

## Report of the Cabinet Member for Next Generation Services

Cabinet – 17 September 2015

### MORE HOMES – LOCATION FOR PILOT SCHEME

**Purpose:** To identify locations for pilot schemes of new Council Housing

**Policy Framework:** Local Housing Strategy

**Reason for Decision:** For the pilot schemes to be taken forward

**Consultation:** Legal, Finance & Access to Services

**Recommendation(s):** It is recommended that:

- 1) Housing Revenue Account (HRA) owned land off Milford Way, Penderry and at Parc Y Helig, Llansamlet, are identified as preferred locations for pilot schemes of new Council housing subject to any unknown constraints to development.
- 2) Resources are committed to providing detailed ground investigations and a scheme design to support a formal planning application in due course.

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#### 1.0 Introduction

- 1.1 This report is presented in the context of the major challenge to increase the supply of affordable housing in Swansea to meet current and future needs, and for the first time in a generation, the opportunity for the Council to directly provide more homes to help close this deficit.
- 1.2 The opportunity stems from two key reforms to the way in which Council housing is financed, both of which have been the subject of reports to Cabinet and Council in recent months. The exit from the Housing Revenue Account Subsidy (HRAS) system coupled with the new policy for setting rents will

provide more financial resources to the ring fenced Housing Revenue Account (HRA) over and above that needed for identified commitments.

- 1.3 However, there are limits to what can be supported within the HRA Business Plan and the amounts available will change from year to year. There are also options for the Council to consider in due course in terms of how these resources can be used to best effect.
- 1.4 To help establish a coherent and deliverable strategy for investment, a project has been initiated to assess current and projected needs, locations for development, the projections of available financial resources and the options for maximising their use.
- 1.5 The project has the title 'More Homes' to reflect the core purpose of the strategy and its key objectives are:
  - To appraise available options to make best use of HRA resources to support the provision of more affordable homes;
  - To provide recommendations on a course of action
  - To identify the resources and organisational requirements to support a programme of ongoing investment.
- 1.6 The project also includes a number of stand-alone assessments on specification options and key links to the Welsh Housing Quality Standard programme.
- 1.7 A report on a strategy for the future is anticipated by October / November 2015. However, in the meantime, to make inroads into closing the deficit in as short a time as possible, the proposal is to pilot two small new build schemes. The purpose of this report is to outline where these schemes should take place and to make recommendations on creating a budget to take the schemes forward.

## **2.0 The Objectives of the Pilot**

- 2.1 The backdrop to the More Homes project is the overwhelming need for more affordable homes to meet current and future needs. Therefore there is a clear rationale for bringing forward two small pilot schemes that can provide homes in a relatively short timescale and in doing so, provide valuable information to help inform the longer term strategy.
- 2.2 There is also a financial incentive as the terms of the exit from the HRAS include the imposition of an all Wales debt cap and an initial allocation of available headroom below this limit between the stock owning Councils. The Welsh Government (WG) are set to review this in 2017/18 with a view to redistribution away from Councils where by that time there is no commitment to making full use of their allocation.
- 2.3 In addition to providing more homes, the objectives of the pilot is to test a number of issues which in turn will help inform the longer term strategy .These include:

- Overall financial viability of directly developing new Council housing:
- The practical, organisational and capability issues that will need to be addressed as part of the ongoing More Homes programme:
- Specification options to balance the viability of the scheme with the affordability for the occupants and overall sustainability of the design.

### 3.0 Criteria for Site Selection

3.1 The objectives of the pilot and the need for it to be developed in as short a timeframe as possible have informed the factors that need to be taken into account in assessing where best to develop the pilot scheme and the following criteria have been used:

- Fully Funded by the HRA:** The short timeframe means that any complicating factors around shared funding arrangements need to be avoided for the pilot. Part of the More Homes project is to clarify the various tenure models available for future schemes but for the purposes of the pilot, the assumption is that it will be a development for social rent.
- On HRA Land:** Whilst the More Homes project will examine the potential for using non HRA land for development, complications in terms of acquisition and the probable impact on viability and timescales need to be avoided.
- Small Scale Development:** Any development of new housing will have risks but the need to develop the pilot within a short timeframe coupled with the need to test viability and limitations on the amount of funding that would be available at the time of the development mean that only a small scale scheme should be considered.
- Viability Testing:** In order to ensure the viability test can be reproduced elsewhere, sites with unusual design characteristics, layout restrictions, access issues or any special planning considerations should be avoided.

3.2 The need for more affordable housing can be demonstrated in all areas of the City and County and the wider strategy referred to in paragraph 1.7 will establish the priorities for future development by the Council.

### 4.0 Process of Site Selection

4.1 The HRA owned candidate sites for residential development in the Local Development Plan were used as the basis for the selection process. This ensured that only HRA owned sites of sufficient size for meaningful development were considered and also, all have been subject to a measure of desktop analysis in terms of planning requirements, site restrictions and general topography by officers from Housing, Planning, Highways, Drainage and Education.

- 4.2 There are other parcels of HRA land which did not meet the candidate site selection criteria or were ruled out due to various constraints and restrictions. As such, they have not been considered for the pilot location however, they are being revisited as part of the wider strategy.
- 4.3 The sites were then subject to a further, more detailed desk top assessment of any related issues that may impact on development (particularly the timeframe). However, the selected sites will still need to be subject to more intensive and rigorous assessment to ensure it is feasible and viable prior to the development being designed and formally considered for planning purposes.

## **5.0 The Preferred Sites**

- 5.1 Two sites have emerged as preferred locations for the pilot schemes:

### **a) Land at Milford Way - Penderry**

This site forms part of a larger area that was submitted for inclusion in the LDP, only part of which is owned by the HRA. The non HRA section of the site was previously occupied by the former Leo's supermarket. This site is now being marketed for redevelopment. The HRA owned land sits at the rear of the marketed site facing onto Milford Way. (See map on Appendix 1 page 8). The HRA site is approximately 1.31 HA (3.23 Acres). An approximate number of units that could eventually be delivered on this site is 40. However, for the purposes of a pilot scheme it is likely to be a first phase of a larger masterplan, subject to any constraints that may restrict numbers.

### **b) Land at Parc Y Helig - Birchgrove**

This site in Birchgrove was submitted as a candidate site for inclusion in the LDP. The area is 3.1 hectares (7.66 acres). However there are a number of constraints on this site that will restrict the number of units that can be delivered. There is a children's play area on the site, and there are likely to be some ecological constraints. It is also likely that a community consultation programme will need to be carried out as part of the planning and development process. There are current proposals to build on the non HRA Council owned area to the north west of the site, on the former Birchgrove Social Club. Gwalia Housing Association are planning to build 8 bungalows on the site, 4 of which will be for households on the ADAPT register (a central waiting list for disabled people who require a high level of adaptations in their accommodation)

- 5.2 The precise number of homes to be provided on the pilot locations will depend on the results of the more intensive site investigations and layout options.

## **6.0 Taking Forward the Development**

- 6.1 The next stage will be to carry out detailed site investigations and surveys, and outline designs that will meet the specific needs in the chosen areas. This will all help to assess deliverability and viability and the issues to be investigated as part of this process will include:

- Site history
- Topography
- Surrounding area
- Hydrology and hydrogeology
- Ground conditions
- Flood risk
- Ecology, trees and landscape
- Site access
- Internal roads, Right of way, footpaths
- Foul and surface water drainage

6.2 An agreed design brief will then need to be established setting out the proposed specification to balance the viability of the scheme, its affordability and the sustainability of the development. Any phasing will also need to be included. The brief will then become the basis for the final design which will also need to address any landscaping, habitat creation, materials and finishes, car parking, transport plan, infrastructure and school capacity. This will all be required to support the eventual detailed planning application as well as final estimates for budget purposes.

6.3 The intention is for much of this work to be completed using in-house resources although it is likely that at certain stages, expert advice which is not readily available within the Council may be needed.

6.4 In order to make initial progress, budget provision is needed to take the proposal forward. However, given that this will be a pilot scheme and in part, is being used to test the feasibility and viability of taking forward development schemes in the future, there are uncertainties around the amount needed and the recommendation is that a budget of £50,000 to £150,000 is set aside for this purpose.

6.5 This is to cover the next stage of scheme preparation with the aim of submitting a formal planning application. At that stage, a more detailed estimate of the scheme costs can be drawn up for approval prior to the procurement of the work.

## **7.0 Equality and Engagement Implications**

7.1 An EIA screening been completed which has concluded that a full EIA report is not required at this time.

## **8.0 Financial Implications**

8.1 In consultation with technical officers, a provisional budget of £150,000 has been identified to undertake the work outlined in 6.1. This can be met from within the existing HRA revenue budget for 2015/16.

## **9.0 Legal Implications**

- 9.1 Initial legal advice has been provided regarding the title of the preferred sites to confirm that they are on HRA owned land. Further advice will be required regarding the title of the land on the Milford Way site which is not on HRA land. Further advice will also be required as part of a more detailed assessment of practical issues regarding title which relate directly to the development of the sites for a pilot scheme, such as the right of light and air and drainage.
- 9.2 Detailed advice will be also be required regarding the planning law implications of the scheme

**Background Papers:** None

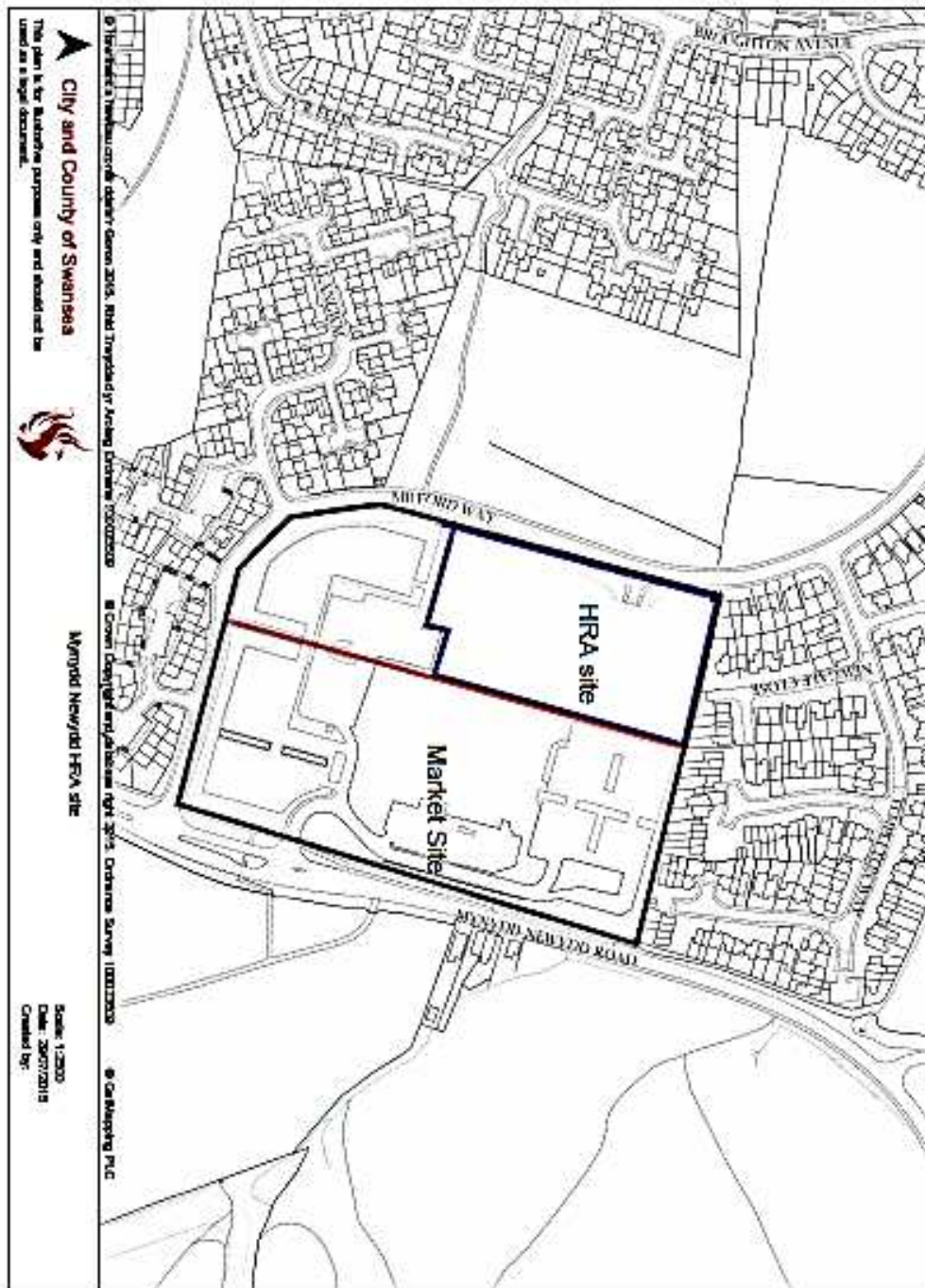
**Appendices:** More Homes Project Group - Pilot Sites

# **More Homes Project Group**

## **Pilot Sites**

**Each site assessment contains initial comments from Officers within Housing, Planning, Highways, Drainage & Education. These are initial comments and each site requires further detailed consultation.**

# PD0021 – Land at Milford Way, Penderry Ward (off Mynydd Newydd Common)(known as former Leos Site)





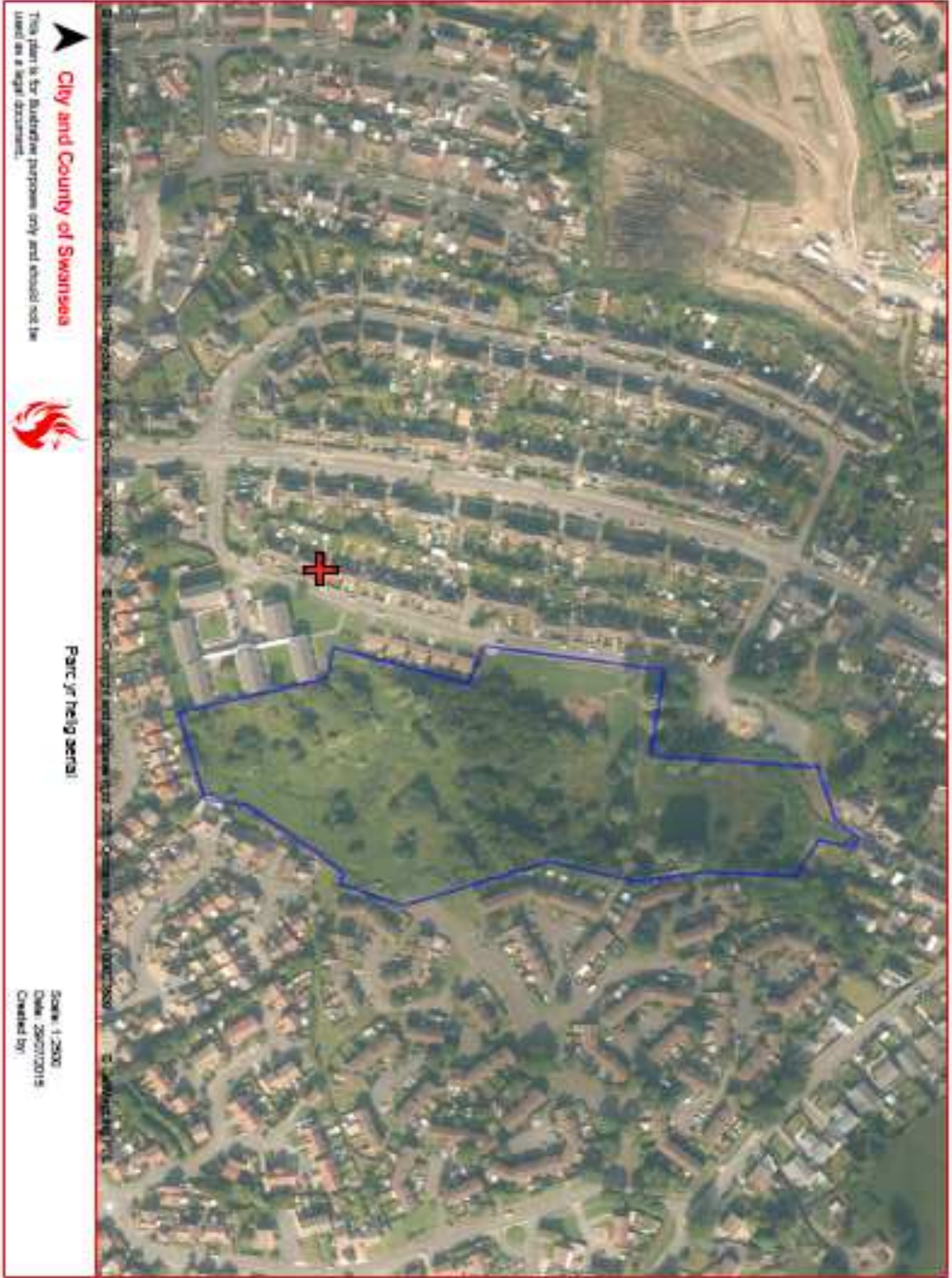


<b>Site Size 1.31 HA (HRA site only)</b>	<b>Penderry Ward</b>
<b>Planning</b>	Longstanding UDP commitment. No developer interest in long term development plan. Current interest in former Leo's adjacent site. (Marked Red on plan)
<b>Highways</b>	No highways objection to development. Site can be accessed off Milford Way.
<b>Drainage</b>	Some flood risk issues identified. Lies within a SINC. Lies within Bury MOU. Will need viable means of drainage.
<b>Education</b>	Education contribution to be determined depending on unit type and number.
<b>Affordability</b>	<ul style="list-style-type: none"> <li>• The area is one of relatively lower incomes coupled with low house prices.</li> <li>• The unemployment rate in Penderry is significantly above the Swansea equivalent, whilst employment rates are below the Swansea equivalent.</li> <li>• Affordability in Penderry ED based on household disposable incomes is 5:1, compared to a regional ratio of 5.8:1. The lower quartile house price to income ratio in Penderry ED is 7:1</li> <li>• The cost of renting an average 2 bed property in Penderry ED is £106.</li> <li>• A first time buyer would need to be earning £15 - £20,000 per annum to afford an average semi-detached home.</li> </ul>
<b>Demographics</b>	<ul style="list-style-type: none"> <li>• High proportion aged under-16 compared with Swansea average, and lower percentages aged 45 and over.</li> <li>• 3<sup>rd</sup> highest birth rate in Swansea</li> <li>• High rate of lone parent households.</li> </ul>
<b>Health</b>	High proportion of people with long-term health problem or disability
<b>Demand Summary</b>	<ul style="list-style-type: none"> <li>• Although there is a relatively low lower quartile house price, coupled with low income levels, this indicates a need for affordable housing (Swansea North 100%).</li> <li>• There is an over-representation of single parent households and an under-representation of retired and those aged 60+.</li> <li>• The demand for housing would be for 2 or 3 bed family units.</li> </ul>
<b>Comment</b>	Utility infrastructure within vicinity of site. Accessibility – 20 mins bus route. Viability study required.

# LS0016 - Land at Parc yr Helig Road, Birchgrove. Llansamlet Ward.







 **City and County of Swansea**  
This plan is for illustrative purposes only and should not be  
used as a legal document.



Part of the area:

Scale: 1:2500  
Date: 28/07/2018  
Created by:

<b>Site Size</b> 3.14 HA	<b>Llansamlet Ward</b>
<b>Planning</b>	Consideration would need to be given to incorporating children's play space within any development. Past shallow coal working in area – ground condition survey required before any development proposal. Unit number to be confirmed due to site restrictions.
<b>Highways</b>	Access from Parc yr Helig Road – possible junction improvements required where Parc yr Helig meets Birchgrove Road.
<b>Drainage</b>	Surface water flooding risk, must demonstrate a viable means of drainage. Site lies entirely in a SINC.
<b>Education</b>	There is surplus capacity at local primary & comprehensive schools. Education contribution to be determined depending on unit number.
<b>Affordability</b>	<ul style="list-style-type: none"> <li>• The area is one of relatively high incomes (perhaps influenced by the fact that many residents travel to work from the area) and the most common socio-economic groups are managerial and professional and intermediate.</li> <li>• Affordability in Llansamlet ED based on household disposable incomes is 4:1, compared to a regional ratio of 5.8:1. The lower quartile house price to income ratio in Llansamlet ED is 7:1</li> <li>• The cost of renting an average 2 bed property in Llansamlet ED is £109.</li> <li>• A first time buyer would need to be earning £25 - £30,000 per annum to afford an average semi-detached home.</li> <li>•</li> </ul>
<b>Demographics</b>	<ul style="list-style-type: none"> <li>• The ward has an above average percentage of people aged 25-44.</li> <li>• Lower proportions of people aged 65+.</li> <li>• 6th highest birth rate in Swansea.</li> </ul>
<b>Health</b>	There are below average levels of claimant unemployment in Llansamlet and employment rates are comfortably above those of Swansea. The numbers of those who report as 'long term sick or disabled' are lower than the regional average.
<b>Demand Summary</b>	This is a ward with a high level of people who travel outside the area in order to work. The number of people in work and the high number that are economically active when compared to the

	<p>region as a whole, coupled with a higher than average weekly total household income means that there is a need for additional housing, but less of a need for affordable housing (Swansea East 20%).</p> <p>The demographic of younger families would indicate a demand for housing for 2 or 3 bed units.</p>
<p><b>Comment</b></p>	<p>Utility infrastructure within vicinity of site.</p> <p>Accessibility – 20 mins bus route</p> <p>Land at top of site, former Social Club is in the process of sold to Gwalia for bungalows.</p> <p>The rest of the site currently being utilised by Birchgrove Community Association has set up “Friends of Parc yr Helyg” to improve use of the “green area”.</p>