

Report to: **Executive**

Date: **30 November 2023**

Title: **Housing Policy Update**

Portfolio Area: **Housing - Cllr O'Callaghan**

Wards Affected: **All**

Author: **Isabel Blake**      Role: **Head of Housing**

Contact: **email: [Isabel.blake@swdevon.gov.uk](mailto:Isabel.blake@swdevon.gov.uk)**

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## **RECOMMENDATIONS:**

**It is RECOMMENDED that the Executive:**

- 1. Supports and launches the South Hams Housing Offer to communities to support affordable housing delivery;**
- 2. Agrees an initial budget of £100,000 per year to fund the South Hams Community Offer, financed from the funding identified from the review of the capital programme and the review of earmarked reserves (Council Minute CM30, 28 September 2023);**
- 3. Agrees all appended Housing Management policies and delegates minor changes to the Head of Housing;**
- 4. Agrees to review all the policies every 3 years, or sooner if major changes are required; and**
- 5. Notes the update and progress on the two Council-owned sites in Kingsbridge.**

### **1. Executive summary**

- 1.1 As part of this Council's commitment to tackling the housing crisis it is bringing forward a new housing initiative to support the delivery of community housing development in the District, by launching the "South Hams Housing Offer." This will provide targeted support for Community Land Trusts (CLTs), communities & landowners, to find, filter and initiate work on potential housing developments. Where schemes are confirmed as viable to develop, subject to approval and

potential additional funding, further detailed design and survey work will be carried out with community involvement to produce a feasibility study with pre-application planning advice. Potential developments will then be matched with an appropriate delivery partner (typically a Registered Provider) who will undertake the development and bring forward the homes, which they will then either own or lease from a CLT and manage.

- 1.2 This initiative will offer a range of support and advice on forming community housing groups, housing need, engagement with landowners, pre-planning guidance and early appraisals to find sites that are genuinely developable and viable.
- 1.3 To deliver this comprehensive package, it is intended to allocate staff resource and a new initial funding commitment of up to £100,000. This will be made available to finance activities in researching and forming community-led housing groups together with technical support for site appraisals, including professional services in providing massing plans and indicative development costs. From this initial work an Outline Business Case will be produced to confirm viability and recommend next steps. Subject to approval and further funding, site surveys, options layouts and costing work will be undertaken in conjunction with the community group. We know from our engagement with Registered Providers that these are the critical steps that they often don't have capacity to do themselves, but, from which point onwards they are willing and able to support delivery.
- 1.4 A further benefit of this approach in taking schemes to a feasibility stage is the opportunity to shape them in line with the Council's environmental priorities. This could include specifying the use of heat pumps, design to a minimum EPC 'B' rating and the provision of natural biodiverse spaces. Specific requirements could then be included within a specification document that would form part of the "Development Agreement" with the delivery partner.
- 1.5 By "unlocking" sites through this initiative, and working with our trusted partners, the Council will facilitate and expedite

delivery at a scale it cannot do through direct development on its own.

- 1.6 It is recommended that this is financed from the funding identified from the review of the capital programme and the review of earmarked reserves (Council Minute CM30, 28 September 2023). Any further decision on additional funding will return to the Executive for consideration alongside evaluation of the progress to date.
- 1.7 All sites will be subject to early scrutiny and constraints considerations (at no cost) which will ensure that funding is only spent on sites with potential, but the Council must recognise that this early feasibility work may at times be abortive and so the expenditure may be at risk.
- 1.8 Separately to this, and to ensure the Council meets the legal requirements for housing management for the homes it has developed at Holywell Meadows, St Anns Chapel, the report sets out for adoption a number of housing policies. These policies protect both tenants and the Council. It is proposed that any minor changes required to these documents are delegated to the Head of Housing and that these policies are reviewed by the Executive once every 3 years.
- 1.9 The report also sets out the progress that has been made engaging with the market to potentially develop the two Council-owned sites in Kingsbridge at Rope Walk. Following a successful Expressions of Interest exercise, the Council is looking to collaborate with Hastoe Housing Association. Further engagement with the Community, Town Councillors, District Members and Hastoe is required before a report of an outline proposal returns to full Council in Spring 2024.

## **2. Background**

### **2.1 The South Hams Housing Offer**

The Council has been clear in its desire to provide support to communities who are serious about bringing forward affordable housing in the district.

- 2.2 Following a recommendation from the Executive to explore how CLTs may be able to facilitate housing delivery in the District, Middlemarch - a leading national voice on CLTs was commissioned to provide advice to the Council on whether

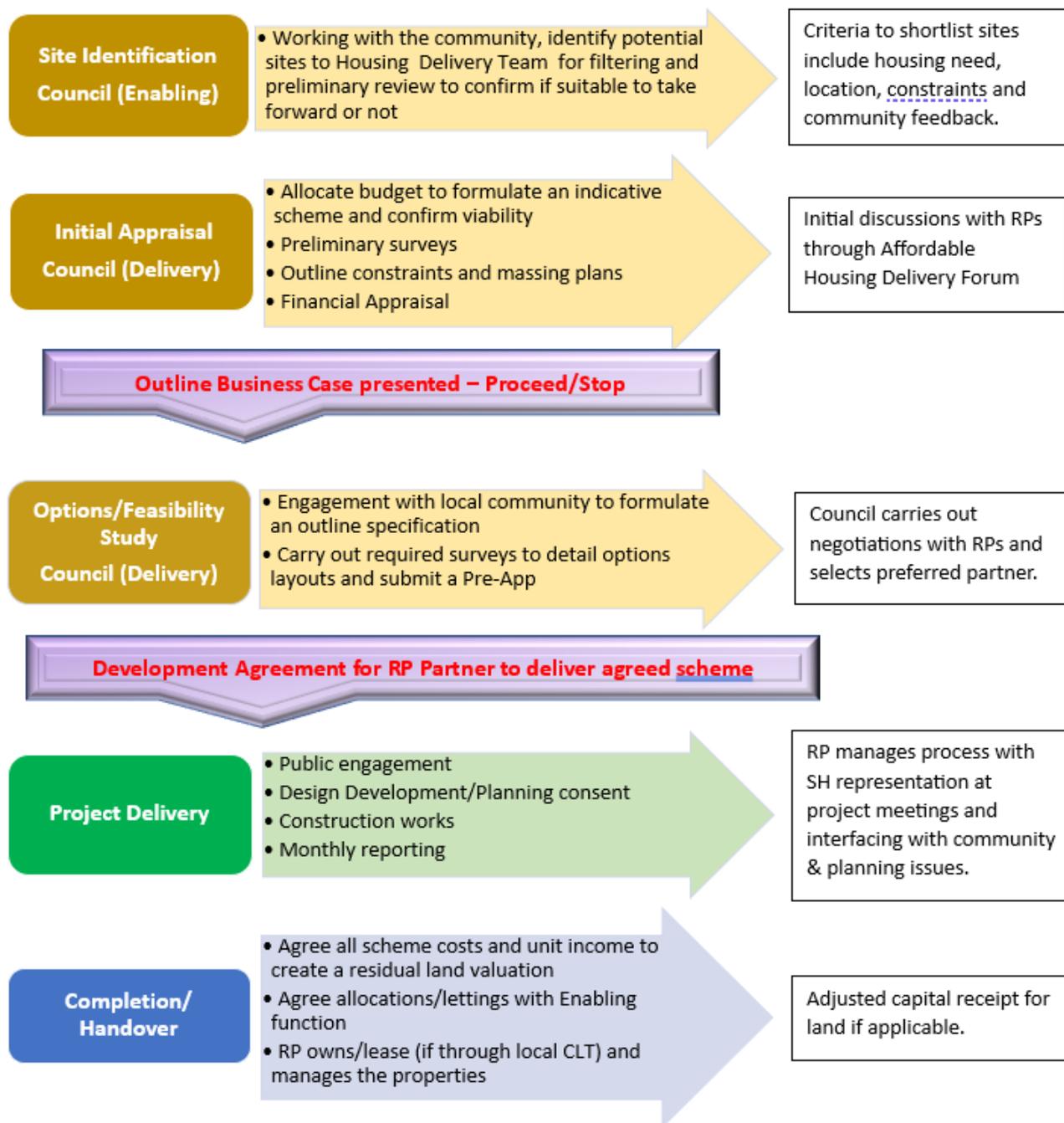
setting up a District-wide CLT would be the most effective option to support communities or whether there were other options for consideration. This report can be found at Appendix B and as a result of this work, it is not recommended to proceed with a district wide CLT.

- 2.3 Instead the report concluded that the most beneficial way the Council could support delivery was through the provision of professional and technical support at an early point of a community identified potential housing development, and subsequently help with finding a delivery partner capable of raising the required finance to fund and build an affordable housing scheme. This report therefore recommends that the Council creates the "South Hams Housing Offer".
- 2.4 It is recommended that 'The South Hams Housing Offer' (SHHO) launches in January 2024, with an annual £100,000 investment and that this is financed from the funding identified from the review of the capital programme and the review of earmarked reserves (Council Minute CM30, 28 September 2023).
- 2.5 The SHHO will:
- Have early meetings with the ward member, community representative or CLT who wish to engage
  - Meet with landowners and set out the process and the "deal"
  - Establish local housing need (for planning permission purposes) and engage with the neighbourhood plan (adopted or emerging)
  - Facilitate community awareness events
  - Look at site viability and constraints
  - Instruct initial design work to produce site massing plans and look at viability issues
  - .
  - Enable production of an Outline Business Case to confirm viability through a financial appraisal and provide recommendations
  - Provide a solid foundation on which to approve schemes for further development through options and feasibility studies to a point where they can be handed over to a suitable delivery partner to develop
  - Help promote balanced and sustainable communities with high quality housing, and contribution to biodiversity net gain wherever possible

- Encourage and advocate for the development of energy efficient affordable homes to reduce carbon emissions and reduce household heating costs

In short, it will provide the glue between willing land owners and willing communities to explore development potential and where this is found, join up the site with a development partner to make it a reality.

- 2.6 Consideration was given to whether the Council should look at a procurement exercise to secure a delivery partner, however following in depth discussions at a focus group of Registered Providers it has become clear that having a wider approach, in which all possible partners are able to benefit from the programme represents the best chance of identifying a willing delivery partner – a step that is evidenced to be critical in the delivery of CLT schemes.
- 2.7 Instead, an Affordable Housing Delivery Forum, attended by a core group of delivery partners and chaired by the Executive lead for housing would be a good vehicle to discuss delivery of viable schemes.
- 2.8 During negotiations with potential delivery partners consideration will be given to their approach to building standards. This will include criteria such as design quality, energy efficiency and the environment. A number of Registered Providers have published strategies and policies outlining their commitment to the environment and sustainability which will be factored into the decision-making process.
- 2.9 An illustration of how the South Hams Housing Offer might work in practice is set out below. This approach can be tailored to suit the particular characteristics of each scheme:



**Stage Ownership**



2.10 It is envisaged that not only will the SHHO be used to support new and emerging community groups, but it will also support existing viable schemes with demonstrable need that are stalled or delayed working towards delivery on these sites.

2.11 As a further strengthening of the Council’s commitment to the community, it is envisaged that a twice-yearly Community - Led Housing Forum is hosted by the Council with an invitation

extended to all established and emerging community housing groups and CLTs where they can share best practice and different challenges.

## **2.12 Housing Management Policies**

2.13 The Council as a social landlord is required to have policies to support good management of any properties, and the contractual relationship it has with its tenants.

2.14 Appendix A contains the following policies:

- Cyclical and planned repairs
- Responsive repairs
- Capital works
- Adaptions policy
- Health & Safety
- Allocation & lettings
- Tenancy management
- Neighbourhood management
- Local Area Cooperation
- Anti-Social behaviour
- Customer Service, Choice & Complaints
- Tenant Satisfaction

2.15 It is recommended that any minor changes to the policy are delegated to the Head of Housing, in consultation with the portfolio holder and that these policies are reviewed every 3 years, or sooner if major legislative or local policy changes are required.

2.16 If the Council does not set out these policies and formally adopt them, there is risk of challenge from both the Regulator of Social Housing and the Housing Ombudsman. Furthermore it sets out clearly for tenants the management arrangements which will govern the landlord/tenant relationship

## **2.17 Council owned sites at Kingsbridge**

- 2.18 Members of the Executive will be aware that the Council own both a brownfield and greenfield site in Kingsbridge. Responding to the housing crisis and with the support from the Town Council, local ward Members and the County Member, work has been ongoing to bring forward affordable housing on the sites.
- 2.19 An expression of interest exercise has recently been concluded and a group made up of the local ward members, members of the Kingsbridge Town Council and the Leader and Portfolio holder, have concluded that they wish to support the proposals put forward by Hastoe Housing Association.
- 2.20 Hastoe has a proven track record in the South Hams, has a strong community focus and is keen to deliver the scheme if viable as 100% affordable housing. Continuing to work with Town Council, a further report is expected in early Spring 2024 which will have further details on the project including delivery timelines. It is likely this will include the Council granting Hastoe a land option on both sites, conditional to building out the sites and delivering much needed affordable homes.

### 3. Proposal and Next Steps

- 3.1 Adopt Housing Management Policies, ahead of new tenants occupying Holywell Meadows, St Anns Chapel.
- 3.2 Note the update regarding the 2 Council owned sites in Kingsbridge.
- 3.3 Agree an initial £100,000 budget to launch the South Hams Housing Offer from January 2024. It is recommended that this is financed from the funding identified from the review of the capital programme and the review of earmarked reserves (Council Minute CM30, 28 September 2023).

### 4. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	It is essential that the Council has robust housing management policies.  Without the polices, not only does it disadvantage the Council's tenants, but it also raises the possibility of a challenge from both

		the Regulator of Social Housing and the Housing ombudsman.
Financial implications to include reference to value for money	Y	<p>This report recommends and seeks approval for an initial budget of £100,000 to support communities to bring forward affordable housing schemes.</p> <p>It is recommended that this is financed from the funding identified from the review of the capital programme and the review of earmarked reserves (Council Minute CM30, 28 September 2023).</p> <p>Whilst this should be enough, together with the Council's own staffing resource to support several projects, it has to be acknowledged that there may be some abortive costs, if for example a survey demonstrated that there was no prospect of delivery. A cap of £10,000 per scheme expenditure at risk is proposed, before a decision to incur additional funding is made by the Director of Place &amp; Enterprise in consultation with the Director of Finance.</p>
Risk	Y	<p>Reputationally the Council has been clear that it wishes to help communities help themselves. The South Hams Housing Offer resonates strongly with this ambition.</p> <p>There is also a reputational risk in allowing properties to be rented to tenants with no housing management policies and a legal challenge potentially if we were required to evict a tenant at any stage for anti-social behaviour or rent arrears.</p>
Supporting Corporate Strategy	Y	Homes
Consultation & Engagement Strategy	Y	<p>Before creating the South Ham Housing Offer Officers engaged with leading CLT supporting landlords active in Devon. We also commissioned Middlemarch to complete a report with examples of best practice.</p> <p>Through our work on the 2 Council owned sites in Kingsbridge we have worked in partnership with the Town Council, and there will be</p>

		considerable public engagement planned as the project progresses.  There is a specific policy regarding tenant satisfaction, where we will engage with our tenants about the service they receive from the Council
Climate Change - Carbon / Biodiversity Impact	N	None as a direct result of this report
<b>Comprehensive Impact Assessment Implications</b>		
Equality and Diversity	N/a	
Safeguarding	N/a	
Community Safety, Crime and Disorder	Y	There is a specific housing management policy that sets out the Councils approach to anti-social behaviour in its properties.
Health, Safety and Wellbeing	Y	There is a specific housing management policy that sets out the Councils approach to health and safety in its properties.
Other implications		

**Supporting Information**

**Appendices:**

Appendix A Housing Management Policies

Appendix B Report on a District wide CLT

**Background Papers:**

None