

Meeting: Housing Sub-Committee

Date: 26 September 2022

Title: Affordable Homes Programme Update and Emerging Opportunities

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Service: Housing & Property Services

Wards affected: All

1. Purpose of Report

To provide the Housing Sub-Committee with an update on the delivery of Phase One of the Affordable Homes Programme (AHP) 2022/23 and identify emerging opportunities for Phase 2.

2. Recommendations

- To note the progress to date.

3. Details

The Affordable Homes Programme was launched in 2013, and has delivered 1,934 affordable homes to date, including 573 homes new Council homes. This performance represents a 145% improvement on the ten years prior to the programme starting. Our work to support private landlords and tackle empty and derelict properties continues to improve our communities and since 2019 the number of empty homes in the borough has reduced by 39%.

The Our North Tyneside Plan was approved at full Council on 23 September 2021 increased the affordable homes delivery target to 5,000 and confirmed a commitment to reduce the number of derelict properties across the borough.

This new, ambitious target increased 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 aim to deliver at least 350 new Council homes, utilising new technology to reduce carbon emissions, supporting the Authority's work in response to the climate emergency declaration. The indicative programme for Phase One is included in Appendix 2.

Phase Two of the programme will include work to identify new opportunities to deliver affordable homes. This will include assessing brownfield sites in the borough and actively seeking 'windfall' opportunities for homes that are currently not within the plan.

4. Affordable Homes Programme Phase One Update

In 2022/23, we are forecasting that 215 new affordable homes will be delivered, and a full breakdown of the delivery programme is given in Appendix 1.

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, is currently nearing completion on the innovative HUSK scheme on the former garages at Falmouth Road. The scheme will deliver 9 new affordable homes and is due to complete in October 2022.

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 at least 60 derelict homes targeted with further plans being developed to increase this number significantly.

At the end of quarter 1 2022/23, the team has successfully brought back two, long-term empty or derelict properties into use as affordable in the Howdon Ward. There are also 4 further properties that are being considered and are currently with the legal team to progress.

4.3 Working with Registered/Care Providers

The Authority works in partnership with Registered Providers and to date we have delivered 2 affordable homes with a further 80 homes due to complete later this year. These include:

- **West Chirton Industrial Estate South phase 2** – 33 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.

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. We work proactively with Private Developers to facilitate bringing sites within the Local Plan forward and ensuring that planning applications are submitted with the maximum level of S106 affordable homes that meet the needs of the area. We also assess pipeline developments and contact developers to

understand timescales for delivery. It is expected that private developers will contribute circa 1,500 homes in Phase One of the AHP

This year, a total of 8 new homes have been delivered across North Tyneside by private developers. This number only represents one quarter of the year and will increase significantly over the year with a further 95 homes expected to complete on sites across the borough.

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.

The Company currently owns 78 affordable homes and has a further 3 under offer. The homes include a mixture of houses and flats and they have also recently completed the purchase of a derelict property in Wallsend. By the end of this financial year the Company aims to own 100 homes which are spread across the Borough in areas of high demand for homes and supporting existing and emerging regeneration plans of the Authority.

5. Emerging Plans for Phase Two of the Affordable Homes Programme

Phase two of the AHP consists 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

Work has already begun to identify opportunities and take advantage of new opportunities for delivery, with details provided below.

5.1 Phase Two - Emerging Opportunities

Former West Farm Public House, Killingworth – The identification of new sites suitable for development is a key part of Phase Two. The Authority has recently been able to purchase a brownfield site in Killingworth that has been derelict for several years, causing an eye sore for residents. Designs for the site are being prepared for planning and it is expected that 22 new Council homes will be delivered.

Complete Growth Site and adjacent Brownfield Land, Riverside Ward – The Former Landfill site at Howdon has been identified as a potential Brownfield site that maybe suitable for residential homes. The site adjoins the site that housed the former Complete Growth Nursery that has already been identified as a potential site for new homes.

Both sites have significant known constraints and are subject of a North of Tyne Combined Authority bid for brownfield funding to support further site investigations and potential remediation work.

North Tyneside Trading Company – The Cabinet requested that the Company consider options to go beyond the 100 homes currently forecast and provide more homes. The Company has undertaken some work to explore the possibility of this and believes that it can increase their delivery by another 100 homes by 2025. This will be subject to further work and due diligence which will require Cabinet approval as part of the Company’s Business Plan in quarter 4 of this year.

Empty & Derelict Properties – The current volatility in the housing and construction market may present opportunities for the Council to look to purchase homes or empty derelict properties for the use of affordable homes.

6. Key Challenges and Opportunities

Housing and construction industries continue to deal with market volatility due to several factors arising from the legacy of the global pandemic and the current War in Ukraine. Whilst sales prices and demand for homes remains strong, a risk that higher inflation and interest rates may lead to developers slowing their activity and therefore reducing sales and the provision of affordable homes. The current cost-of-living crisis may also add further pressure on social tenants, private renters, and private landlords.

These risks may lead to a slowdown in new homes being built that could impact on the ability to deliver our targets, however there maybe opportunities for the Authority to look at purchasing more homes either from developers or private landlords and tackling more empty and derelict properties to ensure that affordable homes continue to be delivered.

7. 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) [Housing Sub Report March 2022: Housing Sub Affordable Homes Update Report](#)
- (2) [Cabinet Paper February 21 2022 ITEM TITLE: “Delivering 5000 Affordable Homes and Reducing Derelict Properties in North Tyneside”](#)
- (3) [Cabinet Paper January 25 2021 ITEM title: “Supporting the Ambition for North Tyneside through Housing Growth”](#)
- (4) [Appendix 4 January 25 2021 ITEM title: “A 10-year Affordable Homes Delivery Plan for North Tyneside Council](#)
- (5) [Planning for the Future – White Paper August 2020](#)
- (6) [Cabinet Paper May 28 2019 ITEM title: “Delivering the Affordable Homes Programme”](#)
- (7) [Cabinet Paper April 9 2018 ITEM title: “Delivering the Affordable Homes Programme”](#)
- (8) [Cabinet Paper March 13 2017 ITEM title: “Delivering the Affordable Homes Programme”](#)

- (9) [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](#)
- (10) [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](#)
- (11) [Cabinet Paper March 10 2014 ITEM title: "Delivering Affordable Homes - Update"](#)
- (12) [Cabinet Paper October 14 2013 ITEM title: "Delivering Affordable Homes"](#)
- (13) [Local Plan 2015-2030](#)

Appendix 1

Phase One 2022/23 Delivery Programme

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	44
West Chirton Industrial Estate South phase 1	Private Developers	8
Howdon Green, Willington Quay	Private Developers	5
Husk / Falmouth Road garages	Council Housing	9
West Chirton Industrial Estate South phase 2	Registered / Care Providers	33
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	15
Total (homes due for completion by 31 March 2023)		215

Appendix 2 – 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	9	42	27	50	63	50	50	0	0	0	869
Registered / Care Providers	87	18	52	112	10	23	0	181	82	20	10	10	10	10	10	10	0	0	645
Private Developers	55	41	77	146	197	114	58	48	103	135	196	145	145	145	145	145	140	139	2174
Aurora Homes	0	0	13	9	13	13	14	10	15	13	20	20	20	20	20	0	0	0	200
Empty Homes	13	8	4	1	4	8	6	3	6	7	7	7	7	7	6	6	6	6	112
Total	265	238	347	280	250	180	90	266	215	217	260	232	245	232	231	161	146	145	4000
Cumulative Total	265	503	850	1130	1380	1560	1650	1916	2131	2348	2608	2840	3085	3317	3548	3709	3855	4000	4000

Affordable homes delivered (cumulative)



