



Housing Strategy report for Bracknell Forest

2016 - 2036

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BRACKNELL FOREST HOUSING STRATEGY 2016-2036

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1.0 Executive Summary

1.1 This Housing Strategy report seeks to align the Council's housing and housing-related existing and emerging planning policies with the six strategic themes which underpin the Council Plan 2015 – 2019 albeit within a national policy framework.

1.2 The four strategic priorities identified in the Council's 2009-2014 Housing Strategy were:

- supporting a vibrant housing market;
- providing affordable housing;
- providing the right homes for vulnerable people;
- contributing to sustainable communities

and remain central to the Council's thinking notwithstanding the major national policy changes introduced since that strategy was approved.

1.3. However the pursuit of these priorities has had to be substantially reinterpreted within the new policy context substantially introduced by the Localism Act 2011 and the National Planning Policy Framework introduced in 2012, as well as the Housing and Planning Act recently obtaining Royal Assent.

1.4. The Comprehensive Local Plan and Neighbourhood Planning processes currently in train and emerging changes in national legislation policy and guidance have and will set the context in which these national policy changes and the longer term implications of the recently completed Berkshire and South Bucks Strategic Housing Market Assessment 2013 – 2036 will be analysed and interpreted by Bracknell and its neighbouring local authorities.

1.3 The national context demands a proactive strategy. In particular such proactive intervention might include:

- Visioning for Bracknell Forest 2036 by supporting the communities of Bracknell Forest to think through where, their children and their grandchildren and parents will live.
- Taking the debate about future economic growth, health and social care, and housing affordability to the community to inform about options and requirements to secure and or keep a home in Bracknell Forest
- Undertaking a review of the council assets or development vehicles, land and property and the scope for prudential borrowing to formulate a strategy for their blended deployment in promoting, incentivising, triggering and enhancing the scale and pace of residential and mixed use development in line with the recommendations of the Housing and Finance Institute.
- Exploring the scope for enlarging the role of Downshire Homes in line with the recommendations of the Housing and Finance Institute to widen the Council's direct involvement in the local housing market and lead new initiatives subject to the Downshire Homes board approval.
- Engaging and marshalling the resources of registered providers around the formulation of a Bracknell Social Housing Community Charter which establishes a long term strategic relationship and commitment to the maintenance of a sustainable stock of affordable homes for rent and the stewardship of social investment schemes to support sustainable tenancies.

- Mobilising registered providers to promote, animate and sustain a programme of support for self build housing and to sponsor custom build, co-housing, cooperative and mutual home ownership initiatives targeted on private and social housing tenants and emerging households in the local community.
 - Engaging and marshalling the resources of private landlords and lettings agents in the borough around the formulation of an National Landlord Association (NLA) led review which aims to provide assurance and stability to both landlords and tenants in the PRS marketplace, extending rental periods and landlords' indemnification and facilitating discharge of duty into the private rented sector.
 - Engaging with Pension Funds and Insurance Companies proposing investing in private rented portfolios and off site construction to offer opportunities for large scale demonstration projects to establish Bracknell as a beacon authority in hosting and promoting this approach.
 - Undertaking with service providers, an impact assessment of the welfare benefits, workplace pension and living wage reforms on the ongoing availability, viability and cost of current and future local domiciliary care services.
 - Establishing a Bracknell Forest Extra Care and Retirement Village Developers Forum to actively develop a market for these older people's housing developments.
- 1.4 Such an approach provides a framework for a process within which local tactical responses to the unfolding outcomes of government policy innovation can be engaged and addressed as well as setting the direction of travel against which policy responses at a neighbourhood, borough and sub regional scale can be formulated.
- 1.5 This strategy proposes that the prevailing and ongoing uncertainties and challenges will be best addressed by the Council adopting a stronger and more proactive role in influencing the local housing market in order to protect and promote local economic growth by maximising the speed, quantum and sustainability of housing supply and optimising the value of council assets and the leverage they can deliver.

2.0 Unfolding National Policy Context

2.1 Since the adoption of the 2009-2014 Housing Strategy there have been significant national policy changes impacting upon the Council, its house builder and housing association partners and its residents.

2.2 The White Paper 'Laying the Foundations, a Housing Strategy for England', (published November 2011) provided the framework for the previous government policy on housing. The focus was on tackling housing shortage, boosting the economy, creating jobs and giving people the opportunity to get onto the housing ladder. The strategy led to the introduction of:

- New equity loan scheme aimed at first time buyers called 'Help to Buy'. This scheme enabled buyers with a 5% deposit and the capacity to raise a 75% (loan to value) mortgage to access the remaining 20% as an interest free loan for five years; the ceiling on the value of the property was set at £600,000.
- Subsequently Help to Buy ISAs have added further support by way of tax incentives to expand access to home ownership.
- Increased cash incentives for right to buy applicants from £16,000 to £75,000 thereby enabling many more social housing tenants to be able to buy their own homes.

2.3 In addition the Build to Rent programme was initiated providing loans to developers wanting to build private rented sector homes together with reforms to Council Housing Revenue Accounts and facilitation of real estate investment funds.

2.4 The Localism Act 2011, updated in May 2015, introduced:

- New freedoms and flexibilities for local government
- New rights and powers for communities and individuals
- Reform to make the planning system more democratic and more effective
- Reform to ensure that decisions about housing are taken locally including:
 - Neighbourhood Planning
 - Community Right to Build and to Reclaim Land
 - Community Right to Challenge
 - Enabling Councils to establish their own allocation policies for social housing;
 - Discharging the homelessness duty into the private rented sector.

2.5 The National Planning Policy Framework introduced in March 2012 established the presumption in favour of sustainable development and replaced most of the previous suite of planning policy guidance and policy statements focussing on three key roles for the planning system:

- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible

local services that reflect the community's needs and support its health, social and cultural well-being; and

- an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy

2.6 Specifically the NPPF required local planning authorities:

- to prepare a Strategic Housing Market Assessment to ascertain housing needs going forward;
- to prepare a Strategic Housing Land Availability Assessment to establish the availability, suitability and viability of land for housing development
- to provide a 5 year land supply to achieve the strategic requirement
- to produce a Housing Implementation Strategy and a Housing Trajectory to inform delivery

2.7 In 2012 the Welfare Reform Act introduced a wide range of reforms designed to make the benefits and tax credits system fairer, simpler and more affordable, improving financial incentives to encourage work, reduce poverty, worklessness and welfare dependency, and reduce levels of fraud and error. It introduced the Personal Independence Payment to progressively replace Disability Living Allowance; reassessed Employment Support Allowance claimants; introduced a cap on the amount working age benefits claimants can receive and the JSA Claimants Commitment.

2.8 Notwithstanding the benefits to be realized from these reforms, the ongoing process of implementing capped Universal Credit to be paid directly to the tenant, the introduction of Housing Benefit property size criteria, the setting of the Local Housing Allowance at the 30th percentile of market rents, and increasing the single room rate age threshold from 25 to 35 have increased local housing pressures on councils, landlords and tenants alike.

2.9 As part of the Government's approach to addressing the national deficit, in 2011 the DCLG through the Homes and Communities Agency changed its approach to grants for social housing developments requiring developers and housing associations to build units at lower levels of subsidy and let at a new 'affordable rent level' of 80% of market rent levels in the area. The model was based on the view that developers and housing associations could raise capital from investors and, on the basis of sharing benefits and risks, guarantee a return on investment and generate surplus for the development of further stock. At the same time the Homes and Communities Agency introduced new funding support for the development of private rented homes through the Build to Rent Programme with a target to build 10,000 new homes by 2015.

2.10 The 2011 Build to Rent programme promoting institutionally backed purpose built private renting was given further shape and focus in 2012 with the publication of the Montague report which recommended that Local Authorities use the planning system to encourage and facilitate Private rented sector (PRS) developments. Central Government was to release land holdings for PRS and was to provide targeted incentives to stimulate rapid development of new business models from a range of promoters:- public sector landowners, registered providers, or private sector house-builders.

- 2.11 More recently the Housing and Planning Act proposes 20% discount “Starter Homes” that will have to be provided on qualifying sites for the Council to be able to provide a planning consent. The concern is that this will displace the supply of new affordable rented homes and despite 20% discounts will still be out of reach for the majority of people in need of an affordable home. The average household income for those households purchasing shared ownership homes in Bracknell Forest was £ 38,000 in 2015/16 and 60% of those purchases were to local people. Such household income levels would require substantial deposits if they are to be able to take advantage of a starter home.
- 2.12 The Housing and Planning Act has significant implications for housing deliverability, affordability, regulation and enforcement and whilst many of the proposals will require secondary legislation the summary below outlines some of the key themes and ambitions.
- Providing a statutory framework for the delivery of Starter Homes and for self-build and custom house building, for tackling rogue landlords and recycling abandoned homes.
 - Extending Right to Buy discount levels to housing association tenants with cross funding from the sale of vacant high value local authority housing to fund replacement.
 - Deregulating Housing Associations and requiring tenants in social housing on higher incomes of over £30k (£40k in London) to pay market rents and simplifying the assessment of housing and accommodation needs of the community,
 - Introducing a more stringent ‘fit and proper’ person test for landlords, requiring Tenancy Deposit Scheme data to be shared with local authorities and amending the Estate Agents Act 1977 to allow the Secretary of State to appoint the regulating authority, and some leasehold enfranchisement reforms.
 - Making proposals to simplify and speed up the Neighbourhood Planning process and taking further intervention powers if Local Plans are not effectively delivered and devolving further powers to the Mayor of London
 - Requiring local authorities to hold a register of various types of land, with the intention of creating a register of brownfield land to facilitate unlocking land to build new homes; and giving housing sites identified in the brownfield register, local and neighbourhood plans planning permission in principle, and providing an opportunity for applicants to obtain permission in principle for small scale housing sites
 - Levelling up the enabling power to attach conditions to development orders for physical works so that they are consistent with those for change of use
 - Extending the planning performance regime to apply to smaller applications; and putting the economic benefits of proposals for development before local authority planning committees.
 - Allowing developers who wish to include housing within major infrastructure projects to apply for consent under the nationally significant infrastructure planning regime
 - Creating a faster and more efficient process for establishing Urban Development Areas and Corporations whilst ensuring that those with an interest locally are properly consulted at an early stage and improving the compulsory purchase regime, so it is clearer, fairer and faster.
- 2.13 This last proposal is intended to complement the further development of “Garden Settlements” as recently outlined in the “Locally led Garden Villages Towns and Cities” White Paper (March 2016) which states:

“We are proposing to strengthen national planning policy to provide a more supportive approach for new settlements. We are committing to legislate to update the New Towns Act 1981 to ensure we have a statutory vehicle well-equipped to support the delivery of new garden cities, towns and villages for the 21st century.”

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3.0 Current Challenges

- 3.1 Recently, the Berkshire Functional Economic Market Area Study and the Strategic Housing Market Assessment have joined the accumulating evidence base that is underpinning the development of the Bracknell Comprehensive Local Plan and joined the raft of other documents which have emerged across the Thames Valley in the past couple of years and which are influencing the spatial, social, economic and environmental shape of the sub region 20 and more years into the future.
- 3.2 In 2014, the Oxfordshire Strategic Housing Market Assessment (SHMA) was published and concluded that over 100,000 new homes are needed in Oxfordshire between 2011 and 2031. This was followed in 2015 by the publication of the Central Bucks Housing and Economic Development Needs Assessment (HEDNA) which identifies a need for 43,000 homes in the central Buckinghamshire area between 2013 and 2033. These projections have now been joined by the Berkshire SHMA showing a need for 112,000 homes between 2013 and 2036.
- 3.3 The result is a 'policy off' local authority identified housing need over a 25 year period in the above central Thames Valley area of over 250,000 homes. It is even possible that following scrutiny of the evidence base and application of any policy drivers this figure could increase further. Bracknell forest along with the rest of the Thames Valley authorities is in the midst of Local Plan preparation, alongside which the Borough is trying to shape a coherent and deliverable local housing strategy against a background of rising homelessness, an increasing shortage of affordable housing to rent or buy and an over 65 population projected to more than double by 2036.
- 3.4 Many of the local authorities currently undertaking consultations have, like Bracknell, a number of constraints, especially Green Belt and Areas of Outstanding Natural Beauty. Whilst 'constrained' authorities may look to the adjoining councils to assist in meeting this need, the significant level of housing need may mean that the few 'unconstrained' authorities simply cannot take all of the unmet need of the others.
- 3.5 The increase in density impacts on dwelling typology and intensifies the use of service infrastructure. It can score positively on environmental sustainability however and provide a more convenient setting for combating social isolation. It is however, unlikely to achieve all the quality outcomes that Bracknell has come to expect unless it is promoted within a dynamic programme of master planning, design coding and de-risking such has ben achieved in the town centre. Such an approach is resource intensive and probably outwith the council's future financial capabilities. Nonetheless if such densification requirements are applied to current council owned land – typically establishing 100+dph as the norm, the value added to the council's asset base could be significant.
- 3.6 Moreover where such landholdings were exploited through a development partnership, the upside to the council could be realised over the medium to longer term providing a buffer against the austerity driven volatility in the public finances. Clearly the typology implications suggest more terraced housing and flatted developments; a more "urban" massing and articulation albeit within the prevailing green envelope.
- 3.7 Acceleration in the development of "retirement villages" and "extra care" schemes, developments which are currently heavily oversubscribed by downsizing, mortgage free older home owners, will bring larger low density suburban semis and detached

properties into the market place, meeting that demand and fuelling even more older person housing in turn as Bracknell's over 75 age cohort doubles as we enter the 2030s. Commuted sums could enable existing 4 bed and larger homes to be purchased for large households out of this vacated stock given the dearth of such new build provision by registered providers and avoiding the new build premium associated with build for sale.

- 3.8 Delivering more value per hectare generally will enable some value capture to cross subsidise affordable housing though this will be easier to engineer within institutionally driven private rented developments rather than homes for sale. Shared ownership or discount market sale with appropriate covenants delivered by registered providers and/or equity held by the council would be more likely to deliver durable long term affordability measured against lowest quartile household incomes. Local employer participation in such development projects as land contributor, enabler, investor or simply end leaseholder would also help to dampen the ratio of housing costs against local incomes.
- 3.9 All of this requires a long term view and sufficient certainty to strike deals, not within the timescale of the typical house builder, nor the municipal or national government election cycle, but within a time horizon more familiar to insurance companies and pension funds if it is to be deliverable. However over the past twenty years local authority housing strategies have generally embraced a 3 to 5 year timescale and have concentrated on engaging the backlog of unmet need for affordable housing by bidding for resources from Central Government and coordinating the efforts of registered providers to deliver new homes and provide sustainable tenancies.
- 3.10 Such strategies were promoted and pursued in the belief that the gap between supply and the demand for affordable housing would be progressively narrowed, that homelessness would be largely eliminated and that emerging households could expect to access decent, secure and affordable homes in which to become active and productive citizens. However the post recession landscape has seen a fundamental shift in housing market conditions nationally, particularly in relation to confidence and credit availability; the growth in owner occupation has stalled and the renaissance in private renting has faltered.
- 3.11 Housing costs in Bracknell and neighbouring areas for both purchasing and renting are generally high reflecting the buoyancy of the local economy and proximity to London. Affordability pressures are also significant as the affordability of median and lower quartile market housing is on average around nine times the equivalent earnings. Coupled with constraints on access to mortgage finance, such a ratio is likely to preclude many from entering the property market without a significant deposit.
- 3.12 This has contributed to a significant shift in the tenure profile in Bracknell and neighbouring areas with a notable reduction in the number of homeowners with a mortgage or loan and a similarly significant growth in the private rented sector together with increased levels of concealed households, people living in shared and overcrowded households and a significant rise in homelessness largely arising from private rented sector churn.
- 3.13 However a range of initiatives aimed at increasing access to affordable owner occupation and stabilising the private rented sector initiated by both the previous and the current government have mitigated these negative outcomes to some extent. Nonetheless the fact remains that so long as the economic vibrancy of the Thames

Valley Berkshire LEP area continues, the gap between what increasing numbers of local people can afford and the cost of housing to buy or rent will widen.

- 3.14 Given these challenges, re-engineering the local housing market to enable local needs to be better served in the long term is not a task likely to be completed within a 3 to 5 year timescale. On the other hand, the opportunity of formulating the Bracknell Comprehensive Local Plan and associated Policies Map covering the period to 2036, coterminous with the SHMA policy horizon, provides the basis for framing a long term vision for the housing market and formulating a 20 year housing strategy for achieving it.

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4.0 Local Context and Background

Bracknell Forest Profile

- 4.1 Bracknell Forest lies 28 miles west of London, at the heart of the economically buoyant Thames Valley and is already a premier business location within Berkshire. The local economy is of above average size and productivity compares well with the county and nationally but the aspiration is to make the local economy even more successful for the benefit of all within the borough.
- 4.2 Good access links, a well educated labour force and the quality of the environment are key attractors to the companies that have and continue to locate here, including a number of multi-national organisations. Because of its popularity, the borough has experienced pressures on housing, infrastructure services and environmental assets including sites designated as being important for nature conservation at an international, national and local level.
- 4.3 The borough's estimated midyear 2016 population is 119,700 and is projected to rise to 138,000 by midyear 2036. The population is relatively young (median age 38.4 years) and whilst only 14% of the population (16,900) is aged 65 or over, compared to 17.7% nationally, this is expected to grow to 21% (29,600) by 2036 when borough population is expected to be 138,000. More particularly the growth in the over 85 cohort is expected to rise from 2,100 currently, to 5,300 by 2036 and then up to 10,500 by 2061 with significant implications for health, housing and social care going forward.
- 4.4 Currently the health of people in Bracknell Forest is generally better than the England average. Life expectancy is increasing and is currently 81.3 years for men and 84.2 years for women, which is higher than the England average which is 79.3 years and 83.0 years respectively. Smoking related deaths (261 per 100,000 population) and early deaths from heart disease (36.8 per 100,000) and strokes (66.4 per 100,000) are below national levels.
- 4.5 Bracknell Forest covers 109sq km of central Berkshire and includes the former New Town of Bracknell, together with Sandhurst town and the villages of Crowthorne and Binfield, along with a number of smaller settlements including Warfield and Winkfield. Close to London, the area has easy access to the motorway network (M3, M4, M40 and M25), Heathrow, and direct train links into London. The north and east of the borough form part of the Metropolitan Green Belt, whilst land south of Bracknell and east of Crowthorne is internationally important for nature conservation.
- 4.6 Before its new town designation in 1949, Bracknell was a small settlement of around 5,000 people. Bracknell Forest was earmarked for development as a 'new town' to alleviate the housing crisis after World War II. Bracknell New Town was designed on the neighbourhood principle with a primary school, shops, church, community centre and public house at the heart of each of the nine neighbourhoods. The original New Town development planned for a population of 25,000. However in 1961 the planned population was increased to 60,000 leading to major new development in and around the town centre which up until recently has largely reflected the legacy of New Town development though the commercial core is currently benefitting from major investment. The £240m town centre regeneration programme, called The Lexicon Bracknell, is well under way and due to open in Spring 2017. This will create a centre

which provides a vibrant economic, social and cultural heart to the borough bringing a high-quality mix of shops, restaurants and entertainment within vibrant public spaces.

- 4.7 Between 1949 and 1982 approximately 18,000 homes were built by both the Bracknell Development Corporation and private developers creating a somewhat different age profile to the housing stock to both that for England as a whole and the South East. Bracknell Forest consequently has a very low proportion of pre-1944 dwellings compared both to England and the South East whereas the proportion of dwellings built after 1964 is significantly higher than both national and regional averages.
- 4.8 Similarly, as a result of the extensive building programme of the Bracknell Development Corporation, Bracknell Forest initially benefited from a large social housing stock relative to other Boroughs in the south east although this has declined significantly since 1981 as a result of Right to Buy sales. Bracknell Forest now has approximately 48,280 properties within the Borough with 73% of these being owner occupied.
- 4.9 The average house price has remained well above the national average for many years. Prices continue to rise, reaching £ 334k in Q3 2015, up from £236k in Q3 2009 when the previous housing strategy was published. Average prices for flats and terraced houses over the same period have risen from £158k and £187k to £194k and £273k respectively. Finding acceptable locations for new housing and providing appropriate infrastructure continue to be major challenges for partners and residents.
- 4.10 The Council's Core Strategy Development Plan Document requires approximately 11,000 net new dwellings between 2006 and 2026 to be built at a rate which should have delivered 5,148 homes by 2015. However only 3,178 were completed in that period, a significant shortfall attributable to a number of factors including issues associated with the Thames Basin Heaths Special Protection Area, the economic downturn, the shortage of available sites and the longer lead in and implementation timescales associated with larger strategic sites.
- 4.11 The 2011 Census showed that 84.9% of the population was 'White British' and 15.1% of the population was BME and 'white other'. The proportion of school pupils from Minority Ethnic Groups has increased steadily from 10.8% in 2005 to 19.5% in 2015. 11.3% of pupils in Bracknell Forest schools have English as an Additional Language (EAL). There are 84 known first languages other than English spoken in Bracknell schools, although many of these in very small numbers.
- 4.12 The Council has undertaken research to understand the increasing diversity amongst faiths and beliefs across the borough. Census 2011 data showed that whilst Christianity (64.8%) remains the majority religion in the borough, Hindus are the largest religious minority group at 1.7% of the local population, followed by Muslims at 1.2%, Buddhists at 0.8% and Sikhs at 0.4%. Despite the steady change in the composition of the population, the area is generally a cohesive community where people get on well together.
- 4.13 Bracknell Forest is one of the least deprived areas of the country (ranked 287 out of 326 local authorities in England on the Index of Multiple Deprivation 2015). Property prices and levels of car ownership are significantly higher than the national average. However, these headline figures mask significant pockets of deprivation. For instance, 8 out of 19 wards in the borough have free school meal eligibility of over 10%. The borough rate is 8.5% compared to 15.2% nationally (Source: School Census January 2015). 9.3% per cent of 0-15 year olds in the borough are living in

poverty, compared to a national average of 19.0% and a South East average of 12.8%.

- 4.14 Bracknell Forest has 31 primary phase schools, 6 secondary schools (including 1 academy), 1 special school and 1 Pupil Referral Unit. Educational attainment of children and young people has improved significantly in recent years. Overall results are consistently in line with or above the national averages.
- 4.15 GCSE results nationally have decreased significantly following a range of changes to curriculum, assessment and examinations. The proportion of young people obtaining 5 or more GCSE grades A* - C including English and mathematics was 56.2% in 2014/15, just below the national average of 56.3%. The proportion of young people achieving the other main measure of attainment at Key Stage 4 (5 or more GCSE grades A* - C) is at 68% above the national results of 66%.
- 4.16 The number of people claiming Job Seekers' Allowance has fallen from a peak of 2.5% in March 2010, to 0.8% in August 2015. The figure remains lower than both the national and South East averages (1.7% and 1.0% respectively).
- 4.17 In March 2014, the estimated proportion of young people aged 16-18 in Bracknell Forest who were not in education, employment or training (NEET) was 4.5% (representing around 160 young people). This remains a key priority for the area.
- 4.18 The overall number of crimes in Bracknell Forest was 4,921 in 2014/15 - a reduction of 41% since 2008/09. Anti-social behaviour fell by 23% in 2014/15. In particular, personal anti-social behaviour is down 17.7%, Nuisance anti-social behaviour is down 19.1% and Environmental anti-social behaviour is down 27.5%.

5.0 Local Outcomes and Way Forward

- 5.1 The previous housing strategy had four strategic priorities and the outcomes and proposals in connection with those priorities are summarised below:

Priority 1 - Supporting a Vibrant Housing Market

- 5.2 The Council's Core Strategy Development Plan Document adopted in February 2008 required approximately 11,000 new dwellings between 2006 and 2026 to be built at a rate which should have delivered 5,148 homes by 2015.
- 5.3 Though significant allocated sites have recently come forward, disappointingly only 3,178 were completed by 2015, a significant shortfall attributable to a number of factors including issues associated with the Thames Basin Heaths Special Protection Area, the economic downturn, the shortage of available sites and the longer lead in and implementation timescales associated with larger strategic sites.

Net Completions

Monitoring period	No. of Dwellings planned (net)	No. of Dwellings delivered (net)
Completions 2006/07	572	131
Completions 2007/08	572	501
Completions 2008/09	572	467
Completions 2009/10	572	325
Completions 2010/11	572	410
Completions 2011/12	572	264
Completions 2012/13	572	390
Completions 2013/14	572	314
Completions 2014/15	572	376
Total completions to date	5,148	3,178

- 5.4 Moreover as at 1st April 2016 the Council is unable to demonstrate a 5 year housing land supply as required in Para 47 of the national Planning Policy Framework published in March 2012, the HLS now being 3.59 years.
- 5.5 Going forward however the latest Authority Monitoring Report noted a significant increase in the number of newly permitted dwellings (2,615) due in large measure to the approval of a number of strategic sites. The Council has also produced a number of planning briefs to provide additional guidance where sites are in multiple ownerships or are subject to landscape and heritage constraints with a view to enabling development.
- 5.6 However the pace of exploitation of the available opportunities has continued to lag behind expectations as set out in the Council's Core Strategy and feedback from both commercial housing developers and registered providers have pointed to a number of difficulties which have contributed to this outcome from their viewpoint.
- 5.7 Whilst the feedback has included the usual raft of issues associated with planning processes, some Bracknell Forest –specific issues have been identified which have contributed to the Borough's low "hit rate" against its Housing Trajectory. This is of particular concern as going forward it will influence the Borough's relative attractiveness to residential developers as a place to do business and further

undermine performance against plans especially if the prevailing wider policy uncertainties impact upon market confidence.

- 5.8 For the Council to recover the position on housing supply it is suggested that it will need to project and position itself at the top of the league table of local councils that developers like to do business with. That is not to relax any of those policies or practices that protect design quality, sustainable principles or functionally efficient infrastructure, in some kind of race to the bottom in housing standards; but rather to align the Council's approach with the ambitions of the best developers to create desirable homes in great places by becoming more proactive in the development process.
- 5.9 More employment of community-led master planning approaches at the outset to secure stakeholder engagement to drive popular proposals for the delivery of quality development will not eliminate dissent - but if such approaches are framed within a long term vision for the borough in which communities are invited to take responsibility for the economic and social well being of the next and future generations they should help create the momentum the Council needs to ramp up the pace of supply.
- 5.10 The issues of policy and practice which have been cited as impediments to securing shovel-ready sites in Bracknell in particular are the pace of section 106, section 278 and section 38 determinations. In addition there is a view that the current residential car parking requirements, particularly in proximity to public transport hubs are inconsistent with sustainability principles and are reducing land value and its efficient utilisation.
- 5.11 A further sustainability observation relates to the densities at which new residential development is currently being delivered which could be substantially increased with the attendant increased dwelling yield if this was more actively pursued at pre application stage within an "open source" stakeholder engagement framework.
- 5.12 Whether such perceived impediments to the achievement of housing trajectory supply targets are either significant or susceptible to remediation requires investigation but it is clear that defence of the status quo is unlikely to bring the step change in delivery performance which the achievement of current and future Core Strategy targets and LEP aspirations requires.

Priority 2 – Providing affordable housing

- 5.13 Since the inception of the 2009 – 2014 housing strategy there have been 2,079 net completions of which 613 (29%) have been affordable. Whilst the Council has sought to maximise affordable housing in connection with relevant residential planning applications, increasingly discussions around viability have impacted upon the proportion of affordable housing able to be secured.

YEAR	Affordable housing completions (net)	Housing Completions (net)	Affordable as a %
2006/07	29	131	22.1
2007/08	192	501	38.3
2008/09	197	467	42.2
2009/10	152	325	46.8
2010/11	113	410	27.6
2011/12	49	264	18.6

2012/13	66	390	16.9
2013/14	115	314	36.6
2014/15	118	376	31.4
Total	1,031	3,178	32%

5.14 The quantum of affordable housing delivered by residential developers is a function of total supply either on or off site or by way of commuted sums and augments the directly funded provision of additional affordable housing by the Council and registered providers through either HCA grant or Council/registered provider resources.

5.15 In particular the Council has made substantial contribution to affordable housing supply since 2011/12 through the investment of over £14m of stock transfer receipts delivering over 300 affordable solutions to meet housing need.

STOCK TRANSFER CAPITAL RECEIPT USE						
Programme	YEAR					
	2011/12	2012/13	2013/14	2014/15	2015/16	ALL YEARS
Enabling More Affordable Homes	19	63	122		200	404
My Homebuy	18	2	1	1	1	26
Council Mortgages	10	2	1	1	0	14
Cash Incentive Scheme	10	1	1		3	15
Temporary to Permanent	5	5	5	3	8	26
Best Use of Affordable Housing	2	0	0	0	0	2
TOTAL OUTPUT	64	73	133	5	212	487
TOTAL SPEND	£4,358k	£2,189k	£3,520k	£1,813k	£2,777	£14,657k

5.16 Registered providers remain the main engine of new and existing affordable supply for local people via BFC My Choice and the current review of the future of the Homes and Communities Agency has once again raised the possibility of housing associations becoming more accountable to local government. Whatever the outcome of that review the change in RP business plans in recent years stimulated by the steady reduction in grant support and upcoming reduction in rent levels suggests a close and continuing engagement to clarify and check the ongoing commitment of RPs to support housing need in Bracknell.

5.17 The breakdown of RP development-starts outside London in the third quarter of 2015 was 3% Social Rent; 13% Affordable Home Ownership; 56% Affordable Rent; and 29% Market Sale. This increasing dependency of RPs on Market Sale to make their business plans stack up is likely to increase. Add to this upcoming Right To Buy losses and increasing disposals of expensive to maintain stock and the Council's need to drive development to increase section 106 funded new supply becomes even more imperative.

- 5.18 In this situation securing the accountability of the Council's RP partners for delivering on stretched targets covering affordable housing delivery, tenancy sustainability, rebalancing under and over occupation, minimising major repairs voids, optimising relet turn round times and levels of investment is essential. RP's role in suppressing avoidable increases in housing demand by inter alia: sustaining existing tenancies through supporting income maximisation for tenants; preventing family break up; and dealing effectively with domestic violence and anti social behaviour is clearly critical.
- 5.19 In addition RP's stock investment strategies should minimise the need for major void works and their day to day management of their rented portfolios should minimise relet void times. In all these areas and in connection with RPs social investment the Council should expect balanced scorecard reporting and aim to encourage all Bracknell RPs to achieve at least "upper quartile" performance. RPs should also be expected to finance adaptations for the benefit of their tenants and not expect to divert Disabled Facilities Grant resources from needy owner occupiers and private tenants.
- 5.20 Beyond the basics of good performance the Council should also expect leading-edge innovation from its RPs or failing that certainly the early introduction of the latest industry initiatives for maximising the range and quantum of affordable housing products for rent and for sale. A typical programme would have three main aims: – to maintain rent levels at traditional social rent levels; (guaranteeing tenants low rents for the first 5 years of their tenancy with a review at year 5 to assess if they have accessed work); to help 1,000 tenants into work within 3 years; and to assist 500 tenants to access home ownership within 3 years. Such programmes additionally offer lifetime tenancies to residents with support needs.
- 5.21 Where RPs are performing well and actively innovating and aligning their resources with the pursuit of the Council's housing policy objectives collaboration including joint ventures should be explored to increase supply or enhance the quality or affordability of schemes by making available investment by way of debt or equity in addition to land, buildings or other assets. Typically, prudential borrowing, commercial lending and HCA grant are blended to invest in acquisition and improvement of problem properties to promote neighbourhood regeneration.
- 5.22 RPs should also be expected to support the Council in promoting, facilitating, driving forward and supporting Self Build; Custom Build; Co-Housing; Mutual Housing; and Co-Operatives. Whilst these arrangements currently make only a small numerical contribution to housing supply they offer opportunities for people currently poorly housed or unfulfilled as social housing tenants to seek more autonomy often in a cooperative setting – meeting their needs and often releasing an affordable property for someone else.
- 5.23 Custom Build, endorsed by the Housing Minister, Brandon Lewis as recently as 4th February this year, offers a route to homeownership for the resourceful, determined or simply desperate. The existence of a register alone is unlikely to secure much activity but RPs and entrepreneurial house-builders can provide the hand-holding required from "site and service" for the bold, to a labouring role alongside trade operatives for the more timid – the sweat equity route to affordable home ownership and of which the government says it is "determined to ensure self build and custom house building grows significantly".
- 5.24 Co-Housing schemes typically comprise 30+ homes, ranging from one bedroom flats to five bedroom houses plus a common house with a kitchen where meals and other

community-based social activities take place. RPs are well placed to raise awareness and develop and mobilise interest in Co-Housing amongst existing tenants as part of their social investment activities. Co-Housing is about individual homeownership in a setting which contributes to the Council’s sustainability strategic theme by reducing the carbon footprint of individual households through collaboration and sharing. Another example of RP innovation is a ‘mutual home ownership scheme’ (MHOS) that helps people on modest incomes get on to the property ladder and is designed to remain permanently affordable for future generations.

- 5.25 All of these initiatives contribute to social cohesion and community resilience, essential building blocks of stable civil society and offer safe environments that are ideal residential settings for the support of vulnerable people and the Borough’s RP partners should be expected to reflect these innovative projects in proposing bespoke initiatives that speak to the Bracknell situation.

Priority 3 - Providing the right homes for vulnerable people

Homelessness

- 5.26 Homelessness pressures have fluctuated since the 2009/14 Housing Strategy was adopted but despite the contribution of a number of agencies and the housing advice, housing options and homeless prevention services delivered by the Council, homeless demand increased significantly from 2013 onwards.
- 5.27 It is unlikely to reduce going forward. In 2014/15 the homeless acceptance rate of 2.25 per 1,000 households in Bracknell was the second highest in Berkshire and above the national average of 1.91 per 1,000 households.

	Applications	Main Causes of Homelessness				Total
		Family eviction	Violent relationship breakdown	Loss of private rented home	Other	
2011/12	139	17	5	40	0	62
2012/13	124	23	5	25	11	64
2013/14	202	29	9	56	14	108
2014/15	226	29	13	56	10	108
2015/16	214	52	16	54	19	141
TOTAL	908	150	48	231	54	483

- 5.28 The table above taken from the Council’s Homelessness Strategy 2015 -2020 summarises homeless demand over the last five years and demonstrates the significant increase from 2013 onwards largely attributable to loss of private rented accommodation which accounted for 38 % of all acceptances in 2015/16.
- 5.29 The table below shows the rise in private sector rents which over the period 2012 to 2015 increased by an average of 6% whilst the Local Housing Allowance for housing benefit purposes only increased by 3%.

Year	Room rent per month		One bed rent per month		Two bed rent per month		Three bed rent per month	
	LHA	MKT	LHA	MKT	LHA	MKT	LHA	MKT
2014/15	341	426	663	735	816	933	961	1143

2013/14	328	418	656	714	808	910	924	1178
2012/13	325	421	650	691	800	878	915	1069

- 5.30 The ongoing rise in private sector rents in part driven by the impact of adverse tax changes on the Buy To Let market is projected to exceed the rise in average incomes which along with the further anticipated reduction in the welfare benefit cap from 2017 suggests ongoing and increasing homeless pressures.
- 5.31 The rise in homelessness combined with a reduction in access to affordable accommodation – from relets and from new supply – has increased the Council's dependency on temporary accommodation which more than doubled from 2012 to 2015 as did the number of households in Bed and Breakfast accommodation with families largely placed outside the borough.
- 5.32 To combat this trend and reduce the rising cost of Bed & Breakfast accommodation the Council set up a Local Housing Company, Downshire Homes, towards the end of 2015 to procure accommodation to provide homes for homeless households, households with learning disabilities and/or autism and care leavers; and an initial portfolio of 20 two and three bedroom properties has already been acquired.
- 5.33 The Borough's registered providers estimate that the welfare benefit changes alone could impact on over 300 households suggesting an urgent need to stabilise the churn in the private rented sector, increase support for better budgeting for households at risk and ramp up the flagging supply of additional affordable homes whilst ensuring an adequate affordable short term provision of decent temporary accommodation. These imperatives are captured within the four key objectives of the Council's draft Homelessness Strategy:
- To deliver good quality advice and prevention services
 - To work in partnership to avoid duplication
 - To meet the need for emergency accommodation and
 - To maximise access to housing
- 5.34 Resources are being deployed along the homeless pathway in pursuit of these objectives aligned with complementary activities to safeguard the local economy; increase job opportunities and disposable incomes; stabilise churn in the private rented sector; support young people leaving care and combat domestic violence.
- 5.35 The direction of travel is to attain the DCLG 10 point Gold Standard for Homelessness Services.
- i. To adopt a corporate commitment to prevent homelessness which has buy-in across all local authority services
 - ii. To actively work in partnership with voluntary sector and other local partners to address support, education, employment and training needs
 - iii. To offer a Housing Options prevention service to all clients including written advice
 - iv. To adopt a No Second Night Out model or an effective local alternative
 - v. To have housing pathways agreed or in development with each key partner and client group that include appropriate accommodation and support
 - vi. To develop a suitable private rented sector offer for all client groups, including advice and support to both client and landlord
 - vii. To actively engage in preventing mortgage repossessions including through the Mortgage Rescue Scheme

- viii. To have a homelessness strategy which sets out a proactive approach to preventing homelessness, reviewed annually to be responsive to emerging needs
- ix. To not place any young person aged 16 or 17 in B&B accommodation
- x. To not place any families in B&B accommodation unless in an emergency and for no longer than six weeks

Older People

- 5.36 The Strategic Housing Market Assessment projections for older persons housing need by broad tenure 2013-2036, including specialist housing were summarized as follows:

	Market	Affordable	Total
NEED	1,340	856	2,196
SUPPLY	339	537	876
NET NEED	1,001	319	1,320

- 5.37 The Housing Learning and Improvement Network's SHOP@ tool for assessing the likely demand for various forms of older persons housing provision in the period 2014 to 2036 provided the details in the table below.
- 5.38 Future need for 2,448 Sheltered, Enhanced Sheltered and Extra Care is at predicted split of 1,490 rent (61%) and 958 (39%) leasehold. However the figures have been accompanied by some significant health warnings.

Category	Current Needs 2014	Supply	Future Needs 2035
Sheltered Housing	900	849	1,800
Rent	540	510	1,080
Lease	360	339	720
Enhanced Sheltered	144	27	288
Rent	144	27	288
Lease	0	0	0
Extra Care	180	0	360
Rent	167	0	122
Lease	13	0	238
Registered Care	792	450	1,584
Residential	468	269	936
Nursing Care	324	181	648
TOTAL	2,016	1,326	4,032

- 5.39 Firstly SHOP@ acknowledges that there is clear evidence that the restrictions on central block funding and the move to personalization at a time of reduced revenue funding will restrict the public sector extra care market. Most extra care growth will therefore be in the leasehold sector going forward.
- 5.40 Secondly the traditional sheltered housing market is unlikely to receive much capital investment for new facilities and many schemes which require regular high maintenance or investment to upgrade facilities will no longer be viable. Again growth will be in the leasehold sector as already evidenced in Bracknell where three Category 2 Sheltered Schemes have already been decommissioned and a flagship Extra Care Scheme developed.

- 5.41 Thirdly the underlying assumptions are based on ONS/POPPI predictions derived from 2001 and 2004 baselines respectively and therefore current local research is required to inform a reliable local strategy.
- 5.42 The Housing LIN recognizes that there will be a significant shift at some future date from the current 61%-39%% market split in favour of rental units to a 67%-33% split in favour of leasehold units, a market shift dependent on the attractiveness of an area to the private sector.
- 5.43 Recent discussions with commissioners have led to a review of the above figures. The following table provides a general framework to consider the future market tenure split for a locality based on its relative affluence/deprivation.
- 5.44 On the basis of these figures it is suggested that Bracknell should be planning for somewhere in the region of a 75% Leasehold – 25% Rental split going forward.

SHOP@ MARKET SPLIT 2035 OPTIONS - DEPRIVATION/AFFLUENCE SPLIT

	Most Deprived		Deprived		Affluent		Most Affluent	
	Rented	Leasehold	Rented	Leasehold	Rented	Leasehold	Rented	Leasehold
Sheltered	75	25	50	50	33	67	20	80
Enhanced Sheltered	80	20	67	33	50	50	20	80
Extra care	75	25	50	50	33	67	20	80

- 5.45 Closer analysis of the extra care figures nationally shows a huge discrepancy in the level of extra care provision within individual authorities. Those authorities that have embraced extra care development have expressed concerns that SHOP@ does not challenge the development of extra care sufficiently and is too reliant on retaining registered care beds. Housing LIN has suggested that it is becoming clear that the extra care commissioning strategy becomes self-fulfilling.
- 5.46 If an authority is fully committed to extra care, for example pump priming some revenue in from the preventative agenda, they will be successful and reduce residential care and placements and sheltered housing need. If extra care is funded from critical and substantial personal budgets only it will struggle in areas of limited leasehold markets and extra care will be lower than expected with residential care remaining high. It seems therefore SHOP@ should offer a matrix of need for authorities promoting an extra care growth strategy and those looking to developers to lead. Developers will naturally support authorities that are actively seeking growth so the current differences in provision of extra care are likely to further increase.
- 5.47 The need for the local authority to be proactive in driving the development of predominantly leasehold extra care provision has emerged as a key finding in a case study which examined a Council's leadership role, the need for dynamic stakeholder engagement to address behaviour and culture and the process of change management. The study found that the essential prerequisite is to create a vision of the future that all the key players can understand and own.
- 5.48 The three powerful drivers of the change process derive from an understanding that "demographic challenge will outstrip the capacity of existing services; financial

pressures are likely to increase; and the need to radically transform social care services to meet older people's changing expectations". Bracknell's Older Persons Accommodation and Support Strategy implicitly recognises that the current pattern of services is simply not affordable as the basis for meeting the needs of future generations of older people and the recognition that residential care does not provide a home.

- 5.49 Conversely majority leasehold extra care will not only deliver that extended continuum of home ownership central to the Council's housing philosophy but also enable some cross subsidy to support affordable rented provision within the same developments thereby raising the profile of older person as citizen rather than service user.

Priority 4 – contributing to sustainable communities

- 5.50 The three preceding strategic priorities; supporting a vibrant housing market; providing affordable housing; and providing the right homes for vulnerable people; will, if successfully accomplished make a major contribution to the sustainability of the Borough's communities which fundamentally rely upon local economic growth.

The contribution of a vibrant housing market

- 5.51 According the Montague Report 2012, £1m spent on house building supports 12 additional jobs per annum (7 directly and 5 indirectly) and for every pound invested in construction, £2.60 is generated in the supply chain. A simple overview would be to observe that the opportunity cost of failing to meet the Core Strategy target of new supply at an average construction cost of £200k (net of land cost) over the 2007/15 period has been 1970 x £200k or £394m. In jobs the opportunity cost has been 4,728 and in the wider supply chain a cost of over £1bn.
- 5.52 Going forward the value to the economy of achieving the delivery of an additional 635 homes per annum over the next 20 years at current average construction cost of £250k will contribute £3bn or 36,000 jobs and £7.8bn in the wider supply chain. In addition the tax take to the exchequer, the council tax and new homes bonus income and the spending power of additional households will also make a substantial contribution to the local economy directly or indirectly, reinforcing community sustainability.
- 5.53 New supply is only part of the story however as in the owner occupied stock BRE research has found that significant investment occurs within 12 months of resale of an existing home. A combination of DIY and contractor investment in kitchens, bathrooms and window replacement supports an average of £10k on building contracting and materials supply and significant purchases of furniture and soft furnishings are also associated with a change of ownership – the latter often also occurring with a change in tenancy.
- 5.54 Turnover of existing residential stock in Bracknell Forest was running at around 3,000 per annum in the early 2000s but declined rapidly to 1,000 in 2008/9. Sales have now reached 2,000 per annum delivering an estimated contribution to the local economy of £2m.

The contribution of affordable housing

- 5.55 Bracknell Forest Homes remains the premier resource for the ongoing supply of affordable homes and currently owns and manages around 6,000 rented homes, including 400 sheltered housing flats, as well as 1,100 leaseholder properties. Set up in February 2008 following the successful ballot of tenants and leaseholders to transfer homes from Bracknell Forest Council it has been a major contributor to community sustainability.
- 5.56 BFH is a major local employer turning over £37m per annum and providing 240 jobs with a direct and substantial contribution to the local economy. In addition its flagship Extra Care scheme is likely to be a game changer in older persons housing provision with a huge future economic and social benefit to the Borough's communities.
- 5.57 Moreover its top ratings for governance and viability make it a strong partner for the Council in addressing the challenges of the widening gap between incomes and housing costs that lie ahead. However whilst over the next 5 years BFH plans to build an additional 988 homes with 65% for Affordable Rent and 35% Shared Ownership only 248 of these homes are planned to be delivered in Bracknell Forest.
- 5.58 This loss of a potential investment in the Borough is unfortunate and in future the Council should aim to maximise opportunities for BFH's development capacity, derived from its Bracknell based assets, to be beneficially applied for the benefit of the Borough and its communities if at all possible.
- 5.59 A number of other registered providers have delivered affordable homes in the Borough and have significant forward programmes but few are able to make a clear commitment on future delivery unless already near shovel ready implementation.

The contribution of providing the right homes for vulnerable people

- 5.60 The Council contribution to combating homelessness through the Family Intervention Team, the Care Leavers Team, Environmental Health Officers and partners including Look Ahead Housing Association, Berkshire Women's Aid and numerous other agencies has had many successes since the 2009- 2014 Housing Strategy was adopted.
- 5.61 Whilst the current challenges are at present straining the Council's capacity to respond, the new Homeless Strategy, will if adequately resourced provide a strengthened safety net delivered with the professionalism and sensitivity upon which Bracknell's communities have come to rely.
- 5.62 Similarly community sustainability has been a core theme of the Older Persons Accommodation and Support Strategy ensuring that older people have access to the best opportunities and options for securing and remaining safely in the home of their choice.
- 5.63 The extension of Telecare services and their extension to hospital discharge has provided further support to people wishing to live independently. Equity release mortgages provided on a commercial basis are supporting repairs and improvements, augmenting Disabled Facilities Grants for adaptations for older people and for families with disabled children.

In the period 2008/9 – 2014/15 DFG activity was as set out in the table below:

YEAR	Total DFG Apps	DFGs Apps from Older People	Total DFGs Completed	DFGs completed for Older People	Total Grant Approved £	Average Grant £	Average Grant Older People £
2008-2009	38	21	43	NR	286,977	6,674	NR
2009-2010	54	37	82	NR	577692	7816	NR
2010-2011	75	50	67	44	638,643	6050	£6460
2011-2012	92	46	88	43	531282	6724	£5935
2012-2013	85	62	80	60	513108	7205	£4574
2013-2014	96	59	77	79	461983	5999	£4779
2014-2015	66	48	58	50	413240	5655	£4383

- 5.64 As forecast, the Department of Health substantially increased the national allocation for Disabled Facilities Grants through the Better Care Fund and the recently announced allocation for Bracknell Forest is £658,685.
- 5.65 Whilst the Borough's housing stock is relatively young as illustrated by the table below,

Age	Bracknell Forest	South East	England
Pre-1919	6.0%	17.9%	20.8%
1919-1944	4.9%	13.2%	17.7%
1945-1964	18.6%	23.1%	21.2%
Post 1964	70.5%	45.8%	40.3%

it has just under 1,000 mobile homes (park homes) with low standards of thermal efficiency arising from poor insulation and the use of expensive fuels. Following consultation with Mobile Home Park owners and residents to discuss options for resolving this problem some 65 mobile homes are being fitted with external wall insulation under the Green Deal Communities Project. Generally the legacy of post war New Town housing development standards and substantial use of energy efficiency programmes including Warm Front in recent years has meant that over 40% of homes have a SAP rating of 65+ whilst only 0.5% have a SAP rating of less than 35 – reduced from 9% in 2008.

- 5.66 However, modelling using BRE data estimated that 14% of private sector dwellings had a Category 1 HHSRS hazard and 5% of households were living in fuel poverty.
- 5.67 Combating these conditions is a high priority for the Council's Environmental Health Officers as it can lead to ill health and loss of accommodation and homelessness through dampness and mould growth. In addition fuel poverty is associated with hypothermia, falls and excess winter deaths and the Council is exploring the development of a mapping system to enable efficient intervention.

- 5.68 Downshire Homes current raison d'être is to provide temporary accommodation for homeless households to reduce the expenditure otherwise incurred in procuring bed and breakfast accommodation from the commercial sector. There are a range of other opportunities that the Downshire Homes board and Council could consider as set out below.
- 5.69 Having committed to a £6.6m loan to Downshire to acquire a portfolio of some 20 two and three bedroom houses the Council could consider enlarging this resource through further municipal or commercial lending or by way of equity investment to accommodate rising homeless demand for temporary accommodation and accommodation for the most vulnerable including people with learning disabilities and care leavers if such a request was made by the Downshire homes Board.
- 5.70 Another potential opportunity that Downshire Homes could pursue is to procure a portfolio of accommodation for market rent which could act as a hedge against the risk of the financial integrity of the homeless temporary accommodation portfolio being jeopardised by HB/Management Allowance changes downstream. Such a portfolio could include flatted accommodation both furnished and unfurnished available for leasing directly or indirectly to key workers in partnership with local employers.
- 5.71 A strengthened Downshire could enter into a joint venture with one or more developers or registered providers to enhance its ability to deliver market rent housing with the JV benefitting from short term PWLB interest rates on partner or third party land. Such opportunities would obviously be more attractive to prospective partners where the Council put its own land into the equation.
- 5.72 Such de-risking of housing development and rented portfolio management would need to be packaged to deliver a proportion of affordable/sub-market solutions such as to avoid state aid challenges necessitating the adoption of robust legal agreements and business plans. Once a built or acquired tranche of stock was in place and generating a surplus, commercial refinancing would allow recycling of the Council loan to support other projects. Clearly scale and equity contributions would increase the likelihood of affordable refinancing where debt/equity, interest cover and asset cover ratios could be satisfied.
- 5.73 With an appropriate understanding between the Council, Downshire and a private housing developer Downshire could also provide a conduit for section 106 commuted sums and sub-market sale properties within a growing portfolio of mixed market-rented and affordable sale and rent products, optimising the development value of Council owned land in line with the recommended approaches of the Housing and Finance Institute.
- 5.74 The Council could augment its current home ownership initiatives by supporting Downshire's development of new build homes for sale by packaging and targeting its assistance to prospective home buyers vacating social rented accommodation.
- 5.75 Downshire could also collaborate with volume build to rent organisations in providing a platform for innovation in construction such as fast-build off site housing systems, of the kind being promoted by Legal & General.

- 5.76 Downshire's development programme could also provide a laboratory for up-skilling homeless households, developing social capital through volunteering and other strategies for enabling them to acquire the resilience to sustain future tenancies such as the Enterprise Cube "Strive" courses for social tenants to start up their own businesses.
- 5.77 Clearly the careful consideration and prudent professional advice that has informed Downshire's design and development thus far will continue to be required to evaluate and monitor these potential opportunities .unfolding roles and their contribution to the achievement of the Council's long term strategic objectives. It will be for the Downshire Homes board to consider the future business of the Company in the context of its shareholders expectations.

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