



Havebury Housing Partnership

Development Strategy

Policy Number	HS 008
Date created	February 2022
Policy Lead Officer	Director of Development
Development Committee Approval	January 2022
Strategic Board Approval	February 2022
Approved by (inc date)	Strategic Board
Policy Review Due	January 2023

THE HAVEBURY HOUSING PARTNERSHIP

DEVELOPMENT STRATEGY

1. Introduction

- 1.1 The Havebury Housing Partnership (hereafter known as Havebury) last set a new Development Strategy in April 2018; it underwent a review in January 2020. In April 2021 we set a new corporate plan and later that year secured new financing to deliver the plan.
- 1.2 This Development Strategy will provide the direction and parameters to deliver the growth ambitions of our Corporate Plan 2021 - 2026; it will be reviewed annually throughout the lifespan of the plan.

2. Havebury's Corporate Growth Objective

- 2.1 Our aim is to provide new homes which meet the long-term housing needs identified in our area of operation. Our Corporate Plan 2021 - 2026 specifically includes Developing New Affordable Homes as one of six strategic objectives. The objective sets a target of building an average of 250 new homes per year. It also commits us to consider how new build homes impact upon the environment and place making.

3. Targets and Programme

3.1 Our Business Plan forecasts the delivery profile of our development programme; the plan breaks down the profile by tenure as well as the procurement route of land led or S106 as follows:

PROPERTY REPORT	2024	2025	2026	2027	2028	TOTAL
Committed						
S106						
Affordable Rent	27	19	22	0	0	68
Social Rent	0	0	0	0	0	0
Shared Ownership	6	2	3	0	0	11
Land Led						
Affordable Rent	0	0	0	0	0	0
Social Rent	0	0	0	0	0	0
Shared Ownership	0	0	0	0	0	0
Total Committed	33	21	25	0	0	79
Uncommitted						
S106						
Affordable Rent	0	0	0	0	0	0
Shared Ownership	0	0	0	0	0	0
Land Led						
Social Rent	12	47	0	0	0	59
Affordable Rent	15	0	0	0	0	15
Shared Ownership	14	45	0	0	0	59
Total Uncommitted	41	92	0	0	0	133
Not Approved/Unidentified						
S106						
Social Rent	0	0	0	0	0	0
Affordable Rent	0	0	0	0	0	0
Shared Ownership	0	0	0	0	0	0
Land Led						
Social Rent						0
Affordable Rent	0	0	0	0	0	0
Shared Ownership	0	0	0	0	0	0
Offer made (yet to be approved)	0	0	0	0	0	0
Yet to be Identified						
Social Rent	18	8	55	55	55	191
Affordable Rent	38	86	83	105	105	417
Shared Ownership	70	56	100	102	102	430
Total Yet to be Identified	126	150	238	262	262	1,038
January 2022 forecast	200	263	263	262	262	1,250
Corporate Plan	250	250	250	250	250	1,250
Variance	(50)	13	13	12	12	0

	Land Led	S106	Total
Completed	0	0	0
In Contract	0	79	79
Approved	133	0	133
Yet to be Identified or Approved	519	519	1,038
Total	652	598	1,250

52% 48%

3.2 The programme models an aspiration for land led development with an indicative split of an almost 50/50 balance between land led and S106.

However, current delivery indicates that it is more likely to flex towards an apportionment of up to 65% S106. A shift towards S106 would not have an adverse impact on the business plan as net cost per unit is lower than land led.

- 3.3 The Business Plan sets out an indicative tenure mix which is summarised as follows:

Tenure	
Affordable Rent	500
Social Rent	250
Shared Ownership	500

This mix is likely to evolve as the programme matures with continued grant funding for social rent.

4. Unit Types and Stock Profile

- 4.1 Current demand for rented homes across our operating area is skewed in favour of one and two bed accommodation:

	Total households on waiting list	1 beds		2 beds		3 beds		4+ beds	
Babergh DC	754	155	20.6%	318	42.2%	242	32.1%	39	5.2%
Braintree DC	2,464	998	40.5%	907	36.8%	447	18.1%	112	4.5%
Breckland DC	861	369	42.9%	301	35.0%	150	17.4%	41	4.8%
East Cambridgeshire DC	1,002	486	48.5%	306	30.5%	152	15.2%	58	5.8%
East Suffolk Council	3,973	1,910	48.1%	1,315	33.1%	610	15.4%	138	3.5%
Huntingdonshire DC	2,458	1,330	54.1%	692	28.2%	324	13.2%	112	4.6%
Mid Suffolk DC	587	121	21.5%	253	44.9%	162	28.7%	28	5.0%
South Cambridgeshire DC	1,763	880	49.9%	549	31.1%	239	13.6%	95	5.4%
South Norfolk Council	687	386	56.2%	145	21.1%	83	12.1%	73	10.6%
West Suffolk Council	2,034	1,054	52.0%	554	27.3%	305	15.0%	115	5.7%
Total	16,583	7,689	46.4%	5,340	32.3%	2,714	16.4%	811	4.9%

- 4.2 The table below shows Havebury's stock profile as at January 2021 (excludes sheltered, shared ownership and leasehold):

Size	2021 SDR	
	Units (of which flats)	Units as a % of total units
Bedsits	136 (100)	2.1% (1.6%)
1 bed	1,336 (1,016)	21.1% (16.1%)
2 bed	2,292 (630)	36.2% (10.0%)
3 bed	2,377 (57)	37.6% (0.9%)
4+ beds	187 (0)	3.0% (0.0%)
Total	6,328 (1,803)	100.0% (28.5%)

- 4.3 There remains an imbalance between our existing stock profile compared to demand. Our land-led rented development programme will therefore continue to be minded to local need, but also take into consideration management demands of particular unit types when delivered in significant numbers in a single location. We will also target the provision of smaller bungalows and houses over flats where practicable and financially viable to address demand and preference for these unit types over flatted accommodation.

5. Area of Operation

- 5.1 We will ordinarily seek development opportunities that sit within our heartland of the former borough council areas of St Edmundsbury and Forest Heath (now known as West Suffolk Council) and Mid Suffolk and Babergh. Outside these areas we will target the region's strategic growth and transport corridors of the A10 (capped at Ely), and the A14 and A11, capping the distance travelled to any new development at one hour from Havebury House in Bury St Edmunds. Ipswich and Norwich will not be targeted and will act as a further stop for any new developments on the A14 and A11. Emphasis will be placed on creating critical mass of at least 50 new homes in any new area that does not have existing Havebury stock within a ten mile radius. In exceptional circumstances, for strategic or political reasons, we will consider developments outside these areas, but all exceptions will be taken to Development Committee for approval.

6. Standards, Specification, and Sustainability

- 6.1 All developments will be built in accordance with Building Regulations and any local standards required by planning. All developments receiving Homes England grant will also be built in accordance with any standards they set. Our approach to quality standards and details of required specification are set out in Havebury's Client's Brief; our brief is subject to bi-annual reviews which involves input from the wider business, specifically the Assets Team. Approval of all developments is also subject to consultation and input from the Operations Directorate. All developments are risk assessed for quality assurance at approval stage and throughout the construction period; when considered appropriate we deploy a Clerk of Works on site to provide additional quality assurance.
- 6.2 We are committed to continuous learning and improvement: all developments are subject to a rigorous scheme evaluation 12 months after completion; the

evaluation picks up feedback from the occupiers and an assessment from the wider business as to the quality of the development in terms of construction and design and location. All evaluations are reported through to Development Committee and consideration given to how lessons learned can inform future developments. Development Committee also monitors KPIs on the number of defects per property and customer satisfaction as surveyed by our Performance Team.

- 6.3 We want all our developments to be great places to live. When considering and approving a development; we assess not only the design of the specific development but also whether the wider area is a sustainable location. Consideration is given to transport links, local amenities, and employment opportunities.
- 6.4 We are committed to addressing environmental sustainability and will ensure that standards on new developments align with the Government's emerging Future Homes Standard. We have resolved to take a 'fabric first' approach when improving the environmental qualities of our new-build homes. Where it is practicable and financially viable to do so, we will provide renewable heating systems to our new developments and specify them to exceed Building Regulations for energy efficiency. As a pilot scheme, during 2022 we will identify and seek planning permission on a site suitable for a small exemplar scheme employing passivhaus principles.
- 6.5 We will consider utilising modern methods of construction (MMC) on a scheme-by-scheme basis and will periodically test the market to establish whether a form of MMC is more financially viable than traditional construction.

7. Tenure

- 7.1 We will consider a range of tenures for developments as commissioned by relevant local authorities and the wider business. The default tenures considered are social rent, affordable rent, and shared ownership. Any other tenure will require approval from Development Committee.
- 7.2 Following the reintroduction of grant funding for social rent from Homes England, we will seek to prioritise social rent as the default rented tenure on any grant funded scheme.
- 7.3 Regardless of whether a scheme is delivered at affordable rent or social rent an affordability assessment of the impact of service charges will form part of the approval process for any new development.

7.4 Affordable Rent

- 7.4.1 We will deliver affordable rent where it is stipulated in S106 agreements or on land-led developments that are financially unviable to deliver at social rent but where there is still demand and support for affordable rent. Unless stipulated differently in any relevant S106 agreement, affordable rents will be set at 80% of the prevailing local market rent or Local Housing Allowance rate (whichever is lowest) and will be inclusive of service charges. In areas where there exists a dual rental market due to the presence of United States Air Force (USAF) bases, formal valuations will be instructed based on the domestic rather than the USAF market. An assessment of need, demand, and affordability will form part of the approval process for any affordable rent development.

7.5 Social Rent

- 7.5.1 We will continue to work closely with Homes England on pipeline schemes to secure social rent funding and will seek to deliver social rent where financially viable at both a scheme and business plan level. An assessment of both need and demand will form part of the approval process for any social rent development.

7.6 Shared Ownership

- 7.6.1 Shared ownership will offer a minimum entry point of 25% first tranche sale for S106 schemes unless otherwise stipulated and 10% on grant funded schemes. Rent will be charged on the unsold equity at 2.75%. We shall target achieving a minimum of 35% first tranche sales in accordance with our appraisal parameters. A target of £350k per annum in staircasing receipts is to be delivered via our Staircasing Strategy.
- 7.6.2 Shared ownership will only be considered on developments where there is demonstrable demand for the proposed units and evidence that the development will be affordable to those applicants seeking shared ownership; this evidence and demand analysis will form part of the approval process for all shared ownership developments. Exit strategies and stress testing will be considered at approval stage for all shared ownership properties; the default position for an exit strategy will be to consider converting shared ownership to a rented tenure. Performance of our shared ownership programme and monitoring of demand will be reported to Development Committee.

7.7 Market Sale, Commercial and Private Rent

- 7.7.1 Havebury's market sale subsidiary Four Sail Homes is dormant under the current corporate plan; however, in exceptional circumstances where it is necessary for viability or sustainability reasons, market sale could be considered. Other tenures such as private rent and commercial might be appropriate where it is demand led and required on the development. Development Committee and Strategic Board approval will be required for the development of any tenure other than affordable rent, shared ownership, and social rent.

8. **Remodelling and Empty Properties**

- 8.1 We will consider remodelling development opportunities where they meet the housing and regeneration needs of a local community and provide good quality accommodation. It is not anticipated that remodelling will exceed 20% of Havebury's land-led development programme.

9. **Supported & Older Persons Housing**

- 9.1 Supported housing (excluding Care and Extra Care products) will be considered when commissioned by a relevant strategic body or the wider business. Havebury is due to complete its Supported Housing strategy by April 2022; this may then commission specific housing to meet the needs of older persons. Where a scheme is not built to the same specification as general needs and where the revenue is dependent on third party funding, a physical exit strategy will be required for the fabric of the building as well as a documented revenue guarantee. In most instances it is expected that the exit strategy will be a

conversion to general needs accommodation. All supported housing schemes will require Development Committee approval.

10. Rural

- 10.1 We have developed over 240 rural homes (defined as developments in settlements of sub-3,000 residents) since 2015, representing 19% of delivery. We will continue to target at least 15% of development to be in rural settlements provided these can be delivered without the need for communal sewage treatment plants or requiring oil fired central heating. The provision of both has been found to cause affordability issues and hence rural properties that are 'off grid' and reliant on expensive heating and foul systems are considered for disposal when void.

11. Acquisitions and Land Banking

- 11.1 We will ordinarily look to purchase land subject to planning approval. Any unconditional purchases of land will require Development Committee approval.
- 11.2 Should there be a significant downturn in the land market then we would consider a land banking programme subject to Development Committee approval.

12. Local Authority Support and Planning Approval

- 12.1 We will seek Local Authority Strategic Housing support for all our affordable housing developments. Havebury and our consultants will work with the Planning Officers of the relevant Local Authorities and will make best endeavours to submit planning applications that receive Officer recommendation for approval.
- 12.2 Where planning applications are refused or where planning applications exceed their statutory determination period, we will seek independent expert advice on the merits of an appeal. Decisions on proceeding with an appeal will follow the terms of reference and delegations for the Development Committee: an appeal decision can be taken by the Executive Team if the scheme falls within their delegation.

13. Procurement

- 13.1 All developments will be procured in accordance with Havebury's Procurement Policy unless otherwise approved by the Executive Team or Development Committee.

14. Viability

- 14.1 All developments will ordinarily accord with our financial parameters set in our appraisal model and approved by Development Committee on an annual basis. Both the overall programme viability as well as analysis of individual schemes will be reported through to Development Committee at each meeting.

15. Charging

15.1 We will target that all new developments achieve Market Value Subject To Tenancy (a higher value than Existing Use Value Social Housing) when approved as part of the securitisation process.

16. Approvals

16.1 The approval levels and delegations in relation to development are set out in the Terms of Reference for Development Committee.

17. Consortium Working

17.1 We will consider selling development and Homes England services to other Registered Providers and Local Authorities subject to a business case and Strategic Board approval.

18. Monitoring And Responsibilities

18.1 The Development Committee, having formally adopted the Development Strategy, accepts responsibility for its implementation and for monitoring its effectiveness. Havebury's Director of Development accepts responsibility for reporting development matters through to both Development Committee and Strategic Board.