

## **MORE NEW HOMES - Executive Summary**

- The contribution which social housing providers have made to new supply in the Sheffield City Region has been in decline. There are a range of reasons for this which the LEP's Housing Executive Board identified in a study two years ago.
- The principal difficulty housing providers encounter is making new schemes financially viable. Many housebuilders and housing associations work in areas outside the SCR where this problem is not so acute. It is tempting for them to work in higher value areas.
- We therefore need to turn the SCR into a magnet, attracting providers with other choices into the City Region.
- This requires leadership, effective collaboration and a strong vision of how a substantial and sustained increase in supply can be delivered.
- Working together is giving us the confidence that we can be braver and solve "wicked" problems together.
- No-one has tried this before. Traditionally housing associations, house builders and other providers have competed with each other to secure the best deals for their own organisations. Our Housing Compact sets out how we will work together for the greater good, and not serve the self-interest of our own organisations.
- This proposal is the pre-cursor to a programme bid which we intend to co-create with the HCA. At its heart is a clear ask for freedoms and flexibilities for HCA funding programmes. This is essential to make the magnet work.
- We are seeking a ring-fenced allocation of £23 million per annum covering the period to March 2021.
- In return we undertake to deliver at least 278 new homes above the current trajectory in 2017/18 and 481 new homes in 2018/19.
- We plan to over-programme and to add to this total as we go in the ways outlined in the proposal.
- We believe we will overshoot the target we have set ourselves by a significant margin.
- To make this happen the Housing Executive Board and all social housing providers undertake to deliver these 15 accelerators:
  1. Maximise and co-ordinate effectively Public Sector Investment Funds currently available in SCR and tailor these to support housing growth and places;

2. Consider the benefits of the CA taking lead Investment Partner status;
  3. Increase the level of assurance by converting grant allocations from indicative to firm through collaborative working on land and planning;
  4. Work with housing developers to maximise the numbers from their own SOAHP allocations and ensure no double counting;
  5. Encourage all HAs to bid for further grant through CME (and more if HCA can consider further flexibilities beyond those added in the Autumn Statement);
  6. Attract other national HAs to spend their grant allocations in SCR;
  7. Work collaboratively to lever in more funds from private sector investors;
  8. Use public land to unlock delivery in difficult markets (through engagement of the Joint Assets Board);
  9. Work collectively on large strategic sites;
  10. Test off-site construction and the implications of working at a larger scale to get a positive market response;
  11. Develop and strategic partnership with health and social care;
  12. Collaborate with SMEs;
  13. Explore new housing models;
  14. Unlock smaller and rural sites through investment in infrastructure
  15. Drive economies of scale.
- In return we seek co-operation from the HCA in these 6 areas:
    1. The aspiration is for this collective investment to become a ring-fenced or devolved fund of (£23m) per year once the capacity of the SCR is at a level that gives all funders certainty and assurance on regular annual delivery and the management of risk.
    2. HCA to work closely with SCR Housing Executive Board and the Social Housing Compact to prioritise the various national funds that can contribute to realisation of the SCR Integrated Infrastructure Plan, including infrastructure funds, the Home Builders Fund, SOAHP and capacity funds;
    3. HCA to consider purchasing land jointly with Providers as a result of Land Agents working for RPs identifying new off market opportunities;

4. To be more flexible in the mix of tenures to respond to local market conditions, including the ability to recycle RCGF and Disposal Proceeds, and for funds to be switched between providers in SCR, based on an acceptable mix of units being provided at a SCR Programme Level;
5. To consider how the HCA's covenant can help secure more private investment funds to support Providers and lever additional private capital with a resultant increase in units;
6. To include Housing Associations as potential bidders for LA Accelerated Construction funds and for Providers to be commissioned directly under HCA's Accelerated Construction programme to help cover market sales risk; and to note.