

Report to: Communities Committee, 8th November 2023

Report of: Corporate Director – Operations, Homes and Communities

Subject: 6 MONTH UPDATE REPORT - WORCESTER CITY HOUSING ENABLING STRATEGY 2023-2026

1. Recommendation

That the Committee:

1.1 Notes the contents of this report, and that a further report will be presented in June 2024.

2. Background

2.1 On 15th March 2023, this Committee received a [REPORT](#) and approved recommendations to adopt a Worcester City Housing Enabling Strategy and Delivery Plan and to recommend to Policy and Resources Committee, the allocation of £150,000 funding to recruit to a new post of Affordable Housing Delivery Manager for an initial 2 year period.

2.2 It is recognised that the demand and need for affordable housing in Worcester has and continues to increase whilst the supply has not increased at the same rate. In order to redress this balance in the City, a strategic vision, methodology, focus and commitment is required via a co-ordinated approach to maximise opportunities to deliver more affordable housing.

2.3 This strategy is focussed on the enabling and supporting delivery of additional affordable housing in Worcester and compliments other regional strategies including the Worcestershire Homelessness and Rough Sleeper Strategy and Worcestershire Housing Strategy.

2.4 The strategy outlines 8 strategic goals against which the delivery plan was developed and are highlighted in the table below.

Strategic Goals	
Goal 1	Maximise affordable housing provision across all development sites where there is a residential use.
Goal 2	Put in place a strategic housing and enabling function that supports the objectives of the HES.

Goal 3	Ensure that corporate objectives and planning policy and practice support the delivery of new affordable homes.
Goal 4	Build strong relationships with key partners leading to deliverable and quantifiable outcomes.
Goal 5	Maximise resources available from the public and private sectors to investment in affordable housing.
Goal 6	Promote and raise awareness of the benefits of affordable housing in the wider social and economic context.
Goal 7	Shape and action the Council's engagement in land promotion activities.
Goal 8	Establish the Council's appetite and explore the opportunities for joint venture working.

2.5 This report intends to provide Members with an update on the delivery of the strategy against the 8 goals as well as to set out the proposed areas of focus over the forthcoming 6 months, at which point a further update report will be brought back to this Committee.

3. Information

Goal 1- Maximise affordable housing provision across all development sites where there is a residential use.

- 3.1 This goal surrounds a number of actions to achieve targets on the delivery of affordable housing during the lifetime of the strategy. An ambitious and challenging target has been set of delivering 1,100 homes across the 3 years of the strategy comprising of 500 homes within the Worcester City boundary and a further 600 within the Urban Extension sites (these are the Wider Worcester Area sites contiguous with the City boundary but located in Wychavon and Malvern Hills, where the South Worcestershire Housing Accord is in place to ensure affordable housing is delivered to meet the needs of Worcester City, Wychavon and Malvern Hills) All urban extension sites have clear Local Lettings Plans to highlight how the affordable housing will be split per authority and will be allocated.
- 3.2 In 2022/23, a target of 200 homes was set with 201 being delivered comprising of 87 homes within the City boundary and 114 homes in the Urban Extension sites.
- 3.3 As part of this strategy in 2023/24, a target of 360 homes to be delivered across the City and Urban Extension sites was set based on anticipated development pipelines and underpinned by the 2021 Arc4 South Worcestershire Strategic Housing Market Assessment (SHMA) targets for delivery.
- 3.4 There have been no new Affordable Housing completions within the first two quarters of the year within the City due to delivery on large sites at Bromyard Road and Broomhall Way expected to be delivered in Q1 and Q2 being delayed. This has been for a number of reasons beyond the Council's direct control including construction

delays from contractors and build programme change, contractual and legal delays, and highways works required to re-engineer a distributor road servicing the site to meet adoptable standards.

- 3.5 It is expected that 30 properties are handed over during Q3 on the Bromyard Road site (of which 16 will be handed over in October 2023) with an additional 99 anticipated for delivery by the end of the financial year across the Bromyard Road and Broomhall Way sites. A further 83 properties across future phases of the Bromyard Road and Broomhall Way sites are anticipated for handover in early 2024/25. Both Bromyard Road and Broomhall Way are large sites where Homes England funding has enabled the sites to come forward as 100% affordable housing.
- 3.6 Up until the end of Q2, 54 properties have been delivered across the urban extension areas with a total of 111 properties forecast to be delivered within the urban extension sites by the end of the financial year. These sites include Swinesherd Way at Spetchley (Wychavon) and West Worcester and Earls Court Farm (Malvern Hills) Also included in this delivery, are the first 'First Homes' on Swinesherd Way which will be for Worcester residents to purchase a property at a discounted price, which will be secured for future sales via planning policy. Currently, 52 additional units are forecast to complete on the Urban Extension sites by the end of the Financial Year. These units will be at Earls Court Farm and on the Swinesherd Way development. Currently all developments are on-site and progressing well.
- 3.7 Based on current pipeline forecasts, it is therefore anticipated that 219 Affordable Housing completions will be delivered during the financial year 2023/24.
- 3.8 In addition to those larger sites outlined above which are more tangible to forecast in the pipeline for future delivery, a number of additional sites which have been identified within the City which are discussed at the Council's Affordable Housing Development Group to identify opportunities to bring these forward.

Goal 2- Put in place a strategic housing and enabling function that supports the objectives of the HES.

- 3.9 This goal surrounds the review of the strategic housing and enabling team, their functions, focus, responsibility and remit as well as the identification of resources required to focus on and support the delivery of Affordable Housing.
- 3.10 A new job role of Affordable Housing Delivery Manager has been created, funded from the Affordable Housing Reserve for an initial period of two years to further enhance and expand on the existing resources and skills within the team surrounding housing enabling.
- 3.11 This post has been recruited to with the new postholder commencing in role on 21st September 2023 initially for 2 days per week, increasing to full time on 20th November 2023.
- 3.12 Alongside this, a review of the structure within the Strategic Housing service has been undertaken which has enabled a small dedicated, focussed and specialist team led by the Affordable Housing Delivery Manager to be established to focus on the enabling and delivery of Affordable Housing.

3.13 The new postholder brings extensive experience to the Council to support its work on the delivery of this strategy and delivery plan.

Goal 3- Ensure that corporate objectives and planning policy and practice support the delivery of new affordable homes.

3.14 This goal surrounds ensuring that the Council's corporate objectives, policies, strategies and working practices are aligned to and support the delivery of Affordable Housing.

3.15 A new Affordable Housing Development Group has been established which meets monthly and has representation from services across the authority including planning, housing, finance and legal whereby sites across the City are brought forward to discuss options and to seek a collaborative approach to enabling and supporting delivery.

3.16 This group has included the review of Council assets as well as sites which are in progress or yet to be brought forward to ensure that all options for the delivery of affordable housing delivery are considered. The group is also informed by housing needs data, completions and monitors progress and delivery.

3.17 The Worcestershire Housing Strategy was adopted by Full Council on 26th September 2023 and the development of a Worcester City Action Plan is currently being undertaken whereby the delivery of Affordable Housing will feature as a key priority.

3.18 The South Worcestershire Development Plan Review was submitted on 27th September 2023 and associated evidence base documents to the Secretary of State for independent examination with Planning Inspectors appointed on 10th October 2023. This will include the identification of new sites, growth targets and a new Supplementary Planning Document for Affordable Housing.

3.19 A review of the needs assessment for the provision of temporary accommodation has been undertaken including the development of modelling of options to deliver the required provision. Additional units of temporary accommodation have been brought on board during the course of the year with further provision through the adopted models to increase quality, suitability and achieve best value for money planned over the next 6 months.

3.20 In addition to strengthening the authorities prioritisation of the delivery of affordable housing, opportunities to ensure that the understanding of the impacts on the availability and provision of affordable housing with wider partners are being undertaken to ensure that it also features as a strategic priority for them. This includes the sharing of data surrounding housing need and supply through existing City and County forums such as the Worcester Cares Forum, the Worcester District Collaborative, Worcestershire Housing Board and Being Well Strategic Partnership.

Goal 4- Build strong relationships with key partners leading to deliverable and quantifiable outcomes.

3.21 This goal surrounds maximising opportunities of working with key partners on the delivery of affordable housing in the City alongside building new and strengthening existing relationships.

- 3.22 A new Registered Provider Liaison Group has been established and meets quarterly to discuss opportunities for delivery of affordable housing in Worcester as well as explore opportunities for collaboration, to identify where barriers to delivery may be able and ways that this may be overcome and to share information on development pipelines and forthcoming opportunities within the City.
- 3.23 Individual meetings have also been held with the Corporate Director of Operations, Homes and Communities, the Head of Homes and Communities and senior leadership with key Registered Providers to further explore opportunities to increase the development and delivery of Affordable Housing.
- 3.24 In addition to regular liaison at a strategic level, operational meetings are regularly undertaken with key Registered Providers, developers and South Worcestershire District colleagues surrounding delivery of the South Worcestershire Development Plan.
- 3.25 In undertaking these liaison meetings, the strategic priority of the Council surrounding the delivery of affordable housing has been clearly outlined and has helped to inform officers of the challenges and barriers to increased provision and development within the City. This has included the lack of land availability, the scale of sites that are available as well as their level of complexity, levels of competition particularly with private developers, the operational challenges surrounding the management of high density and medium/ high rise developments and risk appetite.
- 3.26 Understanding the operating models surrounding affordable housing delivery such as land led vs s.106 delivery, grant availability and arrangements, existing development pipelines and where risk lies is enabling officers to develop a more informed understanding of development partners for specific opportunities and where gaps in provision exist. This will help to ensure that resources are most appropriately utilised and direct liaison with the most appropriate RP's and development partners. Furthermore, it has allowed discussions to be undertaken to identify where the removal or sharing of risk may support and enable affordable housing development opportunities to progress.

Goal 5- Maximise resources available from the public and private sectors to investment in affordable housing.

- 3.27 This goal surrounds the engagement of key funders for the delivery of affordable housing and the role of the Council in enabling delivery.
- 3.28 Regular meetings are held with officers from across the authority with the Department for Levelling Up, Homes and Communities and Homes England. This has enabled the need for the delivery of affordable housing in Worcester to be articulated including the shortfalls in delivery of the Affordable Housing Programme in Worcester. As part of this engagement, Homes England have identified Worcester as a priority delivery area for the Affordable Homes Programme who are also liaising with Registered Providers surrounding supporting the delivery of affordable housing in the City.
- 3.29 The Brownfield Land Release Fund provides funding for regeneration projects and to bring land or buildings back in to use to support the delivery of new homes and applications will be considered where this may enable development. DLUHC have confirmed that the next round of funding will be announced later in 2023.

3.30 In addition, meetings have been held with investors surrounding key development sites within the City to outline the role of the authority in supporting and enabling delivery of affordable housing.

Goal 6- Promote and raise awareness of the benefits of affordable housing in the wider social and economic context.

3.31 This goal surrounding increasing awareness and promoting the City as an area for investment and the delivery of affordable housing.

3.32 As outlined earlier in this report, proactive steps have been taken to directly engage with key stakeholders involved in the delivery of affordable housing including Registered Providers, developers and government departments.

3.33 The recently adopted Worcestershire Housing Strategy identifies economic growth and jobs and health and wellbeing as two of the four strategic priorities. Through the delivery of the Housing Strategy, links with the Housing Enabling Strategy and working with partners across the system, focus on the social and economic benefits of affordable housing will continue to be promoted. Workshops surrounding the key strategic priorities are planned for later in the year where these will be explored in further detail and used to inform the Worcester City action plan.

3.34 Actions included within this goal surround the development of a communication strategy and market engagement hub for stakeholders whereby key information surrounding housing need, funding arrangement and development opportunities can be promoted. This has yet to be progressed and will be an area of focus over the next 6 months.

Goal 7- Shape and action the Council's engagement in land promotion activities.

3.35 This goal surrounds exploring the opportunities, risks and resource implications in the Council developing its role in land promotion within the City.

3.36 Initial discussions surrounding land promotion have been undertaken with Registered Providers who have indicated a potential interest in further understanding how the Council may be able to develop this area of work.

3.37 Given the pressures and limitations surrounding land availability within the City and feedback from Registered providers surrounding the preference for larger development opportunities to benefit from economies of scale, opportunities around identifying and packaging smaller pieces of land together such as low usage garage sites, small derelict pieces of land etc. is being explored to create more viable options for delivery. This will include an options appraisal surrounding the Council's role in bringing these opportunities together and whether it may require direct intervention and investment and/or an enabling and facilitative role.

3.38 Further work is required to determine what the scope and feasibility of the Council engaging in land promotion activity may be, in order to inform whether a business case may be developed for consideration by this Committee.

Goal 8- Establish the Council's appetite and explore the opportunities for joint venture working

- 3.39 This goal surrounds establishing processes for assessing, evaluating and approving any joint venture opportunities presented by third parties.
- 3.40 The potential opportunity for engaging in joint ventures has been discussed with stakeholders however set models for the engagement of joint ventures has yet to be determined. Where enquiries have been made to the Council, these have been considered on an individual basis to assess opportunity, viability and risk.
- 3.41 Further work is required to establish models for joint ventures including establishing the Council's role in this such as land acquisition, site appraisals and decontamination to enable to reduce risk and increase viability of sites to partners.

4. Future Arrangements

- 4.1 In order to progress delivery of the Housing Enabling Strategy, as outlined in the report brought to committee on 15th March 2023 and further detailed in Goal 2 of the strategy, sufficient capacity and resources were required.
- 4.2 As a result, a key area of focus has been on identifying the necessary resources and realigning service provision which has resulted in a revised structure within the Strategic Housing Service and the appointment of a new post of Affordable Housing Delivery Manager.
- 4.3 A number of actions have been completed, progressed and established in to practice including laying the foundations through the establishment of stakeholder engagement and raising the profile and strategic importance of the delivery of affordable housing within the authority. A copy of the delivery plan with progress on actions is attached as **Appendix 1**.
- 4.4 With the appointment of the Affordable Housing Delivery Manager, it is anticipated that delivery of the strategic goals and action will be expedited to put measures in place to enable the increased provision of affordable housing delivery.
- 4.5 A further report will be brought back to this committee in 6 months' time to further update Members of progress on delivery of the strategy whereby a review of the delivery plan and core areas of focus will also be undertaken.

Ward(s): All
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Background Papers: Appendix 1- Worcester Housing Enabling Delivery Plan 6 month progress update