Growth and Infrastructure Overview and Scrutiny Committee

Appendix A: Plan for Homes 4 – Background Report

1.0 Plan for Homes 4 - 2024/2029

1.1 This report supports our approach to the development of Plan for Homes 4, reinforcing our overall ambition to deliver 5,000 new homes in the city over the next five years.

1.2 Building more homes for both social rent and affordable home ownership is a corporate priority. Plymouth is in the midst of an unprecedented housing crisis and needs more homes to meet our identified housing needs. Building the right homes, in the right place, at the right price, while creating great places to grow up and grow old, is necessary for Plymouth's citizens to thrive. And without a new and improved supply of the right homes, the economic and physical regeneration of the city will be constrained.

1.3 The Plan for Homes programme has provided our housing delivery framework for the past nine years (2014/15 to 2022/23), with an ambition to deliver a rolling programme of 5,000 homes (gross) over the following five years.

1.4 Over the nine years of the Plan for Homes programme we have delivered 7,183 homes of which 1,873 (24%) have been provided as affordable homes (65% rented and 35% low cost home-ownership).

1.5 Over the first five years of the programme we delivered 5,563 homes, of which 1,529 (27%) were affordable. Over last five years we have delivered 4,725 homes, of which 1,037 (22%) were affordable (this reflects the last two years of challenging delivery, with 2021/22 being the lowest since records began) In the last year to 18 months there has been some recovery in affordable housing delivery with a current forecast of around 200 new affordable homes being delivered in 23/24.

1.6 Despite this overall strong track record, in recent years housing delivery in Plymouth has reduced (like many other towns and cities) due to macroeconomic and local challenges affecting housebuilding. Plymouth faces some unique challenges to housing delivery due to higher build costs and relatively low housing values in the city, which makes it more difficult to deliver complex, brownfield schemes that involve significant upfront costs, and increases the gap funding and subsidy required to make development viable.

1.7 In addition our housing needs are increasing as a result of a number of challenges faced in recent times (i.e. Covid, War in Ukraine, rising inflation, cost of living crisis, lack of affordable housing options across tenures) which have significantly impacted on the housing market and peoples ability to meet their day to day needs, including their housing needs; resulting in a significant increase in both homelessness and the use of temporary accommodation in Plymouth.

1.8 Plan for Homes 4 will be developed to respond to our housing needs and delivery challenges to provide the next stage of delivery. It is considered that a more holistic and comprehensive programme of initiatives across the wider housing agenda is required to better respond to our challenges and housing needs. The need to accelerate existing activity as well as identify and bring forward new initiatives. Our activity must also address a cross cutting theme climate action, to support delivery of our Net Zero Action Plan (NZAP), including help to reduce carbon emissions and improve the energy efficiency of homes.

1.9 Discussion at Growth and Infrastructure Overview and Scrutiny Committee on 14th February 2024 is part of its development.

2.0 Housing Needs

2.1 Our housing needs are increasing, with the latest Devon Home Choice headline figure of total households in need at 8,597 on the Devon Home Choice Register (Jan 24), of which 1351 are in high banding priority need. At the same time the number of available social housing lets has also declined, reducing by 36% over the last 5 years. 874 social housing units let in 2022/23 represents only 4.6% of the total stock and demonstrates the current static nature of the social housing stock in Plymouth. In 2022/23, the number of households in significant need of an affordable home (Band B and C) outstripped supply by 2575.

2.2 The private rented sector historically provided a supply of lower cost housing options, but that is no longer the case as private rented accommodation has become increasingly expensive and much less available over the last year or so, with landlords either exiting the market or rents being increased to unaffordable levels.

2.3 Homelessness has also increased significantly, and we have been facing unprecedented demand since the Pandemic. Approaches by households concerned about their housing has increased year on year, from 2402 approaches in financial year 2019/20 to 3405 in 22/23 (a 42% increase) and a projected 4300 approaches in 2023/24 (a 79% increase)
In the last 9 months we have had an average of 173 homelessness applications per month (30% increase on 2019/2020).

2.4 The impact of the increased demand and reduced access to housing across all tenures means that people are in temporary and supported accommodation for much longer periods and there has been a 158% increase in the demand for temporary accommodation since 2019/20. We have 342 households in temporary accommodation of which 167 are families. In addition, there are a further 181 households in B&B of which 29 are families as existing temporary accommodation becomes silted up. This has created an in year service budget pressure of £2.4million and demand is forecast to continue to increase.

2.5 As of 2nd January 2024 there are 1365 Plymouth households on the Devon Home Choice Register with accessibility needs. This includes 1365 people with a level of mobility needs requiring minimum or no steps and/or wheelchair accessible properties.

2.6 A Specialist and Supported Housing Needs Assessment is underway. This will support identification of gaps in provision. The scope for the assessment is specific cohorts with support and/or other needs around physical disabilities; learning disabilities and associated conditions; young people; older people; mental health; and homelessness. It will include identification of gaps, contexts and trends to inform the plan for future provision.

3.0 Housing Delivery Challenges

3.1 Overall housing delivery numbers are falling, with a year on year decline since 2018/19 due to unprecedented market disruption caused by combination of Brexit, Covid, war in Ukraine, high build cost inflation, increasing interest rates, freezing of Local Housing Allowance, supply chain challenges, availability of skilled labour. Delivery numbers hit rock bottom in 2021/22, although affordable housing numbers are starting to bounce back.

3.2 Development viability is a major challenge to delivery. Unlocking previously developed brownfield sites in low value areas with high costs is very challenging, resulting in the need for significant subsidy.
Plymouth is heavily reliant on brownfield land for housing delivery whilst neighbouring authorities possess many high value greenfield sites.

3.3 Limited capacity results in us being reliant on too few SME contractors / builders, which impacts on supply chains and overall development capacity. Also Housing Associations are needing to divert more of their resources away from new development to increasing investment in their existing homes to improve energy efficiency, and tackle poor conditions associated with damp and mould.

3.4 The need to unlock the City Centre's future potential as a place people choose to live, focusing on delivering a wide range of homes and an overall diversification of uses. The need for significant investment in homes and placemaking to continue to repurpose and revitalise the city centre to meet the evolving needs and demands of residents.

3.5 The need to reduce carbon emissions and improve the energy efficiency of homes, to accelerate an improved housing offer for low and zero carbon new homes and provide energy efficient retrofits of existing homes as well as improve standards, especially of Private Rented Sector homes in Plymouth.

4.0 Plan for Homes - achievements

4.1 Our housing needs and delivery challenges require a continued credible response. Part of that response has been our Plan for Homes Programme, which has provided a delivery framework for Council action and partnership working. The activity and achievements highlighted below identify many successes;

4.2 Over the nine years of the Plan for Homes Programme we have delivered 7,183 homes of which 1,873 (24%) have been provided as affordable homes.

4.3 Through our Plan for Homes Programme we have released 48 council owned sites that are planned to deliver 1,550 new homes of which 1,022 are to be affordable homes (66%) - demonstrating the value of PCC site releases to increase supply of much needed affordable housing. Of which, 28 sites have been completed delivering 1,045 homes, of which 627 are affordable (60%).
These figures exclude Council owned land at West Park Hill (allocated in the Joint Local Plan for in the order of 400 homes) as the site has not currently been released.

4.4 Working in partnership with Plymouth Community Homes to complete the acquisition of 86 vacant ex-MOD homes for affordable family housing. This will make a significant contribution to meeting the needs of many families in housing need in the city.

4.5 We have secured £2.485million of Land Release Funding and Brownfield Land Release Funding from DLUHC to help de-risk and gap fund 15 council owned sites.

4.6 We have secured £250,000 revenue funding from Homes England to support work on opportunities to unlock brownfield and development land.
We have also worked with Homes England and our Plymouth Housing Development Partnership (PHDP) to secure Affordable Housing Programme investment between 2015/16 to 2022/23 of around £50m.

4.7 385 long term empty properties (over 6 months empty) have been brought back into occupation, and we currently have a range of enforcement cases using Compulsory Purchase Order powers as well as financial assistance loans being pursued.

4.8 Working in partnership with PHDP members is supporting the continuation of large-scale estate regeneration projects for the transformation of priority neighbourhoods with around £450m investment to support delivery of 2,924 new homes.

4.9 Devonport's regeneration programme is almost complete (circa 600 demolitions replaced by 1,500 new homes) and continuing the significant estate regeneration of North Prospect by Plymouth Community Homes (800 demolitions replaced by around 1,100 new homes) completing March 2024.

4.10 Regeneration at Barne Barton has commenced on both the Clarion Housing and Sanctuary Housing regeneration sites (first phases of 150 plus 60 demolitions have been completed to date). Planning permissions have been granted for 328 replacement homes.

4.11 Delivering innovation, schemes include Service Veterans Self Build, Passivhaus – low carbon affordable housing, Extra Care housing, RentPlus, bungalows and accessible housing, plus plans for Energiesprong net zero carbon model working with Plymouth Energy Community Homes and Livewest.

4.12 Partnership working with Homes England and DLUHC on interventions for bringing homes into the city centre and seeking to create the right conditions and confidence for the private sector to invest and deliver the wider regeneration of the city centre.

4.13 Co-ordination of the Plymouth Housing Development Partnership, a key delivery vehicle of 11 developing Housing Associations in the city, with a focus on affordable housing and regeneration priorities. We have established two Housing Partnership Agreements with PCH and Livewest to lever in increased investment for new affordable homes in the city.

4.15 We have allocated £1.5m and identified six site opportunities that could deliver our Eco Homes Programme commitment of 250 new low carbon / net zero carbon homes, including a first Net Zero Carbon Energiesprong project at Kings Tamerton for 70 affordable homes.

4.16 Veterans Housing is being delivered at Stirling House, the first homes completed which has seen nine service veterans in housing need involved in the construction of 25 self-contained affordable homes to rent, with up to 12 of the homes to be lived in by the veterans themselves. The scheme is due to complete by end of March 2024

4.17 We are building well designed sustainable homes as a Council for first time in 40 years. Our pilot scheme will complete in Spring 2024, with plans to develop a pipeline of future sites to drive improvements in the standard and sustainability of new homes of all tenures. Also, at Douglass House we have directly delivered two specialist bungalows for adults with learning disabilities.

5.0 Plan for Homes 4 – the next stage of delivery

5.1 Despite our strong track record of achievement we need to do more.
We need to respond to our many housing challenges of increasing housing needs, homelessness and temporary accommodation, poor housing conditions and energy efficiency of existing homes, and the need for more homes.

Plan for Homes 4 will move us into the next stage of delivery as it seeks to continue and accelerate existing activity, as well as identify and bring forward new initiatives.

Plan for Homes 4 currently sets out six housing themes of activity to address these challenges: affordable housing; market housing; private rented housing; partnerships; supported and specialist housing; with a cross cutting theme of climate action.

We are keen for the Growth and Infrastructure Overview and Scrutiny Committee to input into its development. To gain an understanding of our housing needs and challenges and to recognise some of our achievements to date, and primarily to help identify potential housing initiatives and further action that we can develop and implement in partnership with key delivery and funding partners in a new Plan for Homes 4.