

PCH Growth Strategy

2024 - 2029

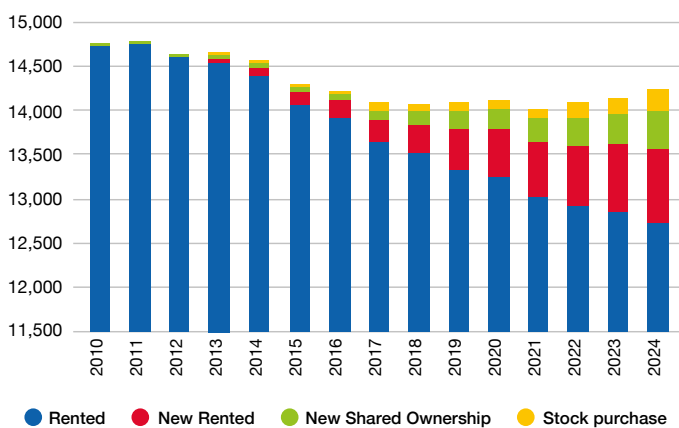


As a major housing provider in Plymouth, PCH brings specialist skills and significant resources to help create the vision for the City to grow into ‘one of Europe’s finest, most vibrant waterfront cities’.

With a population of over 260,000 (and a further 100,000 in the travel to work area) Plymouth already hosts the second biggest population in the south west (after Bristol) with an ambition to grow to over 300,000. Central to meeting this ambition is growth in employment and housing. This Growth Strategy outlines how PCH will contribute to the provision of a range of new sustainable homes over the next five years in Devon and Cornwall with our main priority being the Plymouth travel to work area. Central to meeting this objective is close partnership working with Plymouth City Council.

PCH has a strong imperative to grow. This Growth Strategy represents a step change in approach from decline in stock numbers and supports the Strategic Business Plan to ambition to grow by 10% (net increase of 1,448 homes) by March 2028 through development and acquisitions.

We have decided to do this in the face huge unmet housing need with increasing numbers of families living in temporary accommodation. Since transfer our stock number has reduced because of the demolitions at North Prospect and through ‘Right to Buy’ losses. PCH aims to be the leading housing provider of choice across a range of housing needs and tenures.



During the period 2024 to 2029 PCH will secure 1500 new affordable homes within Plymouth and the wider travel to work area. This includes for social rent, and shared ownership sale, as well as untenanted stock acquisitions. Recognising the demographic shift of increasing numbers of older people we will develop homes for the over 55 year olds, for wheelchair users and where there is a clear need, homes for people with learning difficulties in partnership with specialist support providers. This programme is forecast to cost almost £330m and relies on grant funding from Homes England, along with PCH internal subsidy and receipts from shared ownership sales.

Later in the programme as market conditions allow, we also aim to develop a small number of homes for open market sale to generate income to reinvest into the delivery of additional affordable housing.

The key resource required to meet this ambition is access to suitable land. To enable us to move quickly and make the most of opportunities we have set aside a £8m revolving land purchase budget. This was employed in 2023 to purchase land off Southway Drive without planning consent to ensure this longstanding derelict site is developed for affordable housing.

PCH is forward looking and on the move, ensuring social and financial investment in the right housing, to the right standard and in the right place at the right cost. Embedded throughout this exciting programme is PCH's commitment to maximise the spend within PL postcode along with the provision of training and employment opportunities for local people.



Regeneration

The completion of the North Prospect regeneration programme demonstrates our commitment to renew our existing housing to ensure it meets residents needs better and is fit for the future. North Prospect is the largest regeneration project in the south west involving the demolition of 796 houses and construction of 1,127 new homes, 650 affordable and 477 for open market sale. The principal objective was the rejuvenation of one of the most deprived areas of Plymouth which suffered from a range of social challenges and poor housing conditions. We have commissioned joint research with Homes England and Plymouth City Council to judge the extent to which these objectives have been met and to learn lessons for further regeneration projects.

We continue to review the quality of our existing housing estates and to carry out detailed option appraisals to determine whether reinvestment or redevelopment offers the best approach for our current and future residents. For example, such an appraisal determined the need to redevelop Brake Farm sheltered scheme of 53 properties in Crownhill consisting of a large block of studio and half-house flats on a steep site with no lifts. The buildings are no longer considered fit for purpose for housing older people. PCH is committed to sensitive close working with existing residents to ensure they are safely rehoused before the site can start during 2025/26. We are also carrying out an option appraisal with Plymouth City Council for the west end of of Plymouth city centre. PCH's Asset Management Team has developed an asset investment tool which will evaluate existing estates in financial and social terms, which due to the age and design of our housing stock, is expected to identify other estates in need of regeneration.

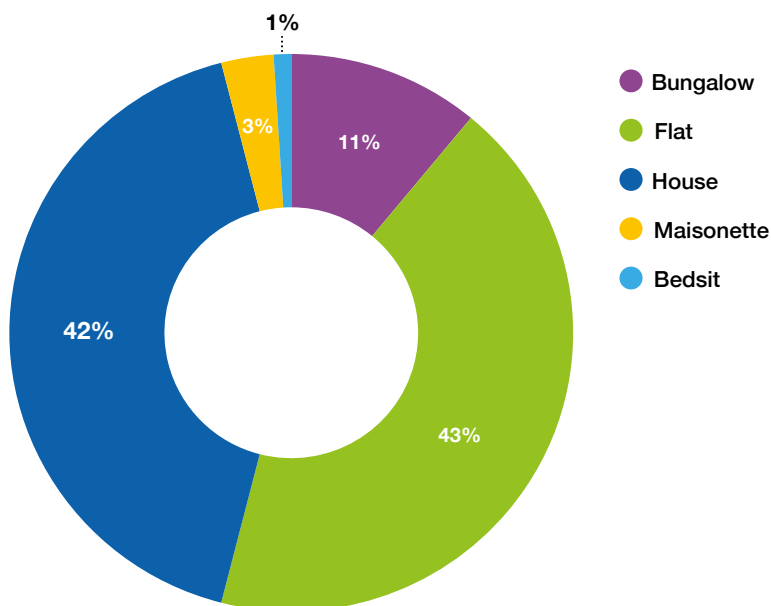


Development of new homes

We want to expand our housing offer to local people by building 1,500 new affordable homes over 5 years and then having a sustainable delivery of 300 homes a year; for social rent and shared ownership sale meeting a range of family needs. Most of these new homes will be for general needs seeking a balance in tenures of about 65% for rent and 35% shared ownership. The tenure mix and property type will vary on a site by site basis responding to

identified housing need and urban context. Property types across the programme will include 1 bed flats to 4 bed houses, for wheelchair users, homeless people and elderly as well as specialist learning disability flats in partnership with specialist support agencies.

We will aim to rebalance our housing offer; typically our stock is older with half being flats rather than houses.



The highest housing need is for one bed properties which have a higher turnover rates, however we have fewer houses than most providers which have a far lower turnover. It would for example take 65 years to meet the current housing needs for families needing four beds houses.

The aim therefore is to concentrate on 2 and 3 bed houses whilst offering a range of different house types and tenures to meet the ever growing housing needs faced by individuals and families in the areas we operate. We will determine what is delivered based on the nature and location of each individual site, in consultation with the local authority, based on identifiable housing need and the desire to create vibrant long-term sustainable communities.

Bed size	Demand on Devon Home Choice	PCH stock	PCH Voids 22/23	% Churn 22/23	Years to rehouse
1	5179	4363	351	8.0%	15
2	2447	5257	294	5.6%	8
3	1351	4096	107	2.6%	13
4	454	268	7	2.6%	65
5	100	13	1	7.7%	100

How we will procure these new homes

We will be flexible in our approach to how we deliver these 1500 affordable homes, either through land-led or S106 opportunities through private house builders. Our preference is to directly secure land and procure contractors to have greater control over the timing and quality of home provided. Feedback from our residents confirms this delivers higher resident satisfaction. We will consider working with house builders based on meeting stringent minimum design requirements. The type of programme will be flexible in response to emerging opportunities.

In terms of land led direct development, we will be building upon the success of previous projects including those at at Porsham Heights on the former Southway Campus site where we built 67 affordable homes and the largest Passivhaus development in the South West at Primrose Park in Whiteleigh with 72 affordable homes.

Underpinned by the over-riding principle ensuring we deliver the same service standard wherever the project is located, we have decided to extend our geographical reach to the whole of Devon and Cornwall.

New projects beyond the 30 minute travel to work area from Plymouth will need to meet three key principles to proceed:



The project is located adjacent or near to existing PCH stock which helps create a local cluster or hub of stock.



The opportunity is of significant size to create a new cluster of PCH stock in that locality. The size of the opportunity will increase the further away from Plymouth the opportunity is located.



The opportunity is in area with good prospects for future growth. These are likely to be in key settlements with good transport links identified within Local Plans as a future growth hub. Sites with few properties with little prospect for future expansion in remote locations are unlikely to be approved.

Acquisitions & partnership working

As we develop affordable housing further from Plymouth we will explore opportunities to work in partnership with other likeminded housing providers who may be better placed to deliver local high quality customer focused service to our residents.

Where we believe we can offer better services to residents and enhance PCH's financial and operational capacity

we will explore opportunities to acquire existing housing stock from other Housing Providers. This will especially be the case in Plymouth where we can build upon our considerable economies of scale. Each potential stock transfer will be reviewed on a case by case basis with housing management arrangements and stock quality being the overriding considerations.





PCH ambition – housing products

The quality and type of new housing delivered will express PCH's commitment on ecological sustainability, to local communities, on design quality, as well as affordability. Underpinning these commitments is the fundamental need to deliver the right type of accommodation for the present and future needs.

Design quality

PCH will deliver high quality new homes in terms of sustainability, design and specification standards. We will ensure that the design of new estates is 'tenure blind' i.e. all tenures have the same appearance and have a similar specifications (subject to maintenance considerations). PCH measures the quality of design through detailed annual resident feedback and used to inform changes to our Employer's Requirements standards.

However, PCH recognises that it cannot control the design on all types of development, particularly on S106 opportunities. These are developments delivered through planning obligations on private developers usually accounting for 20% – 30% of the total estate. PCH has a clear set of minimum standards for such schemes which

will be updated as part of the wider new Home Standard being developed across PCH and is also continuously updated in response to feedback from residents.

All new projects face a rigorous gateway approval system which includes colleagues from Asset Management, Maintenance and Housing Management, who scrutinise each new project to ensure they meet the needs of future PCH residents. Existing PCH residents have the opportunity to scrutinise the design of new projects through an online process led by the PCH Communities Team. The wider public are invited to wider consultation exercises which take place prior to planning applications being submitted.

Probity and risk control

The way projects and programmes of schemes are procured and delivered has a major impact on the quality of outcome and value for money. PCH has developed a rigorous internal scheme authorisation system with a series of approval gateways at which key development factors including estate and property design and risk, as well as wider community benefits are considered. Detailed departmental and project risk assessments and Key Performance Indicators are regularly reviewed and reported directly to the Capital Investment Committee and Board.

The PCH gateway system requires cross departmental collaboration at the earliest stage of any project with specific consultation and approval through various management levels of the organisation. This engagement seeks to ensure only appropriate schemes, whose design and specification meet current and future resident needs, are approved.



Engaging with the local community

Engagement with PCH residents and local communities is core to the development process within PCH. PCH is developing a pool of residents interested in new build design who will have on-line opportunities to comment on proposed projects. Before submitting projects for planning approval, PCH invites local residents to public consultation events where plans of proposed schemes are available for residents to view and comment on. Feedback reports from these events are published on the PCH internet site.

Local training and employment

PCH demands more of its partners and is committed to delivering training placements for local people. Embedded within the procurement process and directly informing choice of contractor is social value. Training targets are included within PCH Employer's Requirements and are incorporated within the KPI report monitored by Executive Management Team and Capital Investment Committee.

Open market products

When market conditions allow, we hope in future to develop a small number of homes for open market sale to generate cross subsidy for new affordable homes. These will be delivered through PCH Regeneration Company. Should sales fail, PCH would purchase these properties to turn them into shared ownership or rented homes or, alternatively to hold the properties at market rent and sell them when values have recovered.

In terms of the market opportunity best suited to PCH, it is likely to be for first time buyers at the lower-mid range market. On projects led by PCH, rather than develop a separate brand (eschewing wider PCH values and affordable housing commitments) the approach will be to integrate open market sales with 'tenure blind' developments forming part of a wider PCH housing offer. Branding will be similar to 'SO Living' i.e. a subsidiary to main PCH brand.

Development Strategy

2024 - 29



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