	Registered / Care Providers	32
Action Building Maintenance, Oswin Road	Registered / Care Providers	16
Chirton Lodge Ex Warden Flat	Registered / Care Providers	1
TBA	Empty Homes Various	6
TBA	Aurora Affordable Homes Various	23
Total (homes due for completion by 31 March 2023)		275

Appendix 4 – Indicative Affordable Homes Delivery Programme 2014-2032 (Phase one)

Delivery Method	2014 -15	2015 -16	2016 -17	2017 -18	2018 -19	2019 -20	2020 -21	2021 -22	2022 -23	2023 -24	2024 -25	2025 -26	2026 -27	2027 -28	2028 -29	2029 -30	2030 -31	2031 -32	Total
Council Housing	110	171	201	12	26	22	12	24	28	59	17	17	30	33	36	18	18	14	848
Registered / Care Providers	87	18	52	112	10	23	0	165	99	30	0	10	10	10	10	10	10	10	666
Private Developers	55	41	77	146	197	114	58	54	119	143	155	155	130	130	150	150	150	150	2174
Aurora Homes	0	0	13	9	13	13	14	15	23	20	20	20	20	20	0	0	0	0	200
Empty Homes	13	8	4	1	4	8	6	8	6	6	6	6	6	6	6	6	6	6	112
Total	265	238	347	280	250	180	90	266	275	258	198	208	196	199	202	184	184	180	4000
Cumulative Total	265	503	850	1130	1380	1560	1650	1916	2191	2449	2647	2855	3051	3250	3452	3636	3820	4000	