

Gloucester City Council

Meeting:	Cabinet	Date:	2nd April 2014
Subject:	New Housing Developments and New Homes Bonus		
Report Of:	Cabinet Members for Housing, Health & Leisure and Performance & Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	None		

1.0 Purpose of Report

- 1.1 The purpose of this report is to advise members of the progress that has taken place in relation to the development of housing in Gloucester and the financial benefit this has given in relation to the New Homes Bonus.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that
- (1) Members note the content of this report.

3.0 Background and Key Issues

3.1 Planning

- 3.1.1 The Council is required by the National Planning Policy Framework (DCLG, March 2012) to seek opportunities to meet development needs in their area and have a Local Plan that meets the Objectively Assessed Need (OAN) for the area.

3.2 Evidence

- 3.2.1 The Cambridge Centre for Housing and Planning Research calculated that Gloucester would require 13,100 new dwellings between 2011 and 2031 if household formation rates were to move back to previous trends by 2015. This figure has been used for Gloucester in the Draft Joint Core Strategy as the OAN for Gloucester.
- 3.3 A review of the Strategic Housing Market Assessment (SHMA) has provided a suggested tenure mix for future housing development in order to meet the needs of Gloucester by 2031. The suggested mix of new housing is 65% market homes and 35% affordable homes.

3.4 Housing Development

- 3.4.1 The table below shows the number of new homes delivered in Gloucester over the last four years. These figures contain new housing completed by both private enterprises and housing associations.

	09/10	10/11	11/12	12/13
Dwellings Completed	600	550	520	410

Source: CLG Live Table 253

- 3.5 The Council seeks to develop housing that meets the needs of all including those unable to access market housing. The Council will achieve this by seeking a commitment from developers to deliver affordable housing through Section 106 Agreements, agreed as part of the planning process. This is also delivered through partnerships with registered providers whose purpose is to deliver housing to those in housing need.

	09/10	10/11	11/12	12/13	13/14
Affordable Housing Completions	130	286	217	54	150

Source: Gloucester City Council Affordable Housing Returns

3.6 New Homes Bonus

- 3.6.1 The New Homes Bonus is a grant paid by central government to local authorities for increasing the number of homes in their area and bringing back long-term empty homes into use. The New Homes Bonus is paid each year for six years and is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also a premium for affordable homes of £350 per year.
- 3.7 The Council has generated £6,755,262 in New Homes Bonus from 2011/2012 to 2014/2015 through the development of new housing and by bringing long-term empty homes back into occupation. This also includes a premium for affordable housing estimated at £451,000. The table below shows the breakdown of New Homes Bonus over the last four years and the cumulative total to be applied in 2014/15.

	11/12	12/13	13/14	14/15
Year 1	£781,912	£781,912	£781,912	£781,912
Year 2		£632,535	£632,535	£632,535
Year 3			£612,177	£612,177
Year 4				£505,653
Total				£2,532,277

Source: New Homes Bonus calculator (GOV.UK, Department for Communities and Local Government, February 2014)

4.0 Alternative Options Considered

- 4.1 None

5.0 Reasons for Recommendations

5.1 These are important issues that contribute to the City Vision and Corporate Plan.

6.0 Future Work and Conclusions

- 6.1 The Government has recently announced the latest Affordable Homes Programme for 2015-18. The Council has been working to encourage affordable housing providers to consider bidding to the fund for the development of housing in Gloucester at the beginning of the programme where the Homes and Communities Agency will allocate 75% of the £1.7b fund. The deadline for bids for this share is the 30th of April 2014. There will also be an opportunity to bid for the remaining 25% that will be allocated during the programme period.
- 6.2 The six districts of Gloucestershire will be consulting with stakeholders on the proposed SHMA in March 2014 with an aim to publishing the final document by May 2014.
- 6.3 In March 2014, the Council approved the Draft Housing and Homelessness Strategy 2014-2019 for consultation. The consultation period will commence shortly with an aim to seeking approval on a final strategy in the Autumn of 2014.
- 6.4 The Draft Joint Core Strategy will continue with the recommended OAN of 13,100 for Gloucester. The plan is to adopt this strategy in December 2014.
- 6.5 The Council is continuing work with registered providers on new development opportunities and is projecting 137 new affordable homes to be delivered in 2014/15. This excludes those affordable homes delivered through Help to Buy.

7.0 Financial Implications

7.1 There are no financial implications as a result of this report.

8.0 Legal Implications

8.1 Not applicable.

9.0 Risk & Opportunity Management Implications

9.1 The National Planning Policy Framework sets a 'presumption in favour of sustainable development'. Local authorities that do not have a relevant Local Plan or development plan that sets out a guide for future development could be at risk of ad-hoc development taking place.

10.0 People Impact Assessment (PIA):

10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

- 11.1 Community safety is a key element in the design and construction of new housing. Planning applications for new sites and major conversions will consider the impact on the neighbourhood and the safety of residents during the planning process.

Sustainability

- 11.2 The delivery of new housing is key to delivering sustainability within communities. The Council seeks to deliver a tenure mix in each area based on the tenure mix of the local authority. This ensures neighbourhood cohesion between those living in different tenures, providing opportunity and choice to meet aspirations of individuals or changing circumstances without having to relocate from support networks.

Staffing & Trade Union

- 11.3 This is not applicable.

Background Documents:

National Planning Policy Framework (Department of Communities and Local Government, March 2012)

New Household Projections and their implications for Cheltenham Borough Council, Gloucester City Council and Tewkesbury Borough Council areas (Cambridge Centre for Housing and Planning Research, May 2013)

Joint Core Strategy: Draft for Consultation (Cheltenham Borough Council, Gloucester City Council and Tewkesbury Borough Council, October 2013)