

29th January 2020

Report of	Assistant Director of Place and Client Services	Author	Tina Hinson ☎ 506903
Title	Increasing the supply of affordable housing – 100 homes project		
Wards affected	All wards		

1. Executive Summary

- 1.1 Colchester Borough Council (CBC) has continually sought new and innovative ways to tackle the national housing crisis. CBC and Colchester Borough Homes have had some real successes in preventing homelessness from occurring in the first place and the Council has delivered on its housing targets, as well as putting an ambitious new council house building programme in place.
- 1.2 However, new homelessness legislation has seen the pressure on an already-limited supply of affordable accommodation increase, as local housing authorities are now obliged under their new homelessness duties to offer temporary accommodation to more people including those not in priority need.
- 1.3 This report recommends that the Council takes a new innovative approach to increasing the supply of affordable housing by purchasing 100 former council homes and homes on the open market. The Council would complete any required repairs and refurbishment of the properties ready for letting.
- 1.4 The Council would then transfer the properties on a long lease to a limited liability partnership (LLP). The Council and a newly established independent charity would enter into the limited liability partnership. The properties would be leased in tranches of approximately 33 properties to the LLP. To alleviate the pressure on temporary accommodation for homeless households and to ensure homes are not standing empty pending transfer to the LLP, the properties will be let on a non-secure basis by the Council to households who are homeless.
- 1.5 The LLP would fund the lease from the Council by borrowing and using rental income from the homes to repay the debt. At the end of the lease the borrowing is fully repaid. The LLP would be the landlord and day to day management of the homes would be by an experienced housing manager, Colchester Borough Homes, under a separate management agreement with the LLP. Rents would be specified under the terms of the lease to ensure that the homes are genuinely affordable for Colchester residents.
- 1.6 The Council would provide some capital funding to secure nomination rights to the properties which in the future would be let through the choice-based lettings system, Gateway to Homechoice.
- 1.7 The 100 homes project would make a significant contribution to meeting the housing needs of Colchester's residents who need affordable rented, secure and decent homes.

2. Recommended Decision

- 2.1 To approve the addition to the capital programme for the acquisition of approximately 100 local homes at market rates.
- 2.2 To agree to assist with the setting up of a new charity whose charitable aim will be to work to reduce homelessness in Colchester and to delegate the approval of any associated expenditure, which will be fully recovered, to the Assistant Director for Place and Client Services.
- 2.3 To approve entering into a limited liability partnership (LLP) with the new charity “Hollytrees Homes” for the purpose of managing genuinely affordable local homes.
- 2.4 To approve the long-term leasing of the acquired homes to the limited liability partnership for a minimum of 80 years.
- 2.5 To approve the granting of up to £2 million of retained right to buy receipts, affordable new homes bonus and affordable housing commuted sums to the limited liability partnership to use to increase designated affordable housing for borough residents.
- 2.6 To approve that the initial rent levels for the homes, as dictated by the lease with the limited liability partnership, be no more than the Local Housing Allowance to ensure that they are genuinely affordable for local residents.
- 2.7 Delegate authority to the Chief Finance Officer/S151 Officer, in consultation with the Portfolio Holder for Resources, to finalise the funding arrangements that will enable the limited liability partnership to obtain its long leasehold interest.

3. Reason for Recommended Decision

- 3.1 There are currently just under 3,000 households on the Council’s Housing Register seeking affordable housing. The Council continues to seek new and innovative ways to increase the supply of affordable housing and provide good quality, affordable and stable homes for Colchester’s residents who are in housing need.
- 3.2 The use of a charity led LLP enables the Council to maximise the use of retained Right to Buy receipts, affordable housing new homes bonus and commuted sums to secure far more affordable homes than just using this funding on its own and to do so at pace. The proposed lease solution ensures that the homes remain genuinely affordable and are offered on a longer-term basis than other solutions to provide households with greater future certainty and security. The lease structure also ensures that the Council retains the freehold or long leasehold interest in the homes and can benefit from any future capital appreciation or additional revenue income.
- 3.3 By matching the future repayment of the funding of the acquisition of the homes to expected rental income profile, the LLP is being financed in the most cost effective way. This funding will come via an institutional investor with a lower initial cost that increases by inflation over the duration of the agreement.
- 3.4 The lease and funding structure will enable a small financial surplus to be generated by the LLP which will flow back to the Council as rent under the lease. This surplus will contribute to funding front line services for Colchester residents.

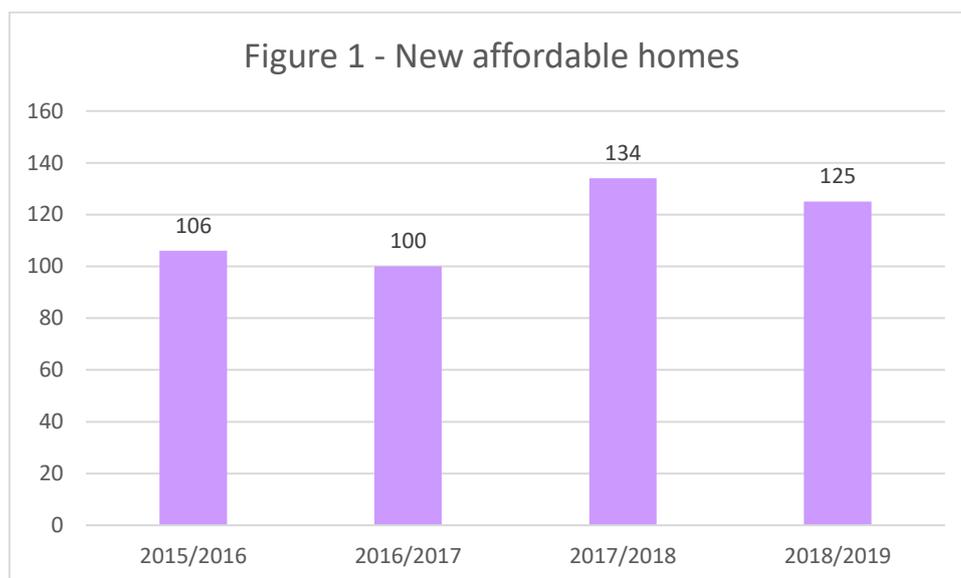
4. Alternative Options

- 4.1 The Council could do nothing however, as detailed in section 5 below, with rising homelessness pressures resulting in reduced lifetime outcomes for the affected households and the financial impact for the Council, this not considered a realistic option.
- 4.2 The Council could extend its own acquisition programme within the Housing Revenue Account (HRA). However, this would require additional borrowing within the HRA, along with subsidy from other sources such as Right to Buy receipts. This would need to be justified by a business case under the prudential borrowing regime. Any solution delivered in the HRA can potentially be affected by central government policy regarding rent levels, tenancy types and changes to the right to buy rules. The LLP solution, as it is not constrained by central government rent policies, offers much greater future flexibility on the use of the homes and rent levels.
- 4.3 The Council could set up a community benefit society (CBS) or a wholly owned company (in addition to the existing wholly owned companies the council has setup). Both of these have been explored and discounted because the CBS model would see the CBS take ownership of the assets meaning it benefits from any increases in the value of the homes and that the Council would not have any mechanism to control the use of the assets or rent levels in the longer term. The wholly owned company model has been discounted because the Council has already undertaken significant borrowing to then on-lend to its companies and any additional borrowing would further expose the Council; as any new company would be wholly owned it would not be able to benefit from the subsidies available such Right to Buy receipts that the Council can make available and improve the viability of the model. It would also be a less tax efficient model than the LLP, reducing the financial benefit that can be achieved.

5. Background Information

Colchester Borough Council's housing duties

- 5.1 The Council has a wide range of housing duties which include, but are not limited to:
- Assessing the current and future need for affordable housing and the demand for market housing.
 - Planning and facilitating new supply.
 - Preventing and relieving homelessness and where they are unable to do so provide temporary accommodation until permanent housing can be secured.
 - Publish an Allocations Policy setting out how social and affordable housing will be let and maintain a Housing Register of those in housing need.
- 5.2 Assessing the current and future need for affordable and the demand for market housing
The evidence base for our emerging Local Plan includes two assessments of the need for housing. These assessments, produced using Government guidance and complex methodology, provide the overall number of homes needed in Colchester and the number of affordable homes needed. The number of new affordable homes needed to meet need is 278 each year.
- 5.3 The chart below shows the number of new affordable homes delivered in Colchester over the past four years.



- 5.4 Planning and facilitating new supply
The Council has ambitious plans to deliver 350 new affordable homes over the next 5 years through a number of projects. These include the Council building homes on former council garage sites; through its Housing Company Amphora Homes which will deliver market and affordable homes; and a modest acquisitions programme.
- 5.5 Preventing and relieving homelessness and where they are unable to do so provide temporary accommodation until permanent housing can be secured
The introduction of the Homelessness Reduction Act 2017 in 2018 has fundamentally changed the duties placed on local housing authorities and the way in which they respond to homelessness. Local housing authorities' duties have widened to include single people who are at risk of or are homeless along with more time to work with everyone who is at risk of homelessness to give advice and assistance to prevent homelessness occurring.

5.6 The new Homelessness Reduction Act places two additional statutory duties on local housing authorities:

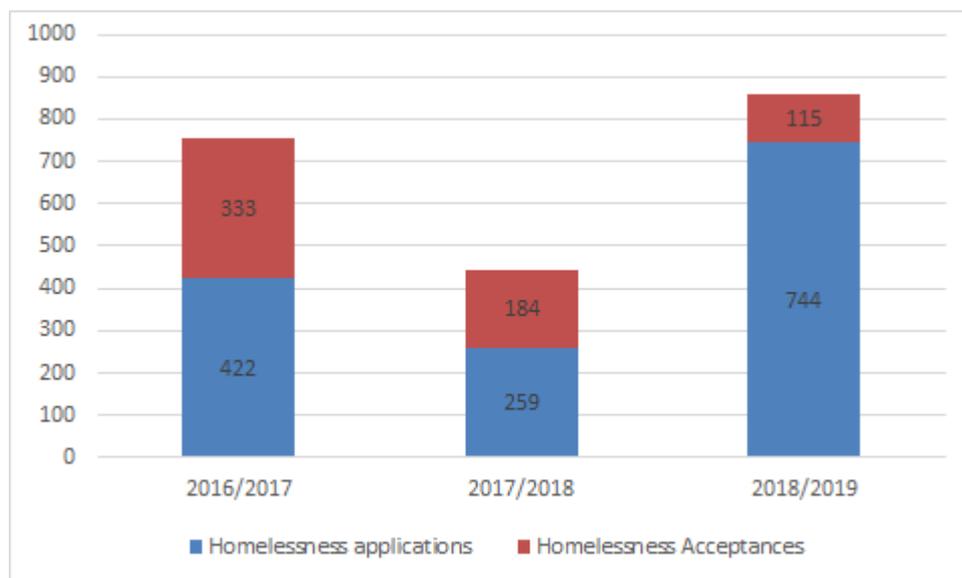
The prevention duty – requires councils to intervene to prevent homelessness at an earlier stage, when a household is at risk of losing their home in the next 56 days. This is particularly relevant for those living in privately rented homes who are served with notice and provides more opportunity to support people directly into another tenancy.

The relief duty - requires councils to offer more advice and support to anyone who is already homeless, regardless of whether they are in priority need and may involve offering accommodation.

The duties that existed under the previous homelessness legislation, known as the **The main duty** remains in place. A main housing duty is owed where homeless households are eligible (certain persons from abroad are ineligible for housing assistance), have a priority need for accommodation and are not homeless intentionally. Before the introduction of the Homelessness Reduction Act Colchester had almost eliminated the use of Bed and Breakfast accommodation, but the pressure that Colchester now faces, having to prevent or relieve homelessness, has led to increasing use of short-term accommodation, including Bed and Breakfast.

5.7 The most significant change is that local housing authorities are now obliged under the new homelessness relief duty to offer temporary accommodation to more people including those not in priority need or intentionally homeless, and the pressure on an already-limited supply of affordable accommodation has increased.

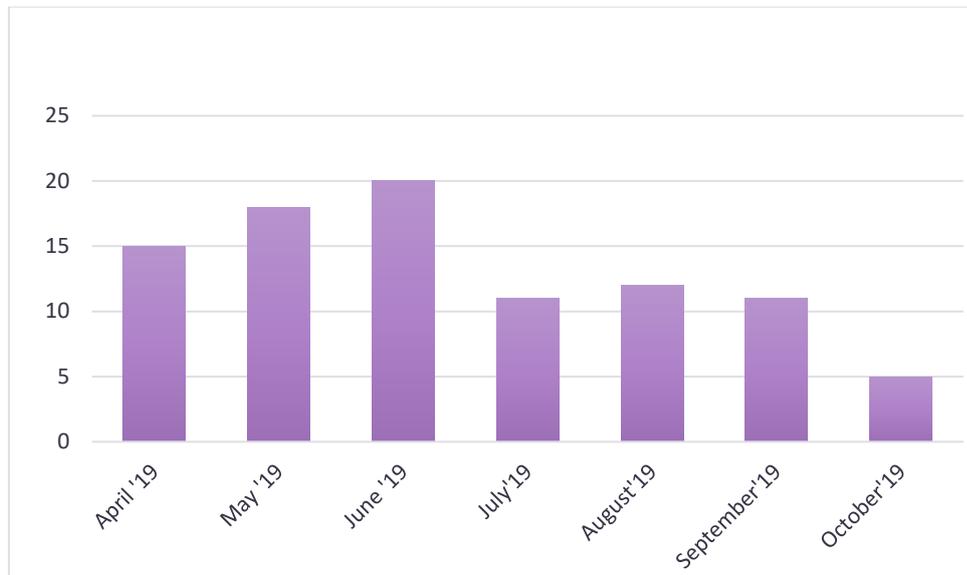
Figure 2: Homelessness - Applications and acceptances



Source: 2016/2017 and 2017/2018 - DCLG P1E 2018/2019 - MHCLG H-CLIC statistical returns

5.8 Before the introduction of the Homelessness Reduction Act, Colchester had almost eliminated the use of Bed and Breakfast accommodation, but the pressure that Colchester now faces, having to prevent or relieve homelessness, has led to increasing use of short-term accommodation, including Bed and Breakfast (see Figure 3). This is disappointing but inevitable, as options to prevent and relieve homelessness using available accommodation are both expensive and in short supply.

Figure 3 Use of Bed and Breakfast for homeless households in 2019/2020



Source: Colchester Borough Homes

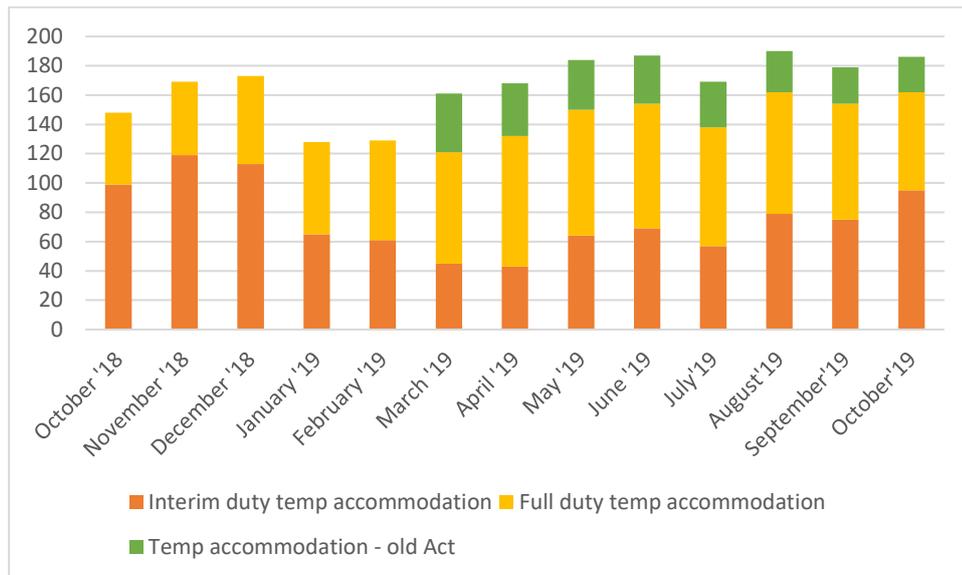
5.9 Working with the Council's arm's length management organisation, Colchester Borough Homes, a number of solutions have been developed including:

- with local landlords through provision of incentive payments, deposits, bonds and rent in advance;
- a matching service to help homeless people find suitable lodgings;
- acquiring family homes either purchasing directly or through a private sector leasing scheme
- support, which at a time of crisis can prevent homelessness;
- building new council homes on former garage sites and with our housing company Amphora;
- working with housing associations to deliver new affordable homes.

However, the supply of affordable rented homes in Colchester is not enough to meet demand and as can be seen from Figure 4 below, we still have households living in temporary accommodation who were accepted under the previous homelessness legislation and to whom a duty to provide a permanent home was accepted prior to October 2018.

5.10 The underestimated consequence of the Homelessness Reduction Act appears to be the increased need for temporary accommodation for the required 56-days, which is intended to give time and opportunity to relieve the situation and find an alternative. In Colchester, where private sector rents are high and generally not affordable to those who approach us for assistance and a limited supply of affordable rented housing, this leaves few options and many with expectations of housing that we are not able to deliver.

Figure 4 Households placed in temporary accommodation since the introduction of the Homelessness Reduction Act



Note: Due to changes in the data collection systems information for those households in temporary accommodation prior to March 2019, where a duty was owed under the previous Homelessness Act, was not collected on a monthly basis

Source: H-CLIC Statistical Returns

- 5.11 As a result of the additional temporary accommodation costs, there are significant cost pressures resulting from providing temporary accommodation. The net cost of an individual placement varies but averages at £1,130 per additional acceptance and therefore the acquisition of 100 homes would be expected to produce a cost avoidance of an estimated £113,000.
- 5.12 Publish an Allocations Policy setting out how social and affordable housing will be let and maintain a Housing Register of those in housing need.
 An Allocations Policy is a legal requirement for local authorities allocating affordable and social housing. Colchester Borough Council is a partner in the Gateway to Homechoice (G2H) Partnership along with seven other Essex and Suffolk local authorities. The Partnership has one Allocations Policy which sets out; who can join the Housing Register; the priority applicants are awarded on the Housing Register to reflect their need for housing which properties applicants are eligible for; and how the policy works.
- 5.13 At the end of September 2019 there were just under 3,000 households seeking social and affordable housing in Colchester. Bands A, B and C are the Priority Bands for rehousing. Band A applicants have a critical or urgent need to be rehoused, Band B applicants have a serious need to be rehoused and Band C applicants have medium need to be rehoused. Of the total applicants on the register, 50% are in the priority bands A to C.

Figure 5 Households on the Housing Register

Priority Banding	Number of households
A	80
B	601
C	728
D	165
E	1293
Total	2867

Source: Gateway to Homechoice, September 2019

5.14 Innovative approach to increasing the supply of affordable housing

In order to address the need for affordable rented housing, the Council is seeking a solution to increase the supply of affordable rented housing which ensures:

- That the homes are let to Colchester residents on longer term tenancies at genuinely affordable rents;
- That the properties remain available as affordable homes in the long term;
- The use of the any capital funding contributed by the Council is maximised and adds value;
- It can benefit from the long-term ownership of the homes;
- Alternative forms of funding can be accessed to ensure that the solution does not require an annual subsidy.

5.15 It is proposed that the Council acquire approximately 100 homes on market terms which it will then long lease on to a newly formed limited liability partnership (LLP). The proposed 100 homes project delivers the outcomes in 5.14 above because:

- The LLP is between the Council and a new independent local charity, “Hollytrees Homes¹”. The charity will be the majority partner in the LLP meaning it has legal control and enables the granting capital funding including retained Right to Buy receipts granted to it by the Council.
- As a result of the granting of capital funding the Council will receive nominations in perpetuity to those homes so it can allocate to households on its Housing Register.
- The lease between the Council and the LLP will dictate the key policy drivers of the Council, such as rent levels and tenancy type, under which the LLP must let the homes for the duration of the lease. The lease will also require that the homes are maintained to an agreed standard with adequate provisions made for periodic replacements and repairs. The length of the lease will be dependent on the unexpired term on any leasehold homes acquired but would be expected to be for a minimum of 80 years with a Council only break option to coincide with the repayment by the LLP of any debt on the homes.
- The lease will enable the LLP to enter in to an underlease agreement with institutional investors to raise the funds to repay the Council the initial purchase cost of the homes. In addition to the purchase price, the lease premium paid on the head lease by the LLP will also ensure that the Council recovers any associated costs of purchase including but not limited to stamp duty land tax, surveys, conveyancing, refurbishment and any temporary borrowing costs will be offset upon lease to the LLP. This will ensure that the Council does not have an increase in debt as a result of the acquisitions.

¹ Hollytrees Homes is the proposed name of the new independent charity in recognition of a famous Colchester house which was purchased by the Colchester Corporation (a predecessor of CBC) in 1920.

- At the end of the lease, or at an agreed break point to coincide with the repayment of the debt by the LLP, the freehold or long leasehold interest in the homes will revert to the Council and, as a result, it will directly benefit from any capital uplift in values or future revenue income from the homes. See Appendix 1 for a diagram of the proposed 100 homes structure.

- 5.16 To enable the creation of the charity, individual trustees will be identified who will be responsible for its operation and accountable to the Charities Commission. The Council will provide the support for the creation and initial operation of the charity, including any submissions to the Charities Commission, with the ambition that it operates on a standalone basis as soon as possible.
- 5.17 It is proposed that the homes be funded on an indexed linked basis from an institutional funder This reflects the expectation that the net income from the homes will rise on an indexed basis
- 5.18 The recommended structural and funding solution outlined above is that used by the London Borough of Croydon to acquire 250 homes approved in July 2017 and implemented through 2018 and 2019.
- 5.19 The proposed solution is for an initial acquisition of approximately 100 homes with the mix of homes shown in Figure 6 below. Within the acquisitions programme, properties will be identified which are suitable for adaptation to make them suitable for wheelchair users and those with restricted mobility. This reflects the anticipated need for homes and where the Council experiences the greatest financial pressure from the alternative provision of temporary accommodation.

Figure 6 Proposed mix of homes to be purchased

Property Type	Number
One bed flat	16
Two bed flat	36
Three bed house	45
Four bed house	3
Total	100

- 5.20 The homes would be let by the LLP as assured shorthold tenancies of up to five years after an initial tenancy of twelve months. This would enable the Council to discharge its statutory housing duties and provide tenants with longer term security than is available in the private sector. As the LLP as a landlord does not fall under the definition of the Housing Act 1985, it would not be subject to government rent policy and nor would Right to Buy apply to the homes.
- 5.21 It is anticipated that the homes would be managed on behalf of the LLP by Colchester Borough Homes (CBH) as it already manages the Council's stock and is an experienced provider of social and affordable rented homes. CBH would be appointed under a Management Agreement with defined performance standards and the requirement to provide the LLP with all required management information.
- 5.22 To support the recommended solution, a full financial model has been developed to project the operating income and expenditure and to ensure that the homes can be acquired at rates which enable the repayment of the debt incurred in purchasing them. The model also enables sensitivity testing of different scenarios to ensure that the solution can deliver under a range of assumptions.

5.23 For the initial acquisition of the homes, the model incorporates:

- Purchase price;
- Stamp Duty Land Tax (SDLT);
- Conveyancing fees;
- Other acquisition fees (surveys, safety certificates);
- Refurbishment of the homes prior to letting;

The total cost of the scheme, including all implementation costs, is estimated at £22m with an assumed grant of up to £2m of funding from the Council using its retained right to buy receipts, the affordable housing element of new homes bonus and affordable housing commuted sums from the Council leaving a residual funding requirement of approximately £20m. The lease premium payable by the LLP for the head lease of the 100 homes will ensure that the Council is fully reimbursed for all costs, including any short term debt charges.

5.24 The operational financial model includes;

- Rental income at the Local Housing Allowance (LHA);
- Management and maintenance;
- Insurance;
- Bad debts;
- Voids;
- Overheads to support the LLP;
- Life cycle fund for periodic repairs and replacement;
- Allowance for refurbishment of void homes;
- Interest costs and repayment of the principle of the loan.

All estimates are prudent to ensure that the solution can deliver financially in the event of any changes in circumstance.

5.25 Figure 7 below sets out a summary of the financial model. Under the proposed solution, the LLP surplus will return to the Council as rent under the terms of the lease agreement. In addition to the surplus, the Council will also benefit from avoiding the cost of temporary accommodation which is estimated, asset out in the paragraph above, at £113,000 per year.

Figure 7 Summary of financial model

	Year 1 £000	Year 2 £000	Year 3 £000	Year 4 £000	Year 5 £000
Rental Income	(765)	(786)	(808)	(831)	(854)
Operating Costs	166	171	176	180	186
Life Cycle	55	57	58	60	61
Net Rent	(543)	(559)	(574)	(590)	(607)
Debt & Repayment	463	476	489	503	517
LLP Retention	20	20	20	20	20
LLP Surplus	(60)	(63)	(65)	(67)	(70)

5.26 To enable the implementation of the solution in a timely manner, it is intended to appoint, using the Crown Commercial Service legal advice framework, the specialist legal advisors used by the London Borough of Croydon who can provide draft documents which can be amended for the specific circumstances of the Council. It is also intended to appoint specialist finance advisors to arrange the competition to appoint a funding partner for the LLP. To support the process of acquiring the homes, provision has been made in the financial model for additional staff resources if required. Any implementation

costs incurred by the Council will be recovered from the LLP as part of the lease premium for the homes.

- 5.27 It is estimated that the LLP and lease solution will take approximately four months to implement and, in parallel, the Council will commence the acquisition of the homes. Based on previous experience, it will take approximately 18 months to purchase 100 homes though it is anticipated that the properties will be leased in three tranches to the LLP with a transfer every six months. To enable the acquisition of the homes, the Council will need a short term borrowing facility of up to £10m which will be replenished with the transfer of each tranche and fully repaid on the lease of all purchased homes. Acquisition by the council would commence on establishment of the LLP and finalisation of the associated agreements
- 5.28 In the short term, following acquisition and refurbishment but prior to leasing to the LLP as one of the three tranches, the Council will let the homes under licence to households in need of temporary accommodation. This will ensure that the homes are not unutilised pending transfer, generate income for the Council to offset any operational costs and it is planned that the homes will be let to the households who will ultimately receive the offer of an AST from the LLP.
- 5.29 Once operational, the LLP will be overseen by an LLP Board consisting of both partners – the charity and the Council. It will be responsible for overseeing the management of the homes and tenants by the appointed property manager and ensuring the financial performance of the LLP.
- 5.30 The LLP will need a level of administration, governance and finance support to ensure the processing of relevant transactions, oversee the finances of the partnership and monitor the contractual performance of the housing manager. It is proposed that this is provided by the Council in the first instance, on market terms, with an estimate of 1.5 – 2.0 FTE assumed for planning purposes.
- 5.31 Whilst the Council will only be a minority partner in the LLP, to enable the granting of Right to Buy receipts, the LLP will be setup to ensure that certain matters require the agreement of both partners. Such reserved matters will include the agreement of the annual business plan, the take on of additional debt or other liabilities and any issues relating to the future of the homes, e.g. potential disposal or sale of any interest in the lease. This will ensure that the Council's freehold or long leasehold interest in the homes and the interests of the tenants are protected.

6. Equality, Diversity and Human Rights implications

- 6.1 The 100 homes project and the proposal in this report will increase the availability of affordable housing in the borough. An EIA has been carried out and is regularly updated for the provision of new and additional affordable housing. The assessment did not show any particular areas of concern or that those with protected characteristics would be unfairly disadvantaged. Please see link to the EIA below:

[Equality Impact Assessment](#)

- 6.2 It is not considered that the approval of the proposals contained in this report involves a breach of human rights.

7. Strategic Plan References

- 7.1 The 100 homes project will help to achieve the following goals from the Council's Strategic Plan 2018 - 2021:

Wellbeing - Making Colchester an even better place to live and supporting those who need most help:

- Create new social housing by building Council homes and supporting Registered Providers
- Target support to the most disadvantaged residents and communities.

8. Publicity Considerations

8.1 There will be opportunities to publicise the progress of the purchase of the homes and the Council's financial contribution to enabling it to happen. One of the conditions of the partnership will be that any publicity is jointly agreed between CBC, the Charity and the LLP.

9. Financial implications

9.1 All financial implications are covered in the background section of the report and, in particular, paragraphs 5.15 to 5.31.

9.2 The financial model is based on prudent assumptions but has been tested with different scenarios considering a different unit mix, higher purchase costs and higher funding costs as the most significant variables. The model has headroom in which to absorb the impact of such changes both individually and cumulatively whilst still delivering a surplus within the LLP.

9.3 Whilst stated in section 5, it is important to emphasise that although the Council will incur expenditure during the implementation period including legal fees and the setup costs on behalf of the Charity and the LLP as well as the purchase and refurbishment cost of the homes, it will be fully reimbursed via the premium paid on the head lease. As a result, there will be no long-term increase in the level of debt of the Council from this programme and any temporary borrowing costs will be offset upon lease of the properties to the LLP.

9.4 The key financial risks for the scheme and ongoing operational management by the LLP are:

- Purchase costs – the cost of acquiring the homes is based on prudent estimates and prior experience. In the event, however, that sufficient homes cannot be identified, the financial model can absorb higher initial costs. Alternatively, to mitigate, the Council could opt to stretch the initial acquisition period to longer than the planned 18 months or vary the unit mix to increase the acquisition of homes where supply is more plentiful, i.e. if three bed houses are difficult to purchase at an acceptable price, the Council could buy more two bed flats.
- Inflation – the cost of financing is linked to inflation for the length of the funding agreement of 40 to 50 years. The risk of inflation being very high is mitigated by including a cap of 5% as the maximum by which the payment to the funder can go up by in any one financial year.
- Local Housing Allowance – the model assumes that LHA will increase by inflation each year in line with the increase in the cost of financing. There is a risk that, over time, the increases will be less than inflation. This is mitigated in the short term by government announcements that LHA will increase by CPI +1% for the next four years and, in the longer, by the option the Council will have, via the lease, to flip the homes to an alternative form of affordable or market rent to support the financial model if required.
- Reduced need for affordable accommodation – although there is a very high level of need for affordable homes at the current time, this could reduce in the future.

In that event, the Council, via the lease, has the option to vary the use of the homes to be let at an alternative form or affordable or market rent.

- Higher management and/or maintenance costs – the costs incorporated in to the financial model are based on the experience of the Council's own stock and that acquired in recent years. It is possible that the homes purchased could prove to be more expensive to operate in the future, though this would be expected to be identified in any surveys conducted prior to acquisition. Additionally, should a particular property subsequently be identified as more expensive to retain and the additional operational cost cannot be contained, there will be scope to adjust the agreements for that home.

10. Health, Wellbeing and Community Safety Implications

10.1 The effects of living in unsuitable or poor housing on a person's health and well-being are well documented. Increasing the supply of affordable housing will contribute towards meeting local housing needs and improving the housing conditions of households in Colchester. Households will benefit from a secure affordable home which is in good condition and well managed. Tenants will have the support of Colchester Borough Homes housing management and tenancy support services. The 100 Homes project will also contribute to making neighbourhoods safe places to live. Colchester Borough Homes, who will manage the properties, are well placed to contribute to positive community safety outcomes for residents and already participate in local partnerships to achieve this.

11. Standard References

11.1 There are no particular references to consultation; or health and safety implications.

12. Risk Management Implications

12.1 The key financial risks are covered in section 10 above.

12.2 The additional, non-financial risks are:

- Not acquiring the required level of homes and not improving the outcomes for approximately 100 households. This is mitigated by including provision to ensure the programme is adequately resourced with suitable project and property staff. There is already proven success at acquiring homes through previous acquisition projects and a robust process has been established.
- Lower than anticipated levels of homelessness leaving the LLP with more homes than the Council can nominate to from its Housing Register. With the numbers currently on the register, this is an exceptionally low risk but, should it materialise in the future, the LLP will have the flexibility to let the homes at an alternative affordable or market rent.

13. Environmental and Sustainability Implications

13.1 The 100 Homes project will have a positive impact on the environment and sustainability. In particular, across the three sustainability and environmental themes, the 100 homes project will have a positive impact on:

- a) the economic objective – affordable housing will be made available in the right places and at the right time and at a cost that those on low incomes can afford;
- b) the social objective – the 100 Homes project will support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations;
- and c) the environmental objective – the 100 Homes project will see improvement works carried out to properties which improve the fabric of the home and improve energy

efficiency therefore assisting with mitigating and adapting to climate change, including moving to a low carbon economy.

