

Report to: Cabinet



Date of Meeting 6th October 2021

Document classification: Part A Public Document

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Review date for release N/A

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## A proposal for an Affordable/Social Housing Task Force

### Report summary:

This report takes forward the key recommendations coming forward from the Affordable Housing TaFF. In order to increase the amount of social and affordable housing to meet housing needs in the district the TaFF proposed the creation of a Task Force comprising a small team of officers employed to focus on delivering the ambition in the Council Plan.

It is recognised that in order to increase the output of social and affordable housing we need to provide the capacity, resources and skills and apply these to the single purpose of right home, right price, right place.

This approach is designed to create a 'step change' in the output of social and affordable homes using a variety of delivery methods ranging from Council own build, enabling Registered Providers, supporting Community Land Trusts, and if appropriate, the Housing Company model, influenced by the circumstances and opportunities arising.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

- (1) That Cabinet recommend to Council the appointment of a Housing Task Force with the staffing resource outlined in the report to deliver more social and affordable housing with a budget of £250,000 per annum for two years,  
And,
- (2) That Cabinet recommend to Council the creation of a Housing Task Force and that a budget is identified to finance the cost of the Task Force.

### Reason for recommendation:

To deliver on the ambitions contained in the Council Plan and the recommendations coming through the work of the TaFF to produce more social/affordable housing. There is a high demand for affordable housing from low income households who are unable to access other tenures and require a home of a suitable, size, in the right location and at a price they can afford. This initiative will help meet this demand and achieve our Housing Strategy ambition of - A Decent Home for All.

Officer: John Golding Strategic Lead – Housing, Health & Environment.

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Portfolio(s) (check which apply):

Climate Action and Emergency Response

- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

This initiative will have a positive impact on equalities by providing good quality homes for lower income groups.

**Climate change** Medium Impact

**Risk:** High Risk; There are risks associated with developing housing in a highly competitive market and each scheme will require a site specific risk assessment. The initiative does require a greater risk appetite as explained in the report.

**Links to background information** n/a

Link to [Statement of Intent](#)

Priorities (check which apply)

- Better Homes and Communities for all
- Greener East Devon
- A resilient Economy
- Services that matter

**1. Background**

- 1.1 The last meeting of the Affordable Housing TaFF received a conclusions report (slightly premature as the TaFF’s work continues), which pulled together the work of the TaFF and made a series of suggestions for achieving its primary objective of delivering an increase in the supply of new affordable and social housing. Having explored a variety of housing delivery options it was recognised that there was no single housing delivery model and adopting a range of delivery vehicles would mostly likely achieve the ambition of a ‘step change’ in the output of affordable/social housing.
- 1.2 It is recognised that increasing the output of affordable/social housing requires considerable commitment, investment, resources, skills and opportunities. The provision of affordable housing is costly, and social housing even more so as lower rents typically do not meet the cost of development or acquisition. Developing and sustaining a pipeline of new build housing schemes will require a dedicated task force or project team with a range of skill sets to give the best chance of achieving the stated ambitions. It will require a risk appetite and a financial model that demonstrates that programmes are financially viable over the long-term. There is also a desire to produce highly energy efficient homes whilst minimising the carbon impact of development consistent with our Climate Change Strategy.
- 1.3 The Council currently produce 200-300 new affordable homes per year. The Housing Revenue Account (HRA) contribution to this output is typically 20-30 homes per annum. The need for more affordable housing is highly evident, with demand outstripping supply and has resulted in an increase in the housing register and homelessness. However, there are competing financial pressures on the HRA from decarbonisation and modernisation projects, tenant safety and property repairs.

1.4 The TaFF learnt the following lessons during the research and investigations it has undertaken:

- Vision - what is to be achieved needed to be supported by a strategy and business model.
- Ambition – political ambition and clear community support is required.
- Investment – schemes were often not financially viable and large investment is required to deliver projects and meet shortfalls in development funding.
- Capacity & resources – these needed to be sufficient to deliver the ambition.
- Opportunities – for example land availability and preferred partner status.
- Risk appetite – this needs to increase to recognise the risks of development and acquisitions in a competitive market.
- Sustained focus – maintain the drive for delivery of housing to be a priority.
- Create a pipeline of opportunity – build up a programme of schemes.

1.5 The TaFF also discovered that there was a variety of delivery methods for increasing the output of affordable/social housing and that there was no 'one size fits all'. We learnt that in successful models considerable resources and finance would be required, with a dedicated team to focus on and ensure delivery. It was advantageous to work in partnership. There is an opportunity in preparing the Local Plan to ensure that the adopted policy supported and optimised the opportunities for affordable housing delivery. There are significant capital and revenue implications in increasing the output of social and affordable housing and intervening in a mature housing market. A fully costed appraisal would be required in the form of a business plan.

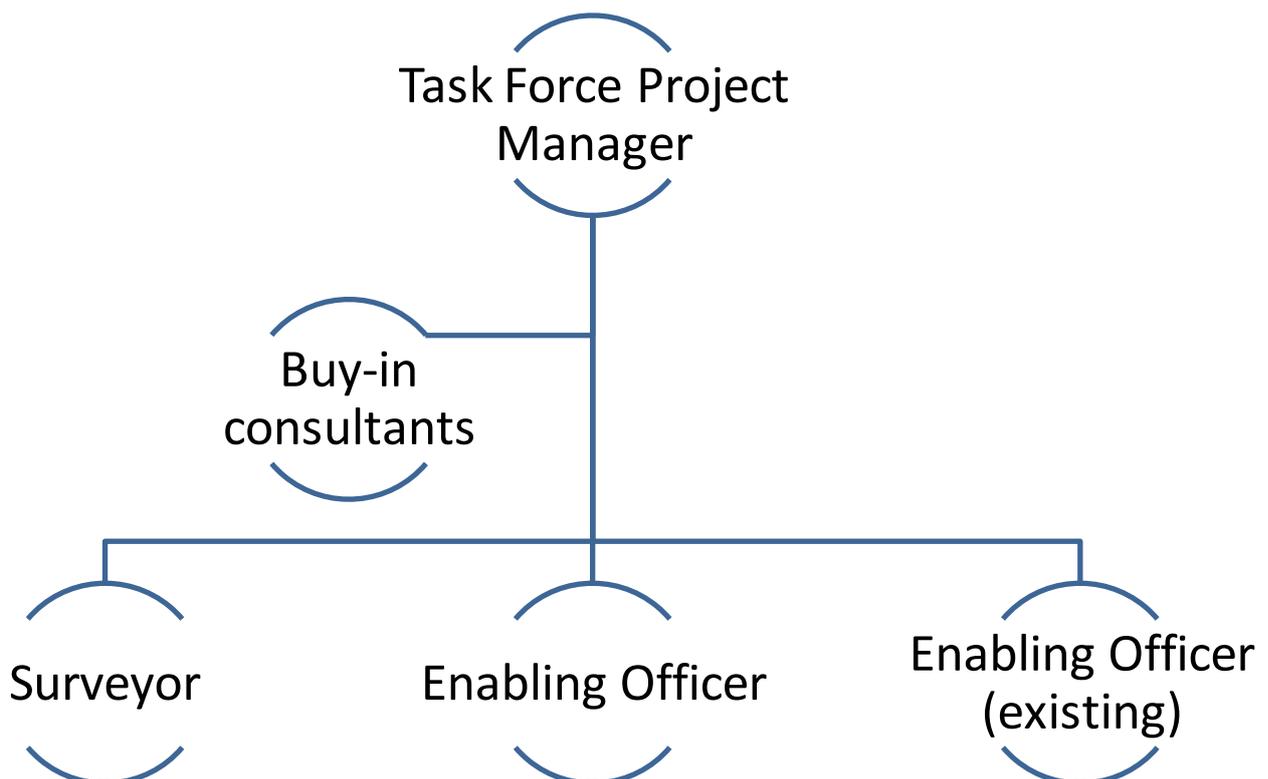
1.6 The TaFF report concluded that in order to achieve the stated ambitions of a 'step change' in output of new social/affordable housing the Council needed to adopt all or some of the following recommendations:

- Creation of a social housing task force through a combination of new appointments and secondments into a dedicated, single purpose, multi-disciplinary team managed within the Housing Service;
- Confirm increased output of social/affordable housing as a Council Plan priority;
- Establish a member Social Housing Delivery Group to support and oversee the delivery of social/affordable housing;
- Implement the range of delivery options contained in the report to the December 2020 TaFF;
- Recruit additional Enabling Officers to work in the social housing task force to support Registered Providers; Community Land Trusts and the Council deliver more social/affordable housing;
- Recruit a project manager to build up a programme of development projects and manage the specialist professions input required to deliver social/affordable housing projects;
- Identify and create secondment opportunities within the Council;
- Source support from an Registered Provider partner with a strong track record in development to help us 'kick start' a development programme;
- Establish a pipeline of development opportunities to form a programme of sites/schemes;
- Undertake an audit of corporate sites and identify any suitable for housing development;
- Operate a site finding, feasibility and viability process with a view to land banking sites that contribute to the pipeline;
- Promote the Council as preferred developer through the planning system;
- Align Planning Policy with affordable housing ambitions to optimise output of social/affordable housing;
- We need to consider our risk appetite and produce a risk register that allows us to make calculated development risks;

- Utilise the HRA development fund and develop funding models that enable us to sustain a pipeline of social/affordable housing development;
- Produce a fully costed project appraisal document for the task force/project team.

## 2. Taking the TaFF recommendations forward

- 2.1 A key lesson and success factor from past experience, and adopting learning from the TaFF, is to adequately resource the Task Force with the right skills and capacity. A dedicated resource can be focused wholly on the task and ambition. We need an agile team, free from many of the corporate demands with support to take acceptable risks to acquire land and property and develop new homes.
- 2.2 I am proposing a Project Manager with a single focus brief (delivering more affordable/social housing) at the equivalent of Service Lead level, but without all the wider corporate responsibilities, and a small team to manage and coordinate, with a budget to buy in specialist skills as and when required. The manager needs to be entrepreneurial, creative, experienced in housing delivery, energetic and enthusiastic. This manager is to be supported by a Surveyor role and another Enabling Officer.
- 2.3 I would also consider seconding our existing Housing Enabling Officer into the team. This officer works on spending our Right to Buy receipts, delivering our modest HRA acquisition programme and assisting Registered Providers and Community Land Trusts provide affordable housing. We are fortunate in having a surveyor in this role and someone who achieves a remarkable output and would make a valued contribution towards an enhanced programme of new social/affordable homes.
- 2.4 The cost of the Task Force would be split between the General Fund and HRA depending on whether the work involves additions to the Council housing stock or additions to Registered Provider or Housing Company portfolios. I expect a team cost of circa. £200k p.a. plus a budget to buy in specialist consultancy services. We also need to consider the long term funding of the team to ensure that the proposal is sustainable, recognising the need to deliver an ongoing pipeline of projects once the increased programme has been established.



<b>Surveyor role</b>	<b>Enabling Officer role</b>	<b>Enabling Officer role</b>
Project viability and feasibility assessments	Liaison with Registered Providers	Existing job description
Negotiations	Liaison with Homes England and other funding sources	
Site appraisals	Right to Buy spend and acquisitions	
Financing projects	Community Land Trust enabling/support	
Audit of EDDC sites to identify opportunities	Liaison with Planning	
Market search for land and acquisitions	Consultations and liaison with communities	
Managing risk and risk appetite	Provision of housing needs data and advice on housing needs surveys	
Prepare development briefs including the desire for low carbon development and energy efficient homes	Creation of a Registered Provider forum	
Submitting planning applications and negotiating planning conditions	Horizon scanning for opportunities	
Identification of a pipeline of schemes	Liaison with developers to secure purchase opportunities	

Consultancy services would be specialist advice from architects; valuation; Clerk of Works; cost appraisals; ground works; services; etc.

- 2.5 To put this structure into effect we need to work up job descriptions, evaluate the jobs for pay and remuneration, advertise and recruit. Without wishing to be pessimistic we have been experiencing recruitment difficulties and getting the 'right people in the right job' will be critical to our future success. I do not underestimate the challenge to get the 'set up' right in the current employment market.
- 2.6 We must clear the way for the task force to concentrate on a single, simple objective and avoid getting sucked into any unnecessary bureaucracy, whilst remaining accountable and accessible. It is worth contemplating reopening East Devon Homes and employing staff through the housing company longer term, but initially I suggest that the Task Force are hosted by the Housing Service.
- 2.7 There will be a need to call on the support of other Council services, including Legal, HR, Planning, Property & Estates, and Housing. Our Local Plan update will also need to be aligned with the raised ambitions for social and affordable housing.
- 2.8 An agile member oversight/steering group could be established drawing on the skills that some members have in the area of development and housing. Conceivably the TaFF could transform into the Social Housing Delivery Group mentioned above.
- 2.9 There is a sense of urgency behind this proposal as many of our residents are experiencing a housing crisis. Some 'quick wins' would be helpful to get the programme started, and the initial focus might be on purchasing 'off the shelf' completed homes and/or development of our own land such as garage sites, car parks and/or land a Millwey Rise, Axminster. There will be other sites identified as part of the stock condition survey on Council owned land

where homes will not be 'fit for purpose' in the future and redevelopment becomes an option.

2.10 If members are supportive of the next steps proposed we can start working up a business plan for the Housing Task Force and put our efforts into recruiting to the various roles identified.

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### **Financial implications:**

The report request an annual revenue budget of £250k for two years (2021/22 and 2022/23), because of the timing of approval being part way through 2021/22 it is likely a budget underspends will occur in 2021/22 which will be carried forward to ensure a full two year period of operation is funded. Estimated additional income has been identified of £500k over the period of 2021/22 to 2022/23 from additional business rates over the base income budget. This report is proposing this additional sum is utilised to kick start the delivery of more social and affordable housing seen as a key priority of the New Council Plan. In the unlikely event that this income does not materialise then business rate income reserves exist to mitigate the risk of committing expenditure before the income is received.

### **Legal implications:**

It is for Council to determine whether the approach advocated is agreeable upon the recommendation from Cabinet. Legal will provide advice, support and further comment on individual initiative or the future strategy approach when required. Otherwise the report does not identify any legal implications requiring comment.