

Subject:	Housing supply update 2019-2023	
Date of Meeting:	18 September 2019	
Report of:	Executive Director for Neighbourhoods, Communities & Housing	
Contact Officer:		
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Ward(s) affected:	(All Wards);	

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Housing & New Homes Committee on 14 November 2018 and 13 March 2019 considered 'Housing Supply Update' and 'HRA Borrowing Cap' (Housing Revenue Account Borrowing Cap) reports. The reports provided an update on the delivery of new affordable housing by the council, and future plans to escalate delivery by utilising the Housing Revenue Account (HRA) borrowing flexibilities and revenue underspends in the HRA.
- 1.2 This report provides an update on progress and the council's plans to meet the Housing Committee work plan priority target of providing 800 additional council homes by 2023.

2. RECOMMENDATIONS:

- 2.1 That the Housing Committee note the contents of this report.
- 2.2 That the Housing Committee notes that estimates for new revenue spend on housing supply for 2020/21 will be included in the HRA Revenue and Capital Budget Report for approval in February 2020.
- 2.3 That Housing Committee recommend to Policy & Resources (P&R) Committee that for 2019/20, any new revenue costs (estimated at £0.100m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves (current balance £6.980m).

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The council continues to look at the range of initiatives it has to deliver additional housing and meet the Housing Committee Work Plan priority commitment to deliver 800 additional council homes by 2023, and support the delivery of 700 other new homes in the city by 2023.

- 3.2 The council has been looking at how it can respond to the change in HRA borrowing cap legislation to increase both the amount and speed of housing delivered in the city, and also take advantage of any grant funding opportunities to unlock land and deliver new schemes.
- 3.3 The council submitted a bid to the Local Government Association grant programme relating to building new council homes, and unlocking the skills to deliver ambitions for the HRA. The full £50,000 applied for was awarded in March 2019 for the following outcomes to be achieved in 2019/20:
- Accelerated delivery, including looking at the ‘meanwhile use’ or temporary use on sites to meet housing pressures pending approval for redevelopment
 - Increased supply of affordable housing compared with the current baseline pipeline of sites, over the next two years
 - Evaluation of Modern Methods of Construction options including modular, system build and timber frame to speed up construction delivery
 - Maximise existing land density and understand the full development potential of existing assets and land holdings
 - The creation of a “rolling” pipeline balancing the need for existing project delivery and new project identification.
- 3.4 Bids have also been submitted to the Ministry of Housing, Communities & Local Government (MHCLG) Small Sites Fund to support the ‘Homes for Brighton & Hove’ schemes at Coldean and Portslade and the council is awaiting the outcome of the bids. A further round of MHCLG land release funding is expected to be announced in the autumn and a series of bids are being prepared in anticipation of this announcement. The council will also continue to review Homes England funding opportunities, in particular regarding funding to support the delivery of new homes at social rent levels.

Delivery of 800 additional council homes

- 3.5 Delivery of 800 additional council homes by 2023 requires a programme of new build and acquisitions. Initial programme planning has taken place to determine how this can be achieved. Housing has collaborated with the council’s Property & Design Service to develop a land strategy to identify existing land and property opportunities to help reach this target.
- 3.6 The indicative programme (acquisitions and new builds) to deliver these homes by 2023 is outlined below. There is flexibility in this programme to substitute schemes should they not proceed, and to look at further acquisitions opportunities should they present themselves.

Initiatives	2019/20	2020/21	2021/22	2022/23
New Homes for Neighbourhoods	12	50	184	343
Small sites/hidden homes	11	15	10	10
Home Purchase Policy (acquisitions)	42	50	50	50
Temporary Accommodation	25	Up to 16	TBC	TBC
Total	90	131	244	403
Programme total	c871			

New Homes for Neighbourhoods (NHFN)

- 3.7 The council's 'New Homes for Neighbourhoods' programme has successfully delivered 184 new council homes in 12 projects since summer 2015. The following table provides an overview of the programme phases:

Programme phase	No. homes	Date
Phase 1 (completed homes)	172	Complete June 18
Phase 2 (on site/with agreement to progress) Kensington Street, Victoria Road, Selsfield Drive, Buckley Close)	124	All homes complete 2021
Phase 3 (next phase of projects)	c.130	Committee autumn 2019
Phase 4 (medium term pipeline)	c.125	Committee spring 2020
Phase 5 (longer term pipeline)	c.85	Committee summer 2020

- 3.8 Buckley Road (12 homes) and Selsfield Drive (30 homes) are both now on site and due for completion in 2020/21. A planning application for Victoria Road (42 homes) was submitted in August 2019 and subject to consent will be completed in 2021/22.
- 3.9 Phase 3 projects are now in development with a report on Frederick Street (four homes) on the agenda for this committee. Furthermore a planning application for Rotherfield Crescent (four homes) is due to be submitted in September 2019 with expected completion in 2020/21. A priority site of Windlesham House, Windlesham Close, Portslade has also been identified for redevelopment. This will deliver a scheme of 17 new homes and community space if the current provision is to be re-provided. A detailed scheme is currently being produced with options for the proposed use which will be brought to Housing Supply Members Board for discussion and Housing Committee in November 2019 for a decision.

- 3.10 Projects that can be progressed will be brought to Housing Committee for approval. It is also key for the new phases to replicate the successful public consultation process held throughout the delivery of the New Homes for Neighbourhood programme. It is important the approach is tailored appropriately and communities are fully consulted on any proposals.

Small Sites & Hidden Homes

- 3.11 The government's lifting of the borrowing cap provides an opportunity to increase the programme to refurbish and convert underused or unused spaces within the council's existing council stock into new homes. Nine new homes have been delivered to date, with a further 11 due to be delivered in 2019/20 - five on the Bristol Estate, three at Swallow Court, two at Elwyn Jones Court and one at Woods House. Planning permission has also been granted for a further three homes at Manor Road, Whitehawk. A pipeline of potential sites has been developed to deliver approximately 30 units until 2023. Small sites work has been undertaken to identify suitable opportunities. Typically these will be garage sites or small areas of land which could provide extensions.

Home Purchase Policy

- 3.12 This scheme has allowed the council to buy back homes previously sold under the Right to Buy for use as general needs housing or temporary accommodation with a budget of £7m in 2019/20. To date 23 properties have been purchased, with a further 23 going through the sales process, and other applications being assessed. A recommended increase in budget allocation in future years will, if approved, provide further opportunities to purchase homes with current projections to purchase 50 properties each year under this scheme.
- 3.13 Housing & New Homes Committee agreed to the expansion of the scheme in September 2018 allowing the council the option to look at purchasing affordable housing units supplied as part of new housing developments in the city (typically known as Section 106 sites). The council is now actively looking at these opportunities. An annual update on progress against the Home Purchase Policy is also on this committee agenda.
- 3.14 Other acquisitions (land and buildings) will also be pursued throughout the programme to increase the supply of affordable homes. Housing and Property & Design work closely to review any council disposals and links have been made with Registered Provider partners to review any disposals they may make in the city. Wider market opportunities will also be reviewed.

Council owned temporary accommodation

- 3.15 The council has been delivering projects to create a supply of council owned temporary accommodation. The council has also purchased and is currently refurbishing Tilbury Place to create 15 new homes. This work is due to be completed by September 2019, and work has started on site at the former Oxford Street Housing Office creating 10 new homes. This allows the council to achieve savings against the costs of procuring more expensive accommodation from the private market either through existing frameworks or spot purchase.

700 other new affordable homes delivery

- 3.16 In addition to the 800 new council homes, the council contributes to the wider delivery of affordable homes in the city. A programme to achieve this is attached but this is subject to change as new schemes and opportunities come forward.

Year	2019/20	2020/21	2021/22	2022/23
NHFN	0	30	13	TBC
Emergency Accommodation	Up to 42	TBC	TBC	TBC
Homes for Brighton & Hove	0	0	346	TBC
Specialist accommodation	15	TBC	TBC	TBC
Community led housing	2	0	10	TBC
Registered Providers (affordable housing provision)	116 (100 shared ownership/16 rent)	372 (267 shared ownership/105 rent)	TBC	TBC
Total	175	402	369	TBC
Total	946			

3.17 New Homes for Neighbourhoods

As well as providing permanent new council homes, the New Homes for Neighbourhoods programme supports wider delivery of homes. At present two schemes are in progress. 30 homes at Eastergate Road to be delivered by the YMCA Downslink Group which will deliver self-contained one-bedroom flats for young people as a short to medium term step towards full independence beyond YMCA housing (c. 2-3 years short term let). The planning application was submitted in July 2019.

The development of the former Hollingbury Library site for supported move-on accommodation (13 homes) is also part of phase 3 of the programme, and was reported to Housing & New Homes Committee in March 2019. Consultation with residents and local stakeholders took place in the summer and a report will be brought back to a future meeting of this committee.

Homes for Brighton & Hove Partnership

- 3.18 The council continues to work in partnership with Hyde Housing Association, as part of the council's joint venture to provide combined additional investment of over £100m to deliver 1,000 new lower cost homes for rent and sale in the city. The first sites have been identified. The planning application for Coldean Lane

(242 homes) was approved in June 2019 with the planning application for Portslade (104 homes) approved at September 2019 Planning Committee. Further sites are being assessed and the Homes for Brighton & Hove partnership continues to work with public sector partnerships to make best use of public sector assets.

Council owned emergency accommodation

- 3.19 The lifting of the HRA borrowing cap provides an opportunity to increase the number of refurbishment projects delivered. The council is looking into the viability of increasing its programme and a report into the wider viability of the council providing short term temporary accommodation in-house was considered at this committee in June 2019. This allows the council to achieve savings against the costs of procuring more expensive accommodation from the private market either through existing frameworks or spot purchase.

Specialist housing

- 3.20 Cross directorate working continues with Adult Social Care and Children's Services to identify specialist schemes for providing housing for vulnerable households. This housing can create savings on social care, children services and health budgets, with Homes England grant funding opportunities available to support delivery of schemes. The council has successfully bid for £750,000 from Homes England under its Shared Ownership and Affordable Homes Programme (SOAHP) 2016 to 2021 for the development of a move-on housing scheme. It will provide medium level support and settled accommodation for vulnerable households enabling the unblocking of high support accommodation places in the city.
- 3.21 A high support accommodation scheme for rough sleepers is also progressing with a lease on the premises due to be signed. Following a period of refurbishment it is anticipated this scheme will open by the end of 2019.
- 3.22 Further opportunities to access Homes England and Ministry of Housing, Communities & Local Government funding are being investigated for the delivery of specialist housing for residents with mental health needs and former rough sleepers.

Community Led Housing

- 3.23 Working in partnership with the Brighton & Hove Community Land Trust, the council continues to support them to develop the community led housing initiatives in the city. A pathway has been developed for council owned sites to ensure there is a clear route for considering when land or building opportunities may be considered for community led housing.
- 3.24 At present three HRA owned sites at Dunster Close, Hollingdean (two sites delivering up to 10 homes) and a site at Hinton Road (delivering up to 3 homes) have been identified which could be used for housing schemes. A business case has been produced for Dunster Close by Bunker Co-operative, which was considered by the Housing Supply Members Board in March 2019 and is

timetabled for discussion at this committee. A group is yet to be selected for Hinton Close, but once chosen a business case will be produced for consideration.

- 3.25 A further two General Fund owned sites at Coldean Lane have been identified with a business case submitted by Coldean Community Organisation. Further discussions are being held and revisions will be made to the original proposal before consideration at the relevant committee.
- 3.26 The council has bid to Homes England Community Housing Fund for additional funding to support the recruitment of an officer to increase the council's capacity to support the work with community led housing partners. An announcement on the bid is expected in September 2019. Further funding opportunities for capital and revenue bids for existing and future schemes will continue to be explored.

Additional Resources

- 3.27 The November 2018 committee report outlined a range of additional resources that would be created to support the council's housing supply projects. An update on progress against these initial requirements is included in the table below:

Role	Progress
3 x Project Managers	3 x Project Managers in post
1 x Architect	Additional architect now in post in Property & Design creating further capacity to support housing projects.
Legal support	1 x lawyer in post
Financial support	A number of finance positions will now support viability modelling and budget management support, creating additional capacity to support housing supply projects. To be kept under review and a further post may be considered if required.
Planning support	Service level agreement in progress for council led housing initiatives. To include access to a Transport Planner as well.
1 x Technical Surveyor	To be accessed on a consultancy basis as required.
1 x Commercial Asset Surveyor	In post
Communications support	Communication support continues to be provided by the corporate Communications Team.

- 3.28 A review has taken place to review resources for the programme, in light of the escalation of the programme that will be required to deliver the homes by 2023.

In addition to the above, the following additional resources are required which will be part of a cross directorate team to deliver this priority.

Role
1 x Programme lead for housing supply
3 x Project Managers (Additional project and programme manager resources for the Regeneration Team currently being reviewed).
1 x Trainee Project Manager
1 x Clerk of works
1 x Senior Estates Surveyor (Acquisitions)
1 x Quantity Surveyor
2 x Community Engagement Officers
2 x Project Co-ordinators
1 x Mechanical & Electrical Engineer
2 x Procurement Officer
1 x Sustainability Officer
2 x Customer Liaison
1 x Home Purchase Policy Officer
Additional senior architects, architects and technical staff to support new schemes coming forward.

- 3.29 Where local authority capital accounting arrangements allow, it is anticipated that the cost of these additional resources will be capitalised and therefore added to each capital project, as required. However, where costs cannot be capitalised, for example, where schemes are worked up but do not progress, then the costs will need to be met from the HRA. The exact revenue cost is difficult to quantify at this time and will depend on the number of schemes each year and whether or not the HRA can manage some of these costs within its current budget resources. However, the current estimate for the full year revenue cost is £0.260m. Officers will take account of this possible budget pressure in the development of the HRA revenue budget for 2020/21.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The range of housing delivery initiatives outlined enables the council to increase the supply of additional council homes through the HRA and to utilise investment and capacity of key partners such as Hyde Housing Association, while maintaining existing homes to the required Decent Homes Standard.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Local residents and ward councillors will be consulted about individual schemes. An allowance for additional staffing resources will be made in the HRA budget for 2020/21 for this committee to consider in January 2020 and subject to the usual consultation with tenants and residents.

6. CONCLUSION

- 6.1 The council is aiming to maximise what it can deliver to meet the priority of delivering 800 additional council homes. Additional resources, grant funding opportunities, alongside the flexibility the lifting of the HRA borrowing cap enables the council to increase the supply of homes across the range of HRA funded initiatives discussed in this report.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The costs associated with the increase in supply of affordable housing will continue to be assessed for each project and detailed financial implications will inform member decisions on a scheme by scheme basis. In general, the viability modelling for new affordable housing assesses each scheme to show the cost of any borrowing required, the costs of future management and maintenance and whether or not this is offset by the potential new rental stream.
- 7.2 This report outlines how the supply of affordable housing will be increased and the resources required to support this. The cost to the HRA is estimated to be £0.946m for a full year but resources will only be employed as necessary and so annual spend will vary, depending on the number of projects. The majority of this cost will be capitalised, which means that staff time for supporting each project will be added to the total cost of the relevant scheme. Therefore, these costs will need to be controlled to keep rents as low as possible and to reduce the risk of schemes becoming more reliant on direct revenue funding from the HRA, leaving less resource for management, maintenance and capital works to current council properties.
- 7.3 Current estimates for 2019/20 assume that there will be a new revenue cost to the HRA of approximately £0.100m. These costs can be met from HRA reserves (current balance £6.980m) which are well above the recommended minimum balance of £3m. For 2020/21, as mentioned in paragraph 3.29, any additional full-year revenue costs associated with increasing housing supply will be included in the 2020/21 HRA Revenue & Capital Budget Report for consideration by this committee in January 2020 and then by P&R Committee in February 2020. Any costs that are capitalised will be included in the overall cost of each scheme with budget approvals being sought as necessary.

Finance Officer Consulted:

Monica Brooks

Date: 05/09/19

Legal Implications:

- 7.3 There are no significant legal implications to draw to members' attention arising from this report for noting. The implications of any new schemes will be assessed on a case by case basis.

Lawyer Consulted:

Liz Woodley

Date: 28/08/19

Equalities Implications:

- 7.4 All current housing supply programmes support the delivery of the city's Housing Strategy and an increase in housing supply will extend opportunities to accommodate households on the Housing Register who are on housing need.
- 7.5 The New Homes for Neighbourhoods programme builds at least 10% of new council homes to full wheelchair user standard and the rest to accessible and adaptable standard, which can be easily adapted for people with disabilities. An Equalities Impact Assessment has been completed on the programme and is supplemented for individual projects.

Sustainability Implications:

- 7.6 New homes delivered by the council are built to high sustainability and energy efficiency standards, including photo voltaic panels on roofs where feasible.
- 7.7 Existing council owned homes are required to meet the Brighton & Hove Standard and seek to be energy efficient, minimise carbon emissions and reduce water usage. The HRA Energy Strategy takes a two-fold approach to improving energy efficiency in its homes through integrating energy efficiency into works and supporting residents with energy saving projects e.g. Your Energy Sussex and the SHINE project.
- 7.8 A working group to look at opportunities for zero carbon housing developments is to be set up this year.