

# Report to Council

Meeting Date: 14 September 2021  
 Portfolio: Economic Development  
 Key Decision: No  
 Within Policy and Budget Framework: Yes  
 Public / Private: Public

Title: Options for Increasing the Delivery of Affordable Housing in Carlisle

Report of: Corporate Director of Economic Development

Report Number: ED.33/21

## Purpose / Summary:

The Council passed a motion in November 2019 (C.153/19 Notice of Motion) for the Executive to consider a number of specific measures in respect of enhancing affordable housing delivery in Carlisle and report its conclusions back to Council. Report ED 28/21 (included as *Appendix 1* of this report) was presented to Executive on 31 August 2021, and provides a detailed response to each of the individual issues raised in the motion, as well as looking at wider potential options for the delivery of increased levels of affordable housing in Carlisle

## Recommendations:

1. That the Council notes the work undertaken to date to deliver affordable homes in Carlisle.
2. That the Council notes the potential delivery options set out in the Executive report for increasing the level of affordable housing.
3. That the Council supports the Executive's decision that, in view of Local Government Reorganisation, the new Unitary Council will be best placed to review these potential delivery options.

## Tracking

Executive:	31 August 2021
Scrutiny:	
Council:	

## Appendix 1 – Executive Report ED 28/21, 31 August 2021



# Report to Executive

Agenda  
Item:

Meeting Date: 31 August 2021  
Portfolio: Economic Development  
Key Decision: No  
Within Policy and Budget Framework: Yes  
Public / Private: Public

Title: Options for Increasing the Delivery of Affordable Housing in Carlisle  
Report of: Corporate Director of Economic Development  
Report Number: ED 28/21

### Purpose / Summary:

This report provides a response to a Council motion from November 2019 (detailed in Section 1.1. of this report) for the Executive to consider a number of specific measures in respect of enhancing affordable housing delivery. The report provides a response to each of the individual issues raised in the motion, as well as looking at wider potential options for the delivery of increased levels of affordable housing in Carlisle.

### Recommendations:

1. That Executive notes the work undertaken to deliver affordable homes in Carlisle.
2. That Executive considers the potential options set out in the report for increasing the level of affordable housing delivery.
3. That, in view of Local Government Reorganisation, the matter is reviewed by the new Unitary Council.

### Tracking

Executive:	N/A
Scrutiny:	N/A
Council:	14 September 2021

## **1. BACKGROUND**

- 1.1** In November 2019 a motion was sent to Council regarding affordable housing provision. The motion was passed and then went to the Executive in December 2019. The outcome was an agreement to ask officers to prepare a paper on the matter for submission to a future meeting of the Executive.

The Council resolved on 5 November 2019:-

*“To ask the MPs who represent the council area to lobby the Government on our behalf to:*

- *Change and define in an equal and fair way ‘affordable social housing’ for local people as linked to their local income and revisit the affordable rented homes policy to reflect this.*
- *Review the right to buy system in a way so that it is fairer and to look at giving this Council and other Council authorities the option of building much more badly needed local social rented housing.*
- *Transform the planning system with an end to the ‘viability’ loophole that lets some developers put off their responsibilities.*

*That we publicly support and join the LGA and George Clarke in their campaign to have Government work with councils on an ambition to build 100,000 council homes a year.*

*That Carlisle City Council’s Executive look into the benefits, social value and business case for new council house provision in Carlisle and its districts and report back its conclusions to Full Council” (C.153/19 Notice of Motion).”*

- 1.2** Due to the impact of Covid-19 and prioritising major delivery projects, such as St Cuthbert’s Garden Village and the Town Deal, there has been a delay in responding to the motion.

It should also be noted that the local government landscape in Cumbria has changed significantly since the motion was originally tabled, following the Government announcement in July 2021 that Carlisle City Council would become part of a larger Unitary Authority from 1 April 2023. The economies of scale offered by the new Unitary Council potentially provides increased opportunities to deliver affordable housing.

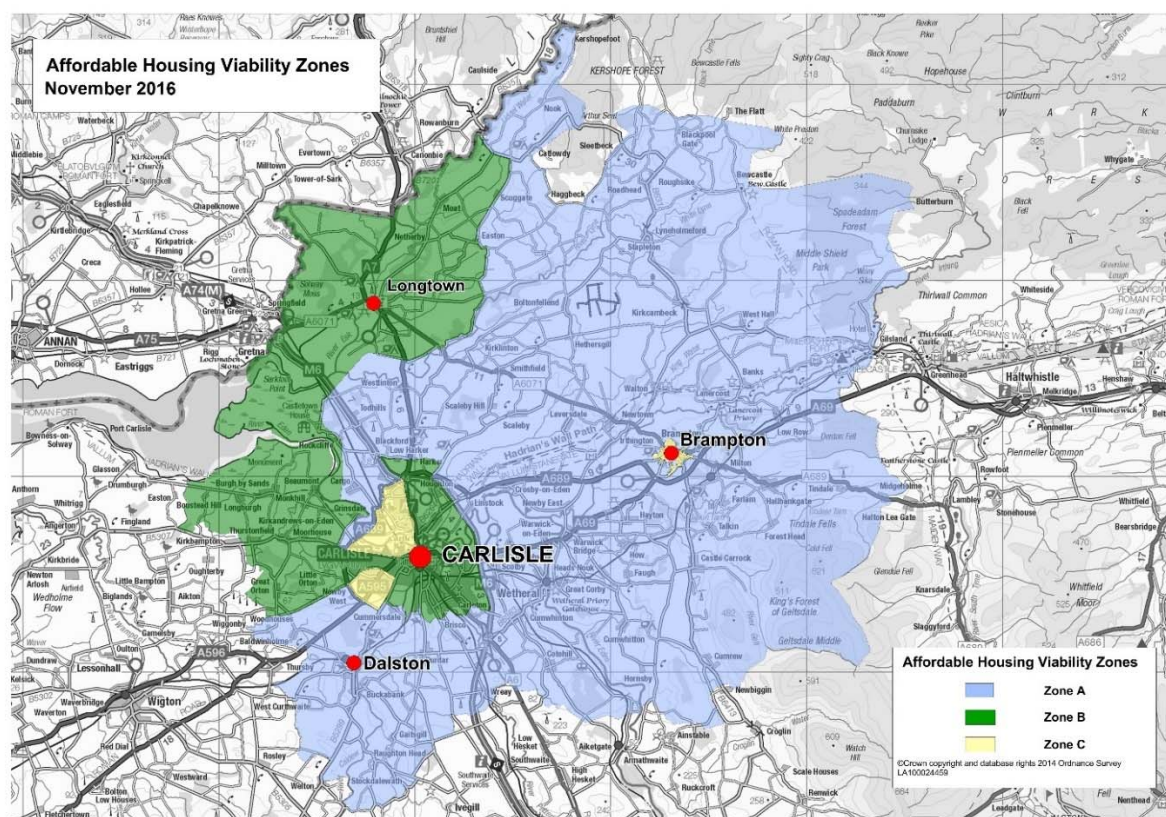
## **2. CONTEXT**

### **2.1 How is Affordable Housing Delivered?**

Carlisle District Local Plan policy HO 4 Affordable Housing requires applicants to provide a percentage of affordable housing (usually on the application site) on residential schemes of eleven or more dwellings (subject to viability.) A more

detailed commentary on site-based viability assessments is included in Section 3.3 of this report. The affordable housing requirement is 30% in Affordable Housing Viability Zones A and C, and 20% in Zone B, as set out in *Figure 1*, below.

***Figure 1: Affordable Housing Viability Zones Map***



The affordable requirement in St Cuthbert's Garden Village will be 20% - this is lower than in Zones A and C due to the additional requirement on developers of funding the necessary infrastructure to bring forward the Garden Village.

Policy HO 4 requires that on site affordable housing is provided on an equal 50:50 basis between Social Rent or Affordable Rent (usually delivered through a Housing Association) and "intermediate" low-cost home ownership, such as discounted sale (at a fixed percentage discount); shared ownership; or the Government's new *First Homes* scheme (also based on a percentage discount). The provision of First Homes properties (which will make up 25% of the overall affordable housing requirement) will see a parallel reduction in the delivery of other intermediate tenures and will not lead to a reduction in the number of Social or Affordable Rented homes delivered through the planning system.

In Affordable Housing Zone A, an affordable housing "commuted sum" payment is required on sites of between six and ten units to make a financial contribution towards affordable housing within the Housing Market Area. These contributions

are pooled towards funding affordable housing within that Housing Market Area, but this is on a comparatively small scale, as the sums involved are relatively limited. To date, nine discounted sale homes have been provided using this funding: six at New Acres (Raffles); two at Cummersdale; and one at Cumwhinton. Executive, on 2 August 2021, also agreed a new proposal to bring empty homes back into use in Brampton and Hallbankgate to be used as affordable rented housing in collaboration with Brampton Rural Housing Society (ED.25/21).

The level of affordable housing delivery can be reduced through economic viability assessments, submitted on behalf of the developer, in respect of sites where it can be demonstrated that low anticipated sales values, high development costs, and abnormal costs (e.g. linked to site remediation on Brownfield sites) would prevent the viable delivery of the site if the full Section 106 obligations were applied. In these cases, Planning Officers arrange for the viability information provided to be robustly challenged by an experienced specialist Chartered Surveyor, with the fees split equally between the Council and the developer. The Affordable and Specialist Housing Supplementary Planning Document (SPD) 2019, sets out the Council's standardised approach to viability assessments, and the Council's position has been strengthened by the recently updated National Planning Policy Framework (NPPF) with viability assessments now in the public domain.

In addition to new homes delivered through the planning system, Housing Associations deliver 100% affordable schemes supported by capital grant funding from Homes England, supplemented by the Association's own borrowing and resources. The Council works proactively with local Housing Association partners to increase affordable delivery, through supporting grant funding bids; making land available at prices affordable to the Associations; signposting opportunities through providing advice and assistance on suitable development sites; and maintaining up to date evidence bases on affordable housing need by property type and tenure. The Government's Planning White Paper (2020) consulted on proposals to replace Section 106 Agreements with a new levy to deliver affordable housing and infrastructure, though it remains unclear as to whether this will be included as part of the Government's anticipated planning reforms.

## **2.2 Affordable & Specialist Housing Need**

Carlisle's most recent SHMA (Strategic Housing Market Assessment) covering the five-year period to July 2024 identifies a need for 158 affordable dwellings per annum across Carlisle District.

The housing need, in respect of tenure and property size is summarised below:-

- Tenure: 60% social/ affordable rent & 40% intermediate low-cost home ownership;
- Property type: approximately 65% 1-2 bedroom & 35% 3/ 3+ bedroom.

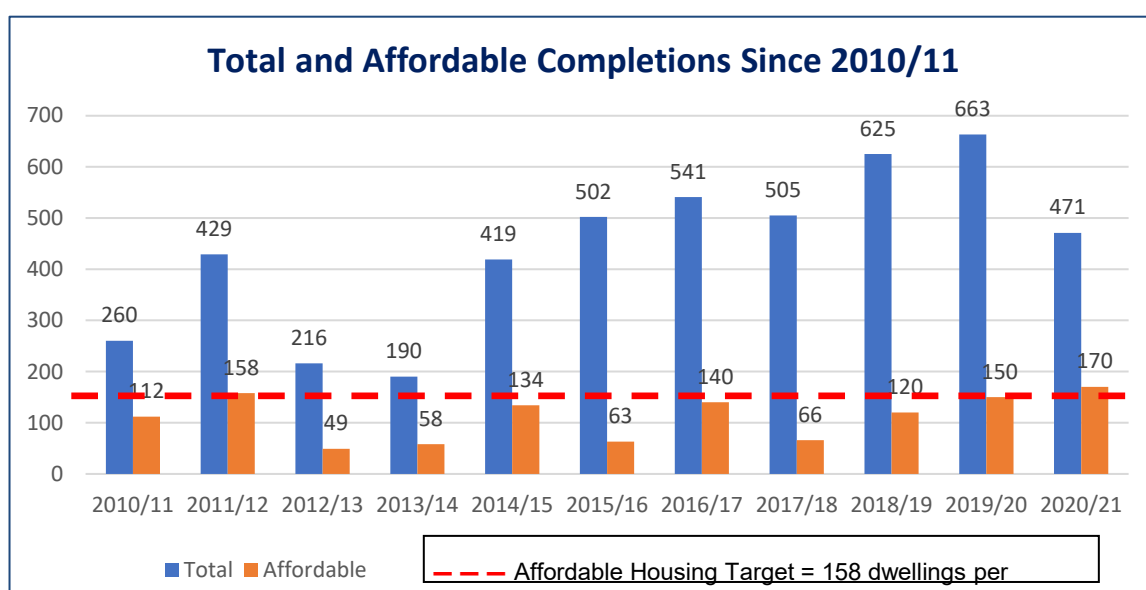
The increasing need for bungalows, and other property types suitable for older persons, due to the significant projected increase in the number of older people, is addressed in the Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) adopted in early 2018. Data provided by POPPI (Projecting Older People Population Information) projects a 33.5% increase in the no. of people aged 65 and over across Carlisle District between 2020 and 2040, including a particularly significant increase in people aged 85 and over.

The SPD, which is a material consideration in determining planning applications, recommends that 5% of dwellings on sites of 50-99 units and 10% on sites of 100 units or more are bungalows or other accessible property types, suitable for older persons (applicants are encouraged to provide accommodation suitable for older persons where possible on smaller sites).

## 2.3 Annual Market and Affordable Housing Delivery

The graph below (*Figure 2*) demonstrates the significant increase in the overall number of housing completions in Carlisle District since the local housebuilding industry recovered from the “credit crunch”; with net completions in excess of 500 homes in each of the four financial years prior to the last year where completions were lower, totalling 471, due to the impact of Covid-19 (with sites being stalled, estate agents closed, and restrictions on people moving house during the first wave of the pandemic) compounded by delays linked to shortages of some building materials, post-BREXIT. Completions reached a record 663 in 2019/20, and it is anticipated delivery levels will return to pre-Covid levels now restrictions have been relaxed. The Council's Planning Policy team have worked proactively to encourage a wider range of developers to build in Carlisle – the “*Help us Build our Growing City*” prospectus was designed as a promotional vehicle to increase delivery across the District – the document was refreshed in 2020 to ensure it remains fit for purpose, including updates on St Cuthbert's Garden Village.

Figure 2: Carlisle's Total and Affordable Completions



Affordable completions have averaged 129 dwellings per annum over the last five years, and 160 over the last two years, compared to an annual delivery target in Carlisle's latest SHMA (Strategic Housing Market Assessment) covering the five years from 2019 of 158 affordable homes. The variance in the level of annualised affordable figures demonstrates that there is only a limited correlation between the number of total and affordable completions. Although increased levels of overall completions should lead to a parallel increase in the number of affordable units delivered through Section 106 planning obligations, this would not apply to the significant number of residential completions on smaller sites below the threshold where onsite affordable housing is required in the Council's Local Plan policy (as detailed in section 2.1 of this report) particularly in rural areas. The planning system alone would not be able to deliver enough affordable homes to meet the level of need identified in the SHMA, and the Council supports local Housing Associations in bringing forward new 100% affordable schemes, supported by grant from Homes England, towards meeting the shortfall. The effect of this is that affordable completions can vary significantly from year to year, which means as grant-funded completions tend to be more cyclical, linked to grant funding programmes, rather than following an annual pattern. For example, the significantly lower level of affordable completions in some years (most recently 2017-18) reflects that there will have been few, if any, grant funded schemes in those years.

In respect of rural affordable housing, 33 of the 170 affordable completions in 2020/21 were in rural areas of Carlisle District, equating to just under 20% (split roughly evenly between our two rural Housing Market Areas – Carlisle Rural East: 15 and Carlisle Rural West: 18). This is approximately a third below the 30% total rural completions for the year, reflecting the issue noted in the previous paragraph that it can be more difficult to deliver affordable housing through the planning system in rural areas, as many sites fall below the affordable housing threshold. As noted in section 2.1 of this report, Executive approved a proposal on 2 August to use some of the Council's affordable housing commuted sum funding to work with Brampton Rural Housing Society to bring empty properties back into use to be let as affordable rented homes in Brampton and Hallbankgate, reflecting the Council's commitment to rural affordable housing. The Council's Housing Development Officer also works with local Housing Associations to support rural affordable schemes coming forward. Most of the £636,000 affordable housing commuted sum funding held by the Council relates to the Rural Carlisle East Housing Market Area and could support the delivery of approximately ten affordable homes.

Making local authority (or other public sector) land available for affordable housing can make a significant difference to the number of affordable completions. For instance, the graph demonstrates that a significant number of affordable homes

were delivered in 2010/11 and 2011/ 12. This was partly due to discounted land made available for affordable and specialist housing at Heysham Gardens Extra Care scheme (60 units, over two-thirds affordable); Heysham Drive (29 affordable units); and Irthing Close, Brampton (21 affordable units). Similarly, the above average affordable completions in 2014/15 included 37 new homes built at Raffles on land made available by the Council. In the latest year, the 170 affordable completions for 2020/21 include 50 homes built by Riverside on land made available for affordable homes through the Council's most recent affordable homes initiative - the "Demonstration Project" at Beverly Rise, Harraby - including practical onsite training opportunities for students from Carlisle College. All of these affordable schemes, made possible by the provision of Council land at prices affordable to local Housing Associations, have also made a significant contribution to the total completions in those years.

## **2.4 Identifying Affordable Housing Sites**

As identified in the previous section, overall delivery has been operating at record levels in Carlisle over the four years prior to Covid impacting on delivery in 2020/21; however, affordable completions represent more of a mixed picture. Recent meetings between the Council's Planning Policy team and local Housing Associations have identified that the major barrier to the Associations delivering more affordable homes is securing suitable sites. The Associations have the necessary development expertise, and they have indicated that they have the capacity to increase affordable delivery (following improved availability of grant through Homes England) but they struggle to compete with private developers in securing the better sites.

The key challenge is therefore to help local Housing Associations to secure sites – including larger strategic sites. In the past, the Council has helped by making sites available at less than market value for affordable housing (or specialist housing, such as the Heysham Gardens Extra Care scheme). However, the Council only has a finite supply of sites.

## **2.5 Low-Cost Home Ownership**

The Council has operated a low-cost home ownership scheme for approximately 20 years, and now manages a portfolio of 480 discounted sale properties. Most of these properties are sold at a discount of 30% from open market value (which applies upon each successive resale); although the discounts are smaller on some of the older properties.

The Council could potentially add to this low-cost housing stock, through borrowing money to buy additional properties on new developments, or older properties on the market. There would be potential drawbacks to this approach, as this would not necessarily be the most cost-effective method and would not be increasing the

overall housing stock. It should also be noted that there is a greater overall need for affordable homes to rent.

## **2.6 Local Housing Companies (including Joint Ventures)**

Over recent years an increasing number of Local authorities have looked into setting up Local Housing Companies as a means of securing new sources of revenue in the face of Government budget cuts, and as a mechanism for developing new homes outside government-imposed borrowing restrictions (although concerns remain that these properties could become subject to the *Right to Buy*, following proposals set out in the 2017 Housing White Paper) – currently up to 200 homes can be owned through a Local Housing Company before a stock-transfer local authority such as Carlisle would be required to establish a Housing Revenue Account.

Research published by the Chartered Institute of Housing (CIH) in December 2016 (based on a *Freedom of Information Act* request to all councils in England) identified that 98 of 252 councils responding to their survey had established, or were planning to set up, a private housebuilding company.

Local Housing Companies (LHCs) are diverse entities with a variety of models, covering a wide range of development ambitions, and meeting a range of objectives:-

- Housing Companies can focus on delivering affordable homes; market homes; or private rental homes (or a mix of tenures) – it is also possible to set up more than one company.
- A LHC could include a particular focus on meeting gaps in housing need, such as delivering more bungalows for older residents or specialist housing, such as Extra Care.
- Most councils with Local Housing Companies have indicated that receipts will go into the council's General Fund; although some councils intended to use the income generated to tackle homelessness within their district.
- Some Companies are Joint Ventures, with partners such as Housing Associations and institutional investors (contributing finance and expertise) – this can be an effective partnership model to develop Council owned sites in the case of stock transfer authorities, who no longer manage their own stock. Challenges to identifying a suitable partner for an affordable housing Joint Venture in Carlisle include:-
  - Limited supply of “shovel ready” sites in the Council's ownership. By comparison, Gateshead Regeneration Partnership (a Local Asset Backed Vehicle (LABV) using council land) was predicated on bringing forward 2,400 houses over 15 years, working on a joint venture basis with partners (who contribute finance and expertise);
  - Rent levels are relatively low in Carlisle (detailed in section 3.1, below) – especially in respect of affordable housing, where (e.g.) a Housing Association may require discounted land just to make a scheme viable, so there may not be any surpluses to share.

If a local authority's rationale is primarily to deliver affordable housing, tendering surplus sites (as the Council has successfully done in the past) may be a simpler, quicker, and less resource intensive option than setting up a Local Housing Company.

### Cumbrian Context

Discussions with other local authorities in Cumbria have identified that two district councils have recently set up or are looking to set up their own housing companies:-

- Eden District Council ("Heart of Cumbria Limited") – a report to Eden's Council in January 2017 recommended setting aside £1 million within its 2017-18 capital programme to be made available to *Heart of Cumbria* – £500,000 to purchase affordable homes and a further £500,000 towards investment in commercial and/ or residential investment property, using New Homes Bonus and Section 106 (planning gain) funding. It is understood that EDC have recently purchased 3 properties from a local developer to be let at an affordable rent, with more in the pipeline.
- South Lakeland District Council – SLDC engaged a consultant to provide a report on affordable housing delivery options, including setting up a joint venture company. Their preferred option was for SLDC on-lending, with the Council providing loans to local Housing Associations. SLDC and Eden DC both put a significant level of New Homes Bonus into affordable housing.
- Allerdale have recently initiated plans to develop a Local Housing Company (LHC) and although there have been delays (mainly due to the pandemic) progress has been made. From a legal perspective the LHC is now in existence and the conversion of a former retail site at Otley Road in Keswick is well underway. The old toilet block in Maryport which was converted into two flats some time ago continues to be utilised as temporary accommodation since it became apparent that this would be needed during the first lockdown. The aim will be for further sites to be developed with work commencing in forthcoming years. Allerdale will be part of the same Unitary Council as Carlisle, so there are potentially opportunities to tap into their experience of setting up a Local Housing Company.

### **3. RESPONSE TO THE COUNCIL MOTION – 5 NOVEMBER 2019**

A concise analysis is provided below for each of the issues raised at Council on 5 November 2019.

#### **3.1 *Change and define in an equal and fair way 'affordable social housing' for local people as linked to their local income and revisit the affordable rented homes policy to reflect this.***

“Affordable” rents of up to 80% of a local market rent (including service charges) were introduced as a replacement for social rents by the Coalition Government in 2011 - the rationale being to reduce grant rates following the “credit crunch”. However, in practice the reduction in grant rates was at least partially offset by a simultaneous increase in the Housing Benefit bill.

Many local authorities and Housing Associations in higher value areas voluntarily capped these rents locally at below the maximum 80% of a market rent, as they were clearly not “affordable” to people on modest incomes. However, the implementation of affordable rents was never as much of an issue in Carlisle as many other areas of the country, due to the relatively low rents.

The following table (*Figure 3*) based on Office for National Statistics data, compares average rents in Carlisle with South Lakeland (which are the highest in Cumbria), London and England, over the 12 months to 31 March 2021.

***Figure 3: Median Monthly Rents by Property Size – Year to 31 March 2021***

Location	1-bed (£)	2-bed (£)	3-bed (£)	4/4+ bed (£)	Average (£)
Carlisle	380	450	570	750	465
South Lakeland	540	650	775	1,073	675
North West	475	550	670	925	585
England	650	700	800	1,350	730

(Source: Office for National Statistics (ONS) Private Rental Market Statistics, published 16.06.21.)

The data in *Figure 3* compares median (or typical) private sector rents in Carlisle with national and regional (North West) rents, as well as those in South Lakeland, which are the highest in Cumbria. The average rents in the final column include room and studio rents (not detailed in the table, as they are not typical of Housing Association stock) which has made the average rents appear lower than might be expected from the other rents in the table.

The table demonstrates that median rents in Carlisle are well below the national and regional averages, and also the more expensive areas of Cumbria. The median rent across all property types in Carlisle of £465 per month (£107.30 per week) is approximately 79% of regional rents for the North West; 69% of the highest Cumbrian rents in South Lakeland; and 64% of national rents for England. The above figures are averages, and will vary within the District – for instance, rents at Wetheral would typically be higher than in Carlisle South.

However, typical Affordable Rents (including service charges) based on the maximum 80% of the District Average market rent, by property size, are set out in *Figure 4*, below:-

Figure 4: Carlisle Affordable Monthly & Weekly Rents by Property Size – September 2019

Affordable Rent @ 80% market rent	1-bed* (£)	2-bed (£)	3-bed (£)	4/4+ bed (£)	Average (£)
Carlisle (Month)	304	360	456	600	372
Carlisle (Week)	70	83	105	138	86

(\*self-contained)

All of the above figures are within Local Housing Allowance (LHA) rates for private sector rents in Carlisle, detailed in *Figure 5*, below, so tenants would be eligible for full Housing Benefit (now part of Universal Credit) based on a typical median rent.

Figure 5: Local Housing Allowance Rates for Carlisle

Property Type	Weekly LHA Rate (£)	Monthly LHA Rate (£)
1-bed in a shared house	68.00	295.48
1-bed self-contained (bedsit or flat)	80.55	350.01
2-bed	97.81	425.01
3-bed	120.82	524.99
4-bed	155.34	674.99

The Local Housing Allowance (LHA) rates for Carlisle, included in *Figure 5*, above, have been in place with effect from 1 April 2020. LHA relates to private sector tenants, and uses a flat rate allowance, based on the size of the tenant's household and area in which the property is located, to determine the maximum housing element of Universal Credit they will receive.

The following average Social and Affordable Rental data for Carlisle in *Figures 6 & 7* has been provided by our two largest local Housing Associations.

Figure 6: Castles & Coasts Affordable and Social Rents

Castles & Coasts Carlisle Rents	Typical Weekly Affordable Rent (£)	Typical Weekly Social Rent (£)
1 bed-flat/ bungalow	85.95	80.15
2 bed-house	98.16	92.82
3 bed-house	110.52	107.66
4 bed-house	123.28	122.09

*Figure 7: Riverside Social and Affordable Rents*

Carlisle	Typical Weekly Affordable Rent (£)	Typical Weekly Social Rent (£)
1 bed-flat/ bungalow	80.00 - 85.00	75.00-80.00
2 bed-house	78.00 - 90.00	80.00-90.00
3 bed-house	95.00 -105.00	95.00-105.00
4 bed-house	105.00 -115.00	110.00-115.00

As the Housing Association rental data shows, there is relatively little difference between a Social Rent and an Affordable Rent in Carlisle, due to rents in the District being significantly below the national average. The range of rents provided by Riverside reflects the fact that rents are lower on older stock transferred from the Council through *the Large-Scale Voluntary Transfer* (LSVT) in 2002.

In respect of the Council motion, there would not appear to be sufficient justification to ask local MPs to lobby Government on this matter, as rents in Carlisle are well below the national average, and relatively “affordable” compared to many other areas. The average median rent for Carlisle of £465 per month, detailed in *Figure 3*, equates to 21.3% of the median income for Carlisle of £26,154 per annum (based on 2021 *CACI Paycheck* data) - Housing charity *Shelter* defines affordable housing as ‘no more than 35% of your household income after tax and benefits.’ Although we are dealing in averages here, and there will inevitably be some households facing difficulties, the important issue around capping Affordable Rents, or linking them to local incomes, seems more pertinent to those local authorities in other areas of the country, where rents and affordability issues are significantly higher. Furthermore, local Housing Associations need to achieve these rent levels to enable them to deliver new affordable homes for rent through bids to Homes England or Section 106 planning obligations and invest in retrofitting existing stock; otherwise, these schemes would not be viable and new affordable homes for rent would not come forward.

The main issue of affordability in the social housing sector for tenants paying the rent through benefits, relates to those who are classed as under-occupying their homes who are subject to regulations concerning the removal of the spare room subsidy (also known as “Bedroom Tax”) who would face a deduction in benefits of 14% of the rent for one spare bedroom and 25% for two spare bedrooms.

**3.2 *Review the Right to Buy system in a way so that it is fairer and to look at giving this Council and other Council authorities the option of building much more badly needed local social rented housing.***

Carlisle City Council ceased being a landlord following the LSVT (large scale voluntary transfer) of its housing stock to the Riverside Group in December 2002. By the time of the transfer the stock had fallen to approximately 7,200, from its peak

of around 13,000, prior to the introduction of the Right to Buy policy in the early 1980s (alongside the selective demolition of around 600 properties at Raffles).

Riverside subsequently lost further rented properties to Right to Buy sales over the following years, and their stock was down to just under 6,100 as of September 2019 (although they currently have two schemes on site, totalling nearly 120 properties). Data from the Regulator of Social Housing identifies that in 2019 there were approximately 7,700 Housing Association rental properties in Carlisle's District, equating to approximately 15% of the overall housing stock.

Should the Council wish to consider a return to developing Social or Affordable Rented housing, there are a number of issues which would need to be considered; especially as the Council no longer has a Housing Revenue Account (HRA) which is used to fund council housing by stock-holding local authorities, in accordance with the Housing Act 1985 Part II) since stock transfer. The following information and quotations are taken from *Local Authority Direct Delivery of Housing: Continuation Research* - a research paper published by the RTPI (Royal Town Planning Institute) in July 2019 (with additional explanatory text in brackets in *italics*).

The report highlights the following key motivations and barriers for local authorities engaging in direct delivery:-

- Motivations: meeting local housing requirements and tackling homelessness (followed by income generation and improving design quality);
- Barriers: lack of funding; lack of land; and lack of expertise (pages 54-55).

"All councils (*including those that no longer have a Housing Revenue Account*) have powers to build housing including using powers for land, they can provide housing to meet wellbeing outcomes using *2000 Local Government Act s2* wellbeing duty and the powers to act as a company in the Localism Act 2011 (s1-7). All local authorities can establish a company, a joint venture with another partner, a community benefits society, become a registered provider (*housing association*) or build and hold housing in the general fund account of the council" (page 92).

The RTPI report identifies three main ways in which local authorities can hold housing within their ownership:-

- i) " ... within a Housing Revenue Account (HRA) - *Carlisle has not had an HRA since stock transfer*. In practice, a council can hold up to 200 homes using this legal provision without opening a Housing Revenue Account if they do not have one, but they are required to obtain permission for this from MHCLG (*Ministry of Housing Communities & Local Government*) which is a formality.
- ii) Councils can also hold housing for commercial reasons – that is to generate income. This housing might be held within a property or development

company and can be for all tenures and can be for all tenures and can be let at social rent although not with the same security of tenure as those provided using the *Housing Act 1985*. This might be done using Sections 1-7 of the *Localism Act 2011*.

- iii) The third main way that councils can hold housing is to support wellbeing purposes within Section 2 of the Local Government Act 2000. In this case, homes might be held in specific tenures or locations to meet the wellbeing of the area including the need to support economic and social objectives and may also be offered at social rent but without the same security of tenure as those held under the Housing Act 1985. Only tenants of homes held within the Housing Act 1985 powers are eligible for Right to Buy. If councils use the other powers to hold housing, then it can offer rolling tenancies of up to five years” (pages 35-36).

The Government has allocated £7.4 billion (outside London) to its delivery agency, Homes England, through the Affordable Homes Programme 2021-26. The Programme includes a requirement for 50% of the affordable homes delivered to be for shared ownership, reflecting the Government’s strong commitment to increasing levels of home ownership, which will inevitably lead to a reduction in the overall proportion of grant-funded homes for Affordable or Social Rent. Other priorities include a commitment to deliver 10% supported housing and 10% rural housing within the Programme, together with encouraging providers to deliver more homes through modern methods of construction (MMC).

The key problem emerging from Right to Buy sales is that most of the proceeds were not re-invested in new social or affordable housing. However, due to the high level of discounts and relatively low valuations it is acknowledged that these receipts would not have been anywhere near enough to fund one-for-one replacements. Over recent years local Housing Associations have stepped up delivery of new Affordable Rented housing - with the three largest schemes currently on site, or recently completed, delivering 184 new affordable homes. Most of these new properties are family homes (reflecting the fact most of the social homes sold through Right to Buy were family units) as well as a number of two-bedroom bungalows, meeting the needs of the ageing population.

Going forward, all of our largest Housing Association partners have expressed a keen interest in developing new affordable homes in Carlisle, particularly in respect of new development opportunities at St Cuthbert’s Garden Village.

Regardless of whether the Council decided to lobby local MPs on this policy, the Government has recently announced the introduction of a new Right to Buy shared ownership policy, as part of its commitment to home ownership, so it is unlikely the Right to Buy policy will be withdrawn nationally. The Council does have powers to return to council house building if it so wishes, as detailed above, but this would be very resource intensive in terms of both capital and revenue (especially as all the

Council's housing management staff; repairs surveyors etc. were TUPE'd over to Riverside). Based on the current positive levels of development by local Housing Associations across a range of new sites and their keen interest in securing further sites in Carlisle (especially through opportunities arising from St Cuthbert's Garden Village) the Council needs to consider whether the best option might be to continue to support increased development of social and affordable rented homes through its Housing Association partners.

The Council has previously helped to increase affordable delivery through making sites in its ownership available for affordable housing – most recently the “Demonstration Project” site, completed in 2020, delivering 50 new affordable homes for affordable rent, as well as providing training opportunities for students at Carlisle College. The Council may wish to consider tendering any suitable surplus sites for affordable housing to increase delivery (this would often need to be at below market value to be viable for 100% affordable housing developments) as an alternative to returning to direct council house building.

### **3.3 *Transform the planning system with an end to the ‘viability’ loophole that lets some developers put off their responsibilities.***

Viability is enshrined within the NPPF (National Planning Policy Framework) which stipulates that: “viability assessment should not compromise sustainable development but should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan.”

The Council requires any applicant who claims that their site cannot viably deliver the required percentage of affordable housing set out in the Council's Affordable Housing policies to provide a detailed viability appraisal. This will then be robustly scrutinised by an experienced Chartered Surveyor – the Council negotiates fees arrangements with firms specialising in site-based viability work, whereby the cost is split 50/50 between the Council and the applicant.

The Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) from 2019 includes a detailed section on what information the Council expects applicants to provide in support of an Economic Viability Assessment and provides a standard viability template. The SPD makes it clear that: “Land value – applicants should ensure that all planning obligations are factored into the land transaction price (securing an option to buy sites subject to securing planning permission is advisable). This approach embeds the requirement for affordable housing into land values, improving the transparency and consistency of the viability process” (SPD paragraph 8.4).

Despite the provisions set out in the Housing SPD, there are still a relatively small number of genuine cases, where a site cannot viably deliver all of the affordable housing and/ or other Section 106 requirements – especially, as property prices

have been relatively static in Carlisle for some time, while there is evidence that build costs have been increasing. For instance, Brownfield sites (such as former industrial units or landfill sites) often incur high abnormal site remediation costs before they can be re-developed. Sites of this nature are also more likely to be situated in areas where property prices are relatively low, meaning they may not generate sufficient profit to fund the level of affordable housing required. It also needs to be recognised that affordable housing is often just one Section 106 requirement, alongside a requirement to provide a range of other contributions – e.g. infrastructure, highways, green spaces, education.

In some cases, a reduced affordable housing contribution has been negotiated with the applicant, following a detailed appraisal of the figures by the Chartered Surveyor; however, it is extremely rare for an agreement to be reached whereby there would be no affordable housing on the application site. A rare example being one of the phases of Lovell's redevelopment of Raffles, due to the relatively low sales values in the area, combined with site-specific costs of redeveloping this Brownfield site. However, this is unusual, and on a number of other sites the Chartered Surveyor's viability check has confirmed the site can deliver the full affordable housing requirement and all associated Section 106 costs – a recent example being the Carleton Clinic site, where the applicant's original figures showed a shortfall of several hundred thousand pounds, but following viability negotiations, the required onsite affordable housing contribution and related infrastructure costs have now all been agreed in full. The Council always encourages applicants to bring forward any viability concerns up front; however, on occasion viability challenges are received after developments have commenced, which is frustrating, but applicants are allowed to do this in accordance with National Planning Practice Guidance (NPPG).the NPPF.

The Council only actually receives a relatively limited number of viability assessments – the table below (*Figure 8*) sets out the proportion of affordable housing approvals on sites allocated in the Local Plan as a percentage of overall approvals, based on an exercise carried out in 2019 by the Local Plans team.

Figure 8: Affordable Planning Permissions (Local Plan Allocated Sites)

Total Approvals	Affordable %age	Affordable no.	Rent	Intermediate
3373	25.4%	855	476	379

The total number of affordable approvals of 25.4% is in the middle of the affordable housing targets of 20% for Zone B and 30% for Zones A & C, with almost 56% of these 855 affordable permissions being for rent - very close to the SHMA need assessment of 60% rental accommodation. The number of affordable rental permissions is higher than intermediate low-cost home ownership, due to a small

number of Housing Association led schemes. It should be noted that the above table only refers to sites allocated in the Local Plan and does not include 'windfall' or 'exception' sites.

It is also worth noting that, following an update to the National Planning Policy Framework (NPPF) in 2018, economic viability assessments linked to planning applications must now be made publicly available, making the process more transparent.

Any reduction in affordable housing contributions, due to site-based economic viability assessments, has been extremely limited. In the small number of cases where a reduction in affordable housing provision has been accepted, this has only been agreed based on the professional advice of an experienced Chartered Surveyor, where this has been substantiated following a robust evaluation process. This would not appear to justify any further change in the planning system – the 2018 update of the NPPF has already introduced stricter guidelines on viability assessments, which is supported locally by the economic viability provisions set out in the Council's Affordable and Specialist Housing SPD.

Concerns that a property market crash might follow in the aftermath of Covid-19 have to date proved unfounded, with property prices holding up unexpectedly well; although this is at least partly due to supply and demand, with less people moving following successive lockdowns, including restrictions on people moving home during the first lockdown. The Stamp Duty 'holiday', which ended on 30 June 2021, also helped to sustain property prices during this potentially turbulent period for the housing market. The longer-term picture may change once the Government's 'furlough' scheme ends. The cost of some building materials has risen significantly, however, with shortages linked to BREXIT and Covid-19 also leading to delays in new build properties and sites being completed. The Council will continue to ensure these assessments are robustly appraised by an experienced Chartered Surveyor, taking full account of any fluctuations in market sales values and the cost of materials, and they will not be subject to any viability 'loophole'. Only two viability assessments were received in 2020 and two so far in 2021.

### **3.4 *That we publicly support and join the LGA and George Clarke in their campaign to have Government work with councils on an ambition to build 100,000 council homes a year.***

The petition, launched by TV presenter and architect George Clarke, to build 100,000 Council homes every year for the next 30 years, due to the impact of Right to Buy sales leading to high waiting lists for social housing in many areas. Over 269,000 people have signed the petition.

The shortfall of affordable homes is much less significant in Carlisle, compared to other areas of the country, notably London and other big cities. As detailed in

section 2.3 of this report, the annual housing need of 158 affordable units per annum over the next five years (both rental and intermediate) compares with annual affordable completions of 129 over the last five years and 160 over the last two years. Officers continue to work with a range of partners, including Homes England, and local Housing Associations to meet. and where possible exceed (as in 2020/21) our affordable housing targets.

#### 4. AFFORDABLE HOUSING DELIVERY OPTIONS

- 4.1 There are a number of options the Council could consider, to sustain and even increase affordable housing delivery. These delivery methods, including the opportunities and risks for each option, are considered in *Figure 9*, below.

Figure 9: Affordable Housing Delivery Options

Delivery Method	Opportunities	Risks
Make Council land available for affordable housing development	The Council has a previous successful track record of tendering sites on this basis and would be utilising existing resources so minimising costs. Although affordable housing sites would usually need to be sold at below market value, they would still generate a capital receipt. Much quicker and simpler process than setting up a company.	Finite supply of “shovel ready” sites in Council’s ownership – many sites already sold. Likely to impact on asset disposal income targets.
Prudential borrowing to invest in affordable housing	Some Councils have used their prudential borrowing powers to provide loans to Housing Associations to deliver new affordable homes. This could help with securing sites – feedback from local Housing Associations is land is the greatest barrier, as they are usually outbid for the best sites by private developers.	Housing Associations have indicated they can afford to finance their own schemes – the major problem they are facing is securing quality sites. There would therefore appear to be no obvious benefit at this time.
Set up a Council led Housing Company	Companies already set up cover a range of models – could generate income over time. If the Council invested in land, this could bring in delivery partners (e.g. Housing Associations; investors; Homes England) with development	Financial and staffing resources would need to be fully appraised, and delivery model clearly established. Establishing a new company would require significant upfront investment.

	expertise. St Cuthbert's Garden Village would have potential.	
<b>Delivery Method</b>	<b>Opportunities</b>	<b>Risks</b>
Establish a Joint Venture (JV)	Joint ventures do not always require setting up a Housing Company and might relate only to a specific site or project. For instance, the Council could provide a site for affordable development in partnership with a Housing Association, in return for a share of the rental income (creating a long-term income stream) in lieu of a capital receipt. The model could also generate a capital receipt but with a greater share of reward and risk.	It could potentially take much longer to recoup the Council's investment under the JV model, compared to a land disposal. Depending on the structure, the Council may have to share risks; including upfront legal costs, which could be abortive in the event of the JV not being formally established. Relative shortage of "shovel ready" sites in the Council's ownership and low rental yields in Carlisle may limit interest from a JV partner.
Use of New Homes Bonus (NHB) receipts	Some local authorities, including Eden and South Lakeland have invested NHB receipts in delivering affordable housing. Funding could be used towards acquiring affordable sites; joint initiatives with partners; or bringing empty properties back into use on an affordable basis (either through a rolling capital programme or through providing grants to landlords – which would need significantly less funding per unit and bring more properties back into use).	Using NHB to increase affordable housing delivery would inevitably reduce investment in other service areas; given it essentially helps to offset wider reductions in Government funding.
Rural Exception sites	Local Plan policy HO 5 allows for the development of small sites to meet an affordable housing need in locations where market housing would not ordinarily be acceptable – an element of enabling market housing may be acceptable, if justified by a viability appraisal. There is currently a strong interest from a number of local Housing Associations.	Exception sites need to be located in sustainable locations: adjoining settlements with local services and facilities or benefitting from good public transport links to larger settlements. Perceived lack of confidence in planning system from local communities.

## 5. PRACTICAL DELIVERY OPTIONS

Having considered the options set out above in Section 4, it is considered that the most appropriate potential options to increase the delivery of affordable housing in Carlisle are:-

- 5.1 Setting up a Local Housing Company
- 5.2 Establishing a Joint Venture with a delivery partner (options 5.1 and 5.2 have been considered in more detail in Section 2.6);
- 5.3 Making Council owned land available for affordable housing delivery.

A SWOT Analysis (strengths; weaknesses; opportunities; threats) is included in the table below (*Figure 10*) to consider the potential of these three options in additional detail.

*Figure 10: Practical Delivery Options - SWOT Analysis*

5.1 Local Housing Company (LHC)	
<b>Strengths</b>	Council-owned delivery vehicle, with the ability not just to increase overall supply, but simultaneously enable the Council to help “plug gaps” in the housing market to meet identified local needs – e.g. providing more affordable bungalows for older people or specialist supported housing, such as Extra Care.
<b>Weaknesses</b>	Resource intensive: setting up a LHC would require additional staff, as well as significant borrowing to develop sites, as well as potentially purchasing development sites, as the Council has a limited number of “shovel ready” sites left which are suitable for housing development. It is understood the Council would be required to re-establish a Housing Revenue Account once its stock reached 200 properties. The stock may become eligible for Right to Buy in future, depending on Government policy.
<b>Opportunities</b>	St Cuthbert’s Garden Village. Local Government Reorganisation – other local authorities Carlisle will be joining in the new Unitary Council have experience of setting up a Local Housing Company or ownership of sites and a larger Council would have greater access to borrowing.
<b>Threats</b>	Competition from the Housing Association sector and private landlords, who are already established. Potential that properties could be eligible to be sold through Right to Buy, subject to the outcome of current Government pilot.
5.2 Joint Venture (JV)	
<b>Strengths</b>	Opportunity to pool resources and skills, thereby sharing risk and reward with a carefully selected housing delivery partner (establishing clearly defined management, governance & decision-making protocols). A JV could involve the Council providing land and the

	housing partner (e.g. a Housing Association) bringing development and housing management skills. A JV is less resource intensive than setting up a LHC – and could potentially be managed within existing staffing resources. This approach provides options in respect of financial reward, including an upfront capital receipt; phased payments; or longer-term income stream for the Council.
<b>Weaknesses</b>	Potential delay in getting the JV off the ground, as this could involve a lengthy tendering/ procurement and legal process. Limited supply of “shovel ready” sites in the Council’s ownership. Rent levels in Carlisle are well below the national average, meaning affordable rental schemes would probably not deliver any surplus income stream – Housing Associations often require discounted land just to make the scheme break even.
<b>Opportunities</b>	Local Housing Associations have expressed interest in developing a number of sites in Council ownership. As detailed in 5.2, above, economies of scale relating to a new Unitary Authority could also provide greater opportunities for setting up a Joint Venture.
<b>Threats</b>	A JV will only be successful if the Council partners with a housing partner who brings complementary skills to the JV and shares the Council’s goals and objectives – it is crucial to select the right delivery partner.
<b>5.3 Making Council Owned Land Available for Affordable Housing</b>	
<b>Strengths</b>	Least resource intensive option in respect of staffing time – could be managed within existing staffing resources. Would require a procurement exercise (could cover more than one site) involving Housing, Planning, Procurement, Legal & Property staff. The Council have previous experience of successfully tendering for partner organisations to deliver sites for Extra Care Housing (Heysham Gardens) and affordable housing: Heysham Drive; Irthing Close (Brampton) & most recently Beverley Rise, Harraby ( <i>Demonstration Project</i> ).
<b>Weaknesses</b>	It is likely the sites would need to be sold at below market value to make them “stack up” financially for a 100% affordable development.
<b>Opportunities</b>	Officers are aware of existing interest from local Housing Associations in developing a number of sites in Council ownership.
<b>Threats</b>	It is possible there may not be interest in certain sites (e.g. where the location is not considered suitable, or there are concerns over flood risk or site remediation costs); however, this risk could be mitigated through “soft market testing” prior to any tendering exercise.

## 6. RISKS

**6.1** The risks relating to the three key options are detailed in the ‘Threats’ section of the SWOT analysis, above. A further risk summary is included below:-

- Option 5.1 - Setting up a Local Housing Company: would carry the greatest level of risk as it would involve borrowing millions of pounds to build

properties, purchase housing sites (this could be reduced if the Council were able to use a number of its own sites) and employ additional staff to maintain the new Council homes. Once the number of properties surpassed 200 homes, the Council would be required to set up a Housing Revenue Account, and properties would be at risk through the Right to Buy. It would be a long time before the company broke even, as the income stream would be based on sub-market rents.

- Option 5.2 – Establishing a Joint Venture: some of the issues relating to setting up a Local Housing Company would still apply; however, the risks could be shared under this approach. Potentially, the Council may be able to partner with another organisation, such as a Housing Association, who are already geared up to managed and develop housing, and make land available at no cost, potentially in return for a share of the rents, but this is unlikely to be a significant amount due to the partner's cost of developing and managing the scheme and level of Affordable Rents in Carlisle District, which are well below national and regional averages.
- Option 5.3 – Making Council land available for affordable housing: less of a risk to the Council; although there is a risk there may not be significant interest in some sites currently in the Council's ownership, as many of the better, more readily developable sites suitable for housing have already been sold.

Pursuing options 5.1 or 5.2 would potentially benefit from advice from an expert consultant – the Council has considerable previous experience of delivering affordable housing through option 5.3.

## **7. CONSULTATION**

- 7.1** Proactive discussions have been held between Housing and Planning Officers, and also Property Services regarding potential housing sites. Briefing papers were discussed by SMT and JMT in 2020.
- 7.2** Officers will be liaising with colleagues in other local authorities, who will be part of the new Unitary Council, to explore opportunities for increasing affordable housing delivery, through the Cumbria Housing Group and other countywide housing fora.

## **8. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

### **8.1 Council Motion**

The motion from the 5 November meeting Council meeting requires that a report be taken back to Council. The Council's options in respect of the motion are considered in detail in Section 3 of this report. To summarise, this report's conclusions on the recommendations are:-

- Affordable Rent levels: Market rents, as well as Social and Affordable Rent levels, in Carlisle are significantly below the national average. It may therefore be more appropriate for local authorities in higher rental value areas to ask their MPs to lobby Government on this issue (detailed in section 3.1).
- Reforming Right to Buy: The Government re-affirmed its commitment to the Right to Buy policy in the March 2020 budget. If the Council were still minded to ask local MPs to lobby Government on this issue, it would therefore seem unlikely to have any significant impact, based on prevailing Government policy, which is strongly focussed on supporting home ownership (detailed in section 3.2).
- Closing the Economic Viability 'Loophole': There has been relatively little reduction in affordable housing contributions, due to economic viability assessments, in Carlisle. The comparatively small number of planning applications where there has a reduction from policy have been genuine cases, which have only been approved based on the expert advice of an experienced Chartered Surveyor, following robust scrutiny of the figures. The most recent updates to the NPPF have already made viability procedures more robust and transparent, so it is not considered any further lobbying of Government is required (detailed in section 3.3).
- Support the petition by George Clarke and the LGA to increase Council House Building to 100,000 per year: Most of the affordable housing need in Carlisle is currently being met through new supply and re-lets of existing stock, making this more of an issue for other areas where there is a clear under supply of affordable homes (detailed in section 3.4).

### **8.2 Housing Delivery Options**

Overall housing delivery in Carlisle had been operating at record levels for the four years prior to the pandemic (there was inevitably a reduction in completions in 2020-21 due to the impact of Covid-19, compounded by delays due to materials shortages linked to BREXIT) with a number of new developers now operating in the

District; however, annual affordable completions vary significantly. To some extent, this is linked to Homes England funding programmes; however, there is also an underlying problem in respect of local Housing Associations struggling to access sites (including larger strategic sites, which could be built out over a number of years) as they generally lose out to private developers, who are able to pay more for the better sites.

A recent report by Lloyds Banking on the UK's most affordable cities has shown that Carlisle is the second most affordable place to live –

<https://www.lloydsbankinggroup.com/media/press-releases/2021/halifax/londonderry-tops-uk-affordable-cities.html>

Section 5 of this report sets out three priority options for increasing the delivery of affordable housing. Options 5.1 and 5.2 (setting up a Local Housing Company or a Joint Venture) would require more detailed exploratory work to establish the legal, financial and procurement implications of the preferred approach; while option 5.3 – making Council land available for affordable (or specialist) housing, is a tried and tested model the Council has previously utilised successfully, notably with the 60 unit Heysham Gardens extra care housing scheme and most recently with the 50 new homes completed at Harraby in 2020, through the Demonstration Project scheme. These options can be considered in more detail by the new Unitary Council.

The new Unitary Authority offers opportunities around increased economies of scale to seek new strategies for delivering affordable housing, as detailed in sections 4 and 5 of this report. In the interim, Officers will now be able to take the opportunity to hold preliminary discussions, looking into the practical delivery options (set out in section 5 of this report) further with local authorities who will be part of the new Unitary Council (including through established fora, such as the Cumbria Housing Group) and other potential delivery partners, such as local Housing Associations, in advance of the new Unitary coming into operation from 1 April 2023.

## **9. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

### **9.1 Delivery of affordable housing fulfils both the Economic Growth and Health and Wellbeing priorities in the Carlisle Plan.**

**Contact Officer:** Jeremy Hewitson

**Ext:** 7519

**Appendices**                      None  
**attached to report:**

**Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:**

- None

#### **CORPORATE IMPLICATIONS:**

**LEGAL** – There are no legal implications arising from this Report as its purpose is to provide an overview so further detailed legal work would be required should any particular course of action be chosen. The Report accurately quotes the Local Authority Direct Delivery of Housing: Continuation Research - a research paper published by the RTPI (Royal Town Planning Institute) in July 2019 which references the s2 Local Government Act 2000 as the appropriate power. This was, however, revoked in 2011 and replaced by the power of general competence (Localism Act 2011).

**PROPERTY SERVICES** – The Council has property assets that could be used to deliver affordable housing however this would need to be balanced with its desire to generate capital receipts to assist with delivery of other Council objectives.

**FINANCE** – The report outlines various proposals for improving availability of affordable housing in the area. Members are asked to give opinions on the various options discussed. Each option will have its own challenges in terms of appropriate procurement and financial implications, for example, the use of Council land, using various delivery structures or the potential to use prudential borrowing to deliver the objectives. Once these preferred options are narrowed down, these implications will be able to be considered in more detail. At present, there are no allocations for financial support to be able to deliver any housing schemes in the Council's capital programme and any revenue costs would need to be met from base budgets.

**EQUALITY** – The report identifies the challenge of meeting the needs of the ageing population. The increasing need for bungalows, and other property types suitable for older persons, due to the significant projected increase in the number of older people, is addressed in the Council's Affordable and Specialist Housing Supplementary Planning Document (SPD) adopted in early 2018. Data provided by POPPI (Projecting Older People Population Information) projects a 33.5% increase in the no. of people aged 65 and over across Carlisle District between 2020 and 2040, including a particularly significant increase in people aged 85 and over.

**INFORMATION GOVERNANCE** – There are no Information Governance Implications with this report.

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## EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 31 AUGUST 2021

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### **EX.93/21      \*\*OPTIONS FOR INCREASING THE DELIVERY OF AFFORDABLE HOUSING IN CARLISLE**

(Non Key Decision)

(In accordance with Paragraph 15(i) of the Overview and Scrutiny Procedure Rules, the Mayor had agreed that call-in procedures should not be applied to this item)

**Portfolio**      Economy, Enterprise and Housing

**Relevant Scrutiny Panel** Health and Wellbeing

#### **Subject Matter**

The Economy, Enterprise and Housing Portfolio Holder presented the response to a Council motion from November 2019 (detailed in Section 1.1 of report ED.28/21) to consider a number of specific measures in respect of enhancing affordable housing delivery. The report provided a response to each of the individual issues raised in the motion, as well as looking at wider potential options for the delivery of increased levels of affordable housing in Carlisle.

The Economy, Enterprise and Housing Portfolio Holder drew particular attention to section 8.1 which summarised the report's conclusions on the recommendations set out in the motion. He thanked the Housing development Officer for the report.

The Economy, Enterprise and Housing Portfolio Holder moved the recommendations, which were seconded by Leader.

**Summary of options rejected**      none

#### **DECISION**

That the Executive:

- 1) noted the work undertaken to deliver affordable homes in Carlisle;
- 2) considered the potential options set out in report ED.28/21 for increasing the level of affordable housing delivery;
- 3) recommended that, in view of the Local Government Reorganisation, the matter be reviewed by the new Unitary Council.

#### **Reasons for Decision**

To provide a response to a Motion agreed by full Council on 5 November 2019