

East Herts Council – Key Decision Record

Record of executive decision made by an individual under Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision Title: Allocation of s106 commuted sums to enable conversion of three affordable rent units and three shared ownership units to six social rent units at the Lime Kiln development, Northgate End, Bishop's Stortford

Reference Number: KD26/02

Taken by: Jonathan Geall, Director for Communities, in consultation with Cllr Mione Goldspink, Executive Member for Neighbourhoods

Decision

£675,000 of commuted sums held by the council for affordable housing to be granted to Hightown Housing Association Ltd, a registered provider of affordable housing, to convert 3no. affordable rent flats and 3no. shared ownership flats to 6no. social rent flats at the Lime Kiln development, Northgate End, Bishop's Stortford.

Date of Decision

10 March 2026

Reason(s) for decision

The Council's Corporate Plan includes the commitment to '*prioritise actions to make housing truly affordable*'. In addition, the council's Housing Strategy 2022-27 lays out in detail the housing needs in the district. It has been informed by a very detailed analysis of the affordability of different rented tenures in the district conducted on the council's behalf by the Housing Quality Network (HQN).

There has not seen a sizable supply of new social rent homes in recent years in East Herts. This is because land prices in this prime commuter area just north of London are particularly high, leading to new affordable supply from developer-led schemes rather than registered provider-led development.

While the council has been able to typically achieve affordable delivery at 40% of total units on developer-led schemes, in compliance with the East Herts District Plan, these units have almost exclusively been provided for affordable rent and shared ownership in recent years. This has obviously created issues of affordability within the new supply chain, notably among smaller properties, with social rent units confined to former council stock, which was transferred in 2002, that have neither been sold under right-to-buy nor switched to affordable rent.

The proposal would bring forward 3no. one bedroom social rent flats and 3no. two bedroom social rent flats, with Hightown Housing Association accessing additional grant to convert the remaining 9no. market flats to social rent too.

Details of alternative options considered and rejected

Use the £675,000 towards the building of homes at social rents. NOT RECOMMENDED as estimates would suggest that the grant required to fund the building of a property for social rent, without any other subsidy, would be in the region of £175,000 to £200,000, clearly in excess of the £112,500 per property in this proposal. Furthermore, funding new build relies on the site availability and planning permission and runs the risk of uncertainty and delay inherent in new development. The value for money of the proposed scheme is thus self-evident.

Retain the £675,000 and seek other registered partners' suggestions on how the amount could be used to bring forward social rent housing. NOT RECOMMENDED as the provision of grant from the council enables Hightown Housing Association to lever in additional Homes England grant, thus ensuring the overall viability of the whole block of 15no. flats becoming a social rent scheme. Delaying the transaction to afford time to seek other opportunities would mean Hightown Housing Association could not access the additional grant given Homes England's funding timetable. Added to this, no other housing association has approached the council with any similar proposal.

Make a grant of £675,000 to Hightown Housing Association. RECOMMENDED to contribute to the council's Corporate Plan commitment to *'prioritise actions to make housing truly affordable'*.

Does the decision or report contain exempt information?

No.

State nature of any declaration of conflict of interest made by any Executive Member who is consulted by the Member taking the decision

None.

State, in respect of any declared conflict of interest, whether any dispensation has been granted

Not applicable.

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