

2 APRIL 2019

**DEPLOYMENT OF RIGHT TO BUY (RTB) RECEIPTS -
PLACE COURT, ALDERSHOT**

SUMMARY AND RECOMMENDATIONS:

This report seeks approval of use of RTB receipt funding to provide two additional units of accommodation for residents over 55.

Cabinet is recommended to approve the deployment of £37,214.99 of RTB receipt funding to Vivid for the delivery of affordable homes at Place Court, Aldershot.

1. INTRODUCTION

- 1.1 Place Court is an existing sheltered housing scheme and forms part of Vivid's housing stock in the borough. Vivid have requested approval to make use of £37,215.00 of RTB receipts to support the conversion of a former manager's flat into two one bed apartments for residents aged over 55 to right size to. This is the full amount currently held in the RTB receipt pot.

2. BACKGROUND

- 2.1 The scheme delivers two, one-bed flats for over 55's adjacent to an existing Extra Care scheme for older people. One flat is designed for single person occupancy and the other for a couple. Both flats will be let at an affordable rent to households in the Rushmoor Housing Allocation Pool. The delivery of these units therefore supports the council's housing objective to deliver the right homes in the right places and offers good quality accommodation for older people to right size into, freeing up larger, rented family accommodation
- 2.2 As a conversion rather than new build development, the scheme does not fit the grant funding criteria for Homes England Capital Grant.
- 2.3 Total scheme costs are £184,680.00, Vivid have committed £147,465.00 of private finance and originally submitted a Capital Grant bid to the council. of £37,215.00, a copy of which is attached as appendix A.
- 2.4 The scheme is on site and expected to complete by the end of April 2019. The council has 100% nomination rights to the properties, which will be let

at affordable rent to older people in the Rushmoor Housing Allocation Pool.

- 2.5 The Council's Housing Strategy & Enabling Manager has requested that Vivid utilise Right to Buy funds rather than RBC Capital Grant, Vivid are in agreement. The request was made to ensure RTB receipts are recycled in a timely manner and to allow Rushmoor's capital to be retained for investment into other strategic affordable housing delivery. A copy of the bid for use of £37,215 is attached as appendix A

3. DETAILS OF THE PROPOSAL

- 3.1 Vivid hold the RTB receipt account and require the council's approval to deploy the capital as set out in the RTB Agreement.

Clause 4 of the RTB Agreement states that:

- The capital will be used for the provision of affordable housing in the borough of Rushmoor.
- Capital will be used in accordance with the priorities and targets set out in the council's housing strategy.
- Vivid will consult the council on the deployment of the capital and will seek its approval, such approval not to be unreasonably held.

Consultation

- 3.2 This is a contractual arrangement between the council and Vivid as set out in the RTB agreement.

4. IMPLICATIONS

Risks

- 4.1 None identified.

Legal Implications

- 4.2 The RTB agreement states that the council's approval to deploy the receipts should not be unreasonably withheld. Should the council elect not to approve this deployment, it may be subject to challenge from Vivid.

Financial and Resource Implications

- 4.3 Finance have been consulted, there are no direct financial implications to the council.

Equalities Impact Implications

- 4.4 There are no equalities issues arising from this report.

Other

- 4.5 N/A

5. CONCLUSIONS

- 5.1 Cabinet have approved previous RTB deployments to Vivid to ensure the delivery of strategic housing objectives in Rushmoor; agreeing to the deployment of this funding endorses the council's continuing commitment to support partners in the delivery of affordable homes, which meet identified housing need in the Borough, ensuring best value and the appropriate use of funds available.

BACKGROUND DOCUMENTS:

Rushmoor's Housing and Homelessness Strategy 2017-22

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APPENDIX A

Rushmoor Borough Council Capital Grant Funding Bid 2018/19

2.1	Development Costs	
	Land acquisition costs(<i>if free or discounted land being offered through s106 agreement please indicate open market value of land here and indicate the developer contribution in the resources section below</i>)	N/A
	Estimated contract sum (Including Vat @ 20%)	£143,413
	On costs (include builder's design fee here for design and build contracts)	N/A
	Other costs (please specify) – Legal fees, s106 contributions, planning consultant & planning fees, employers agent (including planning application drawings) and principle designers fees, valuation fees, development admin fee and Interest	£41,267
	Less non grant fundable costs	£0
	Total Scheme Costs	£184,680
2.2	Financial Resources	
	Private finance	£147,465
	Reserves	£0
	RCGF/DPF	£0
	Other (please specify) RTB receipts	£37,215
	Developer contribution	£0
	Homes and Communities Agency	£0
	2011-2015 Framework	£0
	2015-2017 Homes Guarantee	£0
	Other (please specify)	£0
	Other financial resources	£0
	Total Resources	£184,680
2.3	SHORTFALL to be funded by Capital Grant from the Council	
	Grant per unit by tenure	Grant per person by tenure