

# Housing Development Strategy 2024 – 2028/29

## Document control

<b>Organisation</b>	Gravesham Borough Council
<b>Document Type</b>	Strategy
<b>Title</b>	Housing Development Strategy
<b>Author</b>	Housing
<b>Revision / date</b>	
<b>Review period</b>	2024 – 2028/29



# Contents

<b>Introduction.....</b>	<b>4</b>
1. National Context and political background.....	4
2. The Council's position and the case for development.....	4
<b>Overview of Gravesham Council's response to the housing crisis .....</b>	<b>5</b>
3. Setting .....	5
4. Strategy and Ambition .....	5
5. Executive Summary of Objectives .....	6
6. Area Context .....	6
7. Council Context and Housing Register .....	7
8. Planning Context: Local Plan Review and Development Need.....	9
9. The Levelling-Up and Regeneration Act 2023.....	10
10. Rural and Local Needs Housing.....	10
11. Shared Ownership.....	11
12. Gravesham Council and Land Use .....	12
13. The Council's Financial Capacity.....	12
14. Viability and Rent Levels .....	14
<b>Strategy to boost affordable housing supply beyond 2024 – The Four Delivery Streams</b>	<b>15</b>
<b>The First Delivery Stream.....</b>	<b>15</b>
1. Direct delivery by the Council.....	15
2. Boosting Delivery by the Council.....	15
3. Regeneration Possibilities for the Council outside the Town Centre .....	16
4. Approach to decanting tenants and leaseholders.....	17
5. Current confirmed pipeline sites with planning permission.....	17
6. The Importance of the Pipeline Programme to inform Stakeholders teams.....	18
<b>The Second Delivery Stream.....</b>	<b>18</b>
1. Delivery through strategic regeneration of Town Centre .....	18
<b>The Third Delivery Stream.....</b>	<b>20</b>
1. Affordable Housing programme through partner enabling .....	20
2. Charitable Trust and Alms-house Partnerships.....	21
3. Facilitation and Enabling.....	22
4. Cross boundary working .....	22
<b>The (New) Fourth Delivery Stream.....</b>	<b>23</b>
1. Investment Partnerships .....	23
2. The Gravesham Community Investment Partnership (GCIP).....	23

<b>3. The Importance of Pipeline Programming and Programme Management across GBC Development Operations .....</b>	<b>25</b>
<b>4. Budget Monitoring and Control .....</b>	<b>26</b>
<b>5. Homes England and Grant funding .....</b>	<b>26</b>
<b>6. Resources Observations– Staffing and Expertise for successful development .....</b>	<b>26</b>
<b>7. Procurement &amp; Social Value .....</b>	<b>29</b>
<b>8. Excellent Community Engagement and Consultation.....</b>	<b>31</b>
<b>9. An effective community and engagement strategy in the context of housing delivery will:31</b>	
<b>10. Communications Strategy.....</b>	<b>32</b>
<b>11. Delivering Quality Places and Buildings and ‘Design for Gravesham’ .....</b>	<b>33</b>
<b>12. Development Delivery – Improved construction phase procedures and handover .....</b>	<b>37</b>
<b>Summary of Review and Conclusion on the Council’s Current Position .....</b>	<b>38</b>
<b>1. Strategic recommendations to support further progress and successful delivery of the Council’s ambitions .....</b>	<b>38</b>
<b>Overall Conclusion .....</b>	<b>40</b>
<b>Appendix 1 – List of HRA Housing Sites Developed since 2011 .....</b>	<b>42</b>
<b>Appendix 2 – Section 106 Key Supply Opportunities table .....</b>	<b>43</b>

# Introduction

## 1. National Context and political background

- 1.1 Housebuilding nationally has been facing unprecedented challenges. The change in the market context post Brexit, the after-effects of the pandemic, geopolitical conflict forcing up fuel and energy costs have combined to affect supply chains, workforce availability and resulted in build cost rises, at least in the short to medium term, and all this at the same time as the need to address the climate emergency through improved environmental building standards and the post-Grenfell regulation of fire standards in construction also adding extra building standard requirements. The resultant cost of living crisis is also putting upward pressure on the Bank of England to raise interest rates affecting borrowing for Councils and its budgets across all their operations, local businesses, and residents alike.
- 1.2 According to the latest government figures early 2023 was the worst period for homelessness in England since records began. Almost 80,000 households in England contacted their local council between January and March 2023 because they were homeless or at risk of homelessness, the highest number since these records began in 2018. A further 105,000 households were living in temporary accommodation in the period, also the highest on record since 1998, including more than 130,000 children.
- 1.3 Recent housing policy toward the private rented sector has at the same time led many landlords to pull out of the market leading to fewer properties for Councils to use for their obligations to provide temporary accommodation thus forcing up already high rents.
- 1.4 This stark rise in homelessness and the pressure to use temporary accommodation is created in large part by the critical issue that nationally the number of affordable social rented homes in England fell by 120,000 between 2012 and 2016, taking the total number of social rented homes below 4 million and meaning that Councils and Registered Providers have been losing more affordable rented homes to the private market discounted under Right to Buy legislation than can be built.

## 2. The Council's position and the case for development

- 2.1 At present the Council has the highest number of households in temporary accommodation they have ever had at over 230 households as of January 2024, which is causing considerable financial instability for the organisation. This is further accentuated by Kent County Council cutbacks on referral services and need to temporarily house asylum seekers.
- 2.2 Private rental sector (PRS) prices are increasing and demand for rental properties is outstripping supply. Rather critically there is a significant difference between Local Housing Allowance (LHA) rental rates and private sector 'affordable' rates per calendar month (PCM) for the Council to cover meaning that the Council is considerably out of pocket year on year. PRS rents for those in receipt of Housing Benefit / Universal Credit are largely unaffordable, with the shortfall per calendar month ranging from between £104 per month to £353 per month.
- 2.3 By developing good quality new affordable housing, the Council is saving on average £20,000 per year per new tenancy when housing people from a temporary housing circumstance and providing all the important social benefits that come with stable and more settled environments particularly for families. Therefore, despite all the challenges referenced in the introduction, the case for developing new housing is stronger than ever.

## Overview of Gravesham Council's response to the housing crisis

### 3. Setting

- 3.1 Despite the challenges there is an imperative case for the Council not only to continue to deliver new housing but to accelerate its delivery of new housing and regenerate estates for residents. This would help to tackle the increase in homelessness, reduce the large cost of temporary housing for the Council and deliver better quality, affordable housing in terms of not only rents but also energy and fuel bills to mitigate the cost-of-living crisis. Providing good quality, energy efficient, healthy accommodation improves people's well-being and at the same time minimises the impact of the Council's housing on the environment. New housing developments, especially mixed tenure ones, designed with good 'placemaking' principles from the start with good access to local facilities in consultation with local communities and stakeholders, not only provides better environments for people from all backgrounds to thrive socially but also provides considerable economic investment into local areas and at the same time injects an important boost to local businesses and economies helping to increase their resilience.
- 3.2 This Housing Development Strategy references and integrates with the following Council strategies:
- Council Housing Asset Management Strategy
  - Procurement Strategy
  - Climate Change Strategy
  - Community Engagement Strategy
  - Housing Strategy
  - Capital Strategy
- 3.3 The Housing Development Strategy ultimately aligns with the Council's Corporate Plan 2023-27 in its vision and aspirations for the borough moving into the future:
- **#Oneborough:** *a safe, clean, and attractive living environment, enhanced by a sustainable and increasingly energised local economy.*
  - **#Onecommunity:** *an active, engaged, and culturally enriched population, built on the foundations of an affordable and quality local housing offer.*
  - **#Onecouncil:** *a well-run and innovative authority, defined by its skilled and valued workforce, committed to developing its local social impact.*

### 4. Strategy and Ambition

- 4.1 Gravesham Borough Council has a current aspiration to deliver around 1,000 additional primarily affordable homes to meet housing need in the borough. This will be delivered through direct development (in-house), through established and emerging partnerships and through facilitation and enabling with affordable housing providers and developers.
- 4.2 This Housing Development Strategy outlines the Council's approach, reviews the current position, and sets out the possibilities to grow the programme of new homes over the period since 2019 by 2028/29. This strategy will review how the aspiration can be delivered in terms of potential opportunities, the financial resources required, and the necessary skills and the resources to support delivery of an increased development programme. This strategy will be

supported by a detailed Implementation Plan to detail how the objectives will be delivered and to monitor progress.

- 4.3 This strategy builds upon work already undertaken, considering homes already provided and those in the emerging and evolving development pipeline. The strategy will consider the potential and capacity of council owned land to deliver the overall aspiration and other routes to development which the Council is already undertaking and those which may be necessary to consider boosting supply. The Implementation Plan will provide the guidance for how this strategy will be followed operationally.
- 4.4 A draft strategy was previously produced in 2021 for which much work was done to enable the Council to move forward with clarity. This work included a pipeline review, assessing the various development streams available to the Council and options for boosting delivery, overall capacity studies on potential sites, the Council's required standards, budgetary management, constraints and funding opportunities, resources, and operational project management procedures.

## 5. Executive Summary of Objectives

Gravesham Borough Council has set out a clear set of objectives to which this strategy responds:

- 5.1 to identify, secure, contribute and influence the setting up of a robust pipeline to achieve the target of primarily affordable **1,000 homes** to be delivered or started on site in the next 5 years.
- 5.2 to maximise homes for rent to meet local need at rents no more than Local Housing Allowance (LHA) levels.
- 5.3 to maximise the potential of existing Council owned land and assets.
- 5.4 to deliver energy efficient homes reducing running costs for residents and responding to the net carbon zero and Future Homes requirements-contributing towards a greener Gravesham.
- 5.5 to work in partnership with affordable housing providers and developers in North Kent to help facilitate a buoyant market for private housing and in-turn affordable housing, and broader regeneration opportunities.
- 5.6 to consider other routes to increasing new affordable housing through partnership working, and opportunities such as purchase of existing homes, acquiring S106 homes or 'additional' affordable homes offered up by developers, and acquiring land from the market.
- 5.7 to ensure that the business plan anticipates and sets out a programme of activity based on credible cost and delivery profiles.
- 5.8 to ensure that appropriate policy and procedures are in place to support the new homes delivery programme and mitigate development risk.
- 5.9 to propose that the right levels of staffing, skills, and structure within the Housing team and across Council to support delivery and effective ongoing estate management.

## 6. Area Context



- 6.1 There is strong case to make for Gravesham Borough Council's aspirations and the significant beneficial impact development improvements and strategic regeneration can bring to a borough that has some of the highest housing needs in Kent with 870 people registered on the housing waiting list (April 2024) and most particularly in terms of the increase in temporary accommodation, and yet the borough has so much potential.
- 6.2 Gravesham is strategically well positioned with excellent transport links via the east / west A2/M2 trunk road and served by the High Speed 1 railway line via Ebbsfleet with journey times to London St Pancras of approximately 25 minutes and the Channel Tunnel Rail Link with services to the Channel Tunnel link possibly reopening again in 2025 plus traditional rail services into London mainline stations. There is also a regular passenger ferry service across the River Thames from Gravesend to Tilbury and furthermore Uber are adding to their portfolio by providing a ferry taxi service into central London from Gravesend pier.
- 6.3 The Borough covers an area of 105 square kilometres (40 square miles). Around 70% of the Boroughs population (approx. 75,000) live in the Gravesend and Northfleet settlements. Gravesend is a historic riverside town, but the town centre has felt the impacts of Bluewater in Dartford and more recently the Covid 19 pandemic.
- 6.4 Outside of these settlements, the Borough is predominantly rural accommodation approximately 20,200 residents, with 78% designated as Green Belt whilst 40% of the Borough is either Ramsar site (area of wetland and/or biological diversity) or Kent Downs National Landscape.
- 6.5 In terms of housing in the Borough, there are approximately just over 44,000 dwellings. The population in the Borough is estimated to increase to around 107,800 by 2028 with a significant increase in those aged over 55 and with a particular increase in those 80 and over. There is an increasing number of smaller households with a 35% increase forecast by 2028.
- 6.6 New housing supply overall has consistently been circa. 250 new homes per annum, with the level of affordable homes within that number sub 30%, primarily as a result of viability challenges associated with lower values in the town centre. Housing need indicates a particular need for two- and three-bedroom market housing and two- and three-bedroom affordable housing plus housing for single person and older persons to meet increasing demand.
- 6.7 The issue of viability, particularly in the town centre and for brownfield sites with significant abnormal costs in developing them, is a fundamental challenge due to the fact that for certain property types such as flats and for taller buildings which are required to meet more stringent and costly Building Safety Act measures, the market sales values are not covering the cost of construction and therefore there is a significant viability gap. It reduces the opportunity for cross subsidisation where the property mix is unfavourable.

## 7. Council Context and Housing Register

- 7.1 The Council owns 5,672 homes as of November 2023. Despite this relatively high proportion of Council homes compared to surrounding areas, the Council wishes to intervene to boost affordable supply directly. In doing so, the Council hope to create the conditions in which the

market may be improved to encourage private developers to enter the market, boosting the local economy and jobs, but also delivering through affordable housing contributions much needed additional affordable homes. In terms of demand for affordable housing, the Council has 842 households on its Housing Register (Sept 2023) with a breakdown of need, by house type as follows:

<b>Bedrooms</b>	<b>Households</b>
<b>1</b>	<b>236</b>
<b>2</b>	<b>319</b>
<b>3</b>	<b>202</b>
<b>4 or more</b>	<b>85</b>

- 7.2 Right to Buy – The figures below show the number of homes lost through the Right to Buy, (RtB) in recent years:

<b>Year</b>	<b>Homes Lost</b>
<b>2020/21</b>	<b>16</b>
<b>2021/22</b>	<b>32</b>
<b>2022/23</b>	<b>39</b>

- 7.3 As of April 2024, the Council can spend up to 50% of these receipts to assist in the replacement of homes lost. In a previous announcement, (April 2023), government will allow Councils to keep 100% of Right to Buy receipts for 2022/23 and 2023/24 but this has now ended and it remains to be seen going forward what level this is set at. Currently the receipts must be used within 5 years of receipt.
- 7.4 The Council has been developing new homes on their own land since 2011 although delivery has been relatively modest to date at around 25 homes per annum. The Council is now seeking to increase production of homes based upon a pipeline of opportunities. Clearly, two-bedroom housing has the greatest demand, and the Council should aim to deliver appropriately to its needs with a good mix of flats and family housing.
- 7.5 Senior officers have identified a significant challenge in the recent lack of new home supply associated with market sector failure to deliver the required homes. This either results in the level of affordable homes required under planning reducing from the required 30%, or sites not being progressed at all. This can often occur with sites ‘flipping’ in terms of ownership. In town centre sites where ultimately most, new homes would be expected, challenges of values, rising construction costs, high site abnormal (for example building in riverside locations) and heritage challenges associated with a historic town centre, have all proved to be significant challenges to the delivery of significant opportunities. There are also more recent challenges now associated with higher density town centre schemes – market reticence around leasehold and fire safety and the wider role and future of town centres post-pandemic, are wider issues which impact on town centre investment appetite.
- 7.6 In terms of the housing stock, like other landlords managing affordable housing, the Council is considering its pathway to achieving net carbon neutral in its homes in response to the 2019 Climate Change Act which committed the UK to a target of net zero CO2 emissions by 2050. The focus on stock condition and asset performance is likely to require closer alignment between investment required and decisions about renewal as part of that consideration.
- 7.7 The impact of net carbon neutral is also very relevant to the Council’s considerations as a new home supplier. The Future Homes Standard is due to come into effect in 2025 and will ensure



that new homes in England are future proofed with low-carbon heating systems and high levels of energy efficiency. The Future Homes Standard was first announced in the government's spring statement in 2019, but as yet the full details of the standard are yet to be detailed. The Future Homes Standard is a set of standards that will complement the Building Regulations to ensure new homes built from 2025 will produce 75-80% less carbon emissions than homes delivered under current regulations. No new homes will be able to connect the gas network from 2025 – they will instead be equipped with energy efficient insulation and heated by a low-carbon heating source such as an air source/ground source heat pump.

- 7.8 In keeping with other authorities retaining housing stock, these challenges are significant. The Council has however positioned itself effectively to respond. For example, a new Asset Management Strategy has been produced with updated stock condition data outlining the performance of stock across the borough is now available and will enable vital consideration of key issues around investment required but also to connect those decisions with wider opportunities around regeneration and redevelopment, based on up-to-date data.
- 7.9 The Council has also, and is prepared in the future, to intervene to act as a catalyst and direct delivery partner, to promote supply side of new homes but also to create the conditions in which private sector developers may be more confident and economically able to deliver homes in the Borough. Specific Council projects include The Charter and St Georges. These are considered in more detail together with other key supply side opportunities later in the strategy.
- 7.10 The Council is also better positioned for the challenges of direct delivery and intervention following substantial modernisation with the Council since 2017. This has included:
- **Systems:** investment in a new IT system for Housing (Management/Assets) plus a full review of policy and procedures to support the day-to-day business. The Oneserve, the repair scheduling system and managed by the Housing Operations Team, was purchased in 2017 to help facilitate change and efficiency. This includes the increased capability of the Oneserve system it easier for both the new tenants to report and manage any defects as well as the Housing Development team to monitor the buildings and contractor during the defect period. This will be further augmented by the adoption of the 'Clixifix' online defects management tool (also see Section 12.10) which will be managed by the Repairs team and utilised by external building contractors, consultants, and Council staff in an integrated way to identify bona fide defects using photographic evidence. Residents can also engage with the system and there is an online dashboard system for officers to quickly track defects rectification performance visually across a whole programme.
  - **Strategic capacity:** A recent restructure has led to the Development team and Housing team both reporting through the Director of Housing to the Chief Executive and this has created a much more joined up approach to the development of new housing opportunities. Potential sites are being discussed more widely at an early stage ensuring that design approaches combine a range of linked strategic issues, the link with housing strategy and need and between investment in assets and redevelopment has resulted in a focus on placemaking and a consistency in approach and ensuring that corporate efficiencies are achieved and ultimately better outcomes for local people and their environment.

## 8. Planning Context: Local Plan Review and Development Need

- 8.1 The planning policy requirements for new housing, including affordable housing, are set out in the Gravesham Local Plan Core Strategy (Core Strategy) (2014). Policy CS02 (Scale and Distribution of Development) sets out the amount of housing that needs to be delivered in the Borough up to 2028, while Policy CS14 (Housing Type and Size) and CS16 (affordable housing) sets out the requirement for an appropriate mix of housing types, tenures and sizes, and the required percentage of affordable housing (subject to viability). To deliver sustainable and healthy communities the Council collaborates with developers/applicants/agents etc to ensure that the size of accommodation that is delivered meets the reasonable expectations of the intended number of occupants and aligns, at a minimum, with nationally prescribed space standards.
- 8.2 To meet the Borough's assessed need for housing up to 2028, the Core Strategy (policy CS02), seeks to retain and improve the Borough's existing housing stock and prioritise the redevelopment and recycling of underused, derelict and previously developed land in the urban area, in particular focussing on the redevelopment of former industrial sites along Gravesend and Northfleet Riversides and key sites in Gravesend Town Centre.
- 8.3 Gravesham are currently reviewing the Local Plan Core Strategy and the revised document will set out the spatial vision for the Borough up to 2040 and include the amount and range of housing that needs to be provided over that period, including the mix and type of housing, and the proportion of housing that should be affordable.
- 8.4 Since the adoption of the Core Strategy in 2014 the Government has introduced its standard method for assessing housing need. This identifies the minimum number of homes that need to be planned for, whilst considering projected household growth for an area, historic under-supply, and affordability.
- 8.5 The 2020 interim residential need figure will be reviewed to take account of the extended plan period to 2040 and will inform the planning policies including those policies and mechanisms that ensure the delivery of the right type and mix of affordable housing to meet local needs.
- 8.6 The Council's housing delivery forecast is currently under review due to changes in the National Planning Policy Framework (NPPF), emerging regeneration strategy for Gravesend and work ongoing in the Borough wide Design Code. Following a report to Management Team and Cabinet due by late March 2024 an agreed position will give greater certainty to site allocations in the local plan.
- 8.7 Once the Local Plan Review is adopted it will give developers, landowners, and Registered Providers a clear policy context within which to work, but in the meantime, applicants should refer to the adopted policies in the Local Plan Core Strategy and national policy requirements in the NPPF.

## **9. The Levelling-Up and Regeneration Act 2023**

- 9.1 In addition to the Local Plan considerations the implications for the Council of the new Levelling-Up and Regeneration Act 2023 and any subsequent relevant secondary legislation are matters that will need to be addressed by the Council going forward.

## **10. Rural and Local Needs Housing**

- 10.1 Gravesham has six Parishes and greenbelt settlements that, whilst generally typically wealthier than the urban parts of the Borough, may have households who face acute housing needs and who cannot afford to buy or rent in the area where their local connection is. In these areas, which fall under the Green Belt, it may not be possible to deliver the scale of affordable housing to meet local need. Where development does occur in the rural areas therefore then the higher 35% affordable housing can be justified.
- 10.2 Over the lifetime of this Strategy and in accordance with our duties under the Housing Act 1985, we will undertake a programme of rural housing needs surveys as has been done previously. The surveys previously undertaken are detailed in the below link: [Rural Housing Needs Survey | Monitoring and housing land supply – Gravesham Borough Council](#)
- 10.3 Surveys will be undertaken by Rural and Community Enabler Service, (RACE). This organisation, hosted by Kent Housing Group works to conduct housing needs surveys across Kent on behalf of all 13 Councils.
- 10.4 The Council will work with Parish Councils and Ward Members to ensure that any Parish wide surveys are well publicised. Should a local need for affordable housing be identified then this data will be used for the Council or its Registered Provider (RP) partners to search for suitable and sustainable land for a small local needs housing scheme. Homes will be available for either shared ownership or affordable rent and be reserved for households in housing need with a strong local connection to the Parish.
- 10.5 The Council also intends to extend the protection for any affordable housing built in the rural areas. To do this we will need to apply to the Secretary of State for Designated Rural area Status (DRA), under the Housing Act 1985. This designation will ensure that new developments in the rural areas built by the Council will be exempt from the Right to Buy.

## 11. Shared Ownership

- 11.1 Affordable Housing Policy in the Borough has focused on the provision of affordable rent and shared ownership tenures. The split for affordable housing is in favour of affordable rent, (70% of the affordable provision and 30% shared ownership).
- 11.2 In the Ebbsfleet Development Corporation boundaries the provision of affordable rent is 60% and shared ownership is 40%.
- 11.3 As the Council only provides affordable, (and where possible social) rent then we have relied on our RP partners to deliver our shared ownership homes such as Cable Wharf where a total of 223 homes for shared ownership are being delivered.
- 11.4 Working with our RP partners, shared ownership homes are advertised to and targeted at those living or working in the Borough or those with family in the Borough. This helps to assist local people on a lower income who are first time buyers but do not qualify for the Housing Register. Shared ownership does help with promoting a buoyant town centre and local services and therefore we will continue to work with your RP partners to promote shared ownership alongside other affordable 'intermediate' housing products such as First Homes and discounted market rent.
- 11.5 The new government reforms to the shared ownership tenure in terms of rents and service charge setting and a slower market has put pressure on this tenure and therefore partnering

with a preferred RP allows the Council to work with its partner to assess any implications and impacts for its development ambitions where shared ownership may be involved as part of the viability of any site and certainly as part of larger estate regeneration sites.

## **12. Gravesham Council and Land Use**

- 12.1 Nationally less than 10% of land in England has been developed, and only 1.1% developed specifically for homes, the availability of developable land remains a key barrier to house building.
- 12.2 Most of the sites that the council have already developed and that are now considered for future development are brownfield sites (land that has previously been built upon) as part of its regeneration of the town centre and redevelopment of existing housing estates. It is important that the Council seeks to prioritise development on brownfield land rather than on greenfield land (land previously not built upon) to preserve open space for people's well-being and for sound environmental reasons. At the time of writing the current government has recently released a statement in its long-term plan for housing announced by the Secretary for State confirming its commitment to the prioritisation of brownfield, town centre sites in the light of the changing nature of high streets and the need to revitalise and populate them brought about by increased online shopping and the rise in the cost of living.
- 12.3 However, in some specific cases after careful consideration, and in the right circumstances, the pressing need to develop new housing supported by clear evidence from robust needs surveys will outweigh the need to preserve green spaces which may be considered less valuable or well used, at least in their entirety in line with Core Strategy Plan Policy CS13. In these exceptional cases ('Very Special Circumstances' in planning terms in relation to Green Belt land) after consultation the decision will be based on holistic social, economic, and environmental considerations, not least by the planning department, with sensitive design including biodiversity net gain (BNG) assessment, appropriate environmental offsets, flood risk analysis and continued provision of sufficient public realm.
- 12.4 Allied to the use of open space is the question of using existing car parks to deliver more affordable housing particularly in the town centre. A recent study showed peak usage of all the Council's car parks and, in some cases, revealed a level of under use which may enable at least partial redevelopment. However, this is a highly sensitive issue and as with the use of open space there must be robust evidence to support any proposals where car parking is being reduced and may mean if some sites are redeveloped then reprovision may be required elsewhere nearby if not on site. This is not least because of the Council's town centre worker parking scheme and the need to maintain access to parking to support local businesses, therefore necessitating careful assessment on a case-by-case basis but also in view of an overall strategy and to satisfy planning requirements.

## **13. The Council's Financial Capacity**

- 13.1 The Council's own direct housing delivery has largely been funded by Right to Buy (RTB) receipts emanating from the sale of 20 to 30 homes per annum of which a percentage of the receipts be utilised (previously at 30% then for June 2021 at 40% and now from April 2024 at 50%). Recently, the level of Right to Buy has plummeted with mortgage rates climbing much higher in the past year – dipping far below with the current planned level for this year of 30. This planned level of activity has proved to be optimistic, and sales receipts will need to be

reviewed – estimates going forward may be closer to around 5 - 10 homes per annum at the very most for the foreseeable future.

- 13.2 In terms of historic funding, 30 homes have typically been sold per annum at around £140k per dwelling thus generating a receipt of £4.2m. Of this receipt, £522k must be repaid to the government, leaving after transaction costs etc, around £2.4m to part fund new builds. Under the previous regime if £2.4m amounted to 30% of the build costs as for most projects already delivered by the Council (providing these were additional net gain additional homes) then the Council would borrow £5.6m to deliver a programme of £8m. Under the latest regime, (after being 40% from 2021-24) Right to Buy receipts from April 2024 can now equate to 50% of build costs make delivery easier. On that basis a £6m development programme requires £3m of borrowing.
- 13.3 It is apparent that the Council's reliance on RTB receipts to fund a direct delivery programme is diminishing largely due to a drop off in Right to Buy activity – and therefore the Council's strategy should have a resilience and tolerance to allow for any drop off in RTB to protect against over reliance on borrowing. This coincides with an intended increase in direct delivery activity and a potential call on HRA borrowing to reinvest in existing stock to meet net carbon neutral by 2050 and to tackle damp and mould growth. Cross subsidisation with market sale properties is becoming more key if delivery aspirations are to be achieved.
- 13.4 In terms of development economics, homes developed on Council-owned land and or assets will attract a nil land value cost (a valuation is still necessary for land and buildings to calculate rents) making it more viable but build costs and fees will need to be accounted for, through borrowing or other funding contributions. At a basic level, and to explore some specific direct build scenarios in terms of funding and affordability, homes might be expected to cost (allowing no premium for enhanced environmental standards) in the order of £3,300 per sqm based on the latest tender result for a direct delivery scheme but are currently typically even higher.
- 13.5 The income and expenditure cashflow across each year of the programme will need to be carefully planned and monitored using a programme appraisal dashboard. However, the borrowing required could be reduced if Homes England grant was secured for replacement homes and not just net gain (this was previously only available to support net new housing provision) and might contribute in the order of between £47 to £70k per dwelling for affordable or social rent. Partnerships such as the Gravesham Community Investment Partnership (see Page 24 below) allowing for input of Council land as equity might assist in reducing borrowing.
- 13.6 The assumptions above are based upon required energy efficiency standards according to standing Building Regulations Part L and a standard route to procurement and delivery. There are assessment options for the Council to consider that other Councils and housing providers are successfully pursuing to optimise the true 'as-built' fabric quality and energy performance and in all weathers (including overheating and comfort as a consideration) and not just the design fabric efficiency and carbon footprint intent on paper at design stage. This could possibly impact upon costs although the strategy is to carefully assess all options without impacting delivery and budgets to any significant extent.
- 13.7 Where market sale is part of the tenure mix for a site the cost to value ratio for the area will determine what can ultimately be achieved and value judgements must always be made to maximise the programme of homes delivered but still achieve a good and true energy efficiency standard.



- 13.8 Regardless of the energy efficiency target reached the Council maintains a 30-year business plan for the HRA, which models the impact of various assumptions for both income and expenditure on the revenue budget and the capital programme in order to determine the long-term financial viability. Assumptions around future increases in rental income, inflationary cost rises, speed of new build delivery, future revenue and cost impact of additional housing stock are all included as well as the application of funding sources to support the capital programme. These assumptions are under constant review to reflect current plans as well as changes in economic conditions.

## **14. Viability and Rent Levels**

- 14.1 When assessing sites using the Council's approved financial viability tool the total cost must be serviced not only by grant and borrowing but also by the levels of rents are critical in enabling viability to be demonstrated. There is a significant difference between affordable rent based on the Local Housing Allowance (at most 80% of market levels or slightly below) and more traditional social rents, which many existing residents are paying (approx. 40% to 50% of market rents).
- 14.2 Therefore, where residents are being decanted for regeneration projects or being encouraged to down-size from larger, under-occupied family housing it is important that social rents should be charged in order for this strategy to be fair and successful – otherwise people will be reluctant to move and will not be supportive of any such plans. Hence, financial appraisals must take this context into account when appraising all projects based upon the strategy for the particular project concerned. The most social value is in setting social rents but for some projects affordable rents may be necessary for viability reasons. Service charges to be levied by the Council must also be factored in.
- 14.3 The HRA debt cap was abolished in 2018 allowing for greater flexibility in what the Council can borrow. The Councils' current position on the small-scale development programme is that providing new home rental income repays debt over a 30-year period or better, then there is no particular HRA based debt cap. There is recognition that the Council will need to balance the emerging need of its existing stock and ensure that provision is made for meeting EPC C by 2030 and net carbon zero by 2050. Whilst this is a constraint it is also an opportunity to consider existing stock and the performance of that stock as part of the wider ambition to deliver new homes for Gravesham, some of which will be delivered replacing non-performing stock or more extensively through wholesale redevelopment, refurbishment, and regeneration.
- 14.4 These decisions will follow the guidance of the Council's new Asset Management Strategy and be endorsed by the Asset team to ensure any planned redevelopment matches the Asset team's own priorities in terms of its budget spending to ensure budget spending is optimally targeted in all cases.
- 14.5 The future borrowing requirement for the HRA, needs to be considered alongside the Council's borrowing requirement for General Fund activity, as the Authority's borrowing requirement needs to be considered in its entirety. Borrowing significant sums to support house building along with the Council's existing ambitious capital programme, will require the Operational Boundary and Authorised Limits to be increased significantly.



14.6 The Council has already shown intent and borrowed to make significant interventions in new home delivery – for example, the funding of the Charter scheme of 242 homes through Rosherville Ltd.

## **Strategy to boost affordable housing supply beyond 2024 – The Four Delivery Streams**

It has previously been indicated the Councils' strategic ambition to deliver and promote new home delivery but also the wider links to the Councils' corporate objectives including its Asset Management Strategy and including the challenge of meeting net carbon zero and, of course, meeting housing need. It has also been highlighted the increased structural capacity created by the new Housing Directorate.

The Council has until now been actively delivering and enabling across three streams of activity – direct delivery, strategic regeneration, and affordable delivery by enabling others. However, in order to boost the numbers of its own new affordable homes the Council has ventured into a fourth delivery stream for its own affordable housing (which will be explained further in Section 27 below) and its new home delivery strategy will from now on work across the four defined areas;

1. Direct delivery (in-house)
2. Facilitation and investment in key strategic town centre sites
3. An affordable enabling role working with other affordable housing providers
4. Gravesham Community Investment Partnership (GCIP)

In terms of key themes which will drive these approaches, it is important for the Council to develop its vision and approach to ensure that the ambition to deliver new homes is matched by an appropriate focus on placemaking and the quality of homes, making appropriate links between the challenge of asset investment and renewal opportunities (including wholesale estate regeneration), whilst ensuring new homes meet needs and aspirations of the residents both now and in the future.

Each of the four delivery streams is explained further below:

### **The First Delivery Stream**

#### **1. Direct delivery by the Council**

1.1 Since 2011 the Council has been successfully utilising its own resources and procuring and appointing its own specialists to provide the expertise to carry all the necessary due diligence to deliver new housing schemes. Traditionally the sites the Council has been developing have been on a relatively small scale on smaller garages sites and surplus areas of land. The Council has only latterly started to take on slightly larger regeneration projects but even these projects have been relatively small scale in regeneration terms. Nonetheless the projects to date are good achievements for the Council to expand upon with a view to continuing to tackle its pressing housing need.

1.2 A table showing the Council's housing developments since 2011 is included in Appendix 1.

#### **2. Boosting Delivery by the Council**

2.1 The process of bringing forward a programme of suitable sites which will have a good chance of successfully being developed is a challenging one. The careful assessment of each site comprises several key elements including meeting housing need (primarily), financial and

technical viability, rent levels, legal, technical, planning, and political constraints plus the opportunities that exist.

- 2.2 The Council must employ an appropriate mechanism to filter new opportunities to ensure that the correct vehicle for delivering each site is chosen and the necessary investment can be made in those which have the highest strategic priority and value. These opportunities will be based on improved mapping of existing land and asset holdings but is also increasingly to include opportunities based on existing stock- particularly in the context of achieving EPC 'C' rating by 2030 and net carbon zero by 2050. The approach will undoubtedly be governed by the Council's new Asset Management Strategy but also the resources it has at its disposal.
- 2.3 In some circumstances housing models may be considered that target certain groups in society should there be a need that is demonstrated to support it e.g., independent living schemes, larger homes (e.g., 5 bed plus), wheelchair housing and innovative housing models such as adaptable multi-generational housing.
- 2.4 The pipeline of sites must be continually updated with the latest information on sites as their progress is subject to change for an entire range of reasons with the financial implications accounted for, funding streams adjusted, and budgets updated accordingly.
- 2.5 A healthy list of reserve sites must be maintained with pre-planning application information and any due diligence on sites investigated to a level that will allow them to be progressed as needed to maintain the pipeline target.

### **3. Regeneration Possibilities for the Council outside the Town Centre**

- 3.1 There is significant opportunity in larger scale estate regeneration opportunities to boost delivery across the borough. These may be driven by a range of factors including:
  - Stock which is unpopular, possibly hard to let or that may suffer from significant anti-social behaviour issues.
  - Homes which perform poorly in terms of net present value of rents against planned and required maintenance necessary.
  - Homes which will not be able to reach EPC 'C' standard.
- 3.2 To inform the Asset Management Strategy a comprehensive scoring system has helped to identify the most appropriate stock for redevelopment or for significant refurbishment. Ongoing dialogue between the Asset team and the Development team over key development objectives is essential to ensure that all priorities are met in the most effective manner possible to ensure resources are targeted as efficiently as possible.
- 3.3 For regeneration opportunities new build can potentially enable re-provision of homes at higher densities whilst also enabling consideration of the benefits of introducing a variety of tenures including shared ownership (most probably partnering with an RP) and market sale (market rent is only really feasible in the town centre close to the railway station). When such opportunities are identified, the Council may wish to consider suitable partnerships and structures such as Joint Ventures with private sector developer/contractors able to provide the commercial skills and experience, add social value particularly through training and apprenticeships, and to share risk.

- 3.4 Of utmost importance in regeneration is setting a strong rationale from the start for conducting such large projects. This rationale must be assessed using robust financial modelling based upon a full range of suitable housing options with communities on board from the start to develop a clear and realistic offer with best practice community engagement.
- 3.5 There are compelling opportunities for larger estate regeneration of estates which would very much be long-term projects on estates where large budgets must be spent on old buildings which may be better off being redeveloped to provide more appropriate modern housing with the potential to increase the density to meet the borough's housing needs. the Council must take a proactive approach and start planning for their wholesale regeneration immediately. This would be in careful consultation with the local Ward Councillors and the Council's Community Engagement Strategy as explained in Section 8 of this Strategy.

#### **4. Approach to decanting tenants and leaseholders**

- 4.1 Key to regeneration is the careful approach taken not only to decanting existing tenants but also the careful approach taken towards any leaseholders and negotiating acceptable property values that will encourage them to move to enable positive regeneration to take place. The approach taken until now is for the Council to negotiate direct has following its 'Tenant Leaseholder Decant Policy' and this has proved successful without having to resort to Compulsory Purchase Order approach.
- 4.2 It is believed in Gravesham that this approach may not be necessary, but the skills and expertise will need to be available – either internally or externally – in order to facilitate this process either way supported by a formal policy.
- 4.3 There will need to be a carefully considered approach with dialogue between stakeholder departments for each site in the current development pipeline to assess any considerations and challenges for each site in relation to resources and alternative properties. This will determine priorities and timelines within the pipeline programme.

#### **5. Current confirmed pipeline sites with planning permission**

- 5.1 The homes under construction in the current direct delivery pipeline which are progressing through to Build Contract and construction comprise of 2 projects being delivered through the Housing Development team as Direct Delivery projects
- 5.2 The Council is aiming to establish a strong relationship with Homes England which if successful would mean it is subject to a new regime of external auditing and administration based upon Homes England's capital funding procedures and design codes. Should this be the case this extra scrutiny can beneficially assist in improving methods of working, record keeping and reporting for future use in the pursuit of audit compliance and along with the regulatory guidance, best practice and training that Homes England promotes.
- 5.3 The strategy for direct delivery going forward is directly intertwined with activity and delivery routes via other vehicles that the Council engages in to deliver its affordable housing such as partnerships. With its intention to ramp up delivery via its Investment Partnership described later, which will tend to prioritise larger sites for its own viability reasons, direct delivery will essentially focus on smaller sites that the Council assess as still being important to deliver with the assessment based on political imperatives, pragmatic and practical reasons, for example to tidy up a small area or an eyesore, to develop under-used garages sites that dilute

housing services and may be experiencing fly-tipping or anti-social behaviour and/or to meet a certain specific needs such as disability housing on a small local scale.

- 5.4 Whichever delivery vehicle is used the Council will need to carefully monitor its borrowing and funding requirements on an overall programme basis – ideally using a programme management tool - to ensure the priority sites in the programme are protected and can be delivered within expected timescales.
- 5.5 Historically, development projects have been delivered on sites identified within existing estates which have development potential to meet housing needs, particularly in regard to “downsizing/right sizing” to support the release of larger, but underoccupied, homes within the Gravesham housing stock and also help tackle overcrowding. The initial feasibility work on the Valley Drive regeneration project which completed in July 2023 and the initial feasibility work prior to the construction of 46 new dwellings that is being developed at St Columba’s Close has encompassed a more strategic, albeit local, review of the long-term assets and has included a more structured resident engagement plan to inform the final development plan. See section for the updated ‘Community & Engagement Strategy’ going forward.
- 5.6 A Direct Delivery pipeline programme endorsed in principle by the Council Leader is being used to keep all stakeholders informed of the sites identified to be investigated by way of conducting the necessary due diligence as shown below for illustrative purposes.

## **6. The Importance of the Pipeline Programme to inform Stakeholders teams**

- 6.1 All development sites have an impact on many stakeholders who must be kept informed of progress and be integrated in the overall process of delivery from an early stage.
- 6.2 The pipeline programme must be continually updated by the Development team to keep stakeholder teams up to date as the programme evolves and inevitably changes due to the inherent vagaries of development activities. This will help all stakeholders to plan and adapt their own resources to match the needs of the programme e.g. it can be used as a tool for the Development team to engage with Finance to illustrate and track budgets, by Landlord Services to track when engagement and housing management resources will be required, by the Asset team for when handovers will happen and by Housing Options to check the proposed housing types and for when lettings will be available. Monthly Development Working Group meetings will ensure cohesion across all teams to ensure all stakeholders are kept updated.

## **The Second Delivery Stream**

### **1. Delivery through strategic regeneration of Town Centre**

- 1.1 As well as delivery by the in-house Development team, the Council participates in a range of activity linked to the regeneration of the town centre managed by an Assistant Director (Inclusive Growth) covering town centre regeneration sitting within the Communities & Inclusive Growth Directorate. This activity includes close dialogue with stakeholders bringing forward key sites within the borough. Given the nature of growth in the Borough and the importance of the town centre in delivering that growth, working with others in partnership to deliver improvement in development economics (viability), will not only boost the economy through the creation of jobs and opportunities for skills and training, but, over time, also

improve the conditions for the delivery of more affordable homes. This facilitation role is potentially delivering some significant outcomes and a summary of activity is as follows:

#### *The Charter*

A town centre regeneration project being undertaken by Reef Group for Rosherville Property Development Ltd – a Councils owned commercial trading company. Plans include delivery of 242 apartments, a fifth of which will be discounted market rent. The scheme is on site with completion due in 2025/26.

#### *Albion Waterside (Canal Basin)*

The Council have resolved in July 2021, to grant a hybrid planning consent for the mixed-use regeneration of Albion Waterside, a development by Joseph Homes. Proposals will deliver up to 1,500 new green homes, commercial space, and open access to the waterside. Proposals currently include 150 affordable homes. The developer, Joseph Homes, are working with others including Homes England to bring this project forward. Albion Waterside can be the catalyst to unlock wider regeneration in east Gravesend.

#### *St Georges Phase 2 (previously Heritage Quarter West)*

Following improvements to St Georges Shopping Centre under Phase 1, Phase 2, St George's Square brings forward significant plans to create a new civic and cultural hub at the heart of Gravesend as part of mixed-use development. The council are working with Homes England to bring forward a long-term plan for this area, with a regeneration plan due to launch later in 2024.

#### *Clifton Slipways*

A development of 236 homes by Quinn Estates, which also includes pier refurbishment and commercial spaces. A section 73 application achieved resolution to grant in October 2023.

#### *Other opportunities*

Northfleet Harbourside (around the Ebbsfleet United stadium) comprises up to 3500 new homes, Strawberry Star are working to bring forward a build to rent development at the former maternity block (M Block) which would deliver 115 homes close to St Georges Shopping Centre. In addition, a Churchill are delivering 75 later living homes at the former Police Station site.

- 1.2 These are complex, long-term projects involving the challenges of high infrastructure and abnormal costs, challenging development economics, particularly cost/value, but also complexity around heritage and some emerging uncertainty about the role and purpose of town centres including diminishing retail space and further considerations around appetite for higher density leasehold living post pandemic. Moreover, most of the sites are being promoted by the private sector on private land, limiting the council's scope to influence. However, intervention by the Council, the strategic involvement of its trading company Rosherville and a developing strategic relationship with Homes England, offers the best conditions for wholesale step-change in delivery and a market in which developers will choose to enter, over time without further support.
- 1.3 In addition, the conditions for the delivery of affordable homes should improve as viability improves.
- 1.4 The Council has also considered the use of CPO powers to unlock development opportunities at Canal Basin and the former Police station site.

- 1.5 The emerging Local Plan will need to balance the ability of the town centre sites to deliver the volumes proposed and the timescales involved, against a pressing delivery target of addressing the shortfall in supply – the average completion of circa 250 homes per annum against a need of over 600 homes per annum. Inevitably, this may place pressure on existing green belt areas, which whilst more viable, will have limitations in terms of ability to deliver volume, plus associated political difficulties associated with ‘selling’ growth to existing local communities.

## The Third Delivery Stream

### 1. Affordable Housing programme through partner enabling

- 1.1 Over the last 5 years there has been significant housing delivery through our Registered Provider (RP) partners in the Borough. Below shows additional affordable homes built in the Borough or through the Ebbsfleet Development Corporation, (EDC)

Affordable Homes Built in the Borough by RPs	
Year	Total
2020/21	127
2021/22	184
2022/23	69

- 1.2 The main active RP partners over the past 5 years have been Orbit, Moat, Sage, West Kent Housing Association, (WKHA), and Gravesham Churches Housing Association, (GCHA).
- 1.3 As the above figures show development through RP’s looks set to decline. Large regeneration and greenfield opportunities such as at Springhead which saw corresponding S106 delivery of affordable housing are completing. In addition, the housing association sector faces strategic challenges which may limit the scale of new home development by registered providers over the coming years. This includes internal challenges of addressing fire safety and damp & mould remediation to their existing homes. This is alongside meeting the future Decent Homes targets and particularly making future provision for decarbonisation of homes. Housing associations are making provision for spend in the order of £10-20K per home to meet net carbon zero and this is reducing development capacity. There is therefore the increasing need for local authorities, keen to facilitate growth, to engage pro-actively with housing associations to ensure they are committing resources (financial and people) to deliver growth in the borough and promoting the Borough as a place to deliver.
- 1.4 It is apparent that due to wider supply issues in the delivery of market housing and the potential ‘squeeze’ on viability grounds of the affordable component, that Housing Association supply of new homes via Section 106 delivery may remain limited, particularly on smaller scale opportunities. However, the recent Homes England funding round is encouraging developing housing associations towards more land-led delivery routes, for example, acquiring sites from the market for development through to land and build package deals undertaken in partnership with contractors. A particular focus within the Homes England programme is the delivery of homes via Modern Methods of Construction. Recent announcements in relation to strategic partners (those delivering 1,000 new homes or more) indicates that grant rates have risen and a greater emphasis on social rented as well as



affordable rent provision. There is also a new variant of shared ownership housing offering lower initial equity shares.

- 1.5 The Council acknowledges that it could do more to promote new home delivery in the Borough to housing associations – we note that there are some major stockholding associations in the Borough who should still be receptive to growth in the Borough.
- 1.6 In addition to the existing housing association partners, new market entrants are emerging such as ‘for profit’ providers.
- 1.7 Engagement with providers such as Sage, MHS Homes and others would seem a sensible step for the Council as part of a broader approach to boost supply.
- 1.8 In terms of the contribution of Section 106 towards meeting housing need the table in Appendix 2 illustrates the key supply opportunities which are expected to deliver in the short to medium term.
- 1.9 From time to time the opportunity may be presented to the Council to purchase some additional affordable homes (perhaps over and above the S106 affordable housing requirement) directly from a private developer.
- 1.10 Subject to funding this route to new Council homes provides an opportunity to secure affordable homes for the Council’s direct delivery pipeline. However, it is important to recognise that there may be competition from Registered Provider partners and therefore it is important to ensure that competition between parties does not lead to artificially inflating the price. It is also important that these opportunities are considered balancing need and the future requirements of property assets associated with the net carbon zero agenda, particularly in relation to the use of gas boilers. It is sensible to keep this option under review into the future, particularly, if necessary, quality can be secured at a price comparable or better than the cost of new development.

## **2. Charitable Trust and Alms-house Partnerships**

- 2.1 In addition to RP’s the Council work with other charitable organisations to boost affordable housing supply. For example, as lead Investment Partner with Homes England, we have worked with the Elizabeth Huggins Charity to bid for grant funding from Homes England. This funding has assisted in the provision of 14 homes for ex-serviceman. The site, in the ownership of Elizabeth Huggins, had low density poorly performing bungalows. These were expensive for Elizabeth Huggins charity to maintain and provided sub-standard accommodation for the tenants. Four bungalows have been replaced with 14 new build apartments which are easier to maintain and thermally efficient flats. There are plans for future phases to replace the remaining units with new homes.
- 2.2 Having successfully completed the purchase of homes through Local Authority Housing Fund Round 1 from DLUHC, Gravesham were successful in securing funding for five homes through the Local Authority Housing Fund Round 2. The scheme will provide two homes for Afghan households on the resettlement programme and three homes will be used for housing our homeless accepted households.
- 2.3 The Henry Pinnock Charity are purchasing street properties on behalf of the Council. Through agreements tied to the DLUHC funding, the Council will to provide nominations to these units,

which will help three homeless households find a permanent home. Such partnerships can be used in the future when the Council does not have the appetite or capital to undertake development itself.

### **3. Facilitation and Enabling**

- 3.1 As part of the structural changes across the directorates the enabling role, previously part of the Planning directorate now sits within the Housing Directorate led by the Housing Strategy & Enabling Lead. It is important that a clear understanding of corporate objectives and 'Project Vision' is embedded within all directorates so that appropriate connections can be made across the Council. This will be supported by clear communication and understanding of who has the responsibility for policy and delivery of specific projects.
- 3.2 In relation to working with local housing associations and both SME and large developers, the Council should now reach out to key partners able and potentially willing to invest in the Borough, with a view to promoting partnership working, seeking opportunities for 'marriage value' between sites or where the Council can help unlock opportunities (and vice versa) and ultimately ensuring that they are aware of the potential scale of opportunity in the borough and the wider work being undertaken in the town centre to create value.
- 3.3 A better understanding of the development aspirations and programmes of housing association and other partners in the current Homes England investment programme will enable the Council to identify potential opportunities to acquire s106 affordable homes or 'additional' affordable homes where the market is unlikely to deliver or maximise the opportunity of future quality affordable stock available for nominations.
- 3.4 Homes provided through Registered Providers, or our Charitable Trust partners will be secured through nomination agreements. 100% of new build rented housing will be nominated through Kent Home choice ([www.kenthomechoice.org.uk/](http://www.kenthomechoice.org.uk/)) to households waiting on the GBC housing register.
- 3.5 Whilst we do not hold a register of first-time buyers for new shared ownership housing, we will work with our RP partners to advertise homes to households with a local connection through residence, family, or employment first.
- 3.6 At the time of writing many housing association partners are significantly scaling back their development operations in favour of focussing on existing stock improvement to tackle issues with damp & mould growth and other quality issues. This currently makes it more difficult to predict overall delivery, but it is therefore even more important that the Council makes every effort to encourage housing association investment as much as possible.

### **4. Cross boundary working**

- 4.1 By collaborating with adjoining authorities, (Dartford, Medway, Tonbridge and Malling and the Ebbsfleet Development Corporation) consistent messaging around key objectives will support both requests for investment to government but also inward investor confidence.
- 4.2 There is opportunity for strategic investment at a wider regional level with the government backed Thames Estuary Envoy which is a private/public board charged with delivering an ambitious transformative plan (called The Green Blue) across north Kent, south Essex, and

east London to leverage significant amounts of private and possibly public funds through the governments levelling up agenda.

- 4.3 At a more local scale, given the Councils direct development aspirations, there are a number of options around the financing of future growth that should be considered and will reduce the call on council borrowing (e.g., Homes England funding) outlined below.

## The (New) Fourth Delivery Stream

### 1. Investment Partnerships

- 1.1 The previous strategy recommended that partnership structures to boost cross subsidisation from market sale housing should be considered in more detail, capable of delivering much needed homes which could include partnership structures with either a key housing association partner or a Joint Venture model with a private developer. It was suggested that a formal governance arrangement such as an LLP or a contractual joint venture should be explored with the pros and cons for each method carefully researched and considered.
- 1.2 Since the original strategy was written in 2021 the Council has acted on this advice and made the bold and ambitious step of following the example of Cambridge City Council in establishing a LLP partnership between the Council and Hill Group known as an Investment Partnership (IP). Cambridge City Council's IP was established in 2017 with a 10-year programme of developing on Council land and has delivered significant volumes of new homes and social value by utilising Council land. Although the Cambridge IP obviously has different local market conditions in which they operate there is much that can be learned and taken from how that IP has made successful progress and embedded the required processes within the Council's existing practices and procedures to deliver its increased housing delivery programme.

### 2. The Gravesham Community Investment Partnership (GCIP)

- 2.1 Established in February 2023 the GCIP has written up a comprehensive Investment Plan setting out the objectives, its financial basis, and operational procedures of this stand-alone legal entity.
- 2.2 The guiding aspiration by working closely for the benefit of both parties is to deliver a strong programme of multi-tenure projects to ultimately boost local economies, provide affordable housing and regenerate key areas whilst producing significant social value of the borough for the benefit of residents and local businesses.
- 2.3 A governing Board comprising senior staff from both parties and Cabinet Members oversees the steering principals and approves the agreed recommended actions of the Partnership and strategic leadership will be managed through an Investment Team comprised of key and senior members of both partner organisations. Day to day project management of specific projects will be managed by the Project Delivery Team.
- 2.4 Hill Group will bring a more commercial outlook to the delivery of a new homes programme bringing in its trusted expertise early in the design process to work up suitable sites – something that the Council would not otherwise be able to resource so efficiently.

- 2.5 This is a truly open book partnership working in the interests of both parties on an equal risk and reward footing. Ultimately key staff from both parties will work for the benefit of a separate standalone delivery entity to deliver good quality housing schemes to be proud of. The private homes that Hill will seek to deliver and the affordable homes that the Council will obtain will bring about a range of housing and ensure communities are more economically and demographically balanced in tenure blind communities.
- 2.6 A strategic and flexible approach to tenure mixes on a site-by-site basis across the programme will be crucial depending on each site's suitability for each tenure. To a large extent due to local market conditions viability will determine property types to be delivered for each tenure with houses being the preference in terms of sales. Factors such as the stricter and more costly requirements of the Building Safety Act for taller buildings (second staircases, concrete frame construction rather than traditional build and the need for increased communal space etc) make developing flats more expensive and the open market sales values in the area typically do not cover the increased build costs.
- 2.7 The GCIP will introduce a much more strategic approach to the development of Council owned housing land with an analysis of local market conditions, working collaboratively with the need to identify a programme of sites whereby better performing sites in terms of viability will cover less well performing and more challenging (but equally important) sites to deliver good quality mixed tenure housing across the programme thus demonstrating the benefits of cross subsidisation between market sale and affordable housing.
- 2.8 All parties within the GCIP senior Management Team have been initially focussing on the details of the Investment Plan which both parties are signing up to and the IP Project Team have been working diligently to technically and financially appraise three prioritised sites to serve as the basis for the Investment Plan. Project Plans have been produced for each site which can be developed and updated dynamically as the sites are progressed.
- 2.9 The GCIP project team is currently working on prioritised sites and will consult with all stakeholders and local communities before anything is taken forward with any certainty so that there is an acceptable level of support for each project. Much work is being done to identify suitable sites including:

#### *An Increased Asset Knowledge*

Hill Group has carried out a comprehensive search of all the assets owned by the Council with key information about each potential development site that is initially deemed suitable for housing. These sites all have existing uses but it may be that they could be redeveloped to provide more suitable solutions that provide more much needed housing and increased social value. Another important consideration is replacing 'hard to treat' stock that performs poorly in terms of EPC rating and so will cost a significant amount to upgrade to reach net zero and therefore will result in financial savings and efficiencies for the maintenance budgets that can potentially be better allocated elsewhere. This increased knowledge allows the identification of suitable future sites for the ongoing pipeline, subject to local consultation and engagement with local Ward Councillors at key stages, once the prioritised sites are further progressed, and the Project Plans worked up and approved by the GCIP Investment Team.

- 2.10 The Council is sharing its own direct delivery pipeline with the Investment Partnership so that the potential of all potential sites can be assessed as to their suitability for the GCIP. It must be noted that smaller sites are unlikely to be of interest to the Investment Partnership as they

will not produce enough return to be viable. Where this is the case and there is a good reason to develop the most suitable sites these will be considered for Direct Delivery by the Council according to capacity and resources.

- 2.11 A further benefit of the working in the GCIP is the extra assistance that can be provided by Hill Group is seeking and applying for extra grant funding opportunities such as the Brownfield Land Release Fund money that has been made available to unlock sites that are made unviable by the technical challenges that must be overcome to develop the site e.g. site contamination removal, extra costs due to non-traditional foundations, extra infrastructure and site access issues. At the time of writing a Brownfield Land Release Fund bid has been submitted to DLUHC to cover the viability gap for the first site in the programme of sites which will be taken forward once community consultation has taken place. Giving certainty of a strong forward pipeline will also make the Council's ambitions of delivering increased affordable housing within a strong partnership more attractive for Homes England to fund.
- 2.12 The GCIP will necessitate new ways of working and therefore processes and procedures that must become part of the Council's business operations will need to be agreed and approved as we go forward. Specialist legal advice will be needed for an element of this.
- 2.13 There is also the further opportunity and subject to relevant approvals, GCIP can seek to investigate alternative funding models to maximise the delivery of some of its wider development and regeneration goals whilst always prioritising its pipeline of truly affordable housing. This may include pension fund investment in the main or even green finance options or initiatives such as Octopus Energy's 'Zero Bills Homes' offer.

### **3. The Importance of Pipeline Programming and Programme Management across GBC Development Operations**

- 3.1 There is evidently a balance to be struck between what is to be developed by the GCIP and what the Council is able to fund and resource outside the GCIP as Direct Delivery. The Senior Development Manager is therefore tasked with putting together and managing on an ongoing basis the Direct Delivery pipeline and at the same time participating in the GCIP pipeline programme. The Senior Development Manager is the key link between the Finance, Asset and Housing Teams to ensure there is sufficient capacity within the Council's financial borrowing, funding, and staff resources to fund the overall project programme and in addition arrange important tasks with Housing Services such as any engagement and consultation with any affected residents that may need to be decanted for regeneration projects to take place, ideally within estates rather than into accommodation. Effectively managing resources to fund a larger delivery programme by whichever vehicle is crucial. It must be borne in mind that there will be some inward investment and benefit of cross subsidisation from the GCIP to offset the expenditure once the GCIP sites start coming through and completing.
- 3.2 It is important that a healthy programme of pipeline sites is assessed and prioritised for both Direct Delivery and GCIP so that should any particular site stall or reach a point where it cannot be progressed any further then there will be other sites ready, with a level of due diligence information on file including pre-planning application assessments, than can be relatively easily substituted in its place to ensure that the pipeline is kept flowing thus avoiding any hiatuses in delivery as has been apparent in the past. To assist with this an up-to-date risk register should be kept for each site and reported accordingly and decisions made upon transparent information and the prevalent risk appetite at any point in time.

- 3.3 The pipeline that is established will be updated and shared with the Investment Partnership on an on-going basis so that choices can be made on the most appropriate sites for the Investment Partnership to take forward based on total project numbers, suitability for market sale as well as affordable tenures and build form.

#### **4. Budget Monitoring and Control**

- 4.1 Budget monitoring has always been conducted since the Council began developing and is always an essential part of the relationship with the Finance team.
- 4.2 Going forward there will need to be closer monitoring and control of agreed variations on any sites under construction which may impact on overall budget expenditure and gateway key performance indicators at project approval and completion.
- 4.3 There must be a 'lessons learned' approach to any cost overruns interlinked with the construction project team's own documented lessons learned final analysis of costs and any approved variations from the benchmark at the end of the project.

#### **5. Homes England and Grant funding**

- 5.1 Seeking grant funding from Homes England to support the Council's ambitions involves either the Council bidding for grant itself or sometimes via a partnership with preferred housing association partners sourcing land led opportunities capable of securing inward grant funding. The new Gravesham Community Investment Partnership provides greater certainty of a strong forward pipeline which will also make the Council's ambitions of delivering increased affordable housing more attractive for Homes England to fund. Regular liaison with key Homes England staff will forge a strong relationship going forward which will be important if and when the national political landscape changes and funding regimes change.
- 5.2 Previously Homes England grant funding was only available on the net housing gain on regeneration sites but at the time of writing grant funding is available where a case can be made on re-provided homes to on regeneration projects which will further facilitate an increased Council affordable housing programme.
- 5.3 In terms of rates of grant it is understood that social rented homes are attracting around £75k per home, affordable rent £47k and shared ownership £35k. It must be pointed out there is no set grant rate for all schemes and the rate will be set for each scheme depending on what is required and how it is assessed by Homes England in matching their priorities for their funding. Therefore, a strong rationale and case must be made for each project to secure the level of funding needed to make the project viable.
- 5.4 The Council will wish to consider grant funding conditions which will require auditing, but it is expected these to be acceptable particularly in the context of offsetting the Councils borrowing requirement.

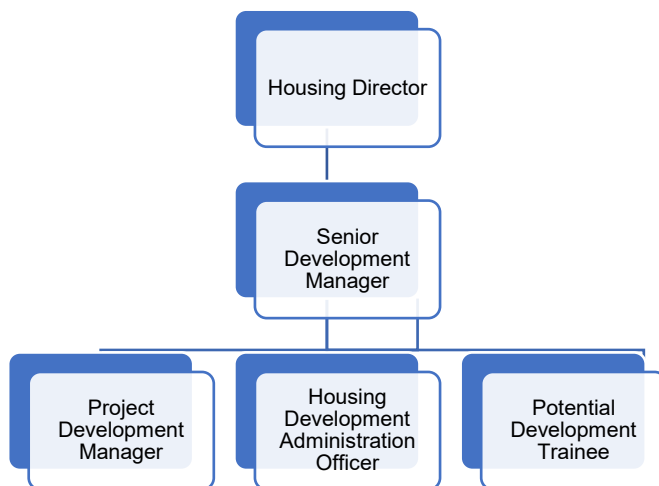
#### **6. Resources Observations– Staffing and Expertise for successful development**

- 6.1 The newbuild Development team sit within the Housing team structure, alongside the Director of Housing and three Service Managers responsible for Housing Options, Housing Management Service and the Asset management and Repairs service. A Housing Strategy & Enabling Lead assists the Development team and the Housing Options Manager in providing



the information and direction on housing need priorities in order that GBC is focussing resources on the greatest need.

- 6.2 As recommended by the previous Development Strategy the Housing Development team has been restructured as set out below with the as follows:



- 6.3 As delivery increases there may be the potential in future to take on a junior trainee development assistant provided with an identified and structured career path and training to learn and bring on the next generation of people working within this important field of expertise.
- 6.4 Outside of this team are two roles that are also key to the Development function:
- The role of Assistant Director (Inclusive Growth) which reports directly to the Deputy Chief Executive. This role is responsible for the delivery of the major regeneration sites within the council's development programme.
  - The role of the Housing Strategy & Enabling Lead who reports directly to the Head of Housing Solutions and supports the Development team by informing them of the Council's housing needs for any specific project and is an important link between the Council's team and the partner registered providers also working to deliver affordable housing within the borough.
- 6.5 Clearly the level of resource required in relation to the direct delivery programme will relate to the level of activity which can be undertaken on a sustainable basis. Research work carried out previously indicated the Council should look to recruit and retain development skills capable of bringing forward development opportunities on Council assets and aim at being an 'intelligent client' to ensure an effective development brief, management of project risk through timely and appropriate appointment of technical expertise, and project management capabilities to work proactively with colleagues and partners to take a more holistic approach to evaluation of opportunities and ensuring corporate buy-in.
- 6.6 In terms of delivery the recruitment of the Senior Development Manager has increased the level of experience within the current team to support the range of opportunities set out in this report.

- 6.7 Importantly there needs to be greater focus than in the past on responsibility and accountability within the internal team and across the directorates.
- 6.8 A project team approach should be adopted to allow the key stakeholders to agree the project objectives from inception and inform the development proposal at all stages including a gateway design panel via the Development Working Group. Successful development delivery relies on clear responsibilities, continuity (supported by policy and procedure) and momentum achieved through clear objectives. and support through coaching and training.
- 6.9 A stakeholder (RACI) matrix will proactively reach out to internal and external stakeholder groups to demonstrate support for proposals.
- 6.10 A level of external support from development specialists who have a history of delivery and assessment of development risk, will ensure momentum can be maintained and coaching support is available for the team.
- 6.11 Industry 'norms' indicate a Project Manager with support from a Project Officer should be able to run with 5-6 live projects at any one time. Clearly with an increased emphasis on placemaking, design and build quality and more demanding approaches in terms environmental performance, attracting and retaining good project delivery staff will be especially important.
- 6.12 In terms of the economics of funding development posts, the financial appraisal should normally allow for an acquisition and development allowance of around 3% based on land and works cost of each project. So, an overall pipeline programme (GBC + GCIP) of 694 homes as set out above at a base build cost (not including allowances) of £268k per property, for example, might generate allowance income of £2.68m to cover staff and overheads over the course of those projects.
- 6.13 The Housing Development team needs to provide leadership of the project and ensure that a project team approach is adopted from inception to completion. On large projects this should be supported by a Project Director or Sponsor at a management team or even Executive level if required – although the Investment Partnership provides all the necessary tiers of management to deliver large scale projects.
- 6.14 As part of the resource consideration the Council will be mindful that resident satisfaction is key to the success of any new development. With this in mind, it is important that project delivery staff see a project through to the end of defects period (usually 12 months after completion) with a 'zero defects at handover' policy approach and work with the wider Housing team to secure and act on feedback from the completed project.
- 6.15 Ensuring that the Development Team acts as an educated client with a proactive eye to the future, being mindful of suitable innovation and industry best practice and learning from other housing providers is key to the successful outcomes for the Council's development activities.
- 6.16 The Development team structure should always allow the opportunity for personal development and the attainment of experience, and this must include the bringing on the next generation of young people to learn the necessary skills whilst being provided with a clear career path would greatly benefit the team and the Council. This investment in the future must be considered when the time is right once the programme of sites is more advanced and may be facilitated by the social value activities of the Investment Partnership.

## 7. Procurement & Social Value

- 7.1 The Council inherently must follow strict procurement rules and governance procedures to obtain the services and goods it requires in line with the Council's Procurement Strategy. Procurement practice for the Development team has been traditional in its approach in terms of Direct Delivery using frameworks for consultants and contractors and JCT Design & Build Contracts with amendments for delivery in a very similar way to most affordable housing providers. However, there are improvements that can be made to optimise performance.
- 7.2 To promote more work for local companies the Kent Business Portal may be used to source consultants although in terms of contractors the likelihood is that the South East Consortium (SEC) or LHC frameworks will continue to be used as they offer more suitable contractors than the Kent Business Portal.
- 7.3 It must be noted that the dawn of Investment Partnership means that in that route procurement via Hill Group and the Investment Team will change how consultants are appointed although the Council has the ability to engage with the Investment Team to make joint appointments that are on an acceptable basis to all parties and chosen in collaboration, with any liability and warranty cover assigned to the Council once buildings are completed.
- 7.4 Officers will, in the light of its emerging programme and ambition, review procurement arrangements in respect of the team of advisors required to deliver support to the Council to deliver against its objectives. This should include key professional team advisors such as cost consultants, employers agents, architects, civil engineers, valuers, and agents and other expertise which may be done earlier in the project life cycle than previously in order to de-risk sites. The skills and volume of requirements will be considered in terms of the benefits of a separate procurement exercise as opposed to, for example, calling off from another party's framework.
- 7.5 In addition to improving the Employers Requirements, we will review the standard JCT Design & Build Contract Amendments using specialist legal advice for direct delivery sites – particularly in relation to looking at insolvency clauses in view the prevailing trend for contractors getting into financial difficulty and also more robust credit checks such as Credit Safe. Specialist development legal advice is essential to bolster the shared service which is more suited to land law and conveyancing.
- 7.6 Tender documentation must be as comprehensive as possible to reduce risk pricing and lock in quality and design intentions (e.g., RIBA Stage 4+ at tender stage).
- 7.7 Based on the potential volume of contracting work which the Council can sustain procurement arrangements for contracting parties should be considered together with the potential value of specific works to be undertaken. The Council should seek opportunities where bulk purchasing across departments (mainly Asset and Development) can add economies of scale due to shared volume for key construction components. Decisions on the most appropriate framework for the project in hand are key to making sure consultants and contractors are right for the job preferably with local experience and even locally based.
- 7.8 Consideration will be given as to how key objectives can be achieved on a project-by-project basis using the most suitable procurement route. For example, a large estate regeneration project may lend itself to a design competition to secure an architect/contractor or developer

team to meet specific objectives in sustainable design, the use frameworks (e.g. the South East Consortium) with the most suitable contractors to tender to (e.g. local contractors with local supply chains with experience in the area) or the use of Modern Methods of Construction (MMC) if the circumstances and designs that are MMC compatible allow.

- 7.9 Carefully considered quality questions at tender stage with appropriate scoring can help to identify the most suitable contractors that are motivated to employ best on-site practice with site cultures that promote quality construction, and this will be supported by best practice on site monitoring.
- 7.10 Under the Council's Social Value obligations (Public Services Social Value Act 2012) more bodies are utilising public commissioning and procurement processes to deliver positive outcomes for individuals and communities delivering social, environmental, and economic benefits using local supply chains and businesses as much as possible. These considerations may also be useful areas to support community consultation so that communities understand the wider benefits of growth beyond bricks and mortar alone.
- 7.11 Councils elsewhere are utilising investment in homes to leverage a range of benefits including training and apprenticeships, collaborating with schools and colleges to promote careers in housing and construction plus wider support for community charities and local businesses- local supply chains being a good example.
- 7.12 The Investment Partnership will focus on common goals and enable the ability to work together with aligned objectives as well as providing greater skills and experience for their specialist areas at an earlier stage for the benefits of all stakeholders. This is an exciting opportunity for key staff to work collaboratively to have a real impact and generate some real social value wins for training, apprenticeships and business development in the borough. Training may not only be on site but may also potentially be wider – for example in digital services or may offer environmental and project management training which may be attractive to and inspire some young people.
- 7.13 The new Procurement Act 2023 has come in force in October 2023 and therefore the Development Team must understand any relevant changes and explore any opportunities that will mean better procurement practice that will help to achieve the best value for money for the Council's development activities.
- 7.14 As part of the Investment Partnership Hill ran a successful 'Meet the Buyer' event at a local hotel conference centre in June 2023 to raise awareness of the initiative and encourage suppliers and service providers who wish to work in the area or with a local connection to bid for future work. Information on the objectives and how suppliers might become involved was promoted and interested parties' details captured for future engagement.
- 7.15 **Social Value case study:** In addition, included in Hill's social value 'offer' to become the Council's partner, 8 Solo Haus pods are being donated to Gravesham and installed by Hill free- of- charge as part of Andy Hill's charitable Foundation200 initiative showing their commitment to delivering real social value a real gain from the start for the Gravesham Community Investment Partnership.
- 7.16 The Solo Haus ([www.solohaus.co.uk/](http://www.solohaus.co.uk/)) is a modular home designed specifically for single people providing a fully furnished unit with electric hob, fridge, and a washing machine. Built to Future Homes Standards in the UK, homes are secured by design and are heated with a low-

energy air-source heat pump. Council owned are being identified and evaluated as suitable sites for the 'pods' which will provide eight private self-contained accommodation for single homeless households.

## **8. Excellent Community Engagement and Consultation**

- 8.1 Given the political importance of the Councils' delivery of new homes it is imperative that activity is supported by an effective and consistent programme of community engagement and consultation in order that the Council delivers its services and housing schemes with built environment that addresses not only housing needs but the wider aspirations and social needs of the residents in the areas where development takes place particularly in terms of the external environment and public realm.
- 8.2 The Council has a corporate Community Engagement Strategy for Gravesham 2021 – 2024 for all departments to follow and this strategy sets out four core objectives as the framework for developing community engagement. These are:
- Being a Listening Council
  - Empowering Residents and Communities
  - Supporting Community Organisations
  - Building Cohesive Communities
- 8.3 Often local residents have invaluable information about what works best in the local context and what they would like to see that would best suit their needs and lead to outcomes that are as successful as possible.
- 8.4 Consultation for the 'Design for Gravesham' design code (see section 11.3 below) has produced some invaluable feedback from local communities which will help to inform designers of the local priorities for the local areas in which our development projects are located.
- 8.5 By demonstrating that the Council (or the Investment Partnership where applicable) is committed to listening and responding to any feedback we can build trust and also where it is not possible to deliver everything that is requested the reasons why this might be so can be explained clearly to ensure acceptance leads to community buy-in.
- 8.6 To achieve the best outcomes, it is imperative that the methods the Council uses to communicate both ways with the community is carefully planned and carried out in an effective way by a team of people experienced in the field working between the different stakeholder teams in the Council.

## **9. An effective community and engagement strategy in the context of housing delivery will:**

- Help the Council engage proactively and early with a 'no surprises' approach.
- Identify and capitalise on positive support for the project.
- Engage honestly and transparently with those who may oppose the plans – helping to identify areas of common ground and, where possible, reach consensus.



- Set out the benefits of the project with clear facts about the positive impacts on the community and local economy.
- Embrace the concept of 'placemaking' by inviting the community to play an active, constructive role in shaping the proposals.
- Encourage meaningful, positive, and constructive responses to the consultation.
- Focus on those diverse communities and individuals most affected using Equality & Diversity Impact Assessments and seek to build relationships with them – keeping the consultation focused, proportionate, efficient, and cost effective.
- Support the consultation with a flow of ongoing news stories to maintain a positive narrative and build broader understanding and support for the projects.
- Emphasise the contribution towards meeting local housing need locally delivered with wider benefits to the local community and economy



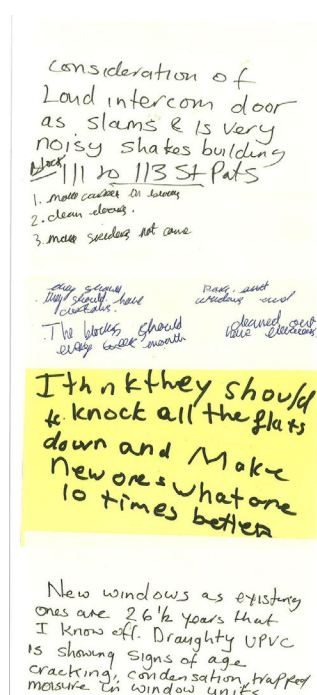
## 10. Communications Strategy

10.1 Consistency of approach should be built around a strategic approach and range of objectives with objectives effectively agreed and communicated. This must be embodied in an approved Communication Strategy tailored to the particular project in question.

10.2 A Communications Strategy is key to the success of any project or programme of housing development.

Typical objectives:

- To achieve a positive planning consent for the project that protects and enhances the reputation of Gravesham Borough Council.
- To ensure a robust consultation process with local councillors and communities that can be evidenced through the Statement of Community Involvement.
- To define then proactively reach out to stakeholder groups through a wider consultation and communications programme, to target those who could demonstrate support for the scheme.
- Ensure all consultation and communications meet the requirements of Council's Statement of Community Involvement in Planning
- To ensure the local community consultation work integrates with the Council programme and promotes wider objectives.



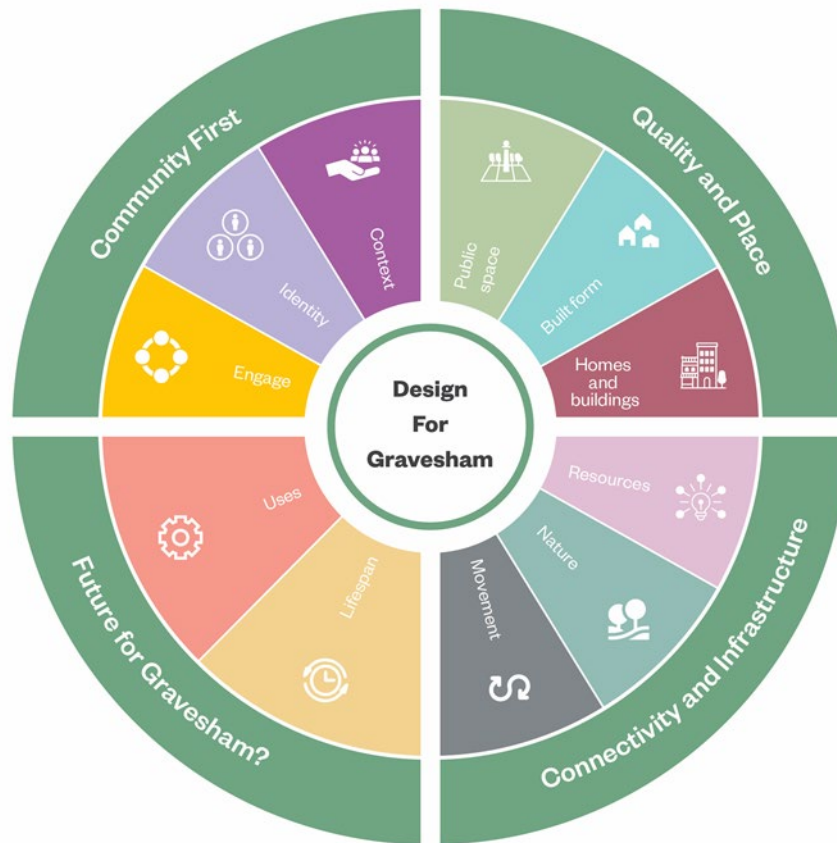
Consultation at St Columba's Close, Gravesend – October 2022

strong shared



## 11. Delivering Quality Places and Buildings and 'Design for Gravesham'

- 11.1 **Placemaking** - The National Planning Policy Framework (NPPF) confirms that creating high quality places and buildings is fundamental to what the planning system should deliver. The National Design Guide illustrates how well-designed places can be achieved in practice by measurement against key ten characteristics as follows:
- a) **Context** – for example how the opportunity relates to its wider context.
  - b) **Identity** – how the opportunity responds for example to local characteristics.
  - c) **Build form** – appropriate types of building type and forms.
  - d) **Movement** – how the opportunity connects to transport routes.
  - e) **Nature** – provision of open spaces, trees, water conservation & attenuation and support of biodiversity for example.
  - f) **Public spaces** - well-located high quality safe spaces.
  - g) **Uses** - social inclusive mix of tenures, types, and sizes.
  - h) **Home and buildings** - healthy, comfortable homes with good attention to detail.
  - i) **Resources** - following energy hierarchy, selection of material and resilience.
  - j) **Lifespan** - professionally managed and maintained, sense of ownership and adaptable design to meet changing needs.
- 11.2 The NPPF sets out that the National Design Guide and National Model Design Code (NMDC) should be used by local authorities to help them produce their own design codes which is further emphasized by the Levelling up and Regeneration Act.
- 11.3 In response Gravesham Council with its new '**Design for Gravesham**' design code has developed and enhanced its approach to inclusive placemaking in the local context as well as encouraging the delivery of well-designed new homes that meet housing need.
- 11.4 Engagement with communities for 'Design for Gravesham' has produced a vision which revolves around four main threads:
- Community First
  - Quality and Place
  - Connectivity and Infrastructure
  - Future for Gravesham?



Courtesy: Levitt Bernstein  
Gravesham' Vision

'Design for

- 11.5 Based on the vision the '**Design for Gravesham**' design code sets out eleven fundamental themes with each theme comprising key principles to guide designers along a path to Gravesham's desired placemaking approach suitable for the local context, characteristics and heritage of the area of the borough in which individual sites are located. Please refer to the actual 'Design for Gravesham' document for the full detail.
- 11.6 Gravesham's design code also provides guidelines for different site sizes – small, medium and large - using a matrix to show which principles apply for the relevant size of site with consideration to what is achievable and applicable for that size of site.
- 11.7 This Development Strategy therefore supports the '**Design for Gravesham**' design code's promotion of an overarching approach to delivering quality by embracing the core placemaking principles including emphasis on local design characteristics, typologies, focus on variety of and integration of tenures, provision of open space and play areas etc.
- 11.8 By following an overarching approach promoted by the design code new development opportunities can effectively be measured to ensure consistency, quality and places which will be sustainable communities in which to live. The importance of tenure blindness where possible within new developments including those delivered through the GCIP is an important aim to encourage greater integration of communities.
- 11.9 **Master-planning**– as part of the wider placemaking approach, the Council is liaising with Homes England and all stakeholders to develop a comprehensive Town Centre master plan capturing the activity on going. The aim is to instil and promote developer confidence and

appetite to undertake residential development in the town. This master plan sets out a confident role and future purpose for the town centre and the role and contribution of housing as part of a wider place including retail commercial and leisure. The Plan should be capable of supporting developer and investor appetite, pulling together the role and contribution of parties such as The Council and Homes England.

**11.10 Existing Asset performance** – The Council is moving towards a better position in terms of the emerging stock condition and in particular the ability to factor in good quality data about existing asset performance. This is alongside the potential cost and ability of stock to meet the standards demanded, particularly the costs of decarbonisation with increased energy efficiency standards plus also tackling building safety and damp and mould growth. In-turn the opportunity is created to ensure that the right decisions are taken ‘in the round’ in relation to the approach to assets and the potential link with the opportunity to deliver wholesale estate regeneration often at higher densities and with a more diverse form of tenure. In the past at Christian Fields Estate, for example, the Council worked with a Housing Association and developer Countryside, to both renew Council homes but also successfully introduce market sale and shared ownership housing.

**11.11 Environmental performance and quality** – The Council will continue to develop its approach to new development, in terms of design, specification of homes and build quality and feed the relevant information in the Council’s Climate Change Strategy 2022 – 2030 and Climate Change Plan following the Council’s Declaration of a Climate Emergency in 2019:

“Gravesham Borough Council with this motion declares we have a climate emergency, and we will begin to take action to prepare for the borough to become carbon neutral by 2030.”

**11.12** Designs to achieve optimised fabric energy efficiency, above minimum Building Regulations where viable, must follow the ‘golden thread’ from design through to as-built new homes with construction drawings worked up to a greater extent for tender documents with detailing to facilitate quality delivery.

**11.13** To deliver true quality the Council must not only rely on design intent alone but also carry through the design quality through construction to its as-built assets by locking in quality much more successfully and reducing unnecessary value engineering. A ‘design champion’ approach is essential with design drawings on which projects are tendered worked up in greater detail so that the Council as a client receives the best quality possible with onsite culture and methods of supervision and checking is optimised to achieve a close match between design and ‘as built’ performance. An aid to this is incorporating clauses from The Good Homes Alliance ‘New Model Employers Requirements’ into the Council’s own Employers Requirements.

**11.14** The use contractors that are motivated to produce quality construction will be supported by best practice in onsite quality monitoring. This means optimised quality inspection, photographic records during construction progression and even the use of thermal imaging where appropriate.

**11.15** Heat pump and solar technology, centralised heating systems with smart metering & billing for residents and modern ventilation solutions are becoming normal with carbon emission reduction a priority and therefore a joint decision approach to all solutions must be followed

with the Asset Team with the Housing team input where appropriate with a rigorous commissioning approach.

- 11.16 The awareness and use of greener forms of construction – e.g. greener concrete, durable materials and components with a lower Global Warming Potential (in production, packaging and transport as well as the actual materials used) and/or with a high recycled content and themselves recyclable should be researched and encouraged where possible. Often these choices are cost neutral – knowledge of choices as a client is important to promote this.
- 11.17 All decisions to develop or regenerate should factor in the recognised three-pronged model for assessing sustainability – that of Social Sustainability, Economic Sustainability and Environmental Sustainability – in order to achieve the best outcome for people, purse and planet. Therefore, retrofit maybe an option in some circumstances because in terms of carbon footprint it would perform environmentally better whilst at the same time still needing to be financially viable. For social reasons factoring in density and the need for more homes is important as enough homes of the right type to meet housing need must be delivered from the project to justify the approach.
- 11.18 In many cases the need to optimise the use of land and provide as many much-needed homes as possible and the cost of retrofitting buildings which are structurally and design wise past their lifespan will likely mean that demolition and new build to a greater density outweighs the cost of retrofitting and perhaps extending existing buildings – but all options should always be considered and remain on the table. A recognised appraisal tool to assess all options is needed so that impacts can be made transparent and fully informed decisions made.
- 11.19 The added requirements of needing to assess biodiversity net gain (BNG) and deliver better sustainable urban drainage systems (SUDS) are now an extra burden to projects but they can act as opportunities too when promoting the good work that can be done to mitigate developments and make communities more resilient to climate change.
- 11.20 Learning from each project using feedback from all project participants and residents alike and ensuring that the skills and capacity across the Housing Directorate are utilised are crucial to achieving consistency and value for money (particularly in terms of “whole life” costs) and also in successfully meeting future performance standards (e.g. Future Homes Standard). As part of this coordinated approach the Council may wish to explore the costs and benefits of the use of reliable Modern Methods of Construction, optimised fabric solutions and innovative renewable energy / heating in its delivery programme as opposed to an achievement of minimum Building Regulations or an EPC B linked approach. However, all solutions will need to be carefully vetted by the Development team, its consultants and partners and also the Asset team to ensure there are no supply chain, construction or viability issues or will create problems for future maintenance.
- 11.21 The Council has a well-developed set of Employers Requirements for the specification of its new homes in collaboration with the Asset team on their preferred options which assists in on-going maintenance. Standardisation where possible is key not only for products but also designs of homes to increase economies of scale. Continuous review is always necessary especially in the light of new technology which may be increased due to the Investment Partnership.
- 11.22 It is important to stay in contact with Cambridge City Council and the Cambridge Investment Partnership, who have already developed a significant amount of housing in partnership with

Hill Group, learning from their lessons, to share ideas and be aware of what they have achieved.

## **12. Development Delivery – Improved construction phase procedures and handover**

- 12.1 A comprehensive review of the post-contract construction phase procedures has taken place since the last strategy with improved filing system folder template better project tracking and reporting techniques whilst on site. This is including highlight reports, risk registers, contract variation reporting, cashflow monitoring, stakeholder engagement and notification at important stages leading up to handover and handover information and documentation provision to the Asset team, Finance, Housing Staff, and residents.
- 12.2 Projects procedure process charts have been created for both pre and post contract phases and project management methods are to follow Association of Project Management (APM) style practices and tools.
- 12.3 The Council is seeking to encourage better on-site environmental practices by contractors (e.g., reduced packaging, site waste reduction, renewable generators) plus local supply chains to reduce transport costs.
- 12.4 There is an opportunity to encourage contractors to engage with the Supply Chain Sustainability School to improve on site practices and training for staff and operatives to promote better environmental performance.
- 12.5 Contractors are being encouraged to achieve the very best Considerate Constructors Scheme scores including innovative ways of community engagement, such as school visits and apprenticeships schemes, which should be tracked as part of the social value offering that development projects can bring.
- 12.6 The Council already employs project management notification of upcoming handover dates with associated new home information and attributes including meter readings, key schedules and maintenance responsibilities. It is invariably a stressful particularly as contractors cannot always guarantee handover dates or sometimes are over optimistic in their own targets due to internal pressures to perform. Efforts to provide the earliest and most accurate practical completion and handover dates will be redoubled. Furthermore, important information upon handover is a critical interface for housing services and to demonstrate compliance for the Asset team.
- 12.7 Key dates when staff on the stakeholder matrix become involved in a project leading up to handover will be shared with all departments concerned with regular meetings put in the diary with key staff and the same staff invited to site meetings leading up to handover to walk the site.
- 12.8 Attention is being given to a standardised approach to Operation & Maintenance manual information requirements and layout with all folders and documents comprehensively indexed and cross referenced. A planned preventative maintenance schedule approach clearly showing compliance, cyclical maintenance obligations and frequency from practical completion plus commissioning information and warranties is crucial to ensure buildings can be optimally managed and are as safe as possible.
- 12.9 The Building Safety Act and Fire Regulations necessitates the carrying through of the design 'golden thread' and the Council must require contractors (potentially using BIM practices) to

provide exemplary information at handover and in the Fire Safety Regulations 38 information packs provided at handover to the Council's accountable people. In this regard measures such as third-party fire stopping checks and compliant signage are crucial to deliver the quality the Council needs so that pre-occupancy Fire Risk Assessments for all buildings can be successfully negotiated.

- 12.10 The implementation of online assistive technology such as 'Clixifix' to assist in snagging and defects processes. 'Clixifix' is an online platform providing up to date tracking of defect rectification progress between call centre, contractor and residents which can be monitored across the programme by Development staff and Asset colleagues to assess the performance of contractors against a set of timescales depending on the urgency of the defect also assisting with the identification of trends. As a client we should take leadership in employing innovative assistive technology to boost the efficiency of our services.
- 12.11 Resident information packs have always been an important part of making sure residents can move into their homes with the best information relevant to them but with new technology such as heating and ventilation systems being installed effort needs to be made that residents can make the most out of the new technology, particularly with heat pump systems, which sometimes does involve a different approach and, to an extent, lifestyle changes from what traditionally some residents have been used to. Arranging demonstrations for staff and residents pre- and post-handover of new homes will be crucial for success and achieving excellent customer feedback. New home welcome packs could also be a nice touch.
- 12.12 New technology will also mean that cyclical maintenance regime and practices will have to change to take on board compliance and upkeep to ensure equipment is kept operating optimally e.g., the annual (at most) changing or cleaning of filters in MVHR ventilation systems where employed. Therefore, lifecycle costing, replacement and maintenance considerations must always be communicated with the involvement of the Asset team.
- 12.13 There is commitment to improve the approach to the maintenance of soft landscaping involving the Parks & Open Spaces Manager to ensure they are well briefed of forthcoming plans and areas of responsibility is important for the upkeep of the external environments.
- 12.14 There is an awareness that in mixed tenure situations where the Investment Partnership has developed housing for sale or there is shared ownership (or in future if a joint venture was established for a major regeneration project) the estate management & responsibilities for landscaping and car parking management must be carefully considered probably utilising the services of Rosherville rather than employing a private managing agent approach as is common elsewhere.

## Summary of Review and Conclusion on the Council's Current Position

### 1. Strategic recommendations to support further progress and successful delivery of the Council's ambitions

- 1.1 The Council will benefit from an initiative-taking approach to larger strategic regeneration sites to really understand and unlock opportunities. This should be led by the Assistant Director (Inclusive Growth) and Director of Housing to encompass the wider benefits of such investment and link in with other direct delivery and investment to maximise delivery of multi-tenure affordable homes.



- 1.2 The importance of securing political and corporate commitment to larger long-term projects with approved timelines is crucial to enable a viable delivery plan and selection of a suitable delivery partner.
- 1.3 Ensure that identified specialist skills and expertise are available – either internally or externally – in order to facilitate the demands of the regeneration process. This will enable the Council to deliver a strong community supported housing offer with good facilitation for the successful decanting of tenants and purchasing of leasehold properties supported by formal policy and procedures.
- 1.4 Critical to successful risk management and project delivery is the need for attention to detail, excellent administrative support to ensure records are kept up to date and compliant for auditing purposes sitting alongside the need to be proactive and to constructively question existing practice where necessary.
- 1.5 In relation to strategic growth it must be noted that Rosherville essentially does not have any particular resource but calls on council team members usually at a senior level through which it conducts its business. As the Councils' town centre intervention continues to grow, increased resource in this area may be needed.
- 1.6 Allied to this Strategy an Implementation & Action Plan will be produced and updated as necessary to explain and detail how the recommendations contained in this report will be acted upon. This document will include an Action Plan to track the successful progress of all objectives coming out of this Strategy.
- 1.7 The main objectives of the Development team's actions are:
- An effective Development team employing management techniques to ensure that internal resources are used efficiently to help facilitate the delivery pipelines for both the GCIP for larger projects and Direct Delivery on smaller projects taking into account the Council's Corporate Plan, Climate Emergency declaration and Asset Management Strategy.
  - Effective engagement with all internal and external stakeholders to ensure communities and councillors are involved and informed of the Council's plans throughout the development process with effective communication and promotion of the reasons for and social value benefits of development.
  - Excellent financial management and excellent relationships with Homes England and other funders.
  - Effective engagement in the newly established Investment Partnership to increase efficiency, speed of delivery and to reduce financial risk.
  - Continual review of the development pipeline, with an analytical approach to the Council's assets in terms of quality of both existing housing stock and the new stock being delivered to meet the Council's needs as effectively as possible to include placemaking and the quality of the public realm.
  - Start to look at joint venture partnership opportunities for wholesale estate regeneration – this requires a long-term view and a strategic decision of when the Council should start engaging with the communities concerned.

- Improved structure and processes to streamline and facilitate the pathway to successful delivery, including a review of the procurement process and new procedures in relation to the operations of the Investment Partnership.
- Effective engagement with key partners potentially willing to invest in the Borough, with a view to promoting partnership working, ensuring that they are aware of the potential scale of opportunity in the borough and the wider work being undertaken in the town centre to create value.
- Obtain a better understanding of the development aspirations and programmes of all housing developers and other partners in the borough's current Homes England investment programme will enable the Council to either work in partnership and also identify potential opportunities to acquire s106 affordable homes or 'additional' affordable homes where the market is unlikely to deliver or maximise the opportunity of future quality affordable stock available for nominations.

## Overall Conclusion

- 1.1 Since the last Development Strategy was written in 2021 the Development team has undergone significant restructure with the inclusion of the Senior Development Manager role and updated its processes and procedures to put the Council in the best position to succeed in its ambitions and deal with any increased audit scrutiny from its primary external funding source Homes England.
- 1.2 Furthermore, the Council is making significant progress on all its development streams not least with the launch of the Gravesham Council Investment Partnership and all the benefits it promises to bring to boost new housing delivery and social value within the borough to meet the Council's ambitions.
- 1.3 Therefore, the Council is in a strong position by Q4 2024 to demonstrate that by direct delivery and through the Gravesham Community Investment Partnership alone the ambition of 1,000 new homes pipeline is being met. In addition, influencing delivery of affordable homes by its partners and on strategic regeneration sites progress is being made towards to an even greater delivery of affordable homes by 2028/29.
- 1.4 The progress to deliver a pipeline of 1,000 primarily affordable new homes since 2019 by 2028/29 purely by the HRA is summarised as follows (May 2024):

HRA Property Development Stage	
No. of properties delivered and completed in total since 2019	141
Under construction including at The Charter	294
Planning Permission granted	8
Total Council properties consented, on site or completed since 2019	<b>443</b>
Direct delivery feasibility / concept design	225
Total number of GCIP in feasibility stage	409
Total number of HRA properties since 2019 until 2028/29	<b>1077</b>

- 1.5 The Council is already engaged in a number of direct interventions in the delivery of homes whether this be via direct development, which is now ramping up, facilitation and influence in relation to, for example, major town centre sites and enabling, particularly via Section 106 contributions. Consideration of the risks and rewards of different delivery routes will inform and shape outcomes.
- 1.6 The Council now has the benefit of an asset review and Asset Management Strategy focussing on potential land for development or redevelopment opportunities of unsuitable stock, particularly sheltered accommodation. This provides a better understanding of potential direct development opportunities and an increased development pipeline.
- 1.7 There is now an identified lead contact with Homes England to build understanding of programme, delivery opportunities, reliable programming to build trust. The new relationship with Homes England has been strengthened with regular positive meetings both at senior and operational levels. Being open and transparent, by demonstrating political support and alignment with planning policy will encourage grant funding support for a future development programme.
- 1.8 The programme is benefitting from the implementation of a financial viability model and cashflow to help to assess the development proposals against agreed financial hurdles and to monitor development projects through their lifespan and even the whole programme. This supports good governance, value for money assessment and the assessment of risk also allowing possibilities to purchase homes or land from the market. In addition to this is the Council is able to quickly assess the overall programme on a cashflow basis is crucial for the Finance department to be able to track budget spend and forward planning of financial resources and funding.
- 1.9 An identified set of development priorities with key project objectives supports the increased delivery of new homes and the pipeline moving forward. This will need to be embedded across directorates at a corporate level and supported by a financial plan.
- 1.10 In final conclusion Gravesham Borough Council is well placed in terms of potential development and estate regeneration opportunities with the possibility of significant investment and market growth within the region to successfully meet its ambitious target of facilitating 1,000 primarily affordable new homes on sites within its control by 2028/29.

## Appendix 1 – List of HRA Housing Sites Developed since 2011

Properties Built since 2011		
Month & Year	No. and Description	Location
September 2011	5 bungalows, 1 x 1bed, 2 x 2 bed and 2 x 3 bed	Henry Gardens, Harden Road
December 2015	12 x 1 bed flats over 55's to lifetime homes ( <b>*Figure 1</b> )	Churchview, St Gregory's
January 2016	2 x 2 bed bungalows (to accessible lifetime homes standards) ( <b>**Figure 2</b> )	Greenhill Road
May 2016	5 x 2 and 4 bed houses (all to lifetime homes accessible standards) ( <b>**Figure 3</b> )	Vincia Row, Alanbrooke
July 2017	2 x 3 bed houses. 1 house fully wheelchair adapted.	Tooley Street
September 2017	3 x 2 bed houses and 2 x 3 bed houses ( <b>**Figure 4</b> )	Farlow Close
July 2018	1 x 4 bed house	Kitchener Avenue
January 2019	6 x 2 bed houses 4 x 1 and 2 bed bungalows (2 bed bungalow was built to full wheelchair adapted standards).	Alders Court
February 2020	4 x 2 bed maisonettes, 10 x 1 and 2 bed flats, (1 x 2 bed fully wheelchair compliant) and 3 x 2 bed houses	Pankhurst Place, St Hilda's
March 2020	2 x 1 bed flats (conversion of scheme manager's accommodation)	Cutmore Street
March 2020	2 x 1 bed flats (conversion of scheme manager's accommodation)	Chichester Rise
March 2021	8 x 3 bed houses	Nansen Road
July 2021	24 flats - 12 x 1 bed and 12 x 2 bed	Admiral Beatty House
March 2022	23 x 1 and 2 bed flats (of which 1 x 2 bed flat built to fully wheelchair adapted standards and let at a social rent).	Bishops Court, St Patricks Gardens
May 2022	6 x 1 bed bungalows ( <b>*Figure 5</b> ) 1 x 1 bed bungalow built to fully wheelchair adapted standards.	Constable Road / Rembrandt Drive
February 2023	16 general needs flats completed at including 1 x 3 bed flat built to fully wheelchair adapted standards	Valley Drive, Block B
July 2023	32 x 1 bed independent living flats for the over 50's. 4 flats were built for wheelchair users. ( <b>**Figure 6</b> )	Valley Drive, Block A

*All homes are let at affordable rent, except fully disabled adapted homes which are generally let at social rent to attract downsizers.*



Figure 1 - Churchview



Figure 2 - Greenhill



Figure 3 - Vincia Row



Figure 4 - Farlow Close



Figure 5 - Constable Road



Figure 6 - Valley Drive Block B

Refurbishment		
July 2018	1 Flat	Kitchener Avenue
March 2020	1 Flat	Cutmore Street
March 2020	1 Flat	Chichester Rise

## Appendix 2 – Section 106 Key Supply Opportunities table

Partner Developer Delivery Programme

Site Name	Housing Association /Developer	Total Market and Affordable homes (AR and SO)	Stage project is at
-----------	--------------------------------	---	---------------------



Former Cement Works, Northfleet Embankment Scheme, Cable Wharf EDC/19/0049	KeepMoat/ TCH	224 of 554 Residential Units	By March 2024 all affordable complete
M Block Former Gravesend and North Kent Hospital GBC/20160670	Formally NHS	115 apartments total 16 for affordable housing, (11 rented and 5 S/O)	Planning permission granted
Clifton Slipways West Street GBC/2019/1122	Quinn Estates Ltd	227 apartments 22 Discounted Market Rent apartments in Southern Block	Variation of conditions applied for 20230366 19/6/23. Seeks approval to allow for discounted market sale units and increase in density. Awaits decision
The Charter Land at Market Square & Horns Yard GBC/2020/0343	Rosherville	242 Build to Rent flats 48 as affordable housing discounted market rent	On site
Heritage Quarter outline hybrid planning application. 20120931	Reef Estates Ltd	164 – 187 residential units. Affordable housing 50 units. 25 'Active elderly' and 25 shared ownership	Outline permission approved
Harbour Village, Phase 3A Consultation Decision GBC/2023/0718	Bellway/ Moat	160 affordable across 3 phases. Phase 3A - 273 market homes Policy compliant for EDC at 82 affordable 60/40 in favour of shared ownership	On site phase 1B affordable is 28 affordable rent flats, 1 & 2 bed and 10x 2 & 3B shared ownership houses
Lord Streetcar Park GBC/20211540	Park Central Dev Ltd	156 Residential Units 31 Affordable 22 studios for young people, 9 affordable rent flats	S106 Agreement still to be signed
Albion Waterside Canal Basin GBC/21/0270	Joseph Homes	1500 homes. 150 affordable homes, 100 shared ownership and 50 social rented latest offer July 21	Application March 2021 still pending consideration
Custom House, The Terrace GBC/2021/0757		27 residential units No affordable housing due to viability and vacant building credit.	Application October 2022, (revised October 2023), pending consideration
Land surrounding Ebbsfleet Football club Planning Ref 2022/1064	c/o Montague Evans LLP	3500 market homes 351 intermediate housing units	Outline application received Nov 2022. Pending consideration