

Management Committee

11 July 2017

Weymouth & Portland: Accelerating Home Building Programme

For Decision

Briefholder

Cllr G Taylor, Housing

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Statutory Authority

LGA 1974

Purpose of Report

- 1 To describe the Accelerating Home Building programme for Weymouth & Portland Borough Council and for Management Committee to consider the programme progress and allocating revenue reserve to enable the Action Plan to be implemented including aiming to achieve completion of housing development matching the annual Objectively Assessed Need.
- 2 Management Committee has previously (7 February 2017) established the Accelerating Home Building programme in Weymouth & Portland through to 31 March 2019 including an Action Plan (Appendix 1) and Site Schedules (Appendix 2) and has established the Member Working Group to lead the programme; in turn, the Working Group reports progress to the Western Dorset Growth Strategy Member board. Management Committee has referred the Accelerating Home Building programme to Scrutiny & Performance Committee including scrutinising the proposed Council actions arising from the Housing Finance Institute Business Ready Review.

Officer Recommendations

- 3 That Management Committee allocates £50k from the reserves allocated for once off projects to the Accelerating Home Building Programme to 31 March 2019.

Reason for Decision

- 4 Weymouth & Portland Borough Council has established the Accelerating Home Building Programme with a focus which is either directly or indirectly related to

almost all of the Council's Corporate Plan outcomes, including increasing the number of new homes built within the borough.

- 5 The Council has reassessed, including following planning Appeals, its 5-year land supply and concluded that the pace of housing development across the Local Plan area (West Dorset and Weymouth & Portland) is currently just below 5-years. The Council is currently re-assessing its 5 year land supply and revised figures should be published later this summer.
- 6 The existing Member Western Dorset Growth Strategy Board will provide overall Member governance of the Programme, demonstrating progress against its objective of providing an additional 20,000 new homes (including affordable) across the three council areas by 2033, which translates from the Local Plan Objectively Assessed Need (OAN) of 775 homes pa for West Dorset and Weymouth & Portland. Since 2007/08, housing completions have been less than the OAN.
- 7 In addition to accelerating housing delivery to support land supply and the community benefits that housing derives, the programme also includes development of affordable housing types and the tenure mix with an aim of reducing the housing affordability gap and providing homes for specific groups (young, local, working age, vulnerable and elderly) and those in work sectors where there is a need in Dorset (eg care workers) and to support Dorset's economy; and also where opportunities exist to improve income to councils. The average house price in Weymouth & Portland is £208k and average earnings £22k pa; owner occupied is 67%, private rented 19% and social rented 14%.
- 8 For a number of reasons, housing supply is seen as a national priority coinciding with for example the recent announcement of a £3bn HCA Home Building Fund (loan); Larger Site funding; Affordable Housing programme; Accelerated Construction; garden villages; garden towns; Community Led Housing support for community land trusts; Starter Homes; and a suggested £2.3bn Housing Infrastructure Fund. The Housing White Paper was also published in February 2017, "with further significant measures all helping us towards our ambition for a million new homes by 2020". The Accelerating House Building Programme has been adapted to ensure consistency between WPBC and Government objectives.

Background and Reason Decision Needed

- 9 Some other councils nationally are at various stages of implementing similar programmes and the Government highlights housing as a priority. To date, Members and officers have attended South West Housing Forum and visited Eastleigh BC (including presentations from Keith House⁹) and East Cambridgeshire DC. The Member Working Group has to date met twice to monitor progress in achieving the Action Plan which includes development Site Schedules, used to record site specific actions and progress.
- 10 The Accelerating Home Building programme has also been accepted by West Dorset District Council and North Dorset District Council (in December 2016 and February 2017). Indeed, much of work and governance is mutually beneficial across Dorset Councils Partnership (DCP).

- 11 The Housing Finance Institute (HFI) was commissioned to undertake a Housing Business Ready Review for the Council to support its ambitions to increase the volume and pace of housing delivery, to explore creative ways to employ the Council's position as housing and planning authority to show leadership in the housing market and a commercial approach. This commenced with a site visit from the HFI on 18 January 2017 and was completed Spring 2017. Similarly, HFI Reviews were commissioned for West Dorset District Council and North Dorset District Council. All three councils were Accredited as Housing Business Ready.
- 12 An Action Plan has been prepared and updated (Appendix 1), which is based on the feedback already received from the HFI. In addition, the Action Plan has been taken through Scrutiny.
- 13 There are several current projects across DCP on Allocated planning housing development land and included within this single Accelerating Home Building Programme: eg, Littlemoor, Markham & Little Francis (500), Weymouth town centre sites (600+), Ocean Views (Hardy Complex) (300), Brewery Square, Gillingham Strategic Site Allocation, Vearse Farm and St Michael's Trading Estate.
- 14 Schedules of sites (Appendix 2) have been prepared which include allocated land without application; sites with extant permission where construction has not started or is only part complete; and those applications in the development management system: (i) applications received at 1 April 2017 but not yet permitted; and (ii) applications with resolution to grant at 1 April, but awaiting 106 negotiation/sign-off. The Schedules identify housing numbers.
- 15 The Accelerating Home Building programme describes against each application/site, the activities that WPBC is already progressing and will update progress in bringing sites to housing development.
- 16 The programme will review and determine what further actions and interventions could be taken by councils, including for example working with the Homes and Communities Agency (HCA), Registered Providers (RPs) and developers/landowners. There are likely to be some sites that require different interventions than others and not ruling out the DCP councils investing time and money to promote development.
- 17 There are likely to be a range of interventions that the Councils and others could pursue for allocated and proposed development sites, eg working together differently with landowner/developer and agents; upfront funding of infrastructure; providing cash flow; land purchase; sourcing funding of housing for vulnerable groups; working with the HCA; partnerships and working together with RPs; joint venture with public or private sector partners (eg in partnership with recently established Private Sector Partnership); and jointly owned scaleable Council housing company.
- 18 In addition, councils can look beyond currently identified development allocations and planning permissions to other opportunities that support the economy and housing.
- 19 The West Dorset and Weymouth & Portland Local Plan early review has commenced and the Issues and Options consultation stage has been to Full

Councils and public consultation. Similarly, the early review of the North Dorset Local Plan has commenced.

- 20 The Programme is not predominately concerned with Council assets but can include use of Council assets but is instead focused on accelerating housing development on land that is not owned and will not be built-out by WPBC. Co-ordination with the Councils' Asset Management Groups will be needed with respect to residential development at WPBC land/assets, using the Asset Registers to accelerate construction on public land. In addition WPBC has entered formalised arrangements with PSP and this could provide opportunities for council land/assets but also other development allocations/sites.
- 21 Dorset Councils work to promote development via a range of officer and Member groups including the Dorset wide Member Strategic Planning Forum, officer Planning Policy Managers and Strategic Housing Group.
- 22 The Accelerating Home Building programme provides an opportunity to work together (for example, DCP councils, DCC and Registered Providers) on a strategic and important matter that requires multi-agency input. That co-ordination assists Dorset Councils to promote a range of housing development options in particular with a focus on the vulnerable, accommodation for those needing care packages and Health Prevention at Scale; housing that might otherwise not be provided by the private sector.
- 23 Coupled with an Accelerating Home Building programme, combined working with DCC or other Government agencies (such as the NHS, Dorset Clinical Commissioning Group, Highways England and Environment Agency) is designed to help identify the best options per site/application and together achieve the required infrastructure to enable development.
- 24 The Housing and Finance Initiative (HFI)⁸ has offered to work with WPBC. The WPBC Briefholder informally agreed to the appointment of the HFI from Housing budget. WDDC met with the HFI on 1 December 2016 and its interim report is now available and the NDDC Housing Portfolio holder has given informal approval. Several DCP Members recently (20 June 2017) met with the Chief Operating Officer of the HCA to understand how best HCA funding can be secured to enable affordable housing development.

Implications

Corporate Plan

- 25 The programme is governed by a Member Working Group. The existing Member Western Dorset Growth Strategy Board will provide overall Member governance of the Programme, demonstrating progress against its objective of providing an additional 20,000 new homes including affordable by 2033 or 775pa as the Objectively Assessed Need.
- 26 Officers are meeting monthly to implement the programme and make progress on promoting housing (and other) development that supports the economy,

environment and health in the DCP areas, which demonstrates our actions to bolster land supply, whilst deriving income for the councils.

- 27 Making timely and efficient and strategic decisions will be a challenge for Dorset councils and any individual council and perhaps the Strategic Planning Forum can demonstrate fulfilling the Duty to Co-operate.

Financial

- 28 Management Committee is recommended to allocate £50k from Revenue Reserve to implement the Accelerating Home Building Programme including establishing the skills and team required, implementing the Action Plan and Site Schedules of interventions and intervention options. This work would directly benefit WPBC and also be undertaken in tandem with other councils.
- 29 There is an appetite amongst Members to make progress including reviewing the proposed interventions strategically and per site; obtaining the right skills and resources to implement the interventions.
- 30 To bolster in-house resources and make more and better progress, skills are needed by councils, from project management, communications, consultants specialising in housing and commercial property development (Commercial Housing Enabler), legal, financial and delivery vehicles. It is likely that consultants will be needed rather than being direct employees (given for example difficulties in recruitment and salary) or a team of consultants, or multi-disciplinary consultancy team. WDDC has allocated £300k to support its AHB programme and appointed a Commercial Housing Enabler, Project Management (due to start July 2017) and is tendering for communications consultancy support. WPBC may get limited support from a Commercial Housing Enabler, project management and communications resources; allocating £50k would enable WPBC to benefit from these skills/resources.
- 31 Traditionally, funding to support development of affordable housing has come via the HCA and RPs. This has changed with less HCA grant for housing per unit and loans and less RP funding. For example, Government funding eg via Starter Homes, Home Builder Fund⁵ are announced from time to time, in some cases without detail or legislation following. There are other differently funded options like Rentplus and social capital investors eg Cheyne Capital.
- 32 Financial returns of any council investment will be evaluated on a case by case basis recognising that income from housing development may be little, long term and at risk but development is likely to deliver against other objectives and community benefits. Individual business cases will be prepared before council investment decisions are made.
- 33 In reviewing the interventions they may provide opportunities for income generation through financial investment and effective asset management.
- 34 Council financial investment in development opportunities will be evaluated and determined on a case by case, development opportunity basis, using the constitutional decision making arrangements, which includes decision making by

Management Committee or delegated. Each council will need to determine the level of financial investment, funding source on a site by site opportunity basis.

- 35 The recommended £50k funding for this project will need to be derived from the reserves already earmarked for one-off projects. If agreed, this will result in less resources being available for other schemes and projects.

Equalities

- 36 Accelerating Home Builder is planned to have positive implications providing community and economic benefits. Home building brings with it an element of affordable housing (in all its various forms and tenure types), housing for the vulnerable and in an attempt to minimise the housing affordability gap.
- 37 The programme will be co-ordinated with Adult social care for example to enable quality and type of housing to contribute to improving health outcomes.

Environmental

- 38 The programme will use the range of planning policy environmental constraints to safeguard the environment whilst balanced against the advantages of housing development.

Economic Development

- 39 There is proven link between housing development supporting economic growth: draft report Supporting Dorset's Economic Growth – Future Housing Provision (DLEP)³ and in particular the future options/recommendations.
- 40 The Dorset Local Enterprise Partnership (LEP) operates the Dorset LEP Housing Group and has recently decided to appoint a fixed term Partnership Housing Policy Manager to work across Dorset to promote housing development².
- 41 Dorset wide strategic planning and strategic housing should be implemented coherently with individual council's decisions being made in the context of Dorset's strategic housing need and planning. The advantages of housing development are focused on both economic and health outcome.

Risk Management (including Health & Safety)

- 42 Risks are managed as each Allocated development site is promoted.
- 43 The funding would support the programme through to May 2019 including programme management sharing skills/resources of Commercial Housing Enabling, Project Management and Communications.

Human Resources

- 44 There are some skills and resources within DCP staff structure to help interventions including within development services major projects team and also planning policy implementation team.

Consultation and Engagement

- 45 The Accelerating Home Building programme and actions from the Housing Business Ready have been referred to Scrutiny & Performance Committee.
- 46 Normal and statutory consultation will be expected should development proposals emerge including options appraisal public consultation and pre-planning application consultation, in addition to statutory consultation.

Appendices

Appendix 1: Draft Action Plan

Appendix 2: Site Schedules

Background Papers

1. Schedules of Development sites
2. <https://www1.bournemouth.ac.uk/dorset-local-enterprise-partnership-housing-policy-manager-fixed-term>
3. Supporting Dorset's Economic Growth – Future Housing Provision (DLEP) – draft Three Dragons with SQW and Parkwood Consultancy – September 2016
4. <http://www.eastbourne.gov.uk/news/2016/april/eastbourne-borough-council-partnership-win-uk-housing-award/>
5. <https://www.gov.uk/government/publications/home-building-fund>
6. Options for Asset Development and Alternative Service Delivery Models, WDDC and WPBC; May 2015; Grant Thornton
7. Western Dorset Economic Growth Strategy
8. The Housing and Finance Institute (HFI) has prepared the Housing Business Ready Programme: “Housing Business Ready Programmes are designed to help councils to better articulate their housing strategy, assess opportunities and delivery methods available to them and optimise the speed, value and fit of housing outcomes.” http://www.thehfi.com/housing_business_ready_programmes
9. The Elphicke / House report (from statutory provider to housing delivery enabler: review in to local authority role is housing supply) was introduced by Keith House (Eastleigh Borough Council).
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/398829/150126_LA_Housing_Review_Report_FINAL.pdf

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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