

CYNGOR SIR POWYS COUNTY COUNCIL.

**HEALTH, CARE AND HOUSING SCRUTINY COMMITTEE
July 2019**

REPORT AUTHOR: Affordable Housing Team Lead

SUBJECT: Update on the New Development Programme.

REPORT FOR: Committee Briefing

1. Summary

- 1.1 The need for affordable housing of all tenures is acknowledged and agreed at all levels of Government. Welsh Government (WG) has its target of 20,000 new affordable homes in its current term and Powys has its own target of at least 250 new affordable homes by 2023 as stated in Vision 2025 and the Housing Service's own Service Improvement Plan.
- 1.2 Following the target being announcement Welsh Government agreed to end the right to buy scheme across Wales.
- 1.3 All the stock retaining local authorities were encouraged to develop more social housing to add to their existing stock. Several grant funding streams were created by WG including - Affordable Housing Grant (AHG), Innovative Housing Project (IHP), Health and Housing (HH), Rent to Own (RTO) and the latest Self Build (SB) fund to be launched during the autumn 2019.
- 1.4 In 2018 the current Powys County Council cabinet set the housing department a target to build a minimum of 250 new homes by the end of 2023. The new build programme would be the first of its kind in 30 years.
- 1.5 The new development programme is an exciting opportunity to deliver much needed high quality, energy efficient, secure new homes to improve the communities where our tenants live. In the majority of all areas throughout Powys, the Council remains the major landlord and property owner and is therefore able to deploy the resources of the Housing Revenue Account (HRA) in pursuit of improving the lives and neighbourhoods of its tenants. While the Council will be clear about not transgressing the regulatory boundaries between HRA and General Fund (GF) activity. Proposals for investment in the new build programme and the progress being made will be presented as part of the annual budget setting process for the Council, reported to Cabinet each year.

2. Funding Levels

1.1 In the Housing Revenue Account business plan we have allocated the following amounts for new Council house building also shown below is the allocated Affordable Housing Grant for the next 2 years, this grant was first introduced during 2018/19 and is split into Capital and Revenue as shown below.

Year	HRA	AHG Capital	AHG Revenue	Total (£ Million)
2019/20	£6.694	£2,293	£120,000	£9,107
2020/21	£11.730	£1,495	£80,000	£13,305
2021/22	£12,254			
2022/23	£6,093			
2023/24	£6.3			
2024/25	£8,152			

3. 5 year build programme

The new affordable housing development team was created within the current housing structure to deliver the 5 year programme.

Since the formation of the team the areas of work completed and ongoing is as follows;

- Collecting evidence to support areas with the highest housing need throughout the county this is the main factor when considering the build programme.
- To assess and evaluate all available council owned land that is declared surplus through the Strategic Asset Board.
- To liaise with all internal departments to consider all land in Powys County Council ownership which included – Leisure and Recreation, Highways, Education, Farms and Estates, Powys Teaching Health Board, local town and community councils including our own housing land.
- To develop a clear understanding of the Welsh Government funding streams available for us to deliver the correct housing.
- Meet with local members, local town and community councils, schools and other organisations to confirm housing need figures.
- Organise and attend meet the buyer events to encourage local builders, architects, surveyors, employers agents, planning consultants to tender for future works.
- Working closely with our in house legal team to purchase, transfer and acquire land.

- Working closely with our internal property team to determine all valuations and value for money on land we are interested in to purchase.
- Working closely with the procurement team to ensure we are achieving value for money, also providing opportunities for local contractors to develop their businesses and to encourage them to see the programme as an opportunity.
- Working closely with the communications team to ensure we are publicising the work we are doing and to encourage community involvement going forward on schemes.
- Working closely with all local estate agents to make sure we take every opportunity to purchase land in the areas of highest need at the most competitive price to achieve value for money.
- We as a team have assessed and evaluated over 110 potential sites, this extensive piece of work has been commended and recognised by WG officers and a similar process assessing their surplus land is being considered.
- The team are currently finalising the 5 new build programme. (Please see attached appendix 1 for the latest confirmed projects and appendix 2 for the extensive process involved when considering sites)

4. Corporate Improvement Plan

The new build programme will make a substantial contribution to 'Powys 2025':

- Economy and Learning and Skills: 'there is significant investment in the development of affordable and sustainable housing'.
- Health & Care: 'there is an increasing supply of housing with care'.
- Residents and Communities: 'communities have access to a choice of both affordable and market housing'

In the recent Council Restructure Housing has been aligned with Economic Development, a fact which reflects the high potential impact of housing on the local economy. Alongside this the Corporate improvement objective (included in the Housing Service Improvement Plan) regarding the Home Grown Homes project and timber promotion drives, currently underway, will stimulate economic growth and encourage job creation in the building related timber industry in Powys and Wales as a whole.

5. Local Member(s)

5.1 All local members we have engaged with are very encouraging and helpful when we are considering land in the areas they represent.

Prepared by Mark Davies - Affordable Housing Team Leader

Background Papers used to prepare Report:

- Powys 2025: Our Vision for the Future – Powys County Council, 2018