

Report to: **Executive**

Date: **21 September 2023**

Title: **Delivering our Strategic Outcomes for Housing**

Portfolio Area: **Homes – Cllr O’Callaghan**

Wards Affected: **All**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken:

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**RECOMMENDATIONS:**

**That the Executive:**

- 1. Strive to ensure that all plan led housing meets or exceeds policy levels of affordable and social housing, including open market mix and tenure;**
- 2. Refine the existing policies of the JLP to ratchet up affordable housing outcomes in the new plan period;**
- 3. Request a subsequent report detailing the mechanisms, resources, costs and outcomes of an umbrella CLT for the district to be presented to the Executive meeting on 30 November 2023;**
- 4. Request officers to commence work on securing an RP delivery partner that can work within a CLT framework or direct with the Council as is required;**
- 5. Instruct officers to prepare a framework for a targeted acquisitions programme to mitigate ultra rural RP property disposals and support targeted groups in high need. The framework to set out financial envelope, governance arrangements, value for money test, demonstrable need evidence base and be presented to this committee 30<sup>th</sup> November 2023;**
- 6. Request first refusal on all homes being disposed in the District by Housing Associations;**

- 7. Continue to support every opportunity to secure good quality temporary accommodation; and**
- 8. Agree not to progress the formation of a housing company at this time.**

## **1. Executive summary**

- 1.1. The Council has put the challenge of addressing housing inequality in South Hams at the heart of its priorities and emerging new corporate strategy. This report sets out a strategic overview to respond to that priority, utilising the wide set of powers, resources and policy levers at its disposal to achieve it.
- 1.2. A range of measures addressing plan led development, sustainable exceptions sites, support for Community Land Trusts (CLTs), the procurement of an Registered Housing Provider (RP) delivery partner, targeted acquisitions and the securing of further temporary accommodation are all considered.
- 1.3. The strategic options set out in this report specifically respond to the new administrations manifesto commitments with regard to:
- 1.4. *Review land owned by the Council to assess suitability for providing social and affordable housing* in section 2.8 and
- 1.5. *Investing in suitable property in our towns and villages to provide affordable and social rented housing* in the section on targeted acquisition 2.10.

## **2. Housing Strategy Levers**

### **Plan led development**

- 2.1. The Council has put the challenge of addressing housing inequality in South Hams at the heart of its priorities and emerging new corporate strategy. This report sets out a strategic overview to respond to that priority, utilising the wide set of powers, resources and policy levers at its disposal to achieve it.
- 2.2. Plan led housing development, controlled by our planning policies set in the Joint Local Plan (JLP) represents by volume the vast majority of all homes built in the district, more than 5,000 to date during the current plan period of which ~1100 have been affordable (across the TTV policy area).
- 2.3. Even a small positive change to mix, tenure and type of homes to address community need would represent the biggest positive difference to the most people in the district. For this reason, an ongoing and singular focus must be to reinforce current affordable and social housing delivery rates within the JLP framework and in the medium term ratchet up the policy when the plan is reviewed.

- 2.4. Alongside plan led housing and through the JLP review, the Council should consider the adoption of a sustainable exception policy, which seeks to bring forward sites that are real exemplars of sustainability, open market mix and affordable housing quantum. A policy of this nature with the emphasis on affordable housing and sustainability, would bypass the “viability trap”, created through land banking and land value.

### **Community Land Trusts (CLTs) & Delivery Partner**

- 2.5. Recognising that the JLP review will not start immediately and will take time to complete, the Council must also consider more immediate solutions. A holistic set of Council policies could immediately broaden the opportunity for “the right type of development” which would include; further and specific support for CLTs, Neighbourhood Plans and other community led and bottom up housing initiatives.
- 2.6. CLTs are most successful when they are paired with an RP delivery partner, with the expertise and capacity to drive projects forward, as history shows that on their own CLTs are at best incredibly slow to deliver and at worst falter entirely. The district has a very healthy number of active CLTs, but not all communities are represented.
- 2.7. The Council should consider the formation of an umbrella CLT for the district that can both support existing CLTs and act where there are none, alongside the procurement of a RP delivery partner (assuming there is market appetite).
- 2.8. In this way, the Council will have a mechanism to support its own delivery on land it owns, the delivery of existing CLTs and create new delivery opportunities where communities wish to engage.
- 2.9. The existing support for neighbourhood plans should continue to ensure villages and towns can shape their own development future, and utilise an umbrella CLT to achieve it, if desirable.

### **Targeted Acquisitions**

- 2.10. At the other end of the development scale at the most granular level, the disposal of a single home in a rural location by a housing association can significantly reduce the housing opportunities within that community. At the same time specific high need groups of individuals are poorly provided for, in housing terms across the district.
- 2.11. The Council should consider a targeted acquisitions policy to address these issues, that, within clearly defined financial constraints and value for money criteria, can be deployed to positively influence these outcomes. This would include a request for Livewest and other Housing Associations to offer first refusal to buy houses they plan to dispose.

### **Temporary Accommodation Provision**

- 2.12. Finally, the Council should continue to seek all opportunities to secure good quality temporary accommodation, in good

locations and in a range of sizes, so that it can improve its homelessness service provision and reduce the significant financial burden that it creates.

- 2.13. A report on the same agenda sets out the recent success the Council has had in gearing in Government funding to achieve this ambition.

### **Legal Powers & Housing Company**

- 2.14. The Council has the legal powers to enact these strategies, as it does to buy, build, maintain and rent out homes. However, recognising that the Council does have an extant decision to set up a housing company, that specific point should be addressed.

- 2.15. Having reviewed it in much detail, as set out in appendix A, it is suggested that at this time the formation of a housing company is not a requirement. Of course, this can and should be reviewed in the future should matters change.

- 2.16. As set out in the appendix, there are benefits to a housing company as a way to avoid the right to buy, but they add cost and a lack of Council control. Further to that, because of the additional governance, financial and administrative burden they create, they are only make good sense at a large scale (more than 200 homes).

- 2.17. Examples locally and nationally, set out below, demonstrate this point clearly, with successes confined to locations with significant housing delivery numbers.

<b>Council</b>	<b>Commentary</b>
East Devon	East Devon Homes was incorporated in Oct 2017 and was dissolved in 2021. It was set up to manage, maintain and expand the councils social housing portfolio as well as other "community assets" and was set up as profit making.
Mid Devon	3 Rivers housing company set up in 2017 to deliver high quality homes. It is currently the centre of a political row as it is making a large loss and has underperformed.
Cornwall – Treveth LLP	Treveth is a partnership business set up in 2019 and operates as a Teckal Company, wholly owned but independent of the Council. They have RP status through Perran Housing LLP and an estate management service. They also undertake commercial and mixed-use development.
Lambeth	Lambeth Council folded its housing company in December 2022, Homes for Lambeth (HfL), back in-house. A review of the company, carried out by Lord Kerslake, slammed its "very poor delivery" rate. HfL had started only 65 homes. This came

	despite £30m being spent on the organisation since its inception.
Liverpool Council	Liverpool Council's Foundations, which promised to build 10,000 homes, was mothballed 18 months later after delivering just 18. The company also recorded losses of £700,000.
Croydon	<p>There was also the failure of Brick by Brick, Croydon's housing company. Brick by Brick became the poster child of this brave new world of council housing companies, and promised 500 homes a year in perpetuity. The council backed the venture and put in £200m.</p> <p>However, only 460 homes were ever built and the money pumped into it, as well as a myriad of other issues at the council, led to the south London authority declaring itself effectively bankrupt in 2020.</p>
Barking and Dagenham	Have a very successful development housing company that is delivering 100s of homes a year. They are operating a different scale aligned to the urban nature of the location.

### 3. Next Steps

- 3.1. Following the Executive meeting and decisions taken with respect to the recommendations contained in this report, officers will work with the portfolio holder for Housing to bring back plans to further these ambitions.

### 4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	y	To be developed for each individual strand of the strategy.
Financial implications to include reference to value for money	N	To be assessed on a strategy and case by case basis.
Risk	N	
Supporting Corporate Strategy		Homes
Climate Change - Carbon /	Y	All development has a carbon footprint and may reduce biodiversity. Each outcome and Council intervention must be balanced and assessed

Biodiversity Impact		against climate change and biodiversity criteria as is required.
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly as a result of this report.
Safeguarding		None directly as a result of this report.
Community Safety, Crime and Disorder		None directly as a result of this report.
Health, Safety and Wellbeing		
Other implications		

**Supporting Information**

**Appendices:**

Appendix A – Housing Company Briefing

**Background Papers:**

None