

Housing Delivery Strategy 2020 – 2025, December 2023 update

1. Overview

- 1.1. The Housing Delivery Strategy 2020–2025 was adopted by the Executive in December 2019. It is an important step towards delivering the Corporate Plan housing objective. It outlines the borough's housing challenges, considers affordability issues across tenures as well as the planning policy background and construction challenges.
- 1.2. The Strategy sets out six objectives which aim to enable more households working or living in the borough to access a home that is affordable to them. Underpinning these objectives is a commitment to partnership working with housing associations, public landowners, investors, developers, and others.
- 1.3. The Strategy includes an action plan broken down by objectives. The original action plan is attached including an extra column with a brief update on each task. The updates below should be read in conjunction with the action plan.

2. Updates

Objective 1: Use our land and assets to deliver additional housing

1A. Appraise Council land - draw up a shortlist of sites with development potential:

- The Place Delivery team have undertaken a high level desktop analysis of potential sites to form an initial shortlist from a list of Council assets provided by the Property team. This work is on-going and has helped to identify a number of sites to take to the next review stage for further assessment of their development potential. It is anticipated that this two stage process will be completed in 2023/24 and will form part of a new Development Framework that the Council is preparing. It will supersede the Housing Delivery Strategy.

1B. Work through the shortlisted sites identifying site capacity, tenure, type:

- Once the list of potential sites has been agreed with officers and members, the Place Delivery team will lead in assessing the potential of each in terms of capacity, tenure, type. It is likely that this work will be undertaken in 2024/25 and will require the commissioning of external architects to complete the task.

1C. Agree a delivery programme, delivery vehicle and funding:

- It has not been possible to agree a delivery programme. Time was lost during Covid as staff resources were redirected and since Covid, development costs have significantly increased affecting the viability of sites. Delivery vehicles have been investigated. Council schemes to date have been via direct delivery and going forward each scheme's delivery vehicle will be site specific. The Council has an aspiration to invest up to £30m on Housing delivery and £18m has been allocated in an earmarked Revenue Reserve to help fund new capital schemes.

- Delivery programme, mechanism and funding will be considered as part of the Development Framework at a high level and is likely to be developed in detail by officers for member agreement in 2024/25. Work on 1A and 1B will inform 1C.

Objective 2: Make use of public land, private land opportunities and empty homes

2A. Work with Surrey CC Property Team and Places for People to assess borough opportunities:

- The Council took an active role in Surrey County Council's, Housing, Homes and Accommodation Strategy. The Strategy acted as a conduit to start the conversation about working together to bring opportunities forward. Since publishing the strategy, SCC property team now regularly attend Surrey Chief Housing Officers Association which RBBC chair.

2B. Work with other public landowners to identify opportunities for joint development schemes:

- Officers from the Property and Place Delivery teams are participating in the re-launched Surrey Strategic Estates Network (SSEN) with Surrey local authorities and other public sector representatives including One Public Estate (we have also established a direct dialogue with them). This forum meets quarterly and is specifically aimed at bringing public sector landowners together. As part of this, RBBC is supporting a Surrey wide project to map public assets to enable opportunities to be identified.

2C. Undertake a detailed assessment of existing empty homes by owner, property type and location:

- Task not completed due to competing workloads many of which were unplanned including Covid, Afghan & Ukrainian work streams and the extra work caused by the Home Office Asylum properties. Anecdotal information from other LA's suggests that bringing empty homes back into use takes a lot of resource without proportionate results. This task is still to be scoped, currently no time scale agreed.

2D. Develop a programme to target specific empty homes and identify a delivery partner to work with and access external funding:

- Not progressed as 2C above.

Objective 3: Local Housing Companies as a Housing Delivery Tool

3A. Agree the most appropriate structure to deliver a build programme. Options include establishing a housing company / creating a group structure / revitalising Greensands:

- Since adopting this Strategy, local authority Housing Companies have been failing nationally and HM Treasury regulations for prudential borrowing via the Public Works Loans Board have changed.
- After modelling the financial implications in detail, it was concluded that the significant cost of forward lending to a wholly-owned LA housing company at commercial rates along with the overhead costs of the company, meant that it would not be viable to operate the Wheatley

Court development through a housing company. Learning from this process, and the experiences of other LA wholly owned companies, this option will no longer be pursued.

3B. Present the business case for a revised company remit / structure to the Commercial Ventures Executive Sub-Committee:

- No longer a viable option.

3C. Council company longer-term investment strategy agreed and delivery started:

- No longer a viable option.

3D. Assess opportunities to 'spot purchase' units from developers including small numbers of affordable homeownership homes on s106 sites:

- To date Registered Providers have purchased all affordable housing products on s106 sites. If a suitable opportunity arises to purchase direct from a developer, the business case will be worked up and presented to Members.

Objective 4: Joint Venture Partnerships

4A. On a site-by-site basis assessment risks and benefits of partnerships to deliver schemes:

- The Development Framework will review opportunities for the Council to enter into partnerships to deliver homes. This will include methods by which partners are selected to work with the Council, for example via competitive procurement. The programme for the completion of the Development Framework is in 2023/24. The Council will analyse partnership opportunities available to it to deliver the pipeline programme. There are a number of routes available to the Council such as on a site-by-site basis or alternatively by grouping sites together to form a more attractive offer for both the Council and a partner. External resources may be required to provide an in-depth analysis of the best option(s) available to the Council.

4B. Assess opportunities to purchase land, sites, buildings, street properties and enter joint venture partnerships to deliver homes:

- At a high level, the Development Framework will consider opportunities to purchase land, sites, buildings, street properties and enter joint venture partnerships to deliver homes. Each site in the development pipeline will be assessed to understand if it presents opportunities to work with partners, acquire additional land or buildings. The Development Framework will also review the mechanisms in place to enable the Council to respond to opportunities to acquire third party land holdings and how these can contribute towards the Council's delivery of new homes.

Objective 5: Develop supported housing for complex needs single people

5A. Work up a supported housing scheme, identify a preferred model, capital and in-going revenue sources, suitable location, on-gong revenue support:

- The business case on a supported housing scheme was worked up and was not viable. A scheme would require an ongoing revenue budget and would be classed as an 'exempt property' under housing benefit regulations. This would also add to the increasing burden on the housing benefit revenue cost to the Council which does not attract Government subsidy.

5B. Purchase a building, refurbish, appoint a support provider:

- A lower support scheme is being considered as part of the current delegation to purchase temporary accommodation (for families) and emergency accommodation for homeless single applicants. This will be owned and managed by the Council.

Objective 6: Deliver housing to meet local needs through planning policy

6A. Update the borough design guidance for developers identifying good practice for intensification of sites, guidance on appropriate sites, building and site layout guidance:

- The Local Character and Distinctiveness Design guide SPD202 has been updated. Also, a draft is being produced for the A23 Great Street Design Code SPD with adoption due in 2024.

6B. Affordable Housing SPD revised to incorporate design guidance for developers:

- SPD was published in 2020. The affordable housing need will be reviewed in 2023/24 as part of the Housing Needs assessment.

6C. Local Plan evidence base reviewed and updated. Including evidence on housing needs across all demographic groups, affordability, and deliverability:

- Evidence reviewed in accordance with the Local Plan Review. Housing Needs evidence subject to review in 2023/24.

3. Summary

- 3.1. The Housing Delivery Strategy is the first Council delivery document for over 20 years since the large scale voluntary transfer of the Council's housing stock.
- 3.2. During the first three year period of the strategy the Council have directly delivered 61 new build homes comprising of 11 shared ownership homes, 14 market sale, 32 affordable rents and 4 temporary accommodation units.
- 3.3. The Council has also jointly funded with partners the purchase of two flats for homeless singles with complex needs and the development of four self-contained properties for young parents.
- 3.4. Three further projects are in progress together these projects are purchasing around twenty three family homes for use as temporary accommodation and one shared facility emergency accommodation property for singles. Most of the projects above are funded by a mix of funding from RBBC, Homes England and Registered Providers.
- 3.5. The Council has also agreed a commitment to provide funding to Raven towards their redevelopment of Chavercroft in Tadworth.

- 3.6. During the three years, much of our internal capacity focused on managing the unexpected effects and impacts of Covid on our services. Following Covid, more of our limited resources were taken up with managing the arrival of Afghans and Ukrainians fleeing the war. In addition, our resources have been stretched by the local placement of hundreds of asylum seekers by the Home Office, managing the impacts of their placement and resulting homelessness applications.
- 3.7. Much of the activities and projects within the action plan were new areas of business for the Council. Our experience has developed greatly as projects have been delivered successfully. During the strategy timeframe a great deal of unprecedented changes and events took place which led a redirection of resources.
- 3.8. Work is now beginning on a Development Framework which will supersede this strategy and build on the last three years successes and learnings.