



# Housing Delivery Strategy

2020 - 2025

# WELCOME

## Welcome to our Housing Delivery Strategy

This Strategy sets out our housing priorities for the next five years and explains how we intend to enable more housing that is affordable to people who live or work here.

Everyone aspires for a place to call home. The challenge will be to assist more people to find a local home that meets their individual needs. We cannot solve all of the borough's housing issues, but we can work in partnership to influence new housing delivery, work to deliver our own programme, lever in more investment and importantly to have an on-going conversation with local people to ensure we deliver the right homes in the future.

**Cllr Mark Brunt**  
Leader

**Cllr Graham Knight**  
Housing Portfolio

December 2019

# OUR VISION

Our housing vision is to:

**To secure the delivery of homes that can be afforded by local people and which provide a wider choice of tenure, type and size of housing. To achieve this ambition we will:**

- **Work in partnership with housing associations, Surrey County Council, developers and Homes England**
- **Maximise the delivery of homes through planning policy**
- **Explore innovative ways to deliver the right housing in the right places**
- **Develop our own housing delivery programme**
- **Support housing developers to provide housing to meet local needs**
- **Make best use of housing development opportunities**
- **Take commercial decisions to secure more housing choice**

We know that our residents, those that work in our borough and businesses like our location close to Gatwick and London, like the attractive well serviced towns, our great parks and beautiful countryside.

The availability of good quality, well designed housing for a range of household types is crucial to support the prosperity of our borough and the people who choose to live or work here. Every household has a different housing journey and we need to support choice and increased availability of housing at all stages of the journey.

## Introduction

Housing is an important issue for everyone. A shortage of the right homes to meet a range of budgets and housing needs has an impact on borough residents as well as local businesses and public services.

This is recognised in the Council's new five year Plan, 'Reigate & Banstead 2025', which sets an objective to secure the delivery of homes that can be afforded by local people and which provide a wider choice of tenure, type and size of housing. This Housing Delivery Strategy provides more detail about how we will achieve this. Delivery of our action plan will be undertaken in parallel with the Environmental Sustainability Strategy, whilst recognising this may have financial implications on delivery.

With its excellent transport links, attractive towns and countryside the borough is a popular location in which to live. The employment market benefits from the location of a number of large companies, a thriving micro business sector, a regional hospital and its proximity to London Gatwick Airport.

The housing market has remained strong. Over the last ten years house prices have risen. This has been supported by a sustained increase in the number of residential sales taking place. However, one of the impacts of a strong residential market is reduced housing affordability. Within the borough the affordability gap for many home buyers and private renters has continued to widen.

New housing continues to be delivered across the borough on small and large allocated sites and windfall sites located in towns, urban areas and on the edge of towns. The identification of regeneration areas in Horley, Redhill and Preston has delivered a diverse range of housing development as well as community and leisure facilities. The on-going regeneration of Redhill town centre has created opportunities for the delivery of high quality, high density flatted developments close to excellent transport links. Much of this new development in the town delivers homes to buy, private rented homes as well as improvements to shopping and leisure facilities.

Most housing delivery in the borough is plan-led. The Core Strategy 2012-2027 sets out the pattern, scale, amount and quality of development in the borough. Adopted in September 2019, the Development Management Plan contains the detailed policies and land allocations required to deliver the strategic requirements of the Core Strategy.

Development delivery rates have continued to meet or exceed the annual Core Strategy minimum target of 460 additional homes. We are proud of our housing delivery rates and recognise we need to continue to maximise delivery and secure affordable housing at every suitable opportunity. A diverse new high quality housing supply must meet the range of housing needs of local people and support the needs of businesses and the local economy. Our approach combines a plan-led approach with opportunities for the Council to deliver housing directly and in partnership with others.

For the avoidance of doubt, this Housing Delivery Strategy does not form part of the Council's Local Plan or supplementary planning documents.

# The Housing Need Challenge

The borough housing challenge is considerable. It is driven by a combination of housing costs, land values, earnings, employment opportunities, population growth and changing demographics. Demand for all tenures of housing is high and as a result local housing costs have continued to rise over the last ten years.

This section outlines the main housing challenges in the borough and the effects on specific groups most impacted. Having looked at the borough housing market, the underlying issue for many households is housing affordability. This impacts on all tenures and affects many household types and incomes groups.

## House Purchase Affordability

Housing affordability is the biggest challenge facing households hoping to buy a home. Within the borough the average house price is £513,836<sup>1</sup> and is well above the national average of £233,181. Looking at specific property types, the average flat price is £256,474, whilst the average cost of a terraced house is £398,796.

Since 2009, house prices have continued to rise steadily in the borough with an overall increase of 63%<sup>2</sup>. Since 2008, the affordability ratio, measured as median house prices and median incomes, for the borough has increased from 7.61 to the current 10.79<sup>3</sup>. Since 2017 affordability has been slowly improving with slightly reduced ratios, this trend is reflected across Surrey and England. Whilst the borough affordability ratio is higher than England (7.70) it remains lower than Surrey as a whole (11.71).

***Housing Fact:*** Average resident annual income is £34,098

## First-time buyers

The rise in house prices has impacted significantly on younger households. Amongst younger people, increased house prices together with revised mortgage lender practices and more unstable employment prospects have led to fewer house purchases. Recent research shows that homeownership amongst young adults aged 25-35 on middle incomes has declined significantly from 65% in 1995-6 to 27% in 2016<sup>4</sup>. In the current market lenders require higher levels of deposit, typically 10%, as well as limit lending to a maximum rate of 4.5 times household income. In the borough, first time buyers purchasing an average priced flat require a deposit of £25,600<sup>5</sup>.

In more recent years there has been a growth in the availability of 5% deposit mortgages in response to the introduction of the Help to Buy Equity Loan Scheme. However, this scheme is set to end by 2021 for most buyers, although an extension has been granted for first time

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<sup>1</sup> Land Registry 2018/19

<sup>2</sup> Reigate & Banstead 2019

<sup>3</sup> Office for National Statistics 2018, median house price to median income ratio

<sup>4</sup> IFS study: The decline of homeownership among young adults. Income bracket: £20,000 - £30,000

<sup>5</sup> ONS House Price data, March 2019

buyers to 2023. As this scheme ends, the availability of affordable mortgages and lower deposit requirements is likely to decline and potentially reduce opportunities to buy.

Saving a deposit takes time with buyers having to save for many years. Affordability issues, lifestyle choices and financial commitments mean the average age of a first time buyer is now 33 years old and 40% have children. As a result many first time buyers now face childcare fees which can range from over £6,000 - £12,000 a year and others also have significant university fees to repay. Despite high housing costs, research suggests the most popular choice for a first home is a family size property, with only 8% of first time buyers looking for a one-bedroom 'starter flat'<sup>6</sup>

Affordable homeownership options have become increasingly attractive to first-time buyers, particularly as they offer a range of property types and sizes. The most common affordable homeownership schemes are shared ownership<sup>7</sup> where buyers part rent / part buy a home and shared equity housing<sup>8</sup>. Currently there are over 300 households registered on the Help to Buy list interested in buying an affordable homeownership property in this borough, although not all are residents or are employed in the borough.

***Housing Fact:*** *The Council will deliver affordable homes on its own land at Pitwood Park, Tadworth*

## **Private renters**

Private rented housing accounts for at least 13% percent of homes in the borough<sup>9</sup>, although this figure is likely to be higher given market shifts towards renting over the last ten years. Demand in the borough is high and this is driven by market housing affordability issues, households taking longer to save a deposit to buy and the lack of availability of social housing.

Amongst young adults in particular, there has been a sharp increase in private renting which corresponds with a decline in homeownership rates. In 2007-08, 28% of young adults lived in the private rented sector, this has risen to 44% in 2018<sup>10</sup>. A very small number of older households privately rent currently, although this could increase if rates of owner occupation continue to decline.

Nationally, rents in the private rented market have risen by 7% since 2015<sup>11</sup>. At a borough level rates have increased at a greater rate. Between 2011 and 2017, the average rent rose by 29% possibly driven by demand or increased house price values.

Typical rents for smaller homes start at around £500 a month for a room in a house share and £825 for the average one bedroom flat. Family size accommodation starts at £1,075 per

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<sup>6</sup> Santander Study of First time Buyers

<sup>7</sup> Buyers purchase between 25% and 75% of a home and pay rent on the unbought share

<sup>8</sup> Buyers purchase a portion of a home typically 75 – 80% and the remaining equity is held by way of a legal mechanism with no rent or interest due on the unbought part

<sup>9</sup> Census 2011

<sup>10</sup> ONS Private Rented Sector 2018

<sup>11</sup> Index of Private Housing Rental Price in the UK 2019, experimental index

month for a two bedroom flat, rising to £1,400 for a three bedroom home, and over £1,900 for four bedroom properties. Despite relatively high costs, there is a buoyant rental market and properties rarely stay vacant for long.

### **Social housing applicants**

The borough has around 6,000 social rented homes. This equates to 11 percent of housing in the borough and has declined by 1% as a proportion of housing stock since 2001.

The number of households waiting for social rented housing is a measure of housing need. In the borough there are over 800 households on the housing register at anytime. Of these, around 600 households need a social housing tenancy and the remainder are local social housing tenants needing a move to a different property. This number has remained fairly static since 2013 when changes to the qualifying criteria to join the register were introduced.

Housing register applicants are not a homogenous group. They include all household types and sizes, people with disabilities or long-term health issues, retired households and many working households. Many of the 600 households on the register seeking a social housing tenancy are living in private rented housing or staying with friends or family.

Analysis of the spread of incomes of households on the register shows 70% have incomes below £19,999 after allowing for housing costs. Just over 50% of these low income households are working households<sup>12</sup>. Almost half of homeless households owed a homelessness housing duty are also working households indicating housing affordability issues.

To meet the ongoing need for social housing we rely on vacancies in housing association housing stock. On average we receive around 290-330 requests a year from social landlords for households to move into vacant homes let on Social Rent<sup>13</sup> or Affordable Rent<sup>14</sup> tenancies. Almost all vacancies are from within existing stock. Typically, housing for older people accounts for 15% percent of requests.

The typical wait for an offer of social housing varies depending on property type and location. The highest demand is for two bedroom homes with a waiting time of around 2-3 years. Due to low numbers of adapted homes and larger family homes, the wait frequently lengthens to over four years.

### **Households facing homelessness**

Our Homelessness Strategy sets out the scale of the issue in the borough and our priorities for managing it. The significant change in homelessness responsibilities introduced by legislation in 2017 has led to greater responsibilities on the Council to prevent it. There has been an increase in the numbers of households approaching us for assistance.

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<sup>12</sup> As at July 2019 assessment of 30% of the Register

<sup>13</sup> Provided by registered providers, the rent is set in accordance with Government rent policy and is lower than Affordable Rent

<sup>14</sup> Provided by registered providers, rent is up to 80% of market rents and set in accordance with Government policy. Note: sub market rent is not recognised as an affordable housing tenure.

At any point in time there are around 130 households in temporary accommodation in the borough, 15-20 households in emergency accommodation located in and out of the borough with over 230 children living in temporary / emergency housing.

Historically, our homelessness service has assisted mainly families whose private rented housing has ended or have been evicted from the family home. Whilst they continue to be the main group, in recent years our services are increasingly coming into contact with single people experiencing some or all of the following issues - mental health problems, substance misuse, alcohol misuse and are prison leavers. Many of these households lead chaotic lives exacerbated by insecure, inadequate housing. Accommodation is part of the solution. More intervention is needed to improve prevention rates of substance and alcohol misuse<sup>15</sup>. The on-going challenge for us is securing appropriate accommodation with the right level of support to assist individuals to manage better.

### **Older People**

Housing costs and the availability of suitable homes is not just an issue for younger households. As our population ages the need for appropriate housing for older people is growing. The borough has an aging population. Currently, 27% of residents are aged over 65 and this is projected to increase to 39% by 2035. As the population ages the need for care and support to enable households to remain at homes rises, as does the need for more appropriate or specialist accommodation.

Whilst an increasing number of carers of older people are aging partners and spouses, a significant amount of care is also provided to older people by paid care workers. As the need for care rises, the need for lower cost housing for care workers increases.

Owner occupation rates are high amongst older people in the borough. However if the current trend of lower homeownership rates among younger households continue, in the future more older people will be living in private rented accommodation supported by welfare benefits. The need for a range of housing options also suitable for older people to meet a range of financial circumstances will become more critical in the future.

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<sup>15</sup> Surrey Health and Wellbeing Strategy 2019

# The Housing Delivery Challenge

The Council is committed to ensuring the delivery of homes across the borough to meet local housing need and demand. Our role is two-fold. As the Planning Authority we direct development through the Local Plan and as a Housing Authority we have the ability to directly deliver a range of housing tenures through our own developments and in partnership with others. Delivering development has many challenges and is a complex process involving planning, construction professionals and complex financial arrangements.

## Delivering homes through planning policy

Our Core Strategy plans for 6,900 homes to be delivered between 2012 and 2027 averaging 460 homes a year. To date, progress against the Core Strategy housing requirement shows that since April 2012, 3,647 dwellings have been completed leaving an outstanding requirement of 3,253 over the plan period. The challenge in the long-term is to maintain this on-going five year land supply to ensure planned delivery of sustainable urban extensions in future years given local constraints imposed by flood risk, Green Belt, ancient woodland and other environmental constraints.

Looking at the next five years, the overall Core Strategy housing requirement is just under 2,000 homes. Having assessed current deliverable land supply in the borough, a total capacity of just over 3,000 additional dwellings is identified over the next five years. This equates to a 7 year supply.

Most borough development is developer led. This means our ability to manage the rate and pace of development is very limited. This also impacts on the delivery of affordable housing in the borough. Our affordable housing delivery target of 100 a year is largely being achieved although it is becoming more challenging to secure a mix of affordable housing to meet local needs. A combination of the impacts of national policy on the delivery and tenure of new affordable housing, funding, welfare reform and growth of very large housing associations seeking larger sites have contributed to the challenge.

The Development Management Plan adopted in 2019, includes a revised affordable housing policy. It lowers the site from 15 to 11 units for 30% on-site affordable housing. Furthermore, in response to the need for more rented homes, the proportions of affordable rented and shared ownership homes to be delivered on planning sites has shifted to from 40% to 60% in favour of rented homes.

***Housing Fact:*** *We have increased the affordable housing requirement on greenfield sites to 35%*

## Construction Sector

After allowing for these planning opportunities, the capacity and appetite of the building construction sector and developers can present challenges to delivery. Capacity within the house-building industry impacts on rates of construction, as do market conditions and demand for housing. In addition, labour shortages and increasing costs of materials are common issues particularly where sites are led by traditional construction methods and materials.

In response to materials and labour costs, more companies are investing in alternative off-site construction methods and products to meet the demand for increased house building rates. Residential capacity in this sector is increasing although to date, off site construction companies have favoured larger scale developments. This industry is gaining momentum with the potential to accelerate build rates and reduce construction waste, the challenge in the borough will be to access this potential.

The housing construction process is challenging due to its complexity. As a result, it frequently takes some considerable time to move from the planning process to on-site construction. Just reaching the point of planning consent involves complex processes to secure infrastructure and consents, funding, agreements for affordable housing and site preparation.

### **Finance**

Housing development requires significant upfront finance and cash flow from sales or rental income. Increasing costs of materials and labour costs combined with slow sales all impact on the speed of delivery of homes and ultimately impact on deliverability. In the current economic climate the housing market has slowed and it is not clear how the housing market will respond to future economic conditions and changing circumstances (including related to Brexit) when it comes to housing delivery.

## Our five year priorities for housing delivery

This five year delivery strategy sets an ambition to boost the numbers of homes that are affordable to more households in the borough. To deliver this ambition, we will adopt a flexible and responsive approach to the use of delivery vehicles, partners, construction methods, tenure type and funding sources.

We recognise there are a range of household types at different points in their housing journey all facing different financial, caring, health or mobility challenges. For some, their journey is through private rented housing, other are in a social housing tenancy. Younger households may be seeking a foot on the property ladder, whilst other households are looking to up-size or down size to more suitable homes. Others are looking for or living in a room in a share. What is clear is that a variety of housing options which are affordable to local people are needed.

Our aim is to enable households to access the housing they need at the time it is needed. This is a bold ambition that goes beyond this five year delivery strategy. Intervening in the housing market is complex and is driven by interdependent factors such as demand, land costs, investment interest, capital resources and planning. At a borough level we cannot change wider economic and market issues such as affordability. However, we can work in targeted way on specific projects with a variety of partners to deliver local projects.

In this section we outline a number of priorities the Council is committed to taking further. Some involve specific deliverable projects and others will place the Council in a better position to work with others to deliver change. Over the course of this Delivery Strategy we expect to respond to market or investment opportunities, the appetite of partners to work with us and to wider shifts in housing and financial markets.

The overarching theme of our Delivery Strategy is 'partnership'. Housing delivery requires joint work with partners to secure expertise, skills and financial investment.

## Using our Council Assets

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

The Corporate Plan commits us to developing our land holdings for housing and delivering a minimum of 30% affordable housing on all Council schemes. We own a modest number of sites, land parcels and buildings across the borough and are keen to maximise their potential. We have already delivered housing on some of our own sites and are working towards delivering a mix of tenures and opportunities on other sites.

### **Case Studies – Council led housing delivery:**

**Littlefield Close:** *In 2017 we delivered 19 new homes on Council owned land in Horley. Littlefield Close provided two and three bedroom market houses aimed at helping more local people get onto the property ladder. With prices starting at £280,000 the development located close to Horley town centre and its facilities attracted a number of first time buyers.*

**Redhill town centre:** *To support the on-going regeneration of Redhill town centre, we are redeveloping a key building in Cromwell Road. This attractive, contemporary development will deliver 32 one and two bedroom flats and ground floor retail units. Fifty percent of the flats will be sold as shared equity homes<sup>16</sup>.*

**Lee Street, Horley:** *Developing on the smallest scale, we are working towards building four contemporary micro homes using modern methods of construction. Located on a small disused piece of land, the development will offer accommodation to single low income people providing a starting point on their housing journey.*

Whilst many of our land holdings are too small to develop for housing or simply unsuitable due, for example, to planning constraints, a small number of sites may have potential for development. The potential scale of delivery could range from a couple of homes through to larger scale housing schemes.

One of the starting points for our own direct delivery programme is a detailed capacity study of our land and assets. This will provide a detailed understanding of the opportunities, constraints and risks of sites. This information will inform a programme for unlocking their potential.

Future development of Council land may be undertaken directly by the Council, through a Council owned company or through a partnership arrangement such as a joint venture. The business case of each opportunity will be assessed individually by the Commercial Ventures Executive Sub-Committee to ascertain the social and economic gain of delivery.

To continue the momentum gained through development of other sites already, we will identify a realistic schedule of developable, deliverable sites for the coming years which will collectively deliver a variety of tenures.

## **Make use of public land, private land opportunities and empty homes**

### **Objective 2: Work with public land owners to redevelop redundant or underused sites and land into housing or mixed use schemes and work in partnership to bring empty homes back into use**

Underused or redundant public land and empty homes can make a contribution to meeting housing demand in the borough. Although they are small in number, within the borough public authorities have sites and land with development potential which are either vacant, underused or require redevelopment. Some of these sites are identified in the Development

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<sup>16</sup> In this case buyers will purchase 80% of the market value of the home, 20% will be retained by the Council

Management Plan with potential for housing and or mixed uses. We are keen to progress a partnership approach to the redevelopment of sites to maximise their potential and deliver the right type of housing and tenure for local people.

We will take a proactive approach to identifying and working with public land owners and other charitable owners to deliver our housing vision. Recognising that some sites will be subject to sale, we will assess opportunities to acquire sites that meet our objectives to deliver more housing. Our determination to maximise the use of public and private development site means we will assess opportunities to bring together multiple landowners to take forward more comprehensive developments.

The borough private land market is highly competitive and land values are high. To deliver more housing we will continue to assess opportunities to acquire land and underused or redundant sites that have future development potential. There may be opportunities in the future to direct acquisitions and projects through a wholly owned Council company.

Empty Homes and unused flats above shops are also an untapped housing resource. Whilst the numbers of long-term empty homes is relatively low at under 60 across the borough, they offer another solution to meeting housing need. Bringing empty homes back into use is extremely challenging. To deliver this objective we will work in partnership with local housing providers to support them to bring homes into use and to access national funding opportunities.

## Local Housing Companies as a Housing Delivery Tool

### **Objective 3: Establish a Local Housing Company or other vehicle to help us deliver more homes**

As part of our commitment to deliver more housing that is affordable to local people we will be exploring the best mechanism to deliver it. Council owned companies are an option and many local authorities now have housing companies delivering market homes, affordable housing and private rented homes. Companies are not new to the Council, in 2016 the Council established Greensands Property Company. Established for mainly commercial property opportunities, to date its activity has been limited.

Wholly owned Council companies have the potential to deliver the whole range of housing tenures from private sale housing right through to social rented housing and everything in between<sup>17</sup>. All profit from them can be directly reinvested into further company activities, into existing Council services or the development of new services. As well as delivering more housing opportunities, a Council owned company can provide a long-term, relatively stable income stream to the Council critical to maintaining and developing new services.

Our intention is to assess the options for a Council owned company to deliver housing. The range of options that will be considered include a single specific local housing company (LHC), a company group structure and options to use our existing property company.

Subject to a future decision by the Commercial Ventures Executive Sub Committee that the Council should proceed with a company to deliver additional housing, a programme of

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<sup>17</sup> Options could include submarket rent homes let below market rents but not meeting the affordable housing definition in the National Planning Policy Framework

projects will be agreed. Opportunities to be considered include the purchase of land, development sites, individual units on new development sites, affordable housing units on small sites as well as existing homes.

## Joint Venture Partnerships

### **Objective 4: Work with partners to maximise the potential of development sites to meet local housing needs**

Building effective partnerships with others will be crucial to the delivery of a varied landscape of housing in the borough. We already work successfully with a broad range of organisations including developers, housing associations and charities to deliver housing development schemes. To deliver real housing change we must explore and be open to opportunities to establish joint venture (JV) vehicles with others which will unlock land and sites for development.

The Council has general authority and powers to establish and participate in JV vehicles directly or through its own company. The purpose of a future joint venture vehicle will be to work on a site specific basis to secure the delivery additional housing and other appropriate development. Such schemes must generate a profit and some schemes may generate an on-going income stream to the Council. All profit will help fund the delivery of more schemes or Council services.

Working with the right partners through a joint venture will secure additional investment. With all development comes risk and a future joint venture partnership will proceed on a proportional shared risk basis. Furthermore, the right partnership will bring the additional technical skills, development knowledge and experience needed to successfully develop out schemes. We will continue having dialogue with organisations able to invest capital and skills into future projects.

## Deliver specialist supported housing for single people

### **Objective 5: Deliver supported housing for single people with complex needs in partnership with a specialist supported housing provider.**

Over recent years our services have experienced an increase in the numbers of people with complex needs requiring assistance. Many of these households experience mental health problems others also have other issues such as alcohol or drug addiction, homelessness or a history of offending. The number of these vulnerable households seeking housing advice and approaching us as homeless has risen sharply following changes in homelessness legislation introduced in 2018. At the same time funding and access to mental health services, drug, alcohol and housing support services has declined significantly.

Whilst single people with complex needs are a relatively small group the numbers are increasing and accommodation options remain extremely limited or non-existent. In 2018/19 we accommodated 109 single people of which 87 were recorded as having one or more support needs. Currently, we place homeless households in emergency accommodation with limited or no support and few housing prospects. As part of our commitment to improving the housing journey of more local people, we will work in partnership with an

experienced supported housing provider to develop an accommodation offer for this group within the borough.

We aim to deliver small scale accommodation with an intensive support service in the borough. It will offer a small number of individuals access to shared housing, to services and support networks which will aim to provide stability and a way forward on their housing journey. Short-term in nature, the accommodation will strive to prepare individuals for a move to supported housing or independent housing.

## **Deliver housing to meet local needs through planning policy**

### **Objective 6: Take a plan-led approach to meeting housing delivery targets set in the Local Plan whilst supporting developers to increase development density and optimise design to maximise opportunities to deliver affordable housing to meet local need**

We continue to meet or exceed our Core Strategy annual housing delivery target of a minimum of 460 new additional homes a year. Within this overall target is an objective to deliver 100 of these new homes as affordable housing. Delivery performance of affordable housing has remained on track and this is set to continue as part of the overall delivery of new homes.

Making the most of development sites in terms of amenity value, quality of design and use of land is crucial to securing market homes to support the delivery of affordable housing on-site. Homes delivered now, are likely to be required by many future generations. Maximising the density of appropriate developments is crucial to making the best use of the valuable land resources in the borough. Increases in density support the delivery of more affordable housing by improving site viability and in many locations create increased footfall to support our town centres, however high density developments need to be high quality and carefully designed.

The Core Strategy requires development to make efficient use of land and be at an appropriate density taking account of and respecting the character of the local area. The Development Management Plan (DMP) also supports this principle. To assist developers to deliver higher density developments in appropriate locations we will develop and update local design guidance. The aim of the guidance will be to identify the most appropriate locations for the intensification of development, to provide guidance on appropriate levels of intensification and support a design-led approach to support it.

Delivering affordable housing is a priority. The challenge for the Council and developers is securing and delivering the right affordable homes to meet local needs on a site by site basis. The trend has been to deliver shared ownership only on market led sites delivering small numbers of affordable housing. We intend to maximise opportunities to secure a mix of affordable housing tenures and types to meet local needs and to assist developers to meet their planning obligations. Our aim is to overcome the common barriers to the delivery of mixed affordable housing schemes.

To date, limited local information and design guidance on affordable housing has been available to assist developers and support registered providers delivering in the borough. To assist we will complete a review of the Affordable Housing Supplementary Planning

Document. The review will include new design guidance for affordable housing which will support securing appropriate affordable housing that is attractive to all the occupants on a site, can be seamlessly integrated, is deliverable by developers and attracts the interest of registered providers.

To support housing delivery in the borough, an up to date evidence and research base is crucial. Our evidence base must be reviewed and updated regularly to enable the Council to respond to changing housing needs through policy making and direct delivery. We will continue to update key pieces of evidence such as housing needs assessments used to inform planning policy, assess policy impacts and make changes to our services to ensure the right housing, in the right places continues to be delivered.

## Resourcing our housing delivery ambitions

We are committed to delivering a variety of housing solutions to the people who live or work in our borough. Much new housing will be delivered through planning policy on designated sites. However, opportunities exist for the Council to deliver its own housing programme and to work with partners to do more. It has to be recognised, however, that delivering this Strategy will have capital and revenue costs attached to it.

We will build a business case for each project as it arises and present opportunities to the Commercial Ventures Executive Sub-Committee. We will seek their approval to carry out new housing schemes and make provision for this expenditure in the Capital Programme each year. Sources of funding for housing schemes in the Programme will include prudential borrowing, use of capital receipts from sale of existing assets, affordable housing developer commuted sums and applying for Government grants. We intend to gain Homes England partner status to enable us to apply directly for grants. The revenue budget implications of borrowing for housing schemes will be taken into account when preparing the Council's Medium Term Financial Plan and annual budget each year.

Our housing association partners are able to access Homes England capital grant programmes to deliver additional affordable homes. We will continue to support their grant applications for additional affordable housing in the borough and will look to access funding on joint projects.

Our ambition to deliver a range of housing options requires commercial decisions. Ventures undertaken through a Council company will be funded through loans from the Council at commercial rates, through use of commuted sums and through the use of council land. The intention is that, over time, the company will borrow from private sources as well as the Council as its asset base and investment plans grow.

The Council will need to source specific professional skills and expertise as and when required to achieve our ambitions. Project teams will have experience in property, finance and housing. They will liaise closely with existing Council teams including our Legal Team, Housing Service, Procurement Team and Finance Service.

## Action Plan 2020 – 2025

Task no.	Task	Responsibility	Years 1-5	Outcome	Resources
<b>Objective 1: Use our land and assets to deliver additional housing</b>					
1A	Appraise Council land - draw up a shortlist of sites with development potential	Property Team	1	Clarity achieved on the capacity of the Council's land holding to deliver additional homes.	Existing resources
1B	Work through the shortlisted sites identifying site capacity, tenure, type	Property Team, Legal, Finance	1-2	Shortlist of developable sites identified	Existing resources
1C	Agree a delivery programme, delivery vehicle and funding	Housing, Place Delivery	2 onwards	Additional homes delivered	Capital borrowing
<b>Objective 2: Make use of public land, private land opportunities and empty homes</b>					
2A	Work with Surrey CC property team and Places for People to assess borough opportunities	Place Delivery	1-5		Existing resources
	Work with other public land owners to identify opportunities for joint development schemes	Property Team, Housing	1-5	Additional homes delivered on underused / vacant sites	Existing resources
2b	Undertake a detailed assessment of existing empty homes by owner, property type and location	Housing	1	Target list of homes agreed	Existing resources
2C	Develop a programme to target specific empty homes and identify a delivery partner to work with and access external funding	Housing	2-5	Empty homes brought into use	Partner funding, external funding e.g. Home England grant
<b>Objective 3: Local Housing Companies as a Housing Delivery Tool</b>					
3A	Agree the most appropriate structure to	Housing, Legal,	1	Appropriate vehicle	Existing resources

	deliver a build programme. Options include establishing a housing company / creating a group structure / revitalising Greensands	Finance			and business case agreed by Executive	
3B	Present the business case for a revised company remit / structure to the Commercial Ventures Executive Sub-Committee	Legal, Finance, Property	1		Company structure is revised and ready for new activities	Existing resources
3C	Longer-term investment strategy agreed and delivery started	Legal, Finance	2		Council company delivers a programme of additional homes	A combination of loans, longer term income generation, profits.
3D	Assess opportunities to 'spot purchase' units from developers including small numbers of affordable homeownership homes on s106 sites.	Company	2-5		Delivery of additional homes	A combination of loans, longer term income generation, profits.
<b>Objective 4: Joint Venture Partnerships</b>						
4A	On a site by site basis assessment risks and benefits of partnerships to deliver schemes.	Legal, Finance, Property	1-5		Delivery of additional homes, infrastructure and community facilities	Existing staff, consultancy, capital reserves, borrowing, joint investment.
4B	Assess opportunities to purchase land, sites, buildings, street properties and enter joint venture partnerships to deliver homes.	Company	2-5		Delivery of additional homes	A combination of loans, longer term income generation, profits.
<b>Objective 5: Develop supported housing for complex needs single people</b>						
5A	Work up a supported housing scheme, identify a preferred model, capital and in-going revenue sources, suitable location, on-gong revenue support	Housing, Legal, Property, Finance	1-2		Funding and support secured for scheme	Existing resources
5B	Purchase a building, refurbish, appoint	Housing,	2-4		Scheme for vulnerable	s106 commuted sums,

	a support provider	Property, Legal		people operational providing housing & support	on-going revenue support
<b>Objective 6: Deliver housing to meet local needs through planning policy</b>					
6A	Update the borough design guidance for developers identifying good practice for intensification of sites, guidance on appropriate sites, building and site layout guidance.	Planning Policy	1-2	Design guide published, densities on appropriate sites increase, more affordable housing delivered,	Existing resources
6B	Affordable Housing SPD revised to incorporate design guidance for developers	Planning Policy	1-2	Revised SPD adopted resulting in more improved tenure mixes and affordable housing to meet local needs	Existing resources
6C	Local Plan evidence base reviewed and updated. Including evidence on housing needs across all demographic groups, affordability, and deliverability.	Planning Policy	1-5	Up to date evidence use to inform plan making and planning application determination.	Existing resources