
Building More Council Homes - Our ambition and plan of action

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1. The purpose....

The purpose of this report is to set out our transformational plan to deliver over 900 new Council homes over the next 10 years. This delivery plan follows on from the presentation to Full Council in February 2019.

The report will:

- provide the detail on where and when these homes will be built;
- identify the resources available and the delivery models that will be used;
- show how we will support wider regeneration priorities across the county; and
- demonstrate how we will maximise new opportunities as they arise.

As a result of this plan, we will deliver the greatest increase in the number of Council homes in the county since the 1970's and return our housing stock levels to those last seen in the 1990's.

2. The context....

Providing more affordable homes has been a key a strategic priority for the Council for a number of years. We published our five year vision¹ for increasing the supply of affordable homes in 2015 and, in 2016, we set out our first ambitious programme to deliver over 1000 additional affordable homes across the County².

There were two main reasons why we needed to provide more affordable homes in the county:

1. The steady reduction in number of the Council's own housing stock. This was due to the implementation of the Right to Buy in the 1980s,
2. The housing crisis that has made home ownership impossible for many households. This has created a greater demand for high quality rental homes in the county.

We are now in the fourth year of delivering affordable homes. The first three years have been very successful with nearly 700 homes delivered, ensuring that we are well on course to reach our 1000 homes target.

The delivery of affordable homes to date has been achieved by using a variety of solutions including buying private sector homes, supporting landlords in the private rented sector with our innovative Social Lettings Agency and bringing empty homes back into use.

It was always anticipated that, over time, we would need to provide even more affordable homes to meet the actual housing need in the County. As a result, and to ensure that we were in a position to deliver more homes, we have been continually looking at opportunities to deliver an ambitious new build programme.

¹ Our Commitment to Affordable Homes – Agreed by Council in October 2015

² Affordable Homes Delivery Plan – Agreed by Council in March 2016

3. Building over 900 new Council homes.....

The result of our work has enabled us to develop an ambitious programme that will deliver over 900 homes with a 10 year investment programme of nearly £150m.

We achieved this by:

- **Prudent Financial Management**

In November 2018 Welsh Government (WG) removed the Housing Revenue Account (HRA) borrowing restrictions placed on Local Authorities (LA'S) in Wales. Following this change we have undertaken detailed financial planning that has allowed us to commit over £53m in our Business Plan over the next three years for new build.

- **Setting up Cartrefi Croeso**

Cartrefi Croeso is our new Local Housing Company which is wholly owned by the Council. The company is able to access additional funding sources including prudential borrowing through the Council Fund and private finance. This additional financial flexibility enables the company to deliver a range of housing options, including mixed tenure developments which will include shared ownership, open market sale and social rented homes.

The Council's new build programme will support the company's overall offer on individual developments and further increase the number of affordable homes delivered.

- **Maximising External Funding Opportunities**

Over the last three years the Welsh Government (WG) have launched new funding opportunities that have enabled Councils' to build more homes. We have ensured that we have maximised these opportunities and taken up as much funding as possible. The external funding opportunities accessed to date have included:

- **Affordable Housing Grant** – this provides LA's with a 58% subsidy towards their new build costs. In 2018/19, we secured £4.6m for our new build developments at Dylan and Garreglwyd, exceeding our annual allocation by £1.8m.
- **Innovative Housing Programme Funding** – this programme encourages the development of innovative energy efficient homes with low carbon emissions and low energy bills for tenants. This funding covers all innovative aspects in the development. We have secured £4.7m in collaboration with Cartrefi Croeso for our new build Ty Solar development at Glanmor Terrace, Burry Port.
- **Self-Build Wales** – in January 2019 WG launched the new self-build scheme which aims to encourage more self-build homes in Wales. This scheme invites LA's to sell off land as plots for self-build with WG providing a 75% interest free loan to applicants for up to two years. The scheme is due to commence in the

summer of 2019, and we have already identified 3 developments that could benefit from this programme.

Our exciting new build programme will bring with it tremendous opportunities. It will:

- deliver high quality homes throughout the county with low running costs for tenants, promoting health and well-being as well as mitigating fuel poverty;
- target the areas of greatest housing need in rural towns and villages as well as the more urban areas of the county, including town centres;
- where possible, promote mixed tenure developments encouraging the development of sustainable communities;
- stimulate economic growth by creating local jobs and training opportunities, maximising the benefits of housing based regeneration; and
- allow us to design and build Council homes that are future proofed and maximise the potential of assistive technology and telematics.

4. Our approach and delivery models.....

Our new build programme will align with the principles of our successful Affordable Homes Delivery Plan. This will mean that we will:

- deliver homes in the areas of greatest housing need, with housing solutions based on the needs of the particular area e.g. more low cost home ownership in rural areas;
- deliver more homes for general needs households as well as specialist housing meeting specific housing need e.g. assisted living schemes for learning disabilities, mental health and older people's housing;
- deliver mixed tenure schemes where possible;
- provide homes in areas with good transport links and easy access to facilities;
- support the wider strategic regeneration priorities across the County;
- be flexible enough to take advantage of external funding opportunities; and
- be clear on our delivery timescales as soon as they are known.

Recommendation 1

To re-affirm the key delivery principles for the Council new build programme, aligning with our successful Affordable Homes Delivery Plan.

Our homes will also be built using a range of delivery models, including:

- developing homes directly, building on the success of the 48 homes already on site at Dylan and Garreglwyd;
- taking on board the pending recommendations of the Welsh Government's Affordable Housing Supply Review that will potential give the Council access to Social Housing Grant funding and the range of housing options this will present;

- commissioning homes through Cartrefi Croeso and supporting the company's overall offer on individual developments;
- developing homes to support wider strategic regeneration priorities throughout the county, including town centres and rural areas;
- developing partnerships with private developers where appropriate and maximising the affordable housing offer on developments;
- working in collaboration regionally with other LA's and Housing Associations;
- making best use of the Section 106 affordable housing planning obligations on private developments;
- utilising the new WG Self Build Wales model, encouraging delivery self-build homes in the County.

Recommendation 2

To agree the range of delivery models that will be used to build over 900 new Council homes, enabling us to offer a variety of housing options in different areas of the County.

5. Where will our homes be built?

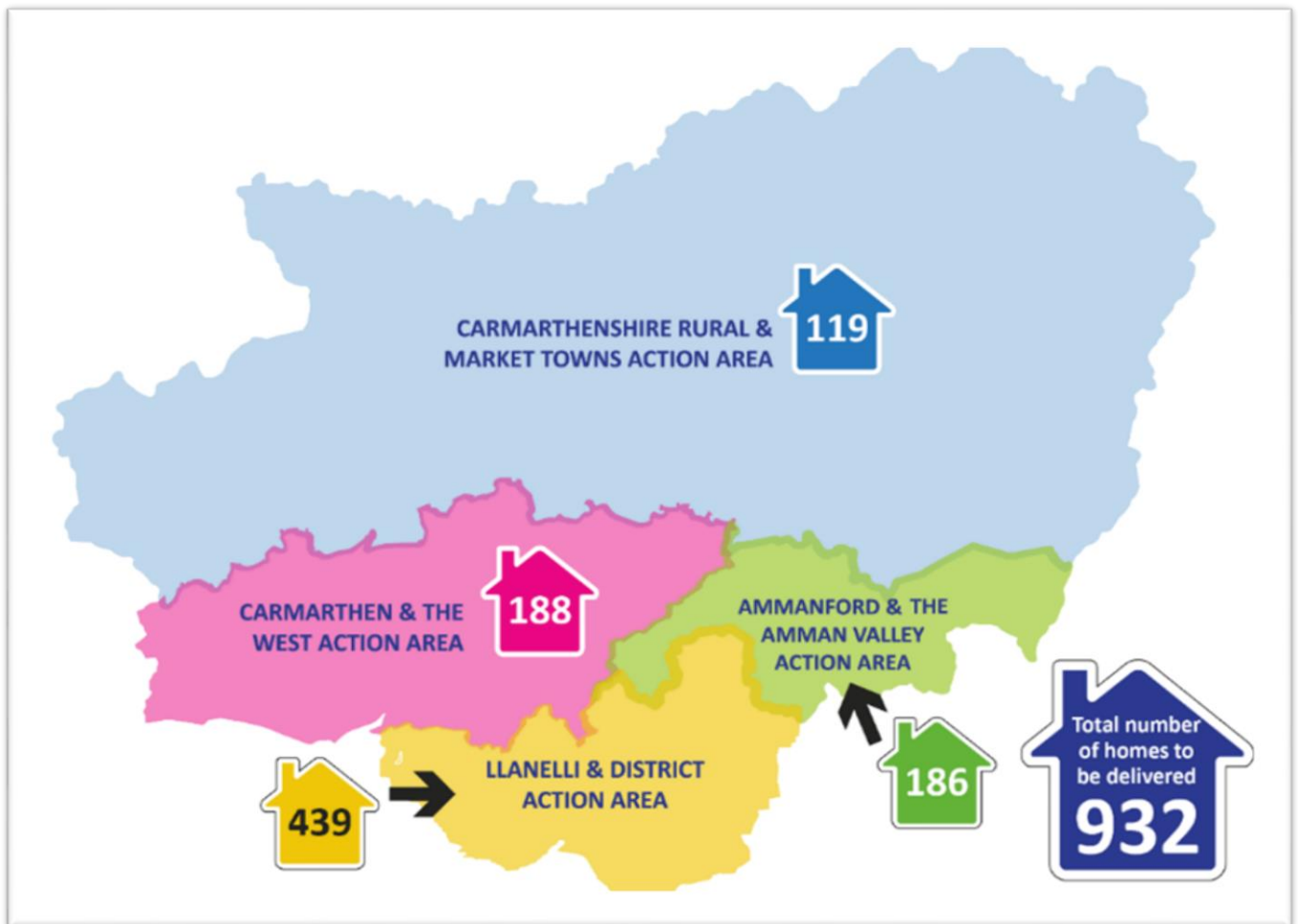
The delivery of our new build programme will follow the affordable housing action areas developed as part of the Affordable Homes Delivery Plan. Four action areas were created by building up wards in the county into distinct areas, which link geographically and culturally. The four action areas are:

- Carmarthenshire Rural and Market Towns;
- Ammanford and the Amman Valley;
- Carmarthen and the West; and
- Llanelli and District.

The number of affordable homes delivered by action area reflects housing need, the population and the new build opportunities available. **Map 1** on page six shows how the new homes will be delivered by action area across the county.

A financial summary is provided in **Appendix 1A**.

MAP 1 – Delivering over 900 New Council Homes by Affordable Housing Action Area



**This programme includes the homes we will buy in the action areas to meet housing need*

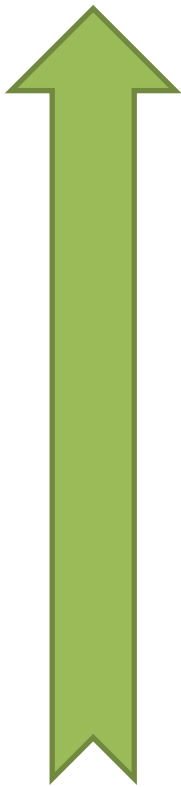
Recommendation 3

To confirm that the new Council homes will be delivered using the affordable housing action areas developed as part of the Affordable Homes Delivery Plan.

6. When will our homes be built?.....

Our new build Council development programme has been developed using a delivery phasing structure. The phasing structure reflects when the homes will be built and is based on a number of factors, including the likely timescales for delivery. The programme has three priority phases, as described in **Table 1**.

TABLE 1 – Delivery Phasing Structure

PHASE	CRITERIA	DELIVERY
PHASE A	<p><i>Detail confirmed, funding in place, planning agreed or imminent and:</i></p> <ul style="list-style-type: none"> • <i>meets housing need;</i> • <i>meets our wider strategic priorities;</i> • <i>supports confirmed developments by Cartrefi Croeso; and</i> • <i>can be delivered within the next 1 – 3 years.</i> 	
PHASE B	<p><i>Reserve Schemes – will be brought forward when funding becomes available. Scheme numbers to be confirmed. Priority will be on an assessment of meeting the following criteria:</i></p> <ul style="list-style-type: none"> • <i>housing need;</i> • <i>clearly meets our wider strategic priorities;</i> • <i>supports defined developments in future Cartrefi Croeso programme;</i> • <i>potential to attract external funding confirmed; and</i> • <i>deliverable in defined timescales.</i> 	
PHASE C	<p><i>Aspirational Schemes- require more detailed considerations in terms of scheme numbers, strategic priority, deliverability etc.</i></p>	

Phase B and C developments will move up into priority Phase A when all site information is complete, funding is confirmed and meets the criteria described above.

The detail on the developments in each Phase are highlighted in **Appendices 1B to 1D**.

Appendix 2 shows where the homes will be developed by Affordable Housing Action Area.

It will be important to ensure that the phasing structure operates with maximum flexibility, allowing us to bring in further developments as opportunities arise and replace existing developments if, for some reason, they are unable to proceed.

The programme will also be reviewed annually and our priorities re-stated to make sure it continues to be dynamic to deliver what is needed.

A monitoring framework is also being developed with the appropriate governance arrangements.

Recommendation 4

To agree the priority phasing structure to be used to determine when the new build sites will be developed.

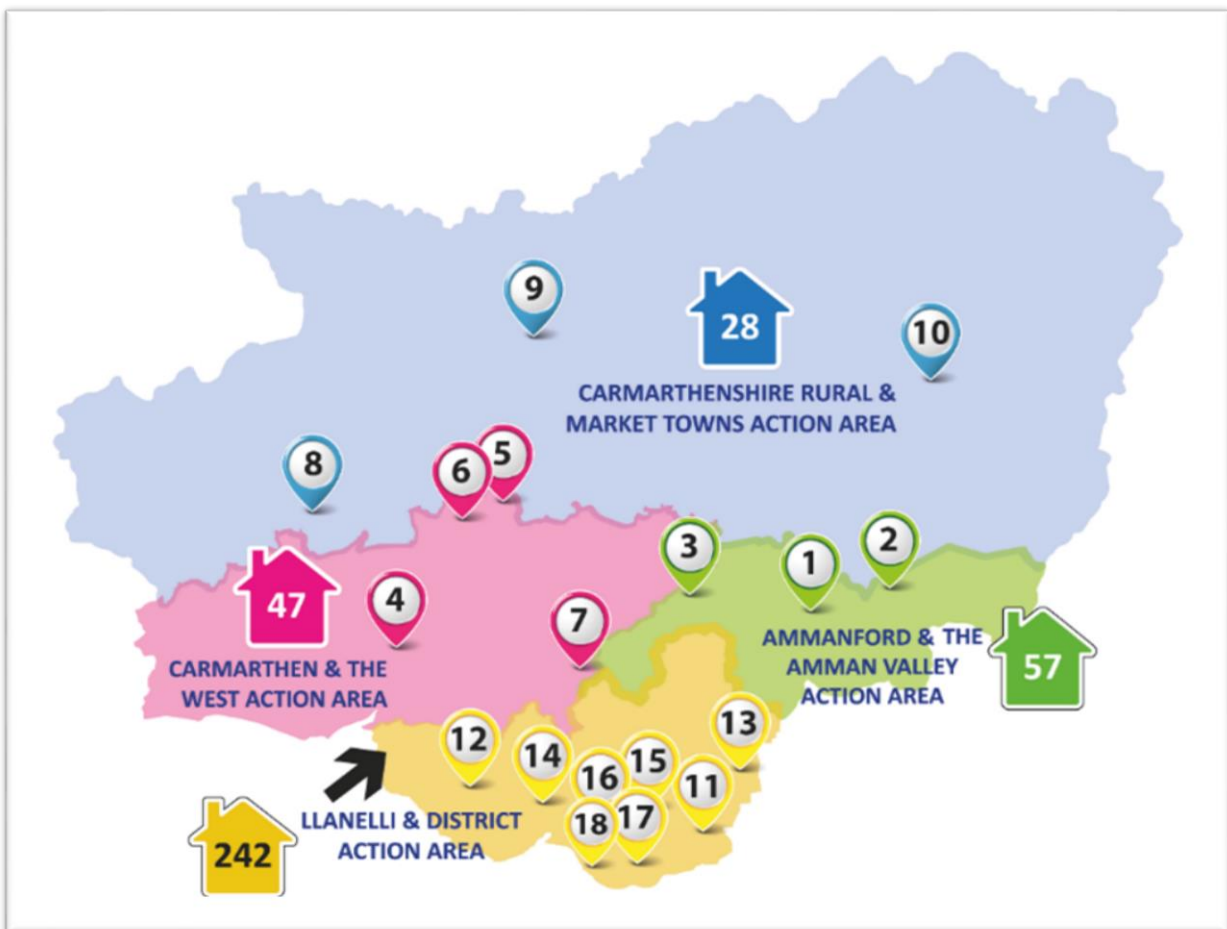
Recommendation 5

To confirm the criteria used to move developments from Phase B and Phase C into Phase A.

7. Our Council new build programme for the first 3 years.....

During the first three years of the programme over 300 new Council homes will be built with a total investment exceeding £53m. **Map 2** below shows where these homes will be built

MAP 2 – 374 Council homes to be delivered in the first three years



MAP KEY

1 - Gwynfryn, Ammanford	8 - Meidrim, Trelech	14 - Pentref Gardd, Burry Port
2 - Garnant	9 - Land at Alltwalis School	15 - Llanelli, Town Centre
3 - Nantydderwen, Drefach	10 - Land opposite Llangadog School	16 - Station Road, Llanelli
4 - Maesgriffith, Llansteffan	11 - Dylan, Bynea	17 - Assisted Living Scheme
5 - Assisted Living Scheme	12 - Garreglwyd, Pembrey	18 - Wellness Village, Llanelli (Assisted Living)
6 - Carmarthen West	13 - Llangennech	
7- Brynderi, Pontyates		

The investment required for the first three years is currently made up of £44m HRA capital funding and £9.3m of external grant funding³. The level of funding is, however, likely to increase as more grant funding becomes available from WG.

The detailed three year investment programme is shown in Appendix 1B (Council New Build – Phase A Developments).

The homes will be delivered by affordable housing action area, in areas of greatest housing need, using a range of housing solutions reflecting the needs of our communities. Homes will also be delivered to meet our wider regeneration priorities, including homes in rural areas, Town Centres, Station Road and the Delta Well Being village in Llanelli.

Our programme will also provide specialist accommodation e.g. assisted living schemes for learning disabilities, mental health and older people, as well as general needs homes.

We will work with partners, including Cartrefi Croeso, private developers and housing associations to maximise all external funding opportunities and deliver a range of housing options on mixed tenure developments. This will include low cost home ownership, helping low income families meet their aspirations of owning their own home.

We will take advantage of the new self-build Wales scheme and help promote affordable self-build homes in the county.

We will continue to buy homes on the open market in areas of high housing need, building on the success of this programme that has already purchased over 200 homes locally over the last three years.

We will also continue to be innovative looking for new opportunities to build more homes. This will include identifying additional funding opportunities. It will also include being innovative in the way we build homes, using innovative technology, mitigating fuel poverty, reducing carbon emissions and working towards zero carbon homes for the future.

Our approach will help develop the construction industry and the local supply chain by encouraging new ways of working including off site manufacture.

8. Delivering a lasting legacy.....

Our new build programme is ambitious and exciting. It will deliver the greatest increase in the number of Council homes in the County since the 1970's. It will also:

- improve health and well-being by providing high quality homes for some of the counties most deprived families;

³ £4.6m Affordable Housing Grant and £4.7m Innovative Housing Programme funding secured in 2018/19.

- stimulate the local economy, creating local jobs, training opportunities and maximising the benefits of housing based regeneration.
- enable us to develop a social responsibility policy that will set targets around apprenticeships and employment and look at innovative ways in which these can be delivered;
- create sustainable communities, places where people want to live now and for generations to come; and
- complement the variety of housing options that will be delivered by Cartrefi Croeso (e.g. low cost home ownership), which will further significantly increase the number of affordable homes.
- Ensure that we meet our commitment to delivering services in a sustainable way as required in the Wellbeing of Future Generations Act. (As shown in **Appendix 3.**)

Recommendation 6

To agree the first three year delivery programme for building new Council homes in the county, investing over £53m and creating over 300 new Council homes.