



STROUD DISTRICT COUNCIL

Strategy for New Council Homes

2025 - 2030



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Appendices

Appendix A – Strategy for New Council Homes - **Action Plan 2025 - 2030**

1. Introduction

The Housing Strategy 2025 - 2030 sets the context for this strategy and provides detail on why the delivery of affordable housing remains a key priority for Stroud District Council. There is currently an assessed need for 365 new affordable homes every year in the district. The local housing market is becoming increasingly polarised between those who were able to buy properties at a time of better wage to house price ratios, and those households who are struggling to access suitable properties. This has been impacted further by the significant increase in private rents and smaller landlords selling properties due to increasing interest rates and rising household costs as a result of inflation.

The Council works with a wide range of Registered Providers (housing associations) as well as rural and community housing groups to maximise the delivery of much needed new affordable homes. This strategy sets out how the Council will contribute towards meeting this need by continuing the delivery of its own house building programme, which to date has delivered 276 new homes.

2. Our Local Landscape

The Stroud District is a largely rural area covering 175 square miles in the south of Gloucestershire. Much of the eastern half of the district falls into the Cotswold Area of Outstanding Natural Beauty, which covers just over 50% of the district's total land area. The western half is characterised by the low-lying river landscape of the Severn Vale and is bounded by the Severn Estuary and includes extensive areas of land liable to flooding which extends eastwards along the river corridors within the Stroud Valleys. The district contains internationally important wildlife sites at the Severn Estuary, at Rodborough Common and a beech woodland straddling the north eastern boundary with Tewkesbury. The district has rich built heritage, including 42 conservation areas in a wide variety of towns and villages each of which are unique in character.

The district has a significant shortage of affordable homes and high average house prices compared to the Gloucestershire average.

Stroud has a population of 124,540 (2023), and over 56,000 dwellings. In 2021 around 74% of households were owned (outright, with a mortgage or shared ownership), 14% were privately rented, and 12% were socially rented, with 9% of properties being owned by the local authority and 4% by housing associations. The population is predicted to increase to 136,363 by 2043.

There are currently 21,313 people aged 0-15 (17% of the population) and 29,438 people aged 65 and over (24% of the population). In mid-2023, Stroud had an estimated dependency ratio of 0.69, this means that for every 100 people who are of working age (16-

64) there are 69 people dependent on them. Projections suggest the over 65 population will rise significantly in the coming years as a result of increasing life expectancy and the demographic impact of two generations of baby boomers.

The Stroud district benefits from a vibrant community spirit, offering a mix of culture and countryside. The towns benefit from a range of independent cafes and shops all set in a picturesque location, which is proving to be a popular choice to live and retire in, particularly with the larger towns of Cheltenham, Cirencester and Gloucester not far away.

3. The Corporate Context

The Council Plan 2025 - 2029 maps out Stroud District Council's vision, priorities, and challenges over the next four years. The Council Plan has five key pillars – 1) Environment, Climate & Nature, 2) Communities & Wellbeing, 3) Local Economy, 4) Housing and 5) Working for our Communities. This strategy is most closely aligned to the Housing pillar, but also feeds into a number of other actions in the plan.

The purpose of the Housing pillar is to recognise that “good quality housing plays a vital role in ensuring our lives are lived well, and this priority outlines how the Council will play a full role in ensuring that the quality and quantity of homes in our district is enhanced, and that in the Council's role as a landlord our housing stock is good quality, energy efficient, safe, and fit for purpose.”

The Delivery Plan 2025 – 2029 sets out 8 objectives and 26 associated actions to clearly demonstrate how the Council will meet this priority. This strategy mainly focusses on delivery of objective 1.A. but also feeds into other actions in this pillar.

The Council's house-building programme plays an important role by supporting the local economy and jobs and providing the much-needed new affordable homes across the district and so remains a key priority for the Council. This Strategy for New Council Homes supports the Council's priorities through provision of new homes to meet the diverse needs across the district whilst also reconfirming the actions contained within both the Housing Strategy and Independent Living Strategy with regard to the provision of new homes.

The diagram below reflects how the Strategy fits within the wider corporate context.



Diagram 3.1 Link to wider corporate context

4. The Story So Far



for its new council homes and the action plan provides a list of robust actions to ensure delivery of this Strategy, in turn achieving SDC's vision.

The Council began building its first new council homes for 30 years in 2014 and by June 2025 has added 276 new homes to its housing stock. This has mainly been through the regeneration of sites following the rehousing of residents and the demolition of non-traditional properties that had reached the end of their economic life and replacing them with a mix of property types and tenures to meet the current housing needs. The Council has reviewed its small garage sites and other land holdings to identify those that are suitable for redevelopment for affordable homes and has also carried out a review of land available on the open market for purchase.

Within the Council's current medium term financial plan (MTFP), a budget of over £35 million has been approved for a further 96 new homes to be delivered over the next 4 years together with a 'land acquisition' fund of £3 million and a 'housing acquisition' budget of £5 million over the MTFP (it is proposed to increase the acquisition of housing budget by a further £10m to £15m in 2025/26 to enable S106 opportunities to be maximised.)

The purpose of this strategy is to set out the objectives for the delivery of these new homes, to identify the priorities for the purchase of more land and to set out the methodology for setting the type, tenure, location and standards of accommodation for the building of more council homes beyond the current MTFP.

Consultation has been undertaken with the Chair & Vice Chair of Housing Committee and a range of officers across different services within the Council to review the original strategy and identify any changes required. The result is a set of strategic objectives which need to be achieved to deliver SDC's vision

5. Vision

To positively contribute to the provision of affordable, good quality, energy efficient homes that meet current and future needs.

6. Strategic Objectives

This strategy seeks to deliver seven strategic objectives, the '**building blocks**' of the programme, set out as follows:



These building blocks will shape the provision of new, good quality, affordable homes for the Council to meet a range of needs for the diverse population.

O N E

Be agile in assessing land opportunities and maximise existing land holdings to exploit the limited supply of land available across the district.

The local landscape as set out in section 2 limits the land available for development with the large house builders tying up options on the few large strategic sites across the district.

It is therefore important that the Council maximises its assets and wherever possible seeks to find development opportunities within its own land holdings. The homes built to date have all been on land owned by the Council predominantly through the regeneration and redevelopment of sites previously occupied by homes no longer fit for purpose or by increasing the number of homes on existing sites due to the large footprints and gardens of some of the older stock.

This will continue to be an important part of the programme and will sometimes involve the rehousing of existing tenants into suitable alternative accommodation to enable demolition and or the purchase of properties, previously sold through the Right to Buy, for land assembly purposes. These sites may come forward following option appraisals on existing stock which determine that redevelopment is the best value for money approach for a particular group of homes.

In accordance with the Independent Living Strategy, the conversion of the communal lounge for those schemes identified as Independent Living where no communal facilities are proposed, may create further new homes. Further consultation will be undertaken at these schemes to assess the best options.

The land owned by the Council which is suitable for development is a limited and finite resource and so the Council also needs to identify land for purchase on the open market or by negotiation. This will require officers to be able to compete with developers for these sites and to act quickly with offers. Approved budget and assessment criteria for land purchases will be developed and agreed with members. The Council will need to be bold in acquiring and developing sites, acknowledging that there are often objections from the local community to this type of development but being prepared to support projects that meet the need for more affordable homes in accordance with the Council priorities.

The Council will consider the provision of funding for affordable homes to support the regeneration of town centres and key strategic sites across the district. In addition, the Council will explore opportunities to acquire S106 properties from private developers, especially where there is a lack of appetite from RPs in the district.

Staff resourcing will be reviewed to ensure that the Council can respond effectively to land opportunities.

T W O

Understand and address the diverse needs of the district in both tenure and property type.

The Council aims to deliver homes to meet the diverse needs across the district and whose needs are not met through the existing stock. It will also develop schemes to enable people to remain in their communities and to build homes to free up existing stock. The type and tenure for each site will be assessed at an early stage taking into account priority needs, location, topography, viability and other stock in the area. The overriding need is for rented accommodation, and this will be the dominant tenure on all sites.

The properties will be let through the Homeseeker policy and in certain circumstances a Local Lettings Plan will be introduced for first lettings to create balanced and sustainable communities. Where rural exception sites are developed these will be let to people with a local connection to the Parish.

The continuing inclusion of additional tenures within the development programme will provide housing that meets the needs of a growing number of households for whose income would make it difficult for them to access the private market but have aspirations of home ownership. The shared ownership properties will be allocated on a first come first served basis, the exception being that priority must continue to go to serving military personnel and former members of the British Armed Forces discharged in the last two years, within set household income criteria, in line with the requirements of Homes England, following an affordability assessment, and are advertised through Share to Buy or similar website.

The need for homes for people with physical and learning disabilities will also be explored and homes developed to meet the particular needs of those with mobility issues, regardless of age, will be pursued on suitable sites. Dementia friendly improvements and practices will be considered across new Independent Living schemes.

The Council will aim to explore opportunities to deliver temporary accommodation homes for families through funding secured in the Local Authority Housing Fund 3 (LAHF 3). This pilot project will support the Council to shape future temporary accommodation in the district, improving standards and reducing the cost impact of B&B accommodation.



Private rent or sale may be appropriate on larger sites where the inclusion of some of these units may make a scheme financially viable.

THREE

Design good quality, sustainable, dynamic, energy efficient homes that address the Council's climate and nature recovery commitment.

The new homes will be delivered on the basis of detailed Employer's Requirements that addresses energy efficiency, good space standards, flexibility, adaptability and safety with the aim of enabling people to live in their homes as independently as possible for as long as possible as their needs change.

Each new home where possible will be built to Building Regulations Part M4(2) or Part M4(3) and will meet Nationally Described Space Standards.

The specification aims to help the Council achieve its commitments in the Climate and Nature Recovery Strategy and is based on a fabric first approach with further specification items added to achieve a minimum SAP rating of 92, which equates to an EPC rating of A. It has been estimated that this would deliver a reduction on carbon emissions on Part L in the Building Regulations of 31%.

As the programme progresses officers will work with colleagues from across the Council and take advice from external agencies to establish how it is going to move closer to the proposed new local plan policy levels; how our new homes can be built to operationally net zero emissions standards, using a combination of renewable energy and construction innovations that also reduce embedded carbon and nature impacts and; how to address the balance between the costs of increasing energy efficiency with maximising the number of new homes delivered.



Each time a scheme is tendered a review of the specification will be undertaken as technology, the market, government subsidies, etc. enables the Council to move to greater energy efficiency and will put it in a position to address the requirements set out in future changes to the Building Regulations on this matter and the policies that are adopted in the Local Plan. Modern methods of construction (MMC) will be explored to establish the benefits for speed of delivery, cost and thermal efficiency for the type of sites being developed by the Council. The small sites do not necessarily lend themselves to this type of construction due to the necessary bespoke nature of the designs and the experience of others working on similar sites will be sought.

FOUR

Build new council homes that strengthen communities and growth in the local economy.

New homes will address the needs of the communities within which the individual sites are located, particularly on the rural exception sites where the mix of homes specifically address the results of Parish housing needs surveys or when identifying those sites that are particularly suitable for the provision of older people's accommodation due to their topography and access to facilities. The Council recognises that it is well placed to deliver on those needs not being met by others within the district and that make a difference to communities and individuals. These schemes will form an important part of the programme.



Included within the selection process for the procurement of consultants and contractors for the programme, social value will always be part of the criteria. The procurement approach will enable a team to be formed for a number of projects enabling training and apprenticeship opportunities to be explored due to the ability to roll trades forward on to the next project giving the contractors continuity of work to contribute towards our local wealth building agenda.

The Stroud District Youth Council have expressed an interest in new affordable homes built and maintained by the Council. Delivery of new sites through the programme provides a good opportunity to involve members of the Youth Council in site visits during construction and build on this interest.

Local letting plans will be used for first lettings where appropriate to create mixed and balanced communities.

FIVE

Underpin the programme with good project management addressing the key principles of risk management, value for money and resourcing.

Right to Buy Receipts

The Government has recently decreased the discounts available to tenants who want to take up the Right to Buy. This has resulted in an increase in the numbers of tenants applying to purchase their council home in 2024/25. Due to the decrease to the discount, it is likely that there will be fewer RTB sales over the next few years, although receipts per property are expected to be higher and the overall impact on capital receipts from Right to Buy is not yet known.

Local authorities are able to retain Right to Buy capital receipts, subject to conditions. 2025/26 is the final year of a current agreement to retain all capital receipts (previously a share was returned to the Government). It is the second of a two-year agreement where there is no maximum contribution from Right to Buy receipts. Prior to this there was a 50% limit, whereby Right to Buy receipts could only contribute a maximum of 50% of the cost of the new properties, with the remaining funding to be found by the authority. There is a five-year limit to spend capital receipts or else they must be returned to the Government. Retention conditions are currently due to return to a maximum contribution of 50% from Right to Buy receipts, and a share of receipts being payable to Government from 2026/27.

The Council will maximise these receipts across the programme and using them together with other sources of eligible funding to support the affordable rent part of the programme. Should schemes not be deliverable within the 5 years then the Council will look to purchase on the open market to prevent the return of the receipts to central government.

Homes England Affordable Homes Programme

Homes England provides grant funding from central government to registered providers of social housing to deliver new affordable homes. The Council is an Investment Partner with Homes England and in recent years has secured grant funding in the sum of £4.665 million to support the delivery of its new council homes from the previous 2015-18 Affordable Homes Programme and the 2016-21 Shared Ownership Affordable Homes Programme as well as the current 2021-26 Affordable Homes Programme. The Council will seek funding from further programmes announced by the Government. Homes England currently prioritises Social Rent accommodation and it can be expected that this will be reflected in any grant funding made available.

Garage and land sales

The Council has a Small Sites and Garages Disposal Programme and land or garages sites within the HRA, that are not considered suitable for development by the Council for new homes are sold on the open market or to Registered Providers to generate income for the new homes programme. The programme has raised receipts of over £3.74m since it started in 2016. It is now coming to an end and there will therefore be limited additional capital receipts generated towards the programme.

Other sources of funding

Funding through cross-subsidy by building for sale, or other models of affordable housing including shared ownership will continue to be explored. The Council has developed 49 shared ownership properties and will continue to provide an element of shared ownership on the larger sites or where a mix of tenures assists with the viability of the scheme. It is unlikely that developments through joint venture approaches, similar to the award-winning scheme at Minchinhampton, may present themselves over the lifespan of the strategy, however, any opportunities would be considered.

Alternative sources of external subsidy will continue to be explored to support delivery of the programme. The Council has been successful in securing funding through the One Public Estate, Brownfield Land Release Fund (BLRF) as well as the Local Authority Housing Fund (LAHF). It is hoped that the Council can continue to build on this success in any future rounds of funding.

Seeking opportunities for funding is considered as sound activity to future-proof the Council's plans within the HRA, in the case that any of the assumptions in that business plan have to be amended due to external factors such as rent setting by central government or changes in CPI, RPI and interest rates. Different development models will be explored, and these will be considered on a site-by-site basis.

Rents

Government policy for building new affordable housing is that the capital costs should largely be met from rental income. For new build schemes rents will be determined on a site-by-site basis. By default, Affordable Rents will be charged. Where energy efficiency is high (EPC A), and so running costs can be expected to be lower, full Affordable rents (80% of market rents) will be charged. Otherwise, unless required for viability of the site, rents will be capped at Local housing Allowance (LHA). There may be conditions that require other rents to be charged, for example if Homes England funding is secured for Social Rents.

The rents for the unsold equity for the shared ownership properties is currently set at 2.5%. This will be reviewed for future schemes when assessing viability and affordability.

Viability Assessments

To ensure that the HRA can fund the development of new homes each scheme must be properly assessed for viability and a reasonable correlation between the cost of delivery and the rental income. It is also essential that the impact on the business plan of each scheme is costed and understood and that the cumulative effect of the programme is affordable in the context of the wider HRA 30-year business plan. Where the viability of schemes are less affordable in the context of the HRA 30-year business plan, consideration will also be given to the wider social, environmental and corporate context when decisions are made about projects.

ProVal software is used to carry out these assessments with the assumptions around inflation, interest rates, maintenance and management allowances etc. reviewed on a six-monthly basis to ensure that they are in line with the assumptions made in the 30-year business plan.

The Council will need to pay market value for sites and, in some cases, possibly more. All affordable housing development requires subsidy. It needs to be recognised that there should be some flexibility with financial parameters when assessing schemes, as the potentially unquantifiable social, economic or environmental benefits of a development may be significant.

Procurement

The procurement of contractors and consultants for the new homes programme follow the Council's Contract and Procurement Procedure Rules and a number of different Frameworks and Dynamic Purchasing Systems have been used to select an employer's agent, principle designer, clerk of works, architect and contractor for current and future schemes. Where possible, schemes have been packaged to create a consistent design team working across a number of sites and moving on to the next schemes based on performance using KPI data. There can be learning across the sites that can be taken into each scheme and having the team on board at inception enables value engineering to be done at the early design stage. Time can also be saved by not having to tender schemes individually.

A strong project management approach is adopted with the use of SDS ProVal, Sequel and Microsoft Project software that provides a workflow and cashflow facility in order to plan and monitor the programme and budgets for schemes.

Risk assessments are carried out at the start of each project and reviewed throughout the life of the scheme.

SIX

Engage with tenants and other key stakeholders to learn from projects to continuously improve the homes that are delivered.

The Council will aim to carry out new homes surveys once the tenant has lived in the property for 6 months to obtain feedback. This will help the Council to establish whether changes are required, particularly to its specification, for future schemes to continuously improve the homes that we provide. With the introduction of new technologies over time to meet our climate and nature recovery strategy, this will also include feedback on running costs and ease of use for tenants.

The Council will undertake public consultations on larger or more sensitive sites, inviting local residents and members of Town/Parish Councils to seek their feedback on proposals and to inform the design prior to planning applications being submitted.

Post completion reviews will be carried out with officers from across the Council and with the consultancy team and the contractor to learn from each project to feed into the next.

SEVEN

Work in partnership to maximise the delivery of affordable homes across the district.

The Council has strong established links with a number of Registered Providers (RPs) who make a significant contribution to the supply of affordable homes across the district. It is important that this continues, and it is not the Council's intention to compete with them. Several Community Land Trusts also work within the district providing affordable homes. The Council intends to work alongside its partners, learn from best practice and envisages a complimentary approach to the delivery of affordable homes. The Council has been proactive in establishing connections with other Local Authorities and RPs to form relationships.

Where there is a lack of appetite from other registered providers in delivering the vital role of securing affordable homes via section 106 agreements the Council will explore opportunities and negotiate to acquire these homes, to prevent them being lost on the grounds of viability.

Internally, the New Homes and Regeneration team will continue to work closely with its colleagues in planning services with the case officer and the wider team including biodiversity, conservation, water resources and arboriculture.

The Council has been a member of the Gloucestershire Rural Housing Partnership for the past 5 years to explore delivery of schemes on rural exception sites and will continue to work with the rural housing enabler to identify suitable sites to meet local need. Through that partnership it will be decided which provider is best suited to deliver schemes in each Parish. The Council will pursue opportunities to acquire public land from other public bodies such as Gloucestershire County Council.

7. Governance

The programme of new homes is delivered through the New Homes and Regeneration Project Team within the Council. A Strategic Project Board and Operational Team is consulted as part of the officer approval process for each scheme with terms of reference set for each. The former, the New Homes and Regeneration Project Board, has representation from senior officers from across the Council including Housing Services, Contract Services, Housing Strategy, Housing Advice, Property Services and Finance. The operational team includes officers from Housing Services and Contract Services who will take on responsibility for the ongoing maintenance and management of these properties once they are complete, handed over and added to the Council's stock.

The effectiveness of these groups will continue to be reviewed, and any adjustments made to the terms of reference as required.

Housing Committee is the decision-making body for the programme outside the scheme of delegations.

8. Monitoring and Review

Monitoring of the Action Plan

This Action Plan (*Appendix A*) will provide a robust method of monitoring delivery of the strategic objectives to achieve the Council's vision for its new council homes. The action plan will be monitored on an annual basis by the New Homes and Regeneration Manager, with progress made being reported to Housing Committee through relevant Officer Reports.

Review of the Strategy & Action Plan

The strategy and the action plan should be reviewed fully by the New Homes and Regeneration Manager by June 2030, with any changes to the strategy reported to Housing Committee.



Document Owner: Kimberley Read, New Homes and Regeneration Manager

Date for Review: June 2030

