



Report of the Director of Place

Economy & Infrastructure Service Transformation Committee - 29 February 2024

More Homes Delivery Programme

Purpose:	To provide a briefing on the progress of the More Home Delivery Programme.
Policy Framework:	HRA Capital Investment Programme, HRA Business Plan, More Homes Strategy.
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) Councillors consider the report, to give their views and make recommendations to the Cabinet Member as necessary.
Report Author:	Rosie Jackson
Finance Officer:	Ben Smith
Legal Officer:	Adrian Jeremiah
Access to Services Officer:	Rhian Millar

1. Introduction

- 1.1 The More Homes Delivery Programme is a key mechanism to deliver the corporate commitment to increase the amount of affordable housing in Swansea.
- 1.2 This report will provide information on progress to date, outline the schemes currently in development and future plans. It will also outline the challenges and opportunities faced.

2. Background

- 2.1 Cabinet approved the first Housing Revenue Account Development Plan in February 2019, which set out a programme to develop over 140 new homes. In January 2020, the Council increased this goal and approved a 10-year ambition to deliver 1,000 additional Council homes from 2021-2031. The recommendations of the report also noted that any changes in the financial assumptions made at that time would result in an increase or decrease in the number of units that the Council can afford to deliver.
- 2.2 Housing demand has steadily increased since 2016 and more rapidly since 2020, due to the impact of the pandemic and other external factors such as the cost-of-living increase, fuel price rises, reduction in availability of private rented accommodation and changes to homelessness legislation by Welsh Government. As a result, the housing waiting list currently stands at over 8,000 households and there are currently just over 300 households in temporary accommodation. These are the highest numbers ever in Swansea and it is a situation replicated across Wales and nationally. Therefore, the need to deliver additional affordable housing as quickly as possible has never been more essential.
- 2.3 To help address this need the More Homes Delivery Programme has increased the amount of accommodation delivered via a successful acquisitions programme and property conversions to sit alongside the development plans to build new homes.

3. Progress to date

- 3.1 To date the More Homes Programme has delivered an additional 255 council homes via a mixed strategy of new build developments, acquisitions and conversions of existing properties. The table below gives further details:

Scheme name / type	No. units	Year completed	Delivery method
New Build schemes			
Colliers Way 1, Penlan	18	2017	In-house
Parc Y Helig, Birchgrove	16	2020	In-house
Colliers Way 2, Penlan	18	2021	In-house
Hillview, Clase	25	2022	In-house
Bryn House PODS, Uplands	5	2022	External
Cherry Blossom Close, West Cross	6	2023	In-house
<i>New Build Sub total</i>	<i>88</i>		
Property conversions			
Acacia Road, West Cross	2	2022	In-house

Bryn House, Uplands	4	2022	In-house
Ty Forest House, Ravenhill	3	2022	In-house
Alexandra Road, Gorseinon	2	2023	In-house
Eastside DHO, Bonymaen	4	2023	In-house
Penlan DHO	6	2023	In-house
<i>Conversion sub total</i>	<i>21</i>		
Acquisitions (of former right to buy properties)			
<i>Acquisition sub total</i>	<i>146</i>	2018-2023	In-house
Overall total	255		

4. Swansea Standard

- 4.1 All new council homes are built with energy efficiency as one of the main priorities. They have been built to a performance standard known as the “Swansea Standard”, meaning that they are very well insulated, and the energy required to heat them is very low compared to a traditional home. The addition of renewable technologies including solar panels, storage batteries and ground source heat pumps mean that Swansea Standard homes are designed as mini power stations, known as Homes as Power Stations (HAPS), and they produce a significant proportion of the energy that is required to heat the home and provide hot water. This results in very low energy bills for tenants.
- 4.2 The Council is working in partnership with the Welsh School of Architecture at Cardiff University to monitor the energy consumption, building performance, and tenant experience of all the new build properties over a long-term period to understand the effectiveness and efficiency of the buildings. An interim findings report is due in the summer.
- 4.3 The Swansea Standard complies with Welsh Government funding requirements for Social Housing Grant that are set out in Welsh Development Quality Requirements (WDQR21). This requires all new social housing construction standards to work towards net zero carbon, achieve an EPC rating A and not to install fossil fuel fired boilers to provide domestic hot water and heating. The guidance also stipulates the space standards and safety and security requirements that must be adhered to.

5. Funding

- 5.1 The More Homes Programme is funded via a mix of Welsh Government Grants and the HRA Capital budget (via tenants’ rents and HRA borrowing).
- 5.2 £56m has been allocated in the next 4-year HRA capital budget (24/25-27/28) to fund the More Homes Programme. It includes purchase of General Fund land to bring forward sites for future development e.g. the former Gorseinon Jr School. The Budget will also fund feasibility assessments (including surveys)

to identify the most viable HRA owned sites for future developments. Delivery will be aided through partnerships and external consultancy advice, which aims to increase capacity and pace in the programme.

5.2 Social Housing Grant is the main capital grant to support affordable housing developments by RSLs and Councils in Wales. RSLs and local authorities can access this funding for the provision of building new homes and the rehabilitation of existing buildings. The Welsh Government makes a yearly allocation to local authorities in Wales of Social Housing Grant, which is distributed by the Council to RSLs to develop social housing schemes and, more recently, this grant has also been made available to local authorities. The Council continues to work with Welsh Government to maximise future grant subsidy to meet targets and with RSLs and developers to increase the supply of affordable housing alongside our own programme.

5.3 There are a number of additional Welsh Government funding streams which have contributed to the More Homes Delivery Programme including:

- *Land and Building Development Fund* - The Land and Building Development Fund is a targeted capital funding programme that concentrates on freeing up public land and buildings where developments have stalled to meet the demand for social and affordable housing. The Fund can award up to 100% of the land preparatory cost for specific schemes to improve viability. This funding has been allocated for a number of More Homes Schemes including Brondeg House, Creswell Road and Gorseinon Business Park.
- *Transitional Accommodation Capital Programme* – TACP is an additional funding stream provided by WG to rapidly increase the amount of accommodation available to move people on from temporary accommodation. This funding has been allocated to More Homes Schemes including the conversion of Eastside and Penlan DHOs, RTB acquisitions and the conversion of the former SPARKS centre.
- *Innovative Housing Programme* - the Council successfully applied for 4 rounds of IHP funding from WG to fund renewable technologies for More Homes Schemes in the early stages of the programme, prior to WG making Social Housing Grant available for local authorities.
- *Swansea Bay City Deal Homes as Power Stations (HAPS) Financial Incentive Fund* – funding has been awarded to cover the cost of renewable technologies for the More Homes Brondeg House Scheme. The Swansea Bay City Deal HAPS project is a regional five-year programme led by Neath Port Talbot CBC on behalf of the City Deal local authorities, which aims to deliver smart, low carbon, energy efficient homes through a coordinated approach across the region.

6. Future More Homes developments

6.1 Current schemes in development i.e. at design or planning application stage include:

Scheme name/type	Estimated start	Units	Delivery
New build			
Brondeg House	2024	13	Internal
Creswell Road	2025	9	Internal
Heol Dynys	2026	22	TBC – <i>scheme to be tendered externally</i>
Milford sites A and B	TBC	40	Development partner – <i>tender to be issued early 2024</i>
Brokesby Road site 1	2027	47	External
Brokesby Road Site 2	2028	38	External
Property Conversions			
SPARKS Centre Blaenymaes	2024	4	Internal
Acquisitions			
Former RTB	2024-2027	52	Internal
Gwynfaen Farm	2024	12	External - <i>Pobl Development s106</i>
Garden Village	2024-2027	2024 – 18 2025 – 18 2026 – 18 2027 - 18 Total = 72	External - <i>Persimmon Development s106 141 in total over 8 years</i>

6.2 Pipeline schemes - The longer-term pipeline of delivery is more difficult to predict given the increasing budgetary constraints/pressures faced by the HRA, as set out in the Budget report approved by Cabinet on 15th February 2024. However, in order to ensure a continuing pipeline of delivery for future years there are a number of HRA sites that are in the early stages of feasibility work including site surveys and concept plan development, as set out in the table below.

6.3 Please note that all unit numbers are estimates based on initial site concept plans and require detailed feasibility assessments, design work and planning/SAB consent to determine actual numbers for each scheme.

Scheme name/type	Estimated start	Units	Delivery
New build			
Gorseinon Junior School	TBC	48	External
Gower Road	TBC	18	TBC
Heol Emrys and Tudno Place - New Build	TBC	92	TBC – <i>external design via Powell Dobson Architects - in the process of being appointed for the wider</i>

			<i>T&E refurbishment scheme</i>
Ty Draw	TBC	50	TBC
Skomer and Westdale	TBC	12	TBC
Scurlage	TBC	36	TBC
Brokesby Road site 3	TBC	27	External
Brokesby road site 4	TBC	47	External

7 Challenges & Opportunities

7.1 The main challenges for the delivery of the More Homes Programme include:

- HRA budget pressures - Welsh Government has developed ambitious strategic policies to increase the supply of social housing at the same time as extending the requirements of the Welsh Housing Quality Standard to decarbonise 231,000 existing social properties in Wales. As detailed in the HRA Capital Budget report, the HRA Business Plan does not have sufficient financial resource to meet the Government's twin policy objectives of increased supply and decarbonisation of existing stock whilst maintaining WHQS compliance. This, coupled with increasing building and construction costs, will make it challenging to achieve More Homes targets.
- The need to increase the pace and scale of delivery to meet ever increasing demand for social housing against a challenging financial situation.
- A challenging portfolio of HRA owned land with high levels of site abnormalities, contributing to increased scheme costs.
- Delays in securing statutory planning and drainage/SAB approvals.

7.2 Actions underway to address these challenges include:

- Introducing a variety of delivery mechanisms, in addition to in-house delivery, to increase the pace and scale of delivery and provide additional capacity to internal teams including:
 - Issuing a tender for a development partner for Milford Sites A and B. This arrangement will enable the Council to enter into an Affordable Housing Development Agreement with a developer who will construct the site themselves, the Council will transfer the freehold of the land to the developer and then buy back 40% of the completed units.
 - Engagement of an external Employers Agent with specific expertise in delivering a design build contract for substantial social housing schemes in Wales to deliver the Gorseinon Business Park scheme. This is an approach taken by the majority of RSLs and developing LAs in Wales to increase capacity and supplement internal knowledge and expertise with an experienced consultant in social housing development.
- Improving viability and cost information at an earlier stage for all schemes ensure that the most viable sites are selected for development, including undertaking a range of surveys on potential sites to determine ground conditions to assess impact on cost of development.
- Review of the Swansea Standard to undertake a value engineering exercise

to find ways to reduce costs whilst maintaining quality. Including an evaluation of the Energy strategy to assess the impact of reduction in specification on tenants and on the cost of schemes e.g. evaluating if battery storage should be included, change of specification from ground source heat pumps to air source heat pumps. This work will be informed by the Welsh Government's Design Net Zero Project, where WG and 20 social landlords from across Wales are participating in a project to produce a national pattern book of house designs – built to net zero carbon standards, meeting all WG technical design requirements. Stride Treglown Architects have been appointed to design the pattern book and it is anticipated to be available by the Autumn.

- Maintain the budget for acquisitions over the next 3 years to ensure properties can continue to be rapidly added to the housing to assist in the response to increasing levels of homelessness and demand on temporary accommodation.
- Identify further opportunities for the Council to acquire s106 planning consent affordable housing units via private developments.

8 Risks

8.1 More Homes is included in the Directorate risk register, and Homelessness is recorded in the corporate risk register. Both have also been allocated as projects to be monitored by the Transformation Board. The More Homes Programme is also closely monitored on a monthly basis by the Housing Futures Programme Board and the Housing Futures Steering Group (chaired by the Cabinet Member for Service Transformation/Joint Deputy Leader). A Corporate More Homes Group has been established to provide oversight and to identify ways to enable joint working across the Council to clear blockages and find ways to increase the pace and scale of the delivery programme.

9 Legal Implications

9.1 There are no legal implications associated with this report.

10 Financial Implications

10.1 There are no direct financial implications associated with this report.

11 Integrated Impact Assessment Implications

11.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

11.1.1 Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.

11.1.2 Advance equality of opportunity between people who share a protected characteristic and those who do not.

- 11.1.3 Foster good relations between people who share a protected characteristic and those who do not.
 - 11.1.4 Deliver better outcomes for those people who experience socio-economic disadvantage
 - 11.1.5 Consider opportunities for people to use the Welsh language
 - 11.1.6 Treat the Welsh language no less favourably than English.
 - 11.1.7 Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 11.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 11.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 11.4 This is an information only report, with no implications, therefore no IIA required.

Background papers: [Cabinet Report - 15th February 2024. HOUSING REVENUE ACCOUNT – CAPITAL BUDGET & PROGRAMME 2023/24 – 2027/28](#)

Appendices: None.