



TAI CANOLBARTH CYMRU MID-WALES HOUSING

Yn barod **amdani** **Equal** to the challenge

Development Policy

Strategic Aim:	To promote the Association's core value of EXCELLENCE. <i>"We believe in positively changing the attitude towards social housing and promise to provide affordable homes to a high standard and through making the best use of our resources."</i>
Reference No:	Development Policy v2
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Departments Affected:	Development and Finance
Approved By/Date:	
Lead Officer:	Sian Howells – Director of New Business
Statutory Compliance:	<ul style="list-style-type: none">- Welsh Government Development Quality Requirement- Welsh Government Social Housing Grant Procedures

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DEVELOPMENT POLICY

1. INTRODUCTION

This Policy supports Mid-Wales Housing Association's strategic aim of "positively changing the attitude towards social housing and promising to provide quality affordable homes for current and future residents through best practice and making best use of our resources".

2. SCOPE

This policy sets out the Association's principles governing the creation of further housing stock. The development process starts with ascertaining and demonstrating the need for affordable housing and ends with all development liabilities and compliances being discharged, including those occurring after people have moved into the properties.

Development could include, but is not confined to, new builds, renovations, purchase of complete properties, stock transfers or leasehold schemes.

3. POLICY STATEMENT

3.1 The Development Programme

- All proposed development schemes will reflect identified housing need and require the approval of the relevant local authority and inclusion in their Programme Delivery Plan (PDP) where Social Housing Grant/Housing Finance Grant 2 is required.
- The tenure of housing will be determined both by the funding used and the prevailing needs of the relevant community.
- As a minimum the development programme should cover three financial years and show units developed, the cost to develop and grant and rental income generated.
- The development programme must be checked against BRIXX or another tool approved to ascertain the viability of the development programme.
- The development programme must be approved annually by the Association's Board. Any development opportunities not featured in the approved programme, for example, those emerging from any new Welsh Government Innovative Housing programme, cannot be taken forward without the consent of the Board (usually delegated to the Executive team).

3.2 Land Acquisition

- Payment of finder's-fees is not permitted for introductions to sites or development opportunities.
- Land can only be purchased once a minimum of outline planning consent has been granted on the site. If there is a strong business reason for purchasing land without planning consent, such as when the scheme has been allocated acquisition funding from the Welsh Government under its Land Acquisition

programme, the specific agreement of the Board/delegated to the Executive team is required.

- Any asset purchased by the Association must be subject to an independent valuation. Where the asset is under £300,000 an RICS valuer can be used but over £300,000 the District Valuer must be used. Purchases over the valuation price are not permitted.
- The Association is permitted to take out options on a site for a specific time and price to guarantee control of the piece of land.

3.3 Land Banking

- Mid-Wales Housing Association will continue to meet housing needs across its area of operation through a programme of housing development. In order to facilitate its development objectives the Association is permitted to set aside financial resources to purchase land for developments in future years.
- In any given year, land bank acquisitions will not exceed the value stated in the approved development programme.
- Land bank sites will be in areas where the Association:
 - already has properties in management,
 - where there is a recognised need for growth, or,
 - to meet clearly identified need.

Board anxious to ensure that the “safeguards” relating to land acquisition in 3.2 also relate to land banking

3.4 Building Standards

- All properties will be built to a good standard and be efficient to maintain and adapt.
- Where Social Housing or other grant is used to fund the development, all rules concerning build standards will be adhered to. It is acknowledged that those standards include reference to making properties suitable for people with disabilities.
- Exceeding the standards shall only be permitted where it is affordable and a clear benefit for tenants can be demonstrated; for example fuel bill savings or accommodating specific cultural, disability or sensory adaptations.
- Where specialist, adapted or supported housing properties are created the design will be approved by a qualified individual, such as an Occupational Therapist or Social Services representative.
- Evidence must be kept for audit purposes of how each relevant standard has been complied with.

3.5 Scheme Viability

- Viability is a measure of how financially viable a scheme is for MWHHA and how acceptable it is to the Welsh Government funding.
- Viability is assessed in two parts - a financial assessment and a business risk appraisal.

- Financial appraisals will be undertaken at three key stages:
 - Prior to site acquisition (unless agreed as part of the Association's land banking strategy).
 - Prior to entering into contract.
 - On production of the final account for the scheme.
- For a scheme to proceed the scheme viability must be approved by the Board who delegate responsibility to the Executive Group. Approval must be recorded by the Finance Director and one of three other Directors.

3.6 Social Housing Grant Procedures

Where Social Housing or other forms of grant are used, the scheme must adhere to the relevant published procedures and paperwork which must be signed by an authorised signatory.

- **Key Performance Areas will include:**
 - A. Delivery against approved development programme.
 - B. Maximisation of available grant.
 - C. Cost of new build developments.
 - D. Percentage of local employment involved in construction process.
 - E. Percentage of apprentices employed during construction process.
 - F. Percentage of females employed in construction process.
 - G. Percentage of disabled persons employed in construction process.

3.7 Procurement

- Tenders will be carried out in accordance with the Association's Financial Regulations and Procurement procedures.
- The ideal development procurement route will deliver schemes on time, quality and budget whilst minimising risk for the Association. This is likely to promote procurement routes which involve other parties being responsible for design.
- The chosen route must be fair to developers and provide value for money. This will be demonstrated through either a form of tender or a value for money assessment where there is only one developer (e.g. a package deal). With larger contracts compliance with OJEU (Open Journal of the European Union) should be checked.
- It is expected that development will be undertaken by the approved Undod Contractors and that the onus is on officers to demonstrate a sound business reason for deviating from this course. Such reasons might include:
 - Better value for money being demonstrated outside the framework.
 - No suitably specialised contractors being approved within the framework.
 - A development opportunity being brought to the Association as a package deal where the land is NOT in the ownership of the Association.

3.8 Consultants

- Any consultant employed by the Association must be on either the Association or Care and Repair in Powys's approved list. To be on those lists, consultants will have undergone an assessment to show that they have sufficient experience, skills, professional reputation and insurance cover to carry out the work required.
- A demonstration of value for money is required for each appointment – please refer to the Association's procurement procedure for value limits and numbers of quotes or tenders required.
- A 'scope of works' document must be in place for every appointment to clearly define the responsibilities passed to the consultant. Not only must it list duties but be informative about how those duties should be carried out. The document must be sufficiently detailed and robust to withstand scrutiny should there be a dispute about the services provided.

3.9 Sustainable Homes & Communities

- The Association will make our homes more resilient to rising temperatures, the risk of flooding and built sustainably. We will do this by:
 - a. Ensuring our buildings are energy efficient, helping to reduce greenhouse gas emissions and reduce fuel poverty;
 - b. Using sustainably sourced materials in our homes that can be disposed of safely, without harming the environment;
 - c. Designing buildings that have regard to potential climate change issues;
 - d. Ensuring that our buildings perform to the same standard as the design intended;
 - e. Incorporating biodiversity enhancements into the design of our buildings;
 - f. Incorporating sustainable urban drainage systems into our new build developments to help maintain biodiversity and reduce the risk of flooding.
 - g. Ensuring that the size, type and mix of tenures of new properties assists in supporting community cohesion and sustainability by best meeting local demand requirements.
 - h. Having regards to emerging technologies with the objective of "future proofing" properties so far as possible – to either take advantage of new services or at least minimise the disruption and cost of future provision.

Strategic Risk Factors	<p>- SR.17.DV - 001 to SR17/DV -10 - The Association's Development Risks can be reviewed in Pentana (Covalent) https://mid-walesha.covalentcpm.com/portals/view/5465/board-strategic-risks</p>	
Equality Impact Audit	<i>How does/will this policy ensure needs are met fairly?</i>	This policy sets out the performance indicators required to monitor the delivery of key equality objectives set by the Association.
	<i>Is it felt that this Policy might affect different groups adversely. If so what is the justification for this, and is it legally permissible?</i>	Women and disabled persons employed in the construction industry and the availability of adequate training schemes/ apprenticeships and the gender pay gap are key areas where people may be disadvantaged in the building industry supply chain. Mitigations will be put in place to help counter and monitor this on our projects.
	<i>Have any representative groups in the locality been asked for their opinion and if so what was the outcome?</i>	ONS/CITB and Randstad – Baseline statistics obtained on increasing % of women employed in the construction industry, the gender pay gap and the number of disabled persons employed. These statistics will be outlined more fully in the Equality Impact Assessment and measures suggested as ways to help to address.
Tenant Engagement	<i>How does/will this policy ensure the needs of tenants are met?</i>	If it is not possible to meet the needs of tenants in their current housing, this development policy ensures that any unmet needs could be satisfied by developing new housing to meet specific demand.
	<i>How is it felt this Policy will impact on the rights and obligations of tenants?</i>	It will not have any direct impact upon the rights or obligations of tenants.
	<i>Have tenants been consulted and were the outcomes of that consultation taken into account when considering the introduction of this Policy?</i>	TaRF were consulted on the Development Policy in July 2016 and minor amendments suggested which have been included in this draft.