

2025

Bron Afon



Development and regeneration strategy

2021





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Welcome from Bron Afon's Chair and Chief Executive

We are delighted to be publishing this Development Strategy, setting out our ambitions to deliver new homes in Torfaen and beyond between 2021 and 2025.

The Strategy has been written with two big ambitions in mind. In our 2018 - 2023 Corporate Plan we explain our organisational vision in these words:

"Bron Afon's ambition is to create flourishing communities in our part of Wales, where everyone has a quality home to live and where people who need it are supported and encouraged."

And in its 2016 20-year vision document, Housing Horizons, our trade body Community Housing Cymru (CHC) set out an aspiration to see the housing sector doubling its current output to develop 75,000 new homes in that time period.

In creating this strategy, we envisage Bron Afon being an important player in a campaign that will see RSLs across Wales deliver tens of thousands of new homes in pursuit of these ambitions. However, a new homes development strategy is about more than the numbers of new homes. It's also about what we develop and where, and how we ensure

that through careful thought about materials, design and adaptability these homes will help meet the climate challenge and peoples' changing needs and for generations to come.

We recognise the important role that quality homes play in delivering for our communities across the seven Wellbeing Goals (Well Being of Future Generations (Wales) Act 2015), and take seriously our responsibility to make a difference alongside our public sector partners in building sustainable communities where people thrive and live well at all ages.

Alongside our other work as a community mutual, our development strategy will be a means by which we can help tackle some deep-seated challenges in the neighbourhoods in which Bron Afon is embedded. We stand ready to play an important part in tackling inequality, improving health and wellbeing and improving educational outcomes. The key role that well designed, warm homes plays to make a difference on each of these challenges is well documented.

Whilst Covid-19 and its subsequent aftershocks will inevitably change the context in which we operate, we are determined to remain focused on creating new homes that are fit for the changing needs of our future tenants and customers at every stage of life. We are also determined to build to meet the ambitious zero carbon targets set in Wales, whilst making the best use of innovation and technology in our new homes to enable accessible digital living and address the acute problem of fuel poverty in our communities.

Work continues to develop a multi-generational, long-term housing vision for Torfaen with our partners and communities, and this will further inform the Development Strategy. We are keen supporters of a comprehensive community approach to housing that responds to the challenges of a post-COVID world and accelerates our ability to meet the ambitions of Welsh Government across key factors such as health, economy, environment and housing and community.





The development landscape across Wales is complex and fast moving. Land availability in Torfaen is challenging as partners seek to balance dual needs of seeding much needed economic development at the same time as meeting the growing housing need across the borough. However, we are in a strong position to navigate the demands of land acquisition and planning to deliver for communities. In fact we believe that our development approach can play a key part in galvanising the foundational economy as we focus on local procurement of contractors and materials building on our existing approach to benefit our local economy and boost skills at every opportunity.

We would like to take the opportunity to thank our partners and staff who have worked with us on the strategy so far. Whilst we are confident in our ability to deliver we are not complacent. Much depends on our ability to make progress with partners, at the same time as working towards becoming as efficient as possible as an organisation. We also need to make sure that the voices of our tenants and the wider community are heard and acted upon in the development of new homes. We must build to not only meet the needs of tenants today, but of future generations too.



Andrew Lawrence
Andrew Lawrence
Chair



Alan Brunt
Alan Brunt
Chief Executive

Laying the foundations


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Why we are doing this


Our vision is that Bron Afon will play a major role in ensuring that by 2036 everyone in Torfaen and South East Wales has a good quality home as a matter of right. By 2025, we will be well established as a key delivery partner in that aim.

Our strategic aims




• **What:**

We will develop at least 650 new homes over the period of the Strategy. Through to 2025 we will continue building the organisational capacity to deliver many more homes for many years beyond then. We will work in partnership to develop out strategic sites, working closely with owners of public land to achieve long-term social value. Whilst the vast majority of new homes will be social housing for rent, we will also profitably develop homes for sale to meet need in different segments of the market and to subsidise our main programme.




• **Where:**

The majority of the new homes will be built within Torfaen, however, as Welsh Government policy changes Bron Afon will explore opportunities within neighbouring local authority areas. Our new homes will generally be located within an hour's travel time for our management and maintenance teams.



• **How:**

In creating quality homes for tenants of today and of the future we will utilise leading design standards, innovations, materials and technology to achieve high quality housing with long term adaptability.



• **Who:**

Social housing for people on low income will always be at the heart of what we deliver. We will focus on building strong collaborative relationships with traditional and new partners in local authorities, health and other public services, contractors and suppliers. We want all our teams to be engaged in our development ambitions. Our in house Development Team will lead the delivery work, but supported and encouraged by teams from all parts of Bron Afon.



• **When:**

The strategy covers the five years from 2021 to 2025.

Our key measures of success will be:

- At least 650 new homes by 2025
- New developments beyond Torfaen
- All homes to meet our design and quality standards, with regard to space, digital access and accessibility
- All homes built to zero carbon/EPC Rating A

Our approach

Our operating environment will change as Welsh Government implements its response to the findings of the Affordable Housing Review. We are building the agility needed to successfully respond to changes as they occur. Successful and open relationship building will be at the heart of our approach. In framing this strategy we have consulted widely and we will continue to do so as we deliver it. We will augment our existing relationships with development contractors. In particular, we aim to create enduring partnerships with local SMEs, seeing that as a way to build wealth in Torfaen and South East Wales.

Alongside developing new high quality homes, we will also continue to assess our existing assets, regenerating areas where we can maximise the potential to deliver the right homes for people in line with our emerging Housing Vision.

The majority of our schemes will arise from land-led opportunities and will be delivered through both the acquisition of land, and through more collaborative ventures. Further, our development ethos will align new homes to longer-term place shaping objectives when deciding, where, when and how to build; in particular in relation to:

- The right place
- The right mix of tenures - ensuring that where there is a mix of tenures, this is not visibly apparent
- Well-connected communities - creating successful, socially sustainable communities
- Environmental sustainability - taking opportunities to create physical connections to local green space
- Designing attractive places - through thoughtful space design
- Affordability

We believe that through the Strategy and the approach to delivering it, Bron Afon will advance each of the seven goals in the Well-being of Future Generations Act 2015, adopting all the five ways of working. To progress, our scheme proposals will be required to pass a decision-making gateway that seeks to ensure that at least one of the Well-being goals will be advanced by it and none undermined.



Our changing operating environment

The operating landscape for developing new homes is dictated by several key external factors, including UK and Welsh Government housing and planning policy and priorities; and the housing market in South East Wales. We will need to have a sufficiently flexible approach to be able to manage changes in our environment.

External factor	What is the challenge	Our contribution
Welsh Government Priorities	Target of 20,000 affordable homes to be delivered across Wales by 2021	Our objective of 650 homes by 2025 will include the 100+ new homes already delivered by end of year 2021.
	Value for Money - achieving more with less from grant funding budgets	Creating the financial capacity for new homes - by improving our financial operating margin and ensuring our procurement processes achieve VfM. Where possible money is invested in the local economy
	Wellbeing of Future Generations Act	Ensuring the long-term impact of our decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.
	Affordable Housing Review	We will work with Welsh Government to achieve the recommendations of the Affordable Housing Review to Improve the performance in delivery of affordable housing.
	Decarbonisation programme - all properties to achieve near zero carbon by 2030	To avoid more expensive subsequent retrofit, we will aim to build all new homes to EPC Band A rated and add other sustainability features where the development lends itself.
Community Housing Cymru Housing Futures objectives	RSL sector aims to develop 75,000 new homes by 2036.	Through this Strategy to build 650 homes by 2025 and build the organisational capacity to sustain a continuing programme to build hundreds of new homes every year to 2036.

External factor	What is the challenge	Our contribution
National Development Framework	Underpins the Local Development Plan and will determine areas of growth in South East Wales	We will continue to work alongside partners to influence the proposed areas of growth across the region.
Local Context	Availability of land for new homes New local development plan (LDP) 2021 - 2033	We value our partnership with Torfaen CBC and will continue to work collaboratively to increase the supply of affordable homes across the Borough and more widely, helping to meet housing need. We are a stakeholder body in the LDP development process and will play an active role.
Housing Market and tenure	It is increasingly likely that there will be a dependence on housing for sale in our development programme. However, the post pandemic, post Brexit housing market could be a difficult one for sales.	We will carefully manage our exposure to the housing market within our stated appetite for risk.
Town centres	The High Street faces a very uncertain future. In the centres of Cwmbran, Pontypool and Blaenavon, suitable housing combined with commercial and retail could help rejuvenate these towns.	We will continue to be open to exploring town centre investment options.
Housing Need	Meeting housing need (Currently there are 2,700 households on the TCBC Waiting List, and similarly high numbers in neighbouring boroughs)	We will continue to work closely with TCBC in shaping our response to identified need in the Borough. We will also work with other boroughs with the same objective.
Housing Design and volume building	The house building industry is in flux, with a continuing live debate about the most effective way to build homes quickly at volume - for example through Modern Methods of Construction (MMC). Some build techniques are exploratory and it is easy to waste resources pursuing ones that don't endure.	Whilst always seeking high quality that lasts, we will aim to be a 'fast follower' in exploring new building techniques, watching closely as they are rolled out elsewhere. We will be open to exploratory projects where we can absorb the associated risks within the scheme appraisal.

External factor	What is the challenge	Our contribution
	Some lenders are also reluctant to accept some property types as security. However, some improvements in housing technology are creating great opportunities for a successful combination of quality and durability.	
Home as workplace	There is a likelihood that more people will be working at homes for longer as a result of Covid-19. 'Work from home inequality', arising from lower paid workers homes not being adapted well enough could become an increasing issue.	We will be alert to changing expectations as some household features shift from being desirable to essential - suitable workspace, Wi-Fi, daytime affordable warmth.



Joining it up - integrating the Strategy with our other work

We are currently setting out our overarching Housing Vision for the type of housing and related services that will form part of our offer for current and future generations of customers. The new homes we deliver under this Strategy will conform to the Vision, as it is develops. Providing warm, good quality homes is at the heart of our ambition to create successful communities. Places where peoples' life chances are better, and health and other inequalities are reduced.

We must ensure that our strategy ties in with our other policy and strategic objectives across the business. In particular:

- Making the case for new homes - developing new homes can be controversial. As a community mutual we will approach new homes development with a social and community oriented heart as well as a business mind. In our Involvement and Engagement Strategy, we commit to consulting with people affected by our decisions in a positive way. On new developments we will always underline the importance of CHCs message about the housing crisis and Bron Afon's aspiration for everyone to have a high quality home.
- Older persons, younger persons and family housing strategies - our new homes will support these strategies
- Customer experience - the design of our homes will help facilitate our desire to create excellent customer experiences
- Asset management and sustainability strategies - our new homes and regeneration work will be delivered in a way that supports these strategies
- Value for Money (VfM) - to 'stretch' our capacity to deliver more homes we will seek VfM at every stage, managing the programme overall within our financial appraisal modelling and business plan parameters and in line with procurement best practice
- Employment, skills and community benefits - we will deliver new homes in a 'foundational' way to create opportunities for people in South East Wales

To ensure effective coordination with these objectives will require proactive communications and constructive liaison with teams across the organisation.



The practical aims - what, where, how, who and when?



What will we do?

We will develop new homes and schemes that will stand the test of time.

In addition to the minimum of 650 new homes we will also continue to build a pipeline of new developments, whilst creating the capacity to develop many more in future years. We want to avoid the mistakes of the past where poorly designed and built homes have become unsuitable far too soon.

The majority of our new homes will arise from land led opportunities working with new and existing landowners and developers to unlock parcels of land for development. These will include opportunities from the disposal of public land.

We will also review our existing land and property holdings, and work collaboratively with TCBC and other partners; and where the opportunity arises create joint property portfolios to regenerate and extend the sustainability of some of our communities. We expect there to be a greater emphasis on regeneration projects during the lifetime of this strategy and beyond than we have been able to achieve previously.

The homes we develop will be built at least to Welsh Government standards ensuring they are; environmentally sustainable, have good space standards and provide a safe environment where our tenants can flourish. We say more about this in section 3.3 below.

Where will we develop?

Our area of operation will be within an hour's travel time.

It is important that we are able to effectively support the communities that we build our new homes in. Therefore as a general rule we will develop homes within an hour of our nearest management and maintenance teams. There are some circumstances where we might ask other another RSLs to manage homes on our behalf if there are advantages to both organisations.





In the short term we will concentrate our activities in Torfaen. However, greater freedoms in Welsh Government policy will allow us, over the medium and long term, to pursue our aim of developing new homes in neighbouring local authority areas. The local geography, infrastructure, employment, education and demographic make-up across the Borough vary significantly between the North and South of Torfaen. Therefore, it is essential that we take these differences as well as the specific priorities of different locations into account when assessing and designing individual projects.

Equally important is the need to consider the wider essential factors such as transport, education, employment, local needs, demographics and strategic aims alongside the merits of the individual project to ensure sustainable, desirable and successful homes and communities are developed.

Re-development of our existing stock is an integral element of this Development Strategy. Our review of the design, purpose, desirability, suitability, condition and cost effectiveness (for the organisation and the tenants) has and will continue to identify existing property in need of re-development.

How will we deliver our ambitions?

We will focus on quality and durability and be strategic whilst operating within our capacity

In creating quality homes for tenants and customers of today and of the future we will utilise leading building standards, innovations, materials and technology to achieve the best housing with long-term adaptability. High quality design and construction methods, energy efficiency, value for money, building lifetimes and construction risk mitigation will be key.

The key design criteria for our new homes will meet the standards outlined by Welsh Government, including;

- Design Quality Requirements (DQR)
- Lifetime homes
- Secure by Design

Designing homes for long term sustainability is a priority for Bron Afon and we will build all our new homes to zero carbon / EPC 'A' rating using a fabric first approach supplemented by renewable technology where required. In addition, we will also carefully design and build our new homes with appropriate room sizes and storage space both inside and outside the property, to reflect the needs of our tenants and to provide quality homes that enable living well.

All homes will be designed with future flexibility and adaptability in mind to meet changing needs, providing a home for life. For all future developments the development team will carry out post-occupancy evaluations during the twelve months defects period to capture tenant satisfaction, as well as ensure we comply with Welsh Government guidelines by monitoring the performance of the build. We will use the intelligence gathered from these evaluations to inform how we can best achieve excellent customer experiences.

To ensure that these objectives can be delivered for affordable and mixed tenure schemes along with a regeneration programme, the appropriate level of skilled resources needs to be in place throughout the organisation. We have an aim of making sure we can attract people with the right skills into our team, as well as 'growing our own' by creating personal development opportunities. Homes for sale will very largely need to be financed and sold via our commercial subsidiary. It will have its own funding strategy

and business plan, setting out the financial Golden Rules and Investment Strategy constraints and how we will operate within them. It will also require new branding and a marketing strategy. We will only be able to deliver a significantly sized development programme if we create and preserve sufficient financial capacity. In delivering this strategy, we will adopt the same mindset and approach to achieving VfM throughout the development process, as will apply in other parts of Bron Afon as we seek to improve our Operating Margin. All developments will be appraised using our financial appraisal model, and we will aim to ensure that the programme overall sits within set financial capacity parameters and does not cause a breach of Bron Afon's Financial Golden Rules.

Who will we build homes for and who with?

Collaboration is key

Bron Afon's main purpose is and will remain being a provider of rented homes for people on low income. We will develop some homes for sale, either as affordable low cost home ownership for people taking the first step on the homeownership ladder, or for outright sale.

Much of our development programme will be made up of smaller sites (up to say 40 homes) built out by local contracting partners in straightforward contractual arrangements. However, we will also aim to develop strategic sites in collaboration with likeminded partners, for mutual benefit and in the service of our communities. In doing so we will enter agreements as a trusted partner, one committed to its partnerships whilst also being clear about its red lines.

We will focus on building strong collaborative relationships with traditional and new partners including:

- House builders & Contractors
- Other RSLs
- Public sector partners such as health boards, local authorities and emergency services
- Private Care Providers
- Appropriate social enterprises and cooperatives
- Land Owners & Agents
- Small and Medium Size Enterprises (SMEs)
- Welsh Government
- Funders - Institutional & Private Finance

We will identify and work with a range of skilled partners who can build schemes on our behalf, including providing specialist support during the pre-development stage. Contractually, these partnerships could be supported by Joint Ventures, Development Agreements and/or sales and marketing agreements.

We have an established team of key consultants (such as Planning, Architects and Engineering) who provide timely, high quality but cost effective designs solutions.

Our Development Team will also be in continual dialogue with other internal teams across the business and create a dedicated 'Development Group' that represents every part of the organisation.

When does this strategy start and end?

It starts in January 2021 and ends in December 2025

We recently developed our 100th new home since beginning development a few years ago. Our team is now fully in place and building a development pipeline through which we aim to deliver at least 550 more homes.

Previously Section 106 schemes have been a priority for early delivery. In our current programme, Section 106 schemes represent 40% and land led opportunities represent 60%. That ratio will move even further towards land-led and regeneration schemes in the next three years as more schemes that have been identified and/or secured are developed out.

The preparation work on some Strategic sites and developments outside of Torfaen, will occur in 2021 of this strategy, with the aim of delivering new homes in 2022-23 and beyond.

Negotiations are well underway to secure a new borrowing facility of £100m that will support the organisation's objectives and the delivery of the development strategy.

Click here to watch our video, Building Affordable Future-Proof Homes.

Next steps and how to get involved



With the essential organisational infrastructure in place, Bron Afon is now making great strides towards achieving our first targets for developing new homes as set out in our Corporate Plan. This Strategy looks beyond 2023.

In this strategy we have set out our vision and our purpose in developing new homes and identified some of the practicalities to address in order to continue to do it successfully into the distant future. Productive partnerships and a creative approach are keys to success. If you have a proposal, you're interested in working with us on a project, or would like to get involved in some other way, playing your part in this exciting and rewarding journey, then get in touch! Our contact details are on the back page.

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