

## **NCC : NBC HOUSING SCHEMES – OVERVIEW**

### **BACKGROUND**

Northampton Borough Council (NBC) is the main Registered Housing Provider for the Borough and received a request to assist Northamptonshire County Council (NCC) to assist in the provision of additional housing for specific client groups.

These schemes will form part of the Housing Revenue Account (HRA) and will deliver specialist homes that will enable NCC to deliver Social Care services to clients without having to place them out of area. This enables delivery of services closer to the client's families, provides more independent living opportunity and also should reduce the pressures on Social Care budgets through improved local quality care provision.

Northampton Partnership Homes (NPH) as the Council's housing management company will undertake the capital works provided, which vary from reconfiguration to design and new build, within the normal scope of HRA Properties. NPH will also then deliver standard property management and maintenance services, but will not be providing any 'care services'. NCC will commission all care provision separately either through in-house services or other care providers.

NCC will be transferring land/assets to the NBC HRA at minimal cost, gaining value through nomination rights. HRA will benefit from a growth in the stock of homes, individual appraisals have been conducted to support each schemes business case (NBC/NPH/NCC have all contributed and evaluated from the various viewpoints).

### **SCHEMES**

#### **Scheme One – Eleanor Lodge**

Outline - Core and Cluster Scheme to provide 18 Units of accommodation in 5 Residential Clusters

Funding – NCC have funded reconfiguration costs (no capital cost to HRA), scheme operationally ready.

NPH – Commissioning of work and Project Management of reconfiguration, Housing management and Lettings management.

NBC – Registered Provider, provision of homes through the HRA.

Care & Support – To be commissioned and provided by NCC Adult Social Care services.

Property Ownership – NCC to lease to NBC for 30 Years (which will fold in the new Unitary Council environment).

Nomination Rights – NCC to have nomination rights for the duration of the lease, NCC liable for excess voids and may change use of building / units if demand reduces.

NCC Client Group – Adults with Learning Disabilities

### **Scheme Two – Moray Lodge**

Outline – New Build to provide 20 apartments, plus support facilities.

Funding – NCC land transfer, Homes England Grant sought, HRA funding

NPH – Commissioning of construction work / Project Management. Housing management and Lettings management.

NBC – Registered Provider, provision of homes through the HRA.

Care & Support – To be commissioned and provided by NCC Adult Social Care services.

Property Ownership – NCC transfer of land NBC Housing Revenue Account (HRA), HRA will own property and land.

Nomination Rights – NCC to have nomination rights in conjunction with NBC Housing. NCC liable for excess voids with no detriment to HRA.

NCC Client Group – 10 Apartments for people with acquired brain injuries and 10 Apartments for clients with Mental Health requirements.

### **Scheme Three – Billing Brook Road**

Outline – New Build to provide 8 bungalows, plus support facilities.

Funding – HRA land, Homes England Grant and NHS England funding sought, underwritten by NCC Capital Funding if required.

NPH – Commissioning of construction work / Project Management. Housing management and Lettings management.

NBC – Registered Provider, provision of homes through the HRA.

Care & Support – To be commissioned and provided by NCC Adult Social Care services.

Property Ownership – Use of existing HRA land, HRA will own property and land.

Nomination Rights – NCC to have nomination rights in conjunction with NHS CCG and NBC Housing. NCC liable for excess voids with no detriment to HRA.

NCC Client Group – 8 Bungalows for adults with Autism.

### **HOUSING REVENUE ACCOUNT**

The Housing Revenue Account (HRA) is a ring fenced aspect of the Councils funding and service delivery. Council approved an increase in borrowing to fund these schemes on 3 June 2019, subject to each scheme being approved by Cabinet.

In assessing these schemes the financial appraisals, whilst acknowledging the NCC service needs, must only consider the costs and income associated with the provision of the homes themselves, the rental they will create (at affordable home rates, capped at Local Housing Allowance) and the costs of maintenance and housing related services along with the associated costs of any borrowing by the HRA to deliver the schemes.

NPH, as with any standard HRA scheme, developed the financial appraisal as part of the business case. This has then been tested by the NBC HRA Finance Team for sensitivities in costs and income. The main mitigation to these schemes, as a result of the nomination rights by NCC would be unavoidable voids. The NBC rent (via NPH) will be protected should the standard void assumption of 4% be exceeded through an underwriting agreement with NCC.

NCC, or its chosen provider, will also be providing a separate income stream to the HRA for those elements of the schemes designated as 'Care Provision Facilities' such as staff accommodation and offices which normal housing rents would not be expected to contribute to.

In all cases using prudent assumptions for construction costs, maintenance costs and the cost of borrowing, the schemes reflect they are financially viable.

NBC Revenue & Benefit Service has been advising NCC and NPH on the levels of Housing Benefit that might be provided to the residents in relation to the Local Housing Allowance values.