

Report of Chief Asset Management and Regeneration Officer

Report to Director of City Development

Date: 25th September 2014

Subject: Establishment of a Single Housing Growth Team

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The council has a key role in the delivery and maximisation of housing growth to meet the need for new homes set out in the Core Strategy. As a land owner, Local Planning Authority and investor in new homes, its role is pivotal in enabling and delivering this growth. Housing growth is critical to meeting the needs of residents and delivering the city's sustainable growth ambitions. Ensuring that new development is appropriate to the communities in which it is located and has the infrastructure required to support it is central to managed growth. If housing is to make a contribution to the economic well-being of the city, a truly cross departmental approach needs to be taken facilitating the engagement of all services and the partners they work with.
2. This report proposes that the resources engaged in delivering housing growth are drawn together as a single, multi-disciplinary team and proposes a small number of new posts to ensure that there is an appropriate level of dedicated resource to support delivery.

Recommendations

3. The Director of City Development is recommended to:
 - i) establish the Housing Growth team as described in the report
 - ii) note the contribution of £118,205 from the Housing Revenue Account and £141,111 from General Fund resources to City Development to pay for additional staff costs within the Housing Growth team.

1 Purpose of this report

- 1.1 To describe the establishment of a single team approach to the delivery of all aspects of housing growth
- 1.2 To note the contribution of Housing Revenue Account and General Fund resources to fund specific additional posts to provide some additional resources to meet the housing growth targets.

2 Background information

- 2.1 The Best Council Plan is driven by the best council outcome to improve the quality of life for residents. It includes within four objectives one of which is to promote sustainable and inclusive economic growth within which “maximising housing growth to meet the needs of the city in line with the Core Strategy” is a key priority. Housing growth is arguably uniquely cross cutting in that it can be an economic stimulant, contribute to sustainability and a lower carbon economy, contribute to place making and helping to ensure that neighbourhoods are safe, pleasant and desirable in addition to meeting specific needs and aspirations. In order for it to be successfully delivered it needs to be in the context of adequate infrastructure including connectivity to places of employment, school provision and greenspace. The housing itself needs to be of an appropriate type and tenure as well as being affordable, accessible and good quality. This proposal is to establish a delivery focussed team which pulls together these interrelated issues.
- 2.2 Given the pressure of population growth and anticipated demographic changes including an increase in older people and unmet need for social and affordable housing, it is clear that Leeds needs more housing of appropriate quality and type to meet the needs and aspirations of existing and future residents. Housing growth not only generates resources for the city including through Council Tax, New Homes Bonus and in the case of council housing ongoing rental revenue. It supports the objective of Good Growth by increasing housing options and improving the city’s housing “offer” and influencing how it is perceived by employers and investors in addition to directly stimulating the construction industry.
- 2.3 The delivery and maximisation of housing growth is via a range of linked activities:
 - delivery of market housing via the planning system and the release of deliverable sites, use of the council’s land and resources and pro-active dialogue with developers;
 - affordable housing delivered through Registered Providers including via the Homes and Communities Agency’s Affordable Homes Programme, s106 provision through market led schemes and through the council’s own grant funding programme (using Right to Buy receipts);
 - delivery of the Council Housing Growth Programme
- 2.4 The quantum of new housing required is set by the Core Strategy at 70,000 (net) new dwellings between 2012 and 2028. Following the Planning Inspector’s

consideration of the Core Strategy, it is proposed that this should be achieved at a rate of at least 3,660 until 2017 per annum increasing to 4375 per annum. The requirement for affordable housing is further defined as 1150 per annum.

- 2.5 Around 2800 properties were delivered in 2013/14, To meet the new target, new housing delivered via the private sector will continue to be the main source of supply and will be supported by the Homes and Communities Agency's Affordable Homes Programme which has the capacity to deliver around 600 units over the 2015-18 funding period, in addition to the Council House Growth Programme where the Council's Executive Board has approved £72m which will produce approximately a further 600 new homes also over the 2015-18 period and the return of 400 long term empty properties into occupation.
- 2.6 The establishment of a dedicated team will facilitate and co-ordinate the delivery of housing, having a very practical focus on the identification of resources and opportunities to unlock specific sites and drive forward strategic schemes.
- 2.7 In addition to the direct investment in new homes being made by the council and measures to facilitate growth including making land available, it is a further example of how the council is seeking to fulfil its enabling role. The growth team would bring together knowledge and expertise in housing delivery and act as a main point of contact for investors and providers.
- 2.8 Although there is evidence of market recovery, a step change in the pace of delivery is needed if the Core Strategy target is to be achieved. It requires a different style of delivery bringing a cross cutting approach to the supply of new homes .The establishment of the team would bring about that difference and its objective will be to support and facilitate that acceleration.
- 2.9 The team will have a practical and hands on focus. It will build on the success to date of cross disciplinary working within City Development where examples include the Housing Investment Land Strategy, the Brownfield Land Programme and the Older People's Housing and Care Programme. Tasks will include the analysis of sites captured by the Strategic Housing Land Availability Assessment to determine where intervention is needed and could be most effectively targeted. It will identify opportunities for example through the Homes & Communities Agency (HCA) programmes, Local Economic Partnership (LEP) resources and through the use of the Council's own resources to bring sites forward.
- 2.10 A recent example of this is the council's success in securing £8.6m grant funding to support the Council Housing Growth Programme which not only allows the council to stretch its resources to increase the programme but also establishes the council in a lead role in delivering housing growth. The Council Housing Growth Programme is the largest programme of new council housing and the first substantial investment in new properties for probably 30 years. The HCA's support is an indication of confidence in the council's ability to deliver and an endorsement of the strategic approach to delivery. In addition, a pipeline of sites was made available to Registered Providers to support their bids which will deliver 440 affordable homes through this route – another example of the proactive approach to growth taken by the Council.

- 2.11 The team will support the delivery of the drive towards quality in new housing provision. It will take forward the application of the “Leeds Standard” which reflects the drive to secure excellent quality housing through the Council’s own investment and to influence that of its partners.
- 2.12 The delivery of housing growth takes place within the context of an existing partnership structure – the Housing Forum and the Housing and Regeneration Partnership – which bring together the main agencies involved in development including housebuilder/developer representatives, Registered Providers (RPs), funders and lenders, 3rd sector providers and resident representatives. The team will engage with these existing structures ensuring the engagement of partners from a practical and strategic perspective.
- 2.13 Detailed tasks within the programme workstreams are set out below.

Programme Workstream	Main activities
Programme Management & Governance	<ul style="list-style-type: none"> Establish programme wide Project Management systems Commission housing market and other research Set Key Performance Indicators and monitoring progress Service governance and decision making arrangements Commission feasibility and viability work as required Develop relationships with partnership structure Ensure the housing growth programme supports economic growth and specifically supports access to employment and skills Ensure that the impact of housing growth on infrastructure, including the impact on services for children is embedded in the programme
Private Sector Housing Growth	<ul style="list-style-type: none"> Provide land supply intelligence and forecasting Lead the delivery of large and strategic developments Identify key sites where intervention is required and developing solutions for stalled sites Develop Strategy for use of commuted sums to support housing growth Develop dialogue with landowners and developers to identify barriers to delivery and specific interventions – liaising as appropriate with funders: HCA, LCR/LEP etc. Strategic liaison with developers and developing industry intelligence Deliver and embed the Leeds Standard
Self-Build and Custom Build	<ul style="list-style-type: none"> Identify and promote self-build and custom build opportunities Identification of council land where appropriate
Council Housing Growth Programme	<ul style="list-style-type: none"> Develop investment programme on the basis of need and demand Deliver and co-ordinate the construction programme Deliver of individual schemes from site identification through construction to handover including grant drawdown as appropriate Deliver the Empty Homes Programme Develop procurement strategy to drive up quality including the Leeds Standard as it relates to the council’s own stock Manage HCA grant funded programme
Affordable Homes Programme	<ul style="list-style-type: none"> Deliver the AHP including relationship management with the HCA and RPs to maximise the amount of investment to the city Lead and develop strategic approach to affordable housing including spatial distribution across the city Identify opportunities for co-investment with commercial developers and / or council housing growth programme. Identify type & tenure requirements and agree programmes with individual RPs. Identify opportunities for strategic use of council sites and manage associated site disposals.
Right To Buy receipts grant programme	<ul style="list-style-type: none"> Manage the grants programme to Registered Providers using RTB receipts Identify type & locational requirements.

	Establish and manage the RP Framework.
S106	Manage approved list of RPs ensuring adherence to nomination agreements, management standards etc. Agree site specific approaches utilising housing market intelligence.

3 Main issues

- 3.1 The establishment of a team to deliver housing growth will pull together existing and new resources in a unified team to deliver the Council's housing growth under the workstreams described above. Clearly the challenge to meet sustainable, good quality housing growth that the city can be proud of is a significant one. It will require an approach which is both inward facing so that services right across the council are engaged in its delivery and outward facing in making sure that the council's engagement with the development industry, providers, funders and lenders is effective and collaborative.
- 3.2 The proposed team consists of a number of dedicated officers who will be located together to ensure the appropriate communication and synergies working under the direction of a Housing Growth Manager. Officers will bring with them the connection to and expertise of their wider teams. They will be expected to form a bridge to their "home" teams ensuring appropriate input and expertise from services in a timely manner. For the purpose of legal, valuation and planning activity support and sign off from the relevant lead and Chief Officers will be required. In this way the team will be the focus for a fully cross council effort to deliver housing growth.
- 3.3 The programme team will take a "programme office" approach with the Housing Growth Manager leading the delivery of the programme, co-located and with support provided through PPPU to ensure adequate levels of governance and risk management.
- 3.4 The core team will consist of 17 staff in total, primarily drawn together from existing staff whose current work programme will be refocused onto this priority area. It is recognised however that there are specific shortages of specialist staff and therefore resources in **4 key areas** are proposed which are described below. It is proposed that these could be either recruited to or procured/commissioned as required so that resources are available as and when needed. The core team is supplemented by a wider team which will be engaged with the delivery of housing growth but which aren't wholly dedicated to the programme.
- 3.5 The proposed new roles and their functions are:
- 1 x Surveyor – to provide additional capacity for empty property acquisitions and disposals to housing associations; to support site assembly as part of the wider housing growth programme;
 - 1 x Technical / Highways officer - to provide additional capacity for delivery across housing schemes;
 - 1 x Legal officer - to provide additional capacity and expertise for delivery across housing schemes;

- 2 x Planning officers to provide additional planning resources for delivery across the housing growth programme

3.6 In addition the consolidation of a 1 existing temporary post and the regrading of an existing post within Planning to reflect the technical level of expertise required by the post.

3.7 These additional resources will provide some initial new capacity, needed to accelerate delivery. Over time and subject to an appropriate business case the size and scope of the team may change however given other pressures faced by the council in delivering its services and the resultant ability to re-orientate staff from other functions. The resource level will be kept under review and any supplementary resource requirements identified, the configuration of resources described plus the additional specialist posts is however proposed for immediate implementation.

Cost Summary

3.8 Funding for the new posts will be via Housing Revenue Account (reflecting eligible activity to support affordable housing growth) and from the General Fund.

3.9 The summary cost of the new structure is:

New post cost breakdown			HRA	GF
Surveyor	PO4	46,022	46,022	
Technical Services Highways	PO4	46,022	9,204	36,818
Legal Officer	PO4	46,022	46,022	
Planning Snr Urban Design Officer	PO2	35,646		35,646
Planning Landscape Architect	PO1	33,914,	16,957	16,957
			<u>118,205</u>	<u>89,421</u>
Post made permanent and regrade			HRA	GF
Planning DC Officer	PO4	46,022		46,022
Senior Planner	PO4	5,668		5,668
				<u>51,690</u>
total additional cost			118,205	141,111

This is an example of a bespoke approach wherein a dedicated team is formed to drive forward a multi stranded programme to deliver a corporate priority over the medium to longer term, as distinct from a short term task and finish project team. If successful the single team approach could be applied to other areas of council activities where delivery could be facilitated by this type of reconfiguration. Once key elements of the programme are delivered and sufficient traction gained in longer term aspects the team could be refocused or disbanded, members then returning to their home services.

Business Rationale and Targets

3.10 The Housing Growth Team will be responsible for the delivery and maximisation of housing growth in line with the Core Strategy target; at least 3660 homes per annum up to 2016/17 with the residual distributed between 2017/18 to 2027/28. The table below translates the average growth target for the Core Strategy plan

period of 3660 per annum into the main benefits to the city. The figures below are consistent with the Council's budget for 15/16 and 16/17.

Benefit Description	Benefit Impact £m
Council Tax	4.2 per annum
New Homes Bonus	2.5 per annum
Council Rental income	1 per annum
Contribution of housing growth to the economic growth objectives of the city	Non-cashable
Contribution of the Leeds Standard to excellence in design, reducing fuel poverty and placemaking within neighbourhoods	Non-cashable

(*note this is the total programme revenue netting off HRA borrowing)

- 3.11 Housing Growth has been steadily increasing over the last few years and for this year (2013-14) has an anticipated net figure of 2800 new units or 76% of the target figure. The difference between current and target figure is 860 units or £1.57m (Council Tax and New Homes Bonus) per annum.
- 3.12 If the Housing Growth Team, through its enabling and direct delivery activities had a prudent initial target of half of this, the amount of Council Tax and New Homes Bonus (General Fund) generated by the Housing Growth programme via the team proposed could therefore reasonably be quantified as **£787,000 per annum** plus all of the net revenue generated by the council housing growth programme of **£1 per annum**.
- 3.13 The Team will be tasked with generating external resources to support growth and build on the recent success in attracting £8.6m in grant funding from the HCA to support the affordable housing programme.
- 3.14 Following completion of the SHLAA which will provide an analysis of site capacities and likely timing of delivery, a detailed forecast will be arrived at and delivery trends presented. This will demonstrate what it would be reasonable to assume the market will deliver as it recovers and identify the additional output the team will be able to achieve, with associated stretch targets being set.
- 3.15 Progress will be measured against the Key Performance Indicators established following this exercise.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The proposal has been discussed with the Executive Members for Neighbourhoods, Planning and Personnel and for Transport and the Economy and the overall way forward is supported.

- 4.1.2 The Director of Environment and Housing and the Deputy Chief Executive, Strategy and Resources, have been consulted on the proposal and are supportive of it.
- 4.1.3 The proposal has also been at Property Forum (an industry led forum) as an example of how the council is seeking to use its own resources in response to the growth challenge.
- 4.1.4 Consultation with the Trade Unions took place on 17th October with representatives from Unison and Ucatt. The response to the proposal was positive and supported in principle. An issue was raised about the impact of workload on staff as a result of the housing growth programme but it was noted that the proposal included an increase in resources. It was also noted that recruitment to all the posts will follow normal procedures.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Due regard has been given to equality through the analysis of the potential impacts of the programme and the completion of a screening form. The main outcomes of the screening were that the delivery of housing growth could have positive implications for equality groups who are economically disadvantaged. The potential impact of the programme for a range of equality groups and the number of separate elements it contains, suggest that there is a need for project specific screening and assessment to ensure that equality issues can be addressed for each element.

4.3 Council policies and City Priorities

- 4.3.1 The project seeks to address the priorities set out within the Best Council Plan 2013-17 “Maximising housing growth to meet the needs of the city in line with the Core Strategy” within the objective “Promoting sustainable and inclusive economic growth”.

4.4 Resources and value for money

- 4.4.1 The resources provided will fund staff resources managed within City Development to deliver housing growth.
- 4.4.2 The Director of Environment and Housing has confirmed the availability of Housing Revenue Account resources to support the initiative; the Deputy Chief Executive, Strategy and Resources has confirmed the availability of General Fund resources which will be built into the budget strategy.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 There are no specific legal implications associated with this report.

4.6 Risk Management

- 4.6.1 The delivery of the programme will be adversely affected unless these resources are released. Risk management will be undertaken within the individual programme work streams.

5 Conclusions

- 5.1 The efficient and effective delivery of housing growth requires a co-ordinated and dedicated programme approach bringing together relevant services in direct delivery and dedicated support roles. Across the delivery routes for new housing it is appropriate that resources are provided from the Housing Revenue Account and from the General Fund as indicated.

6 Recommendation

- 6.1 The Director of City Development is recommended to:
- i) establish the Housing Growth team as described in the report
 - ii) note the contribution of £118,205 from the Housing Revenue Account and £141,111 from General Fund resources to City Development to pay for additional staff costs within the Housing Growth team.

7 Background Papers¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.