



Growth Strategy 2023 - 2028

March 2023

www.broadacres.org.uk



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About Broadacres

Broadacres is an ambitious, not for profit Housing Association based in Northallerton, North Yorkshire. We formed in 1993 following the transfer of stock from Hambleton District Council, and in the past 30 years have grown and now own and manage around 6,600 homes across North Yorkshire and beyond. We offer a range of homes and services to a wide variety of local people, from aspiring homeowners to young people leaving care, women surviving domestic abuse, older people downsizing to families with children young and older.

We are proud to be the only major Housing Association based in North Yorkshire with a strong focus on supporting our local partners and communities. We are ambitious for our growth and our customers experience. This strategy for growth articulates how we will deliver more safe, warm and affordable homes in the next 5 years across our rural geography.

Our vision

Our Corporate Plan commits us to strive to be:

“the best rural housing association in the country”

and our 3 primary objectives are to deliver Great Homes, with Great Customer Experiences in Great Communities.

Our values

Our 3 key values are to be:

- Passionate;
- Empathetic; and
- Respectful;

in all that we do, and this Growth Strategy will contribute to that endeavour.

North Yorkshire's housing markets

Demand for homes across North Yorkshire is very strong, as our wonderful environment and the diversity of our villages, market towns and coastal communities attracts many people from newly forming households to retirees, second homeowners and people seeking a better quality of life in the post Covid world. This demand for North Yorkshire homes keeps house prices and private rents high, and beyond the reach of many local people. In December 2022 the average price of a home in North Yorkshire was £287,418*.

Median earnings at that time were £25,833* meaning that average prices are over 11 times average incomes.

Private rents have increased in response to increased demand for rented homes. Median rents for a 3-bedroom home in North Yorkshire are £750 per month*, this ranges from £650* in Scarborough to £910* in Harrogate. Partners continue to report a reduction in the availability of private rented homes across North Yorkshire, but particularly in coastal and rural areas as landlords continue to find holiday letting or 'AirBnB' type uses very attractive. This lack of supply and increasing demand from people seeking accommodation is fuelling increasing rents.

*Source – ONS live tables December 2022

In many of our more rural communities this reduction in the availability of homes to rent, and the increased unaffordability of homes to buy is changing local demographics and the operation of rural communities and economies. Pressure on falling school rolls, difficulties of local employers in finding local staff and changes in demand for local services is impacting the way our rural communities and economy's function. In 2021 the North Yorkshire Rural Commission noted this, and commented 'there is a missing demographic, but also an absence of diversity and mixed social class which contribute to the sustainability and well-being of communities.'**

**North Yorkshire Rural Commission report July 2021.

Increasing the supply of affordable homes is a key priority of the York, North Yorkshire and East Riding Housing Strategy, developed by our partners the YNYER Housing Partnership. Broadacres is pleased to promote this Growth Strategy to support that ambition.

There is strong competition for good quality, developable land in North Yorkshire, and correspondingly high prices. Broadacres must compete in that land market alongside commercial housebuilders and take advantage of every opportunity to maximise opportunities to deliver more affordable homes for local people to meet this demand for more homes.

Planning and delivery in North Yorkshire

This Growth Strategy is advanced at a time of change in local Government. 1st April 2023 will be the vesting day for a new Local Authority for North Yorkshire. This new Council comprises the 7 former District Councils and the County Council who will merge and become North Yorkshire Council, which will provide all the services previously delivered under 2 tier arrangements for that geography. North Yorkshire Council will develop a new Local Plan in the first 5 years of that Authority, but until the adoption of that plan the existing Local Plans in their varied stages of preparation will continue to be the planning framework for the County.

Research from the York, North Yorkshire and East Riding (YNYER) Housing Strategy review evidences that, in the 5 years to 2021 the Planning Authorities in the region collectively delivered 5,904 homes, comfortably outstripping Local Plan target of 4,763. However, as the table below illustrates, the delivery of affordable homes has not kept pace with target. In the 5 years to 2021 6,217 affordable homes were delivered, against a target of 9,600.



Table 1 – affordable housing delivery against target in YNYER 2015/6 – 2020/21

Year	YNYER Affordable Housing Completions	YNYER Affordable Housing Target	Shortfall
2015/16	659	1,600	941
2016/17	915	1,600	685
2017/18	815	1,600	745
2018/19	1,103	1,600	497
2019/20	1,334	1,600	266
2020/21	1,351	1,600	249
TOTAL	6,217	9,600	3,383

Source York, North Yorkshire and East Riding Housing Strategy Review March 2022

And demand continues to be strong for rented affordable homes. The North Yorkshire Home Choice register – the mechanism for allocating social housing adopted by most North Yorkshire social landlords – evidences a high number of households seeking affordable, rented housing in the area.

Table 2 – number of applicants for affordable housing February 2023, source NY Home Choice

Local Authority	Band				Grand Total
	Bronze	Silver	Gold	Emergency	
Craven	345	239	40	0	624
Hambleton	548	480	99	1	1,128
Richmondshire	277	223	51	1	552
Rydale	427	383	71	2	883
Scarborough	1,154	676	345	0	2,175
Selby	266	291	50	1	608
Grand Total	3,017	2,292	656	5	5,970

Table 2 illustrates the level of demand for affordable housing in most North Yorkshire districts, with 656 households in 'Gold' band, these are households with an urgent need for rehousing, and exhibiting the highest levels of housing need. In total, nearly 6,000 are seeking a rented, affordable home in North Yorkshire. NB this figure excludes Harrogate District, where a further 1,892 households were seeking affordable rented housing as of March 2022*

*Source - ONS live table 600 2022

The operating environment

Looking back, the previous Growth Strategy navigated a volatile period in the construction industry and a global pandemic which slowed construction progress and disrupted the supply chain significantly and this – together with changes to the labour market following EU exit – made the supply of both labour and materials more expensive and erratic. Throughout 2022 the war in Ukraine further impacted the wider economy which has experienced exceptionally high inflation. 2022 was characterised by political uncertainty, and the September ‘mini-Budget’ resulted in emergency intervention in the economy, fuelling increased interest rates and uncertainty in the mortgage market. This contributed to an ongoing cost of living, and energy crisis that has made many people face stark choices about how to heat their homes and support their families at the time this Growth Strategy is advanced.

Following a period of sustained house price inflation, evidence in early 2023 is that asking prices are stabilising and falling, with some major housebuilders slowing development or stopping sites as increased interest rates and flatlining economic growth impact demand in the market. Build cost inflation continues to challenge the viability of new projects, and contractor failures add to the uncertain picture in the supply chain.

Planning reform proposals continue to fuel uncertainty, with proposals to amend the approach to the assessment of housing need, and the requirements of Local Authorities to plan for addressing that need are in consultation in early 2023. The future of the s106 mechanism for delivering affordable housing is not clear, and national policy focusses development in urban centres, with fewer homes required in rural areas. Government support remains available for affordable housing via the Affordable Homes Programme, which provides capital grant to rented and shared ownership tenures. Public and Regulatory concern about standards in affordable housing, together with the tragic case of Awab Ishaak, a toddler who died in Rochdale in late 2020 due in part to untreated damp and mould in his home have shone a spotlight on the social housing sector and its relationship with customers and the management of their homes. The Growth Strategy is developed in the context of these circumstances, and in full acknowledgment of the imperative to manage the twin demands of investing in our existing homes, providing personalised customer experiences and delivering new homes.

The circumstances are certainly challenging to introduce a new Growth Strategy, but need and demand for affordable housing remains strong, and is likely to grow in an environment of ongoing economic strife. Broadacres remains committed to delivering more affordable homes to rent and buy in North Yorkshire and navigating difficult delivery circumstances by maintaining a good understanding of the local market, continuing to have great relationships with local partners, having a full appreciation of risk and an openness to counter cyclical interventions.

Customers and partners

Customers are at the heart of everything we do. Our customers shape our policy, and this Strategy aims to meet the needs and aspirations of our customers – both existing customers and customers we may not have met yet - those seeking homes to buy or rent.

We will engage with communities when developing plans for new homes. We are proud to be founding partners in the North Yorkshire Rural Housing Enabler Network, and our ongoing support to this project allows us to research the housing needs of rural places and engage meaningfully with local people about how we can support them to meet their housing needs. We keep in touch with customers of our new homes and use their feedback to inform our future development plans, and we will review this Strategy regularly with a range of customers via focus groups to gather insight and use it alongside our market intelligence to support the implementation of this Strategy.

We aim to be the partner of choice for affordable housing services in North Yorkshire, using our capacity, capability and skills to support local partners develop and implement plans to meet housing need and demand. We have excellent relationships with local partners, we play an active part in local housing delivery fora and work closely with statutory and voluntary agencies at multiple levels. As the new North Yorkshire Council establishes its housing function, we stand ready to offer support and help deliver their plans.

Relationship management with public and private sector partners is critical to our joint success. In delivery of this Strategy Broadacres will assert our position as key local partner, putting ourselves forward to be the delivery partner for projects in North Yorkshire where we have the capacity and resources to contribute. We will continue to deepen our influential relationships with North Yorkshire Council, the emerging York and North Yorkshire Combined Authority, the Local Enterprise Partnership, the 2 National Park Authorities and AONBs as well as other landowning and influential groups from across the public, private and voluntary sector.

Our offer to partners is to be pro-active in this work, visibly engaging and supporting local and regional projects and contributing to strategic development. Our development culture is to be can-do, positive, enabling and generous with our time, our expertise and our collaboration with others in pursuit of our joint objective – the delivery of more Great Homes.

In this manner, we are open to exploring new or innovative partnerships to secure delivery.

Types of homes proposed.

We will deliver 1,000 additional homes in the period to March 2028, making a significant contribution to the overall housing requirements of our local communities.

Affordable Housing and market sale

Our focus will be on the delivery of affordable housing. Our wholly owned subsidiary Mulberry Homes Yorkshire Ltd has the expertise and capacity to deliver quality new build homes for open market sale, and we will seek to deliver these homes where they will meet local demand and we can be sure they will support the delivery of additional affordable homes. We aim to deliver around 10% of our total supply to the open market, as part of mixed tenure developments.

Rented homes

Given the prevailing need for quality homes for sub-market rent, we propose that at least 60% of our programme will deliver homes for Social or Affordable Rent. We are mindful of the affordability pressures in our housing markets and will take advantage of funding opportunities to deliver the most affordable product where possible, and we will work with the North Yorkshire Home Choice Partnership to let these homes in accordance with our joint policies. Many of these homes will offer customers the Right to Acquire their homes, and may come with the Right to Shared Ownership, offering routes to home ownership for those households for whom this is appropriate and meets their aspiration. Our rented homes will be distributed throughout our developments, and indistinguishable from other tenures on our land led developments.



Intermediate homes

Many people aspire to own their own home in future, but we have already seen how our current housing market makes this a challenge for many people in North Yorkshire. In addition to meeting the need for affordable rented homes, we propose that 30% of our programme comprises homes for low-cost home ownership, or other intermediate tenure. This could be a shared ownership offer, allowing households the opportunity to buy a part share in a home, reducing the requirement for an initial deposit and insuring against mortgage rate rises, and allowing for the purchase of additional shares in future, should circumstances allow. We will look for ways to support households on the journey to home ownership, including – where appropriate – developing our Rent to Buy offer.

Specialist homes for older or vulnerable people

Our commitment to enabling great communities means that we welcome the opportunity to deliver specialist homes for people with support needs.

Working closely with Commissioners and other bodies, we will adopt a collaborative approach to providing additional homes with associated care and support where need can be demonstrated, and a clear funding strategy exists. This approach maintains flexibility to respond to changing needs and priorities, but we do not propose to consider opportunities to deliver care homes at this time.



Where will we work and who will we work with?

Broadacres is proud to be a North Yorkshire based organisation, and our Growth Strategy focusses on delivering new homes in the County. However, we are aware that the needs of rural communities do not end at County boundaries, so we remain open to opportunities at the edge of North Yorkshire: in the Northern parts of East Riding, the Eastern parts of Cumbria and rural parts of Southern Durham and Tees Valley.

We will develop a mixed programme that comprises larger sites in market towns, and smaller opportunities in rural villages, to support the sustainability both of our programme, and of rural communities. We have considerable expertise in the delivery of rural housing and intend to support partners in the Yorkshire Dales and North York Moors National Park to deliver new affordable homes, utilising and growing our expertise in Rural Exception Site delivery. We will also focus on our partnerships with landholding bodies, local Estates and those with rural interest to offer our support to enabling the provision of new homes on their land.

Great communities are usually supported by great partnerships, and this Growth Strategy proposes the continuation of our work to support smaller organisations to develop or improve affordable homes, using our development capability and skills. This could include working with community led housing organisations, offering development agency services to charitable or Alms-house Trusts, or providing management services to other landlords who share our values. We also intend to work with SME developer partners to help grow their capacity, by sharing risk, joint procurement and collaborative approaches to bringing sites forward.



Our approach to procurement and delivery

Broadacres will use a variety of procurement methods to populate the programme, including:

- Land led developments
- Purchase of homes required by s106 from developers
- Acquisition of additional new build homes from developers
- Acquisition and/or repurposing of existing homes
- Partnerships with developers and contractors

We aim to deliver at least 50% of our homes on land led projects. This allows us to control the quality and design of our homes, and deliver our own housing typologies, which have been carefully designed to deliver the standards of space, amenity and liveability we demand. This also allows us to deliver highly energy efficient homes, that are affordable to run as well as rent or buy. This approach does introduce more risk to the Association, and Board will seek assurance that risks are properly understood and mitigated, and proper due diligence has been completed before approving land led projects.

Land will not normally be purchased unconditionally, but conditional options will be considered where risks are well understood. No land will be purchased without a full, up to date valuation carried out by a RICS qualified professional, and purchase prices will not exceed those valuations.

Only freehold and long lease acquisitions will be considered. In order to maximise the potential for grant funding a minimum of 125 years lease will be required for all projects with rented homes, and 990 year leases will be required for projects with shared ownership tenures.

We will continue to support the delivery of affordable housing through planning gain by acquiring homes from developers and contributing to local partnerships for the distribution of homes secured via s106 Agreements. Although these opportunities bring less risk to the Association, their delivery is dependent on third party build-out rates, and their quality may vary. We will seek to work with partners who share our values, and deliver homes of good quality, size and energy efficiency. We reserve the right to reject homes that do not meet these standards, and we will factor into our business case development the cost of retrofitting homes built without sustainable forms of heating.

The acquisition and improvement of existing homes can offer an opportunity to promote regeneration of an area, or to respond to immediate housing needs. We will explore opportunities to acquire and repurpose existing homes and buildings to deliver additional affordable homes where there is a sound supporting business case.

We will develop a mixed portfolio of opportunities that combines our rural housing specialism with sites that offer economies of scale subject always to viability, scheme performance and due diligence findings.



Design quality and sustainability

Significant progress has been made in the development of a suite of property typologies that address all current and future Building Regulations standards, and Broadacres latest developments showcase the standards of quality, design and energy efficiency that has been achieved. We continue to challenge ourselves to outstrip national targets for energy efficiency of both new build and existing homes and will continue to develop all new homes to at least SAP B throughout this Strategy, with low carbon forms of heating, enhanced levels of air tightness and insulation, and including renewable energy sources where practicable.

In a competitive development environment, there is always a trade-off between the ability to secure a deal that works commercially, and the delivery of enhanced levels of quality and sustainability. Our plan is to build new homes to Future Homes Standard 2025 early in the life of this Strategy and embed the learning from our deep retrofit project into our new build programme as early as possible. We are also mindful of our 2050 obligation for net zero homes, and of the need to avoid adding to the future retrofit requirement via homes that are developed now.

We will challenge ourselves to deliver the highest levels of energy efficiency in our new homes and promote and publicise our success in achieving this. Individual investment decisions will need to take account of any trade-offs between scheme viability, deliverability, and our ambition to outstrip national targets with enhanced specifications, and Board, advised by Group Asset and Development Committee (GADC) will be kept apprised of any impact this has on our ability to continue to populate the pipeline.

Modern Methods of Construction technologies are evolving, and the supply chain is improving with several high-profile manufacturers' factories located in North Yorkshire. Such technologies are often best suited to delivery on larger sites in urban areas, where ease of transport connections and economies of scale best suit suppliers' business models, and we acknowledge that this fits less well with the profile of Broadacres' programme. MMC can be an effective way to deliver zero carbon solutions, and we commit in this strategy to monitoring the development of this sector and considering the use of MMC solutions in the Programme, subject to detailed due diligence on a case-by-case basis.



How we will deliver this strategy

Managing risk

All new business proposals will be considered in the context of Broadacres' risk management framework, and our Board's appetite for risk. Decisions will be made following appropriate legal and technical due diligence, with a detailed report demonstrating compliance with our development assumptions, a full viability appraisal and a comprehensive risk management plan that includes scenario tests and a credible exit strategy to address changing market conditions.

Development assumptions are annually reviewed by Board, and any changes to hurdle rates approved by Board following a detailed business case.

Funding

Broadacres financial plan has the capacity to deliver the ambitions of this Strategy. This will be kept under careful review, with regular monitoring of project budgets, achieved sales values and delivery against agreed targets. Outturn reports will identify lessons learned and inform future delivery plans.

We will maximise financial support from other agencies to support the delivery of this Strategy, with Homes England a key partner, but other opportunities such as Brownfield Housing Fund, LA commuted sums, DLUHC funding direct to LAs or NHSE funding being utilised where possible. We will access new funding sources as they become available.

Governance of delivery and approvals

All investment decisions are taken in accordance with Broadacres' scheme of delegations. The development decision making Framework is reviewed annually by Group Asset and Development Committee (GADC) and reported to Board. GADC and Board receive regular performance reports on delivery and financial performance, and updates on pipeline developments enabling oversight and management of the objectives of this Strategy.

Holding ourselves to account - Pipeline development and monitoring

All development activity involves a degree of speculation, and any pipeline has a rate of attrition as schemes do not progress following due diligence, circumstances change or offers are unsuccessful.

This is monitored using a pipeline tracker tool that show at a glance all projects at different stages in development, from ideas in feasibility testing, through projects in due diligence, those in the stages of business case development and decision making through to schemes in contract and on site. This pipeline is reported to GADC quarterly to give confidence in the management and control of that process.

Schemes of scale – c50+ homes or proposals out with the parameters of this Strategy – are always subject to early discussion with our Directors team and developed collaboratively with our colleagues across Broadacres. We always seek the views of our housing colleagues when considering new business proposals and will shape the development of our Programme to address this Strategy with them.

And we will consult regularly with our strategic housing colleagues in our partner Local Authorities when developing our pipeline

The current pipeline shows the following level of opportunity to populate the programme from 2023 – 2028:

Table 3 – Pipeline development status February 2023

Stage of development	Number of sites	Number of homes for delivery 23-28
Owned/contracted developments	13	433
Board approved schemes	14	287
DMT approved opportunities	9	107
Prospects – in feasibility	18	595
Total	54	1,422

Holding ourselves to account - Seeking views from our customers, partners and stakeholders

We are keen to involve our partners and stakeholders in the delivery and oversight of this Strategy. We will develop – alongside our annual review process with the Board – a mechanism to engage customers and partners with the progress in delivering our plans. This will involve focus groups, an annual review document and an event to showcase performance, seek feedback and provide opportunities for collaboration.

Growth Strategy key deliverables

Table 4 – Key performance indicators for our Growth Strategy

	Year 1	By year 3	By year 5
Number of new homes completed	200	500	1,000
Income from sales	100% budget	100% budget	100% budget
Average % sales from shared ownership	40%	38%	35%
New rented homes completed	74	250	600
New intermediate homes completed	88	180	300

Thank you for reading Broadacres' Growth Strategy. Please get in touch with us to discuss how we can work together to provide great homes in our rural communities.

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Broadacres Housing Association Limited is an exempt charity. It is a registered provider of social housing (**registration number LH4014**), regulated by the Regulator of Social Housing, and is a registered society under the Co-operative and Community Benefit Societies Act 2014, **society number 27656R**.