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Subject: Council Homes Programme Update Report

Report to: ELT 16 September 2020
Housing and Neighbourhoods Committee 1 October 2020

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SUBJECT MATTER

This report provides an update of the work that has been carried out to date and the next steps in the provision of the Council Homes Programme.

RECOMMENDATION

It is recommended that the Committee note the report and progress to date.

1. Introduction

- 1.1 In November 2019 Housing and Neighbourhoods Committee approved the use of £500,000 from the year on year reduction in spend on responsive day to day repairs and maintenance budget, to support borrowing in 2020/21 and the following two financial years to fund the acquisition and development of new Council homes.
- 1.2 This recognised that a further Stock Condition Survey will be undertaken in 2022 following which a review of the additional capacity (beyond support the use of Right to Buy Retained Receipts) to support an HRA new affordable home capital programme would be undertaken.
- 1.3 As part of the approval of the release of repairs funding to support new borrowing, the report recommended that a further report be provided which details the opportunities for sites and a programme of delivery including numbers and timeframes was reported back to Housing and Neighbourhoods Committee. This report provides an update on the current position.

2. Work to Date

- 2.1 Work has been carried out to identify an initial tranche of potential sites, this has included a review of all HRA and General Fund owned sites, along with identification of potential other sites:
 - The Housing Land Availability Schedule was reviewed by each village / town, to identify potential sites.
 - A 'Housing – Land for Development' report was added to the 'Love Clean Streets' app which allows caretakers and other officers to identify potential site opportunities.

- Tenancy Services provided a list of garage sites along with statistics on occupation and waiting lists to enable each of these to be reviewed. Sites were added to the list where it was believed they could be physically developed, some were disregarded due to access issues.
- Operational Enforcement Group highlighted potential sites and properties

- 2.2 Once a complete list of sites had been compiled, work started to identify how many homes each site could potentially accommodate. Where possible sites were ‘packaged’ to maximise the number of homes that could be developed. Each site was mapped and measured using the Norfolk Mapping Browser and, using the housing density guidance within the emerging Great Yarmouth Local Plan Part 2, an indicative number of homes was produced for each site. Discussions took place with Development Control to give initial planning advice and the ownership of the private sites was identified, where this was not already known.
- 2.3 Following the identification of the pool of potential sites, the potential delivery timescale was identified based on the information already known about the site. The table below shows the criteria used:

Definition	Timescale	Examples
Short Term	Within 18 months	Sites for sale with planning permission, only needing acquisition to be able to commence. Sites in GYBC ownership which require planning permission.
Medium Term	Within 2 - 3 years	Sites requiring further investigations; parking surveys, contamination, archaeological, flood risk.
Long Term	3 years – 5 years	Sites which require some site assembly to maximise development and more complicated sites.

- 2.4 The table below provides the breakdown of the potential number of homes which could be provided from this first tranche of sites. It should be noted that this is indicative only, each site will need to be designed to reflect the housing need of the particular area, consider existing supply and any site constraints.

Site Ownership	Indicative Number of Homes			Total Homes (Indicative)
	Short Term	Medium Term	Long Term	
HRA	7	73	24	104
<i>of which, garages or car parks</i>		65		
General Fund	29		135	164
Private	71	122	361	554
Total	107	195	520	822

- 2.5 Sites have also been considered where a ‘package’ approach could be used. Bringing together sites, under different ownerships, to either to increase the number of homes provided on site or where the sites could be brought forward together to ensure best use of resources. These sites mainly fall within the long-term bracket as the site assembly will take time.

Site Ownership	Indicative Number of Homes by Timescale			Total Homes (Indicative)
	Short Term	Medium Term	Long Term	
Package Sites		7	207	214

- 2.6 The impact of Covid-19 meant that four of the identified potential sites for the new Council Home Programme have been identified to address the need to increase the supply of one-

bedroom homes recognising the impact of 'Everyone In'. Members will consider a separate report on the Modern Methods of Construction provision which is proposed for these four sites, the funding for which was approved by Full Council on 30 July and which is additional to the additional borrowing capacity which will support the wider Council Homes Programme.

- 2.7 Whilst the tables above show an indicative programme of over 800 homes, it is recognised that not all of the sites will ultimately be able to proceed (due to issues with site availability, site constraints or planning concerns). However, the tables demonstrate that there are sufficient sites to deliver the initial three-year Council Homes Programme.

3. NEXT STEPS

- 3.1 The work carried out to date relates to the identification of an initial tranche of new build sites, however, the following opportunities will also form part of the Council Home Programme:

- Purchasing homes from developers through S106 Agreements
- Purchasing homes from developers (additional homes above S106 Agreement requirements)
- Exploring opportunities for joint developments with Equinox Enterprises
- Purchasing homes from Registered Providers (new or existing homes).

- 3.2 As the current programme provides for three years funding, the new build sites identified so far have been prioritised so that the next steps work to draw up development proposals for sites will focus initially on those sites which can be developed in the short term to ensure that some of the new homes developed through the programme will be occupied within the next two years. Once this work is complete, the focus will move to sites which can be developed in the medium term to ensure there is an ongoing programme of schemes. This work will require an initial appraisal of the viability of the sites based on assumed capacity and known site constraints. All viable sites will then:

- Be checked to ensure the site is still available, with in principal offers made for private sites, subject to planning
- Be referred to an architect to provide a site layout to finalise the number of homes which the site can support – this will reflect the housing need in the local area
- Be subject to a review of the scheme viability to ensure any change in size or number of homes is affordable to the HRA
- Be submitted for planning permission once the final home and site layout has been refined.

To secure best value for the build process, the Council will consider the use of a framework to procure a builder for the new Council homes. This will include a review of the Modern Method of Construction options for construction and the outcome of the procurement and delivery of the one-bedroom flats discussed above. The Council could also commission Equinox Enterprises to build homes, with this option being of particular relevance in relation to mixed tenure sites.

- 3.3 The Council will produce and adopt a Development Standard which will set out the Council's requirements for the construction of new homes. New homes will be:

- Of high-quality appearance set within a scheme which is attractive and welcoming
- Energy Efficient
- Of high-quality construction to reduce repair and maintenance costs
- Spacious – reflecting the National Space Standards

The Development Standard will include principles of design for the appearance and scheme layouts of new homes. It will also include requirements in relation to the layout of homes and adaptability of homes to meet changing needs. The Development Standard will include specific requirements for homes which are acquired (new and existing homes) rather than constructed by the Council. Once developed, Housing and Neighbourhoods Committee will be asked to adopt the Development Standard.

- 3.4 An application to re-instate the Council's Investment Partner status with Homes England is underway, this will allow us to bid for grant funding in addition to the borrowing already allocated which will, if bids are successful, allow the Council to increase the number of homes which can be delivered.
- 3.7 A further report will be provided in six months to update on progress in delivering the Council Homes Programme.

3. Financial Implications

- 3.1 As agreed at the November 2019 Housing and Neighbourhoods Committee, the reduction of the Repairs & Maintenance spend by £500k for the years 2020/21, 2021/22 and 2022/23 will support the additional borrowing to support the Council Homes Programme. The new homes delivered through the Council Homes Programme will increase the Council's rental income, this new rental income will not be required to service historic debt (or borrowing associated with the delivery of the new homes) which will help to support the sustainability of the HRA and support future additional borrowing for new homes.
- 3.2 Spend this year is currently expected to only relate to costs associated with planning applications being brought forward for the initial new build sites along with any procurement costs. The unspent borrowing will therefore be rolled forward into 2023/24.

4. Risk Implications

- 4.1 As identified within the report to Housing and Neighbourhoods Committee in November 2019, there is a capacity and skills gap within the Council to build to the levels which could be achieved as demonstrated by the site analysis above. Purchasing homes will provide a good number of new homes for the HRA, but for the Council to make a real difference, building will be the way forward and to do this in-house expertise and capacity needs to be created.
- 4.2 To mitigate this in the short-term, purchasing properties from Registered Providers and developers through S106 contributions will assist, however, capacity needs to be considered in the longer term, whether that be by increasing in house capacity or through working in partnership with a Registered Provider. Initially, an additional dedicated Housing Delivery Manager post will be recruited to, to provide the required capacity to support the work identified at paragraph 3.2. This post is expected to be in post before Christmas, subject to the recruitment process. However, the capacity and skills requirement will be kept under review to reflect the delivery requirements of the Council Homes Programme.

5. Legal Implications

- 5.1 The Government removed the HRA debt cap in October 2018, which removed the constraint on borrowing within the HRA allowing local authorities to use their rights under Section 9 of the Housing Act 1985 to provide homes through acquisition, conversion or new build based on a prudential approach to borrowing.

6. Conclusion

- 6.1 The report shows that there is a development pipeline achievable for the Council Homes Programme. Although it is recognised that the sites identified within this initial piece of work may not all come forward, it does provide confidence that those already identified and those that will come through in the future, could achieve the increase in Council homes which is aspired to.
- 6.2 Identifying purchasing options continues but as identified in the report, capacity and expertise in development will see outputs increase and continuing pipeline of developments created.

7. Background Papers

- 7.1 HRA Borrowing report approved at November 2019 Housing and Neighbourhoods Committee.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation:	Through ELT
Section 151 Officer Consultation:	Through ELT
Existing Council Policies:	N/A
Financial Implications (including VAT and tax):	Included in section 3
Legal Implications (including human rights):	Included in section 5
Risk Implications:	Included in section 4
Equality Issues/EQIA assessment:	The new homes provided will be designed to meet housing need and address particular shortages in supply which may currently have a negative impact on the likelihood of some households with protected characteristics from being able to have their needs met in a timely way. This recognises that households in higher levels of need will have more opportunity to be accommodated in the Council's housing stock (and that of Registered Providers) than those with low needs.
Crime & Disorder:	New housing schemes will be designed and built to minimise properties vulnerability to crime.
Every Child Matters:	The Council's Development Standard for new housing will take into the account the needs of children.