



To: Communities and Neighbourhoods Scrutiny Board (4)

Date: 20th February 2020

Subject: Housing Development in the City

1 Purpose of the Note

- 1.1 This note will give an update on the development of new social housing in Coventry. It will also provide an update on student accommodation in the city and the impact on the Private Rented Sector and voids across the city as well as an update on fire safety in high rise buildings.

2 Recommendations

- 2.1 Communities and Neighbourhoods Scrutiny Board is recommended to:
1. Note the information contained within this report; and
 2. Identify any further recommendations for the Cabinet Member

3 New Social Housing in the City

- 3.1 The Local Plan, which was adopted in December 2017, requires that 25% of new housing on sites in excess of 1 hectare or 25 units are available for affordable housing either as Social / Affordable Rent or Intermediate Tenure, including Shared Ownership. The split between the rent and home ownership is determined by reference to the amount of existing social housing in the area such that in areas of low concentrations of social housing the ratio of Social / Affordable Rent to Intermediate Tenure will favour Social / Affordable Rent and in areas of high concentration of social housing the ratio will favour Intermediate Tenure.
- 3.2 Most affordable housing developed via this route, and certainly the rent, will be transferred to a Registered Provider currently working in the city. Developers usually offer these properties to RPs, which then bid for them on a competitive basis. Social / Affordable Rent can only be provided by an RP or a Local Authority, so these properties must be transferred by the developer to an RP. Intermediate Tenure properties can include Shared Ownership, which would also transfer to an RP, but could also be provided as Discount Market Sale, Shared Equity or Intermediate Market Rent, all of which could be offered directly by a developer.
- 3.3 Most Registered Provider new development is funded by Homes England (HE). One of the requirements of HE is that the rent charged should be Affordable Rent ie up to 80% of market rent including service charge. In some areas, RPs can obtain funding from HE for Social Rent, but Coventry is not one of these areas. Social Rent is determined on the basis of a formula that takes account of local incomes. It is lower than Affordable Rent in many areas, including Coventry. It can be delivered as a requirement in the Section 106 planning agreement, as is normally the case in Coventry except when 100% of the units are to be developed as affordable housing.

3.4 The following table shows the number and tenure of affordable homes provided in Coventry since 2015.

Year	Affordable Rent	Social Rent	Shared Ownership	Total
2014/15	278	22	48	348
2015/16	45	68	1	114
2016/17	159	72	123	354
2017/18	131	40	33	204
2018/19	246	27	36	309
Total	859	229	241	1,229

3.5 In addition to these units, there has been a very limited number of other affordable dwellings produced, mostly discount market sale, though none in the last 3 years. These are built by developers and sold at a discount of 25% below market value to first time buyers. The discount remains in perpetuity with an obligation to sell to first time buyers who could not otherwise afford to buy a property. The properties will benefit future first time buyers.

4 Development by Registered Providers

4.1 There are several Registered Providers currently operating in Coventry:

1. Citizen (formerly Whitefriars)
2. Orbit
3. Midland Heart
4. Stonewater
5. Optivo
6. Accord

4.2 Citizen is the largest RP, having taken over all the Council's stock, as Whitefriars Housing Association, in 2000. Because of this, it is also the most active in development, with a varied programme of new build and the conversion of existing, out of date sheltered housing and storage rooms in schemes to 13 new flats to Affordable Rent.

4.3 There are currently 57 units on site, with a further 175 units in the pipeline due to go on site soon. This pipeline includes development on 12 redundant garage sites across the city. These are all still subject to the outcome of local consultation and planning. Assuming that these developments can proceed, the schemes will be completed by April 2021, most before the end of March 2021. There is a programme for the development of further garage sites over the next few years, subject to the same requirements of consultation and planning approval. The garage sites will all be modular construction owing to the restricted nature of the sites. Citizen has already developed two modular houses in Littlethorpe, Willenhall.

Citizen is developing 36 houses on Almond Tree Avenue in Wood End. These will be on site in March 2020 with completions between March and May 2021.

4.4 Orbit has completed 24 units on its Grange Road development since the beginning of this financial year, These units consist of 10 for shared ownership and 14 for Affordable Rent, including two 5b8p houses and one 6b9p house.

- 4.5 Optivo has completed 79 houses in two stages on the site of the former Eburn School on Deedmore Road over the last year. These consist of 52 houses for rent and 27 houses for shared ownership.
- 4.6 Midland Heart has had no handovers in Coventry in the current financial year but had 23 handovers on the Kingfield Road development in 2018/2019.
- 4.7 The Local Plan sets out the Council’s requirement for 25% affordable housing on sites over 25 units or one hectare. This is set out in the Section 106 Planning Agreement for each site. Developers are required to offer the affordable housing to one of the Registered Providers named in the agreement, those named above, or to recommend another RP if they cannot reach an agreement. However, over the last two years or so, RPs have become less prepared to take on Section 106 properties, as they have little control over the standards of the properties and service charge for the estate. Furthermore, RPs are reluctant to take on sites with fewer than 25 units of affordable housing, which will only be built on larger sites. The Council could accept an alternative provision for for example 100% Intermediate Tenure for the affordable housing or a commuted sum in lieu of properties but each site will need to be considered on its merits.

5 Student Accommodation Update

5.1 The table below shows expected completions of purpose build student accommodation since 2017/18:

Dwellings Equivalent	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Completed	0	820	3,209	34	29	17
Under Construction		2,435				
Not Started		1,082				

Note: The figures provided in italics (2019/20 onwards) are anticipated completions based on the Purpose Built Student Accommodation (PBSA) that has planning permission – beyond 2022/23 the figure reverts to 0. The figures do not include any sites that could potentially come forward as PBSA and/or have not yet been granted planning permission as of 31st March 2019.

- 5.2 There has been a considerable increase in the amount of new bespoke student accommodation in the City over the last couple of years. The Council does not have a great deal of data on student accommodation generally, but the table above shows completions of new blocks in the city. There is still more accommodation with current planning permission.
- 5.3 This will inevitably have some impact on the housing market generally, potentially freeing housing accommodation currently occupied by students for family use again. However, landlords are upgrading some HMOs to make the rooms en-suite in order to compete with the higher quality, new accommodation blocks.
- 5.4 Although this would seem to be a likely result, there is only anecdotal evidence of the impact on the housing market and research is needed in order to ascertain the actual position. In any event, research is necessary as planning committee members need up to date evidence in order to properly consider new applications for accommodation, either bespoke new build or further conversions to HMOs. This research may need to be externally commissioned. Organisations such as Birmingham City University, could be commissioned as it has a housing research function, which may give a degree of independence.
- 5.5 Students are less inclined to travel very far to campus now, particularly as new, better located accommodation is available close to Coventry University campus. It is probable

that this will not have such a great effect on more easily accessible districts like Stoke. There is less purpose built accommodation available in close proximity to Warwick University campus although it is both planned and under construction.

6 Fire safety in high rise flats

- 6.1 The terrible fire at Grenfell Tower highlighted the problems faced by residents and landlords in high rise residential blocks. The problem at Grenfell appears to have been as a result of the type of cladding fixed to the building that allowed the fire to spread behind the panels, with tragic consequences.
- 6.2 Immediately after the fire, all Local Authorities took action to ensure the safety of high rise blocks in their district. Most of the residential tower blocks in Coventry are owned by Citizen, which was contacted about the fire protection and cladding in its buildings. None of the other RPs in the city own taller blocks of flats. Citizen reported at the time that none of its buildings were clad in the same type of material as Grenfell Tower and, therefore, did not pose the same level of risk.
- 6.3 Coventry CC is working with Stef and Philips in using Caradoc Hall, a residential tower block of 120 one bed and studio flats in Henley Green. The Council is using 102 of these units as temporary accommodation for homeless families. The building has been fully modernised and Stef and Philips introduced a sprinkler system to ensure a greater degree of fire safety in the building. They have also ensured the complete fitting of fire doors, new alarm systems and have sealed air gaps between the flats. Prior to use the building was inspected and signed off by the Fire Service and in independent risk management and health & safety agency. Caradoc Hall is constructed of solid concrete and does not have external cladding as used at Grenfell Tower.

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