

## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	<b>Plan for Homes 3</b>
<b>Committee:</b>	<b>Cabinet</b>
<b>Date:</b>	5 March 2019
<b>Cabinet Member:</b>	<b>Councillor Chris Penberthy Cabinet Member for Housing and Co-operative Development</b>
<b>CMT Member:</b>	<b>Anthony Payne (Director for Place)</b>
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<b>Ref:</b>	PFH3/Cab
<b>Key Decision:</b>	Yes
<b>Part:</b>	I

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### **Purpose of the report:**

This report seeks to launch Plan for Homes 3 with the ambition to support the delivery of at least 1,000 new homes each year over the next five years. It builds upon the successful Plan for Homes programme launched in 2013, updating and extending it to 2024. It establishes a Housing Investment Fund with a first delivery programme allocation of £15.845m in the Capital Programme, to directly support increased and accelerated delivery of new homes to help address identified housing needs and to support the growth agenda.

The report sets out three strategic housing themes of: improving housing conditions and broadening choice; supporting the delivery of the Joint Local Plan housing numbers; establishing a Housing Investment Fund.

The report identifies nine priority objectives and a range of interventions that will support the delivery of at least 1,000 new homes per year through a range of housing, planning and service initiatives, meet identified housing needs and tackle homelessness and poor housing conditions.

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### **Corporate Plan:**

The provision of new and decent housing is central to the delivery of the city's Vision to be 'One of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone'.

The Plymouth City Council Corporate Plan 2018-2022 was approved by Council in June 2018 and sets out our ambition of 'making Plymouth a fairer city, where everyone does their bit'. The Corporate Plan's priority of A Growing City contains a specific commitment to deliver 'a broad range of homes'. This is central to continuing to meet identified housing needs, supporting economic growth and helping to build a city of quality sustainable neighbourhoods.

The Plan for Homes will also support the priorities of A Caring Council, for example supporting the provision of accommodation for older people including bungalows and Extra Care homes, specialist, accessible and wheelchair housing as part of delivering a broad mix of quality homes to

support families with children, and homes built to improved sustainable and energy efficient standards, helping to tackle fuel poverty and improving affordability.

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land:**

Plan for Homes 3 is being launched with a Housing Investment Fund, the first delivery programme of £15.845m identified from within existing resources, included in the Capital Programme to support the direct delivery of homes as part of the overall ambition of 5,000 new homes over five years.

The Housing Investment Fund will support existing commitments as well as retaining the flexibility to respond to market failure interventions and investments to generate a positive return to the Council. The Plan retains flexibility on what interventions to support to best deliver the required outcomes. All investment decisions will be made through CCIB.

There is no additional borrowing required to support this first programme of interventions. Further Council funding options for Plan for Homes 3 will be developed during the implementation of this Plan.

The funding for the first Delivery Programme of £15.845m is set out below;

**Committed Capital Budget;**

Housing Capital Programme 2019-2021 - £3,845,000

This comprises a range of schemes with funding from S106, Homes England, Community Infrastructure Levy, Right to Buy capital receipts and One Public Estate programme grant. Some of the schemes in the Housing Capital programme 2019-2021 are Plan for Homes 2 projects and are in the process of being delivered.

**Uncommitted Capital Budget;**

Right to Buy Receipts - £8,000,000

Of the Right to Buy receipts held by the council £2m has already been approved and is being used to fund schemes under Plan for homes 2 and £3.5m set aside to meet the asbestos liabilities in connection with the stock transfer to Plymouth Community Homes.

The remaining £8m is available to fund Plan for Homes 3

**Other corporate funding;**

S106 commuted sums for affordable housing - £2,000,000 (expected to be received over Plan period)

Disabled Facilities Grant - £2,000,000.

The Disabled Facilities Grant allocation is only for the provision of adaptations to disabled people's homes to help them live independently for longer, thereby helping to contain the potential increase in costs to Social Care Services.

Some indicative spend interventions and outputs are listed below, they are initial proposals and are not defined until the initiatives are fully developed;

1. Social Rent - £20 per unit. A £1m grant fund could support 50 units.
2. Bungalows - £20k per unit. A £1m grant fund could support 50 units.
3. Specialist Homes - £40k per unit. A £1m grant fund could support 25 units.
4. Older persons - £20k per unit. A £2m grant fund could support 100 units.
5. Homelessness Fund – £20k per unit. A £1m grant fund to support 50 units
6. Private Sector – £40k per unit. A £1m grant and loan fund to support 25 units
7. Infrastructure Funding – £20k per unit. A £2m grant fund to unlock 100 homes
8. North Prospect Regeneration – A £1m fund to support 195 homes

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

Decent housing is recognised as a key determinant of health and wellbeing. The provision of a range of safe, warm and affordable homes will address issues of child poverty and fuel poverty and, alongside better designed homes, support higher educational attainment and improve children's health and well-being. High quality and energy efficient homes help reduce household running costs that contribute to overall housing costs helping improve affordability.

There are risks associated with failure to provide the range of housing to meet Plymouth's need. This includes skills gaps and skills shortages in the construction industry, maintaining a skilled house building workforce, concerns over materials and build cost inflation and the timing and appetite of future investment decisions. Developing capacity with partner housing association, relations with developers and SME's, delivery strategies on JLP sites and supporting Building Plymouth will help mitigate these risks.

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**Equality and Diversity:**

Has an Equality Impact Assessment been undertaken? Yes

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**Recommendations and Reasons for recommended action:**

It is recommended Cabinet:

1. Approve the Plan for Homes 3 as set out in this report.

Reason: To meet the Corporate Plan commitment to provide a broad range of homes.

2. To note the overall Housing Delivery Framework's objectives and interventions that will form the basis of a future overall Housing Delivery Plan for Plymouth.

Reason: To identify priority objectives and interventions to deliver quality homes in sustainable neighbourhoods for everyone.

3. To delegate the development of a Housing Delivery Plan for Plymouth to the Service Director for Strategic Planning and Infrastructure, Service Director for Community Connections and the relevant Portfolio Holders.

Reason: To ensure an up to date Housing Delivery Plan that responds to changes in the housing market, housing needs, service initiatives and funding opportunities.

4. Instruct the Service Director for Strategic Planning and Infrastructure and Service Director for Community Connections to report on progress on the delivery of the Plan for Homes 3 to the relevant scrutiny board every 6 months.

Reason: To ensure members are appraised of progress and monitor delivery of initiatives.

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**Alternative options considered and rejected:**

Option 1: Continue with the existing Plan for Homes Programme. The current Plan for Homes is primarily aimed at increasing and accelerating housing delivery in the city. It does not bring together the wider aspects of housing that include tackling homelessness and improving conditions in the private rented sector. As the Planning and Housing policy and funding landscape continues to change it is considered that a more comprehensive set of objectives across the wider housing agenda is required to better respond to these changes and to build upon our achievements to address the full housing needs of the city.

Option 2: Leave the private sector to deliver more homes. Past experience of the general failure to of the market to build at sufficient delivery rates indicates that this would be insufficient to meet the city’s needs and the increasing focus on homeownership will not provide the range and mix of new and affordable homes required. Therefore a more direct and transformational approach is required. In the four years prior to the launch of Plan for Homes an average of 653 new homes per year were completed. In the four years post Plan for Homes that has increased to an average of 1,115 new homes per year.

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**Published work / information:**

South and West Joint Local Plan

<https://www.plymouth.gov.uk/planningandbuildingcontrol/plymouthandsouthwestdevonjointlocalplan>

Plan for Homes

[https://www.plymouth.gov.uk/sites/default/files/PlanForHomes\\_0.pdf](https://www.plymouth.gov.uk/sites/default/files/PlanForHomes_0.pdf)

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	

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**Sign off:**

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Originating SMT Member Anthony Payne

Has the Cabinet Member(s) agreed the content of the report? Yes

## 1.0 Background

1.1 Housing is a top priority for Plymouth. Britain needs more homes and Plymouth is no exception. The delivery of housing is central to the city's growth agenda. Building the right type of homes, in the right place, at the right price, while creating quality environments, is necessary for Plymouth's citizens to thrive, and support growing the population of Plymouth to nearly 300,000 people by 2034. Without a new and improved supply of the right homes, the economic and physical regeneration of the city will be constrained.

1.2 The Joint Local Plan (JLP) for Plymouth and South West Devon seeks to deliver 26,700 new homes by 2034 across the two policy areas of Plymouth and the Thriving Towns and Villages of South West Devon. 71 per cent of the new homes (19,000 new homes) are to be built in the Plymouth Policy Area, including 4,550 new affordable homes. We are planning to meet our housing needs in full, and Plan for Homes 3 will be a key delivery plan to help achieve that.

1.3 Plymouth has many local housing pressures;

- 12,794 households on housing waiting list of which 8,560 are in priority need
- Increases in homelessness and families in temporary accommodation
- Average house price £184,665. Average earnings £23,369 (Home Truths 2017/18)
- Housing Affordability ratio of 7.9 (Home Truths 2017/18)
- Growing and ageing population; demands for extra care and age related housing
- 20.4% of population with a long term health or disability (SHMNA 2017)
- 330 households requiring wheelchair accessible housing (PCC report)
- 550 DFG applications each year
- Over a third of all private rented housing is non-decent – occupied by over 7,500 households
- 715 Long Term Empty Homes (Oct 2018)

1.4 Our housing challenges require a credible response. Part of that response has been our Plan for Homes, launched in November 2013 and refreshed in March 2016. It contains an ambitious set of proposals to deliver 5,000 new homes over five years, setting out how the City Council will lead, partner, engage, innovate and directly provide resources and assets to plan and deliver a step change in housing delivery.

1.5 It provides a delivery framework for partnership working to increase and accelerate housing delivery of well-designed homes to meet a range of housing needs from a range of market homes to buy and rent through to affordable and supported housing. It has been the focus of attention for the city and partners, with Executive and Cabinet led political leadership, to deliver our ambitious plans for homes the city needs.

1.6 We are on track to exceed the ambition of 5,000 new homes over five years (2014-2019). We have delivered 4,462 homes (gross) in the first four years of the Plan. This figure coupled with the number of homes under construction as at April 2018 of over 1,400 suggests we are on track to achieving 5,000 homes in five years (by March 2019).

1.7 Since its launch the Plan for Homes has delivered some notable achievements in terms of housing outcomes and meeting a wide range of housing needs, which include;

- Extra Care housing for older people and people with learning disability,
- Flagship service veterans self build project at Nelson Project
- Wheelchair and accessible homes
- Overall above policy levels of affordable housing (51%) on Plan for Homes Council sites.
- Larger family homes, rent to buy models,

- High proportion of rented homes
- Largest affordable Passivhaus scheme in the country
- Supported delivery of 4,462 new homes (gross) of which 1,108 are affordable (24.8%)
- We are projecting the delivery of over 450 affordable homes in 2018/19, many on Plan for Homes sites.

We are now launching Plan for Homes 3 that represents a further set of interventions that will continue to be developed to deliver our commitment for at least 1,000 new homes each year.

## 2.0 Plan for Homes 3

2.1 This report launches Plan for Homes 3 with the ambition to support the delivery of at least 1,000 new homes each year over the next five years. It builds upon the successful Plan for Homes programme launched in 2013, updating and extending it to 2024 with a first delivery programme of £15.845m to directly support increased and accelerated delivery of new homes to help address identified housing needs and to support the growth agenda.

2.2 The Council has committed £15,845m within the Capital Programme from 2019 / 2024 to support delivery of Plan for Homes 3. Current austerity and financial pressures are impacting on many partner organisations and people, but we need to carry on supporting service delivery, including the provision of new homes. Despite the tough financial circumstances with associated constraints on the Council's capital and revenue funding programmes we are planning the best use of our own resources whilst minimising the impact on our revenue budget.

2.3 The Plan sets out three strategic housing themes of: improving housing conditions and broadening choice; supporting the delivery of the Joint Local Plan housing numbers; establishing a Housing Investment Fund. To continue the increase and accelerated delivery of new homes to help address identified housing and to support the growth agenda.

2.4 The Plan identifies nine priority objectives and a delivery framework for a range of interventions that will support the delivery of at least 1,000 new homes per year through a range of housing, planning and service initiatives, to meet identified housing needs and tackle homelessness and poor housing conditions.

2.5 The delivery framework's objectives and interventions will form the basis of a future overall Housing Delivery Plan for Plymouth, to be developed to respond to changes in the housing market, housing needs, service initiatives and funding opportunities.

2.6 Indicative spend interventions and outputs are listed below, they are initial proposals and are not defined until the initiatives are fully developed;

1. Social Rent - £20 per unit. A £1m grant fund could support 50 units.
2. Bungalows - £20k per unit. A £1m grant fund could support 50 units.
3. Specialist Homes - £40k per unit. A £1m grant fund could support 25 units.
4. Older persons - £20k per unit. A £2m grant fund could support 100 units.
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### **3.0 Appendices**

**Strategic Housing Themes and Priority Objectives – appendix one**  
**Delivery Framework – appendix two**