

## Isle of Wight Regeneration Programme – Policy and Scrutiny committee update

### Housing Projects no.1 – February 2019

<b>Project description, objectives and intended outputs</b>	<b>Housing Delivery Company / Vehicle</b>  Identifying and establishing the appropriate vehicle/s to enable IWC to build, own and manage housing for our residents. The output will include an increase in the delivery of both market and affordable homes as well as specialist accommodation as necessary
<b>Current position</b>	This project is currently in the research phase. Utilising the additional support available from our graduate programme in the short term, research is currently underway to understand what models might be available to IWC as well as to understand which other local authorities have utilised these models and learn from good practice.  The research phase is likely to take until the end of March 2019 and includes identifying good practice, understanding the range of effective models being deployed, upskilling officers to gain the necessary skills to take this forward, making strategic links at government level to understand finance routes which may be available to IWC.  The research will also identify what land and assets might be available to go into a housing delivery vehicle / vehicles.
<b>Next key milestone</b>	March 2019 – interim report for the Regeneration Board setting out proposed options for a vehicle or vehicles and the route for enabling a preferred option to be agreed by June 2019.
<b>Projected benefits/return and timescale for these</b>	Benefits include increasing the delivery of market and affordable homes to meet target and reduce costs in terms of temporary accommodation  Timescales: March 19 – interim report setting out options to explore and resources necessary to explore these June 19 – final report indicating preferred option to take forward January 20 – vehicle/s established and ready to trade, management approach in place

<b>Project description, objectives and intended outputs</b>	<b>Housing Partnership Board / Group</b>  Revitalise a strategic housing group for the Island. This group will bring together key commissioners and suppliers and crucially involve both the private and public sectors. This group will be used to steer the development of a new housing strategy for the Island and work in partnership across all sectors to ensure the appropriate delivery of
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	new homes and good quality management of current stock
<b>Current position</b>	A draft proposal is being worked on with a view to having an application process for future members expressing an interest in joining the board. Designed with appropriate incentives to encourage new providers to the table. Application process to open 1 Feb 2019 with a view to having the group established in advance of 4 March meeting
<b>Next key milestone</b>	4 March – first meeting of newly established group
<b>Projected benefits/return and timescale for these</b>	<p>The hope is that by working together across the relevant sectors that IWC will deliver confidence back to the market, enable and facilitate others to develop their sites quickly and have a jointly agreed housing strategy until 2022</p> <p>Timescales:  Application process opens – 1 Feb 2019  Applications close – 14 Feb 2019  Assessment and outcomes – 21 Feb 2019  First meeting 4 March 2019</p>

<b>Project description, objectives and intended outputs</b>	<p><b>Housing Campaign</b></p> <p>To support the development of new homes, we need to change perceptions on new development. To do this, the council's Leadership Forum proposed to start a Housing Campaign to reframe islander's views about the need to deliver 641 homes per year and why this is a good thing for the Island. This was agreed as a necessary campaign by the Assistant Chief Executive.</p> <p>The intended outputs are:</p> <ul style="list-style-type: none"> <li>- Less objections at planning stage to policy compliant applications</li> <li>- Joint key messages across all housing sectors</li> <li>- Raising awareness of why new housing is needed</li> <li>- Giving further confidence to the development industry</li> </ul>
<b>Current position</b>	IWC officers met on 23 January to kick off this piece of work. This will also form an agenda item at the first Housing Partnership Group / Board meeting to ensure key messages are agreed and there is buy-in to this approach from all relevant partners.
<b>Next key milestone</b>	23 January – kick off meeting 4 March – key messages and campaign agreed across all sectors and partners
<b>Projected benefits/return and timescale for these</b>	It is anticipated that a consistent and well run campaign promoting the benefits of new housing development will deliver the intended outputs as listed above which will lead to greater numbers of housing

	being delivered, including affordable and Island Independent Living (IIL) Housing. For every IIL home that houses a resident that would otherwise go into care, ASC will avoid £5k per resident per year. For every household moved from Temporary accommodation into an affordable home, the Council will avoid £55/wk net cost.
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<b>Project description, objectives and intended outputs</b>	<p><b>Delivery through PSP Joint venture partnership</b></p> <p>The Council entered into a joint venture (JV) with PSP to deliver housing. 4 key sites are currently being worked on which could deliver 200 new homes – a mix of private rent, market sale and affordable rent within the next 2-3years</p> <p>PSP has also been used as a conduit to get 3 key sites to market:</p> <p>Taylor Road Island Learning Centre Elmdon House</p>
<b>Current position</b>	<p><b>Medina Avenue:</b> planning permission for six 3 bed homes has been submitted and is due to be determined in Feb 2019. A business case has been submitted to the Director of Finance to loan the JV £1m to invest in the delivery of these homes which would deliver 5 Private Rent Sector and 1 affordable rented home and IWC will benefit from the resulting income. Subject to agreeing finance and planning, these homes will be built and ready for occupation by Christmas 2019.</p> <p><b>Barton School:</b> Currently in the design phase for a proposed 17-20 units on the former Barton School site. Using the model described above, this would rely on Council investment and deliver a return to the Council from a mix of PRS and Affordable rent. Subject to consultation with the local ward member and the community, planning and agreeing the financial business case, these homes can be built and ready for occupation by summer 2020.</p> <p><b>Crossways:</b> Being prepared for submission for outline planning for May 2019. The potential scheme, which is still subject to member and community consultation will include a mix of market sale, PRS, affordable rent and there is potential for Island Independent Living on site as well as the provision of additional accommodation at the nearby school. Current programme sees a potential start on site in October 2019.</p> <p><b>Eddington Rd:</b> Site has potential to deliver up to 100 new homes with at least 40 being affordable. Issue is that local community has been working with Vectis over the last 3 years on a scheme of up to 54 units and are not interested in discussing an increase in numbers. Will need strategic decision on how to progress. Options paper going to Regeneration Member’s Board in February 2019.</p>

	<p><b>ILC &amp; Taylor Rd:</b> Contracts are due to be exchanged imminently. Sovereign are purchasing both to deliver as affordable housing schemes. Will deliver up to 100 new affordable units and £1.8m capital receipt</p> <p><b>Elmdon House:</b> Currently still has residents who are reliant on Brooklime (see below) to move out to more suitable accommodation. Marketing pack is ready to go, planning permission is in place.</p>
<b>Next key milestone</b>	<p>February 2019 – Medina Avenue planning permission granted and funding agreed</p> <p>Residents move out of Elmdon and marketing begins (Feb 2019)</p> <p>Exchange contracts on ILC and Taylor Rd (Jan 2019)</p>
<b>Projected benefits/return and timescale for these</b>	<p>Across the 4 sites currently being worked on, there is the potential to deliver 200 new homes, of which at least 35% would be affordable. Average Council tax of £1200 / home per year will see an income of £240k per year. The Council also benefits from on-lending to the LLP and received an uplift of 2.5-3% in interest on borrowing. There is also the rental income from those homes which remain as either PRS or affordable rent.</p> <p>Average market rent = £850/month for a 3 bed home Average affordable rent = £672/month for a 3 bed home</p>

<b>Project description, objectives and intended outputs</b>	<p><b>Sandham Middle School Island Independent Living</b></p> <p>The creation of a flagship Island Independent Living Scheme with approximately 80 units, onsite community facilities including a children’s nursery.</p>
<b>Current position</b>	<p>Site brief is complete and tender pack is being made ready to go to market to identify a joint venture partner. This has required more work than originally intended and timescales for getting out to market have slipped. The intention is to issue the tender pack by 31 January and for the appointment of the JV partner to be finalised by December 2019.</p>
<b>Next key milestone</b>	<p>Tender issued 31 January 2019</p>
<b>Projected benefits/return and timescale for these</b>	<p>The JV model will identify other income streams for the Council however, the following benefits will be realised as a minimum:</p>

	<ul style="list-style-type: none"> <li>• c.82 new homes, across a range of tenures, including private ownership - £98k in Council tax income = £1m in Council tax over the plan period 2020-30</li> <li>• Approximately 35 new jobs</li> <li>• £3.86m cost avoidance to the Council over the period 2020-30 (cost avoidance for ASC and CS due to specialist accommodation)</li> </ul>
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<b>Project description, objectives and intended outputs</b>	<p><b>Sandown Town Hall</b></p> <p>Conversion of the Town Hall to 14 residential units for PRS and affordable rent. Retention of the hall for community use.</p>
<b>Current position</b>	Architectural plans drawn up, awaiting final survey results. Exploring options for financial viability of hall and discussing options for community-led housing.
<b>Next key milestone</b>	Planning application submitted February 2019
<b>Projected benefits/return and timescale for these</b>	<p>£82-£95k per annum in rental income (which will need to service debt and finance management), £25k per annum in Council tax and approx. £10k per annum in hall rental.</p> <p>Planning permission – May 2019  Finance agreed – May 2019  Procure construction partner – Sept 2019  SoS January 2020.</p>

<b>Project description, objectives and intended outputs</b>	<p><b>Ryde Village</b></p> <p>The development of 75 affordable Island Independent Living homes. 63 1 bed affordable rented flats and 12 shared ownership 2 bed flats. Managed by Southern Housing Group.</p>
<b>Current position</b>	<p>Development is coming out of the ground. Anticipated completion December 2019. Residents move in Feb 2020.</p> <p>Currently working through how residents will be assigned IIL homes which requires a new nominations process. ASC and Housing working closely with RP partners to design a system fit for this and future schemes</p>

	<p>All working to have shortest possible mobilisation period as IWC and SHG are risk sharing the well-being charge associated with each property until first let.</p> <p>Steering group meets monthly, project going well.</p>
<b>Next key milestone</b>	<p>Feature article in February's e-newsletter</p> <p>Nominations process agreed</p> <p>Marketing begins in earnest to identify future residents</p>
<b>Projected benefits/return and timescale for these</b>	<p>For every resident moving in, ASC will likely see a cost avoidance of £5500 / resident / year if ASC funded. £75k - £90k anticipated council tax income. The anticipation is that a number of future residents will move out of current RP family housing / flats and therefore allow for churn in the social housing market which will see households coming out of TA and reducing the net cost to the council of £55/wk/household for anyone coming out of TA.</p>

<b>Project description, objectives and intended outputs</b>	<p><b>Brooklime</b></p> <p>The Council purchased 12 flats in Pan Meadows estate in December 2017 for adults with specific L&amp;D challenges.</p>
<b>Current position</b>	<p>Work to ensure flats are compliant with future resident's needs in almost completed (due end Jan 2019). Currently finalising an interim housing management arrangement with SHG as IWC has no resource, skills, policies or procedures in place to undertake tasks such as rent setting, tenancy management, rent account management, repairs and maintenance, dealing with anti-social behaviour etc. Waiver currently being sought to engage SHG to undertake these tasks for a period of 24 months to be funded from the rental stream.</p>
<b>Next key milestone</b>	<p>Above housing management tasks finalised and tenants move in – 14 Feb latest.</p>
<b>Projected benefits/return and timescale for these</b>	<p>Scheme will deliver a surplus from rental income. Will depend on rent which is still being worked on. 11 vulnerable residents will have a new, good quality home to further their independence and enable a better quality of life. Rental income will be received from February 2019.</p> <p>Moving final residents from Elmdon will allow the sale of Elmdon to deliver a capital receipt into the LLP which will help future fund housing projects.</p>