

WELWYN HATFIELD BOROUGH COUNCIL  
CABINET– 4 APRIL 2017  
REPORT OF THE DIRECTOR (HOUSING AND COMMUNITY)

RELEASE OF CAPITAL FUNDS – AFFORDABLE HOUSING PROGRAMME 17/18

**1 EXECUTIVE SUMMARY**

- 1.1 This report provides a summary of the Affordable Housing Programme budget 2017/18 and seeks approval to release this budget throughout 2017/18 for the agreed work streams.

**2 Recommendation(s)**

- 2.1 To approve the release of the capital budget of £13,929,080 expenditure arising during 2017/18 under the Affordable Housing Programme, including property acquisitions, grant funding to Registered Providers and costs incurred relating to the council's own new build programme.

**Implications**

**3 Financial Implication(s)**

- 3.1 A capital budget of £13,929,080 has been approved to pay for the various work strands agreed as part of the Affordable Housing Programme. The council has signed an agreement with government, which allows us to retain the majority of receipts as a result of Right to Buy sales. The retained receipts must be used to provide replacement affordable housing. The receipts can only make up 30% of the cost of the replacement homes and the council has three years in which to spend the funds, or they must be returned to government along with a significant interest penalty.
- 3.2 The remaining 70% funding for the replacement homes comes from both Registered Providers and the council's own Housing Revenue Account (HRA) and Attributable Debt Fund. The Housing Revenue Account can only pay for homes that will remain in the ownership of the council, such as open market acquisitions and the council's new build programme.

**4 Legal Implication(s)**

- 4.1 Cabinet agreed on 7 August 2012 for the council to enter into agreement, as proposed by the Secretary of State for Communities and Local Government, to allow the council to retain receipts from the reinvigorated Right to Buy (RTB) sales and to reinvest the allowed receipts in delivery of new affordable homes.

**5 Climate Change Implication(s)**

- 5.1 The delivery of new housing and specifically new affordable housing provides mechanisms for a range of products and initiatives to help reduce carbon

emissions, address fuel poverty, water reduction, use of sustainable materials, increased local labour and reduction in transport requirements and travel to work

## **6 Risk Management Implications**

6.1 A risk register has been developed for the Affordable Housing Programme, which is monitored by the Steering Group.

## **7 Explanation**

7.1 The council signed up to the government agreement to retain Right to Buy receipts in September 2012. This allowed any receipts from that quarter (July to September 2012) onwards, minus the agreed deductions, to be used to fund an Affordable Housing Programme.

An Affordable Housing Programme Delivery Plan has been agreed and a range of delivery methods have been agreed – these include:

- Direct funding on council owned sites
- Disposal of suitable council owned sites to Registered Providers (RPs). The council can fund providers up to a maximum of 30% of the legitimate development costs.
- Registered Providers secure land and sites independently. In such cases the council can fund up to a maximum of 30% of the legitimate development costs.
- Purchase additional homes on S106 developments. These homes will be in addition to meeting existing planning obligations
- Purchase suitable individual properties or seek package prices for new developments on the open market.

7.2 Progress reports on the Affordable Housing Programme are regularly presented to Cabinet Housing and Planning Panel.

## **8 Equality and Diversity**

8.1 An Equalities Impact Assessment is not required for this report.

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| Name of author | Sian Chambers Ext 2640               |
| Title          | <i>Head of Housing and Community</i> |
| Date           | 7 March 2017                         |

Background papers to be listed (if applicable)

Cabinet report 7 August 2012 – Government Right to Buy Reinvigoration