

GET PLYMOUTH BUILDING

Working Plymouth Scrutiny 10th December 2014



Background

On 24th August 2012 the Get Plymouth Building (GPB) programme was launched by Councillor Mark Lowry, Cabinet Member for Finance with responsibility for housing delivery. The GPB programme was created following research into national publications looking at how housing supply could be increased.

An update on the first year of the GPB programme was presented at the Working Plymouth Scrutiny Panel on 25th September 2013 (Minute 17). A further update was given to the Working Plymouth Scrutiny meeting held on 5th March 2014 (Minute 69).

GPB contains 8 initiatives and aims to accelerate housing delivery and in particular bring forward greener and more affordable homes:

- 1 We will work with landowners and developers to discuss how we can remove the barriers to development and unlock **stalled sites**.
- 2 We will seek to assist new development proposals to be worked up on **lapsed sites** to further encourage development momentum in the current housing market.
- 3 We will complete a review of all **Area Action Plan sites** of 11,233 homes that have yet to commence to identify and help unlock future development opportunities and work to support those about to propose development.
- 4 We will fast track through the planning system all new development opportunities brought forward under the **call for sites**, seeking to identify new development proposals in the city.
- 5 We will identify and make available City Council owned sites to support **self-build**, including options for individual plots and groups of serviced plots for sale. We plan to complete a serviced plots pilot and follow up with further releases of council owned land in the form of plots or serviced plots for self-builders.
- 6 We will help bring forward housing on **small sites** by helping to unblock development barriers and proactively encourage housing providers to take a fresh look at sites with less than 15 homes.

7 We will work to ensure that increased and accelerated housing delivery takes place on the 10 **city council owned sites** that have been ring-fenced to provide over 600 new homes of which 43% will be affordable and Code for Sustainable Homes level 4; which is well above current policy and what the market is currently providing.

8 We will identify **new funding mechanisms**, explore new models of delivery and seek to maximise government funding opportunities to help deliver a step change in the quantity and quality of new homes delivered in the future. The development and launch of RENTplus in Plymouth aims to deliver 500 homes over the next five years.

GPB aims to bring forward around 2,000 homes and over 800 jobs in local construction and supply chains over the next 2-3 years by taking an innovative approach to housing and planning for homes. This in turn will lead to a boost in regeneration momentum in the city. At the time of its launch GPB was estimated to have a total value of development benefitting the local economy of £213.7 million.

This report provides an update of progress after the second year of the GPB programme.

Stalled Sites

In August 2012 there were 5,179 homes across 96 sites with planning permission yet to be built.

What we said we would do

We said we would review all 96 sites working with developers and landowners. We also committed to fast tracking conditions discharging and reserved matters in order to facilitate commencement on site. Finally on larger development we said we would work with developers to remove any barriers to development. This included reviewing the density of schemes, the mix of uses, the tenure balance, the phasing of construction and the timing of Section 106 payments.

What we have done

Whilst improving market conditions will account for some completions on these sites, we have taken a very proactive role in contacting and working with the Plymouth Housing Development Partnership (PHDP), developers, landowners and agents to discuss how we can support delivery on these sites.

Progress to Nov 2014	No. of Sites	Dwellings
Completed	7	415
Under Construction	3	42
Projected	1	5
Total		462

By August 2015 we expect 462 homes to have been built on former stalled sites.

Lapsed Sites

In August 2012 there were 489 approved dwellings on 33 sites which landowners and developers allowed to lapse.

What we said we would do

We have taken action to tidy up a number of development sites where planning permission has lapsed. We have also encouraged some temporary improvements to boundary treatments and been encouraging developers to support temporary uses where it is unlikely development will come forward in the short term. We said we would focus our efforts on the top 3 lapsed sites at Colin Campbell Court, Millbay Marina and the former Crescent Cars site.

What we have done

We have reviewed all of the lapsed sites and provided updated advice and guidance to landowners to encourage new planning applications to be made.

Progress to Nov 2014	No. of Sites	Dwellings
Completed	1	10
Under Construction	0	0
Projected	1	70
Total		80

We have progressed two of the three largest lapsed sites at Crescent Cars and Millbay Marina. Crescent Cars recently secured planning permission for 348 student bed spaces (approximately 70 cluster flats) and we are currently discharging planning conditions to enable a start on site. The developer aims to complete construction by August 2015. A new application has been submitted for 142 homes at Millbay Marina however these will not be completed within the timeframe of GPB.

Area Action Plan Sites

Plymouth has six adopted Area Action Plans (AAPs) in addition to the Derriford and Seaton AAP, which has not been adopted. These identify opportunities to build in the region of 11,233 new homes.

What we said we would do

We said we would review all of these AAP sites and hold discussions with landowners to see how they could be brought forward as planning applications quickly.

What we have done

We have reviewed all the AAP sites and held discussions with landowners on a number of them.

Progress to Nov 2014	No. of Sites	Dwellings
Completed	5	243
Under Construction	6	273
Projected	3	143
Total		659

We expect 659 homes to be completed in the timeframe of GPB. The remaining AAP sites will be reviewed as part of the Plymouth Plan process.

Call for Sites

On 19th November 2012 Councillor Mark Lowry made a call for new sites for housing to be brought forward by the development industry.

What we said we would do

We committed to prioritise housing proposals at pre-application stage and respond quickly to new housing schemes coming forward in response to the call for sites.

What we have done

We received a disappointing response from the local development industry. A planning application has been submitted for 24 dwellings at St Georges CRC. A decision is imminent although the development will not complete within the timeframe of GPB.

Progress to Nov 2014	No. of Sites	Dwellings
Completed	1	4
Under Construction	0	0
Projected	0	0
Total		4

By August 2015, 4 homes will have been built on land brought forward in response to the call for sites issued in November 2014.

Self-Build

Self-build currently represents only about 10% of house completions in the UK, significantly lower than the 50% average of most European countries. As part of GPB, the Portfolio Holder wished to encourage more choice and better affordability of housing by developing the city's self-build offer. This would not only increase supply – albeit modestly – but could help to deliver self-reliance and wider social skills, improving life chances for those in most need. When GPB was launched, people interested in self-build were invited to contact the City Council to explore self-build opportunities.

What we said we would do

We said we would develop a self-build offer by undertaking a review of opportunities within the city and, in discussion with national partners such as the Homes and Communities Agency and the Mutual Housing Group, develop imaginative planning approaches to how sites are developed. We also said we would support the Nelson Project as part of a clear commitment to the Military Covenant.

What we have done

Self-build sites have been identified as part of the Strategic Land Review and land disposal process. A programme to deliver 102 self-build units on City Council sites has been planned as follows:

- Serviced Plots model: 2 sites = 8 serviced plots
- Self-build plots: 5 sites = 6 units
- West Park: at least 22 serviced plots
- Land at Kings Tamerton: at least 20 self-build units through mutual self-build co-operative
- Chaucer Way: 4 serviced plots
- Nelson Project: 12 Custom Build homes through Community Self Build Association
- Bickleigh: at least 30 provided as serviced plots for Custom Build

Progress to Nov 2014	No. of Sites	Dwellings
Completed	0	0
Under Construction	0	0
Projected	0	0
Total		0

Two serviced plots have secured planning consent and we are currently preparing advertising and business plans. Five self-build plots will be placed on the market in December 2014. These will deliver six homes although it is unlikely these will complete in the final year of GPB.

Small Sites

In August 2012 there were 498 dwellings on 128 small sites (less than 15 units), either with planning permission or where it had lapsed.

What we said we would do

The small sites initiative aims to help smaller developers bring forward housing on sites with planning permission. We said we would contact all developers with planning permission on small sites which would deliver between 4 and 15 dwellings to offer support and advice to get the permissions implemented.

What we have done

We have undertaken mass emails to local agents and landowners, issued regular communications via twitter, raised small sites at the Plymouth Regeneration Forum, the Local Agents Forum and the Plymouth Housing Development Partnership, and had direct discussions with Registered Providers to link them up with landowners.

Over the last two years, 41 homes have been built on small sites and 92 are under construction. Longfield House (Greenbank Ambulance Station), which had permission for 11 homes, has a new consent for 65 student cluster flats. These are under construction and expected to complete in 2015. The former small site at 273 Tavistock Road, which had permission for 13 units, was superseded by a new consent for 22 homes. Eleven of these were under construction as of April 2014. We expect all 22 to be complete by March 2015.

Progress up to Nov 2014	No. of Sites	Dwellings
Completed	17	41
Under Construction	9	92
Projected	1	11
Total		144

By August 2015 we therefore expect 144 homes to have been built on small sites.

City Council Sites

On 20th February 2013 Councillor Mark Lowry announced the release of 10 city council sites to support the GPB programme. The 10 sites were: Former Aster Centre, Lipson (AJM), Mannamead Centre, Mannamead (Pillar Developments), Former Plym View, Efford (Spectrum), PLUSS Centre, Southway (Westward), Former Ernesettle Centre, Ernesettle (Aster), Former Tamerton Vale School, Tamerton (DCH), Former Southway School, Southway (PCH/Barratts), Former Chaucer Way School, Manadon (Spectrum), Former West Park School, Former West Park (Trathen Properties) and Former Woodlands/Hillside Schools (Sanctuary).

What we said we would do

We prepared streamlined Site Planning Statements for all sites to enable a fast track approach to identifying development potential. Across all 10 sites the expectation was that in the region of 616 homes would be delivered of which 43% would be affordable and built to Code 4. This exceeds Core Strategy policy and current market delivery. The proposed schemes would secure £3.9m of HCA grant for the City through the PHDP and will generate approximately £4.8m of New Homes Bonus which will support the future regeneration of the City.

What we have done

We have worked closely with our development partners to expedite planning applications across the sites; 5 have secured planning permission and will deliver 150 homes over the next 1-2 years. A sixth application is imminent whilst the other sites are working up plans through the Development Enquiry Service.

We have accepted propositions worth £4,511,084 that will deliver 635 new homes, of which 322 (51%) will be affordable and built to Code 4 or above. Our approach to land releases in both the GPB and the Plan for Homes programmes has been cited by the former Housing Minister, Kris Hopkins, as an example of best practice in the foreword to the recently published Affordable Housing Programme 2015 – 2018 Prospectus.

Progress up to Nov 2014	No. of Sites	Dwellings
Completed	0	0
Under Construction	4	121
Projected	0	0
Totals		121

We therefore expect 121 dwellings to be delivered across the 10 City Council sites within the 3 year GPB period. The remainder of units will follow in 2016/2017 and 2017/18.

New Funding Mechanisms

It was important to attract new ways to fund increased housing delivery as part of the GPB programme. GPB therefore committed to exploring new models of housing delivery and finance to help secure additional housing in the city.

What we said we would do

We said we would research alternative funding mechanisms and models of delivery in order to accelerate housing supply. We indicated that we had worked with the Commission for Cooperative Housing and the Mutual Housing Group to develop cooperative homes for greater local ownership, linked to Pledge 55. We wanted to work more positively with housing associations to help alleviate housing shortages. Finally we said we would instigate meetings with institutional investors to explore longer term strategic funding mechanisms to deliver more affordable housing.

What we have done

We have been working with external housing providers and investors to review a number of funding models – and are delivering on 3 of these. On 18th June 2013, we successfully launched a new model of affordable housing funding and delivery called RENT*plus* with a local entrepreneur (Pillar Land Securities) and a local Registered Provider (Tamar Housing).

RENT*plus* is a brand new innovative approach to affordable housing and a first for the UK. Rather than rely on government subsidy, RENT*plus* brings in private sector funding from the institutional investment market through capital investors.

RENT*plus* aims to deliver 500 homes over the next 5 years with the first 12 due to be completed in 2015/16 on the city council site in Mannamead. RENT*plus* will offer people on the housing register new homes with affordable rent. The tenants will also be given cash towards their deposit to help them buy their RENT*plus* home.

Secondly, we are also looking at the QSH Investment Agency Rent-to-Buy, Deferred Purchase and For-Rent models. QSH are the selected partner for the conversion of the former SHIP hostel into 10 new apartments. We expect these dwellings to be built in 2016/17.

Thirdly, we are also exploring a pilot for the Opt-to-Buy scheme. This model involves building new homes and allowing people to rent whilst improving their credit histories and saving for a deposit before buying.

In addition to the above, we have reinvigorated the Plymouth Housing Development Partnership. Registered Providers active in Plymouth are now more aware of the need to deliver additional homes in Plymouth. Currently Registered Providers manage and maintain over 22,400 homes in the city and are developing 621 new affordable homes under the Affordable Housing Programme, which will create 1,103 jobs. As Registered Providers in Plymouth have an annual turnover of £119.1 million, employing 1,110 people, it is important that Strategic Planning and Infrastructure supports, engages and challenges them to maximise delivery. To this end a new programme of “account management” at a senior management level was commenced at the time of the GPB launch.

We continue to explore other funding opportunities and have recently secured over £10 million of funding for various housing projects in the city. In addition a £32 million loan to support the early deliver of 5,500 homes at Sherford has been secured.

Progress up to Nov 2014	No. of Sites	Dwellings
Completed	0	0
Under Construction	0	0
Projected	0	0
Totals		0

However because of the due diligence processes required to develop these creative funding models, although RENT*plus*, QSH and the Opt to Buy models will deliver additional affordable housing in Plymouth in the future, they will not be able to deliver any homes during the time period of the GPB programme.

Conclusions

At the Working Plymouth Scrutiny meeting on 5th March 2013 the following actions were recorded:

- (a) the Former Southway Primary School, with the proposal of 156 dwellings, was still at the pre-application stage however discussions had commenced with the focus on addressing the Section 77 issues. Section 77 related to the re-provision of education facilities, specifically playing pitches, with the Department for Education;
- (b) officers were proactively working with the Department for Education to take forward the Former Southway Primary School site;
- (c) Officers were trying to work with developers during the pre-application process to speed up housing delivery in city council sites;
- (d) the Assistant Director for Strategic Planning and Infrastructure would inform Members with how the Committee could help accelerate housing delivery and monitor progress through the scrutiny process;
- (e) the Assistant Director for Strategic Planning and Infrastructure would inform Members in relation to Ward Members involvement in pre application discussions.

On (a) and (b) Section 77 approval has now been secured on the former Southway Primary School site. Pre-application discussions are nearing completion and a planning application is expected in summer 2015.

On (c) pre-application discussions have started on all 10 sites, with 6 of these already completed and developments underway on 4 sites; with a fifth site due to start in January 2015.

On (d) Working Plymouth could support delivery of housing through its 2015/2016 work programme by ensuring that projects support the GPB objectives. In addition, Working Plymouth could consider requesting progress statements from landowners and developers on specific sites that are stalled to review delivery issues. Our housing programmes will promote consultation events on all PCC site releases. Ward councillors could broker meetings with community representatives to help manage engagement between planning / housing and local residents for particular sites. This has already been done on some of the existing sites that have been released, for example on the land at Kings Tamerton.

On (e) ward councillors are advised of non-confidential Development Enquiry Service pre-application submissions and have been involved in discussions on the land releases on some of the 10 sites.

Since the GPB programme was launched in August 2012, a proactive approach to housing delivery and the innovative use of planning powers have resulted in:

- 713 homes being built on identified stalled, lapsed, AAP and small sites.
- 528 homes currently under construction on sites forming part of the programme.
- A further 229 homes projected to be built by August 2015 on sites yet to start construction.

By the end of the final year we expect GPB to have delivered 1,470 homes over a 3 year period.

Status	Stalled Sites	Lapsed Sites	AAP Sites	Call for Sites	Self-Build Sites	Small Sites	PCC Sites	Funding Models	TOTAL
Completed	415	10	243	4	0	41	0	0	713
U/C	42	0	273	0	0	92	121	0	528
Projected	5	70	143	0	0	11	0	0	229
TOTAL	462	80	659	4	0	144	121	0	1,470

Looking at the wider pattern of development in the city during the first 2 years of the GPB programme, 1,402 new homes have been completed in Plymouth. A further 782 dwellings are also currently under construction. Therefore by the end of the final year of GPB we expect 2,184 new homes to have been built in the City. With this in mind we can conclude that the GPB programme has successfully contributed to the delivery of over 2,000 homes in 3 years.

Status	Number of homes
2012/13 Completions	668
2013/14 Completions	734
2013/14 Under construction	782
TOTAL	2,184

It is clear from the second year of the 3-year GPB programme that a proactive and innovative planning approach has made a very real difference to delivery on the ground. This has achieved the desired momentum that lay behind the announcement of the initiative by the Portfolio Holder for Finance.

It is recommended that the Working Plymouth Scrutiny Panel note the progress with the Get Plymouth Building Programme.

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10th December 2014