

Hinkley Point C Housing Market Impact



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Introduction

- The Hinkley Point C Project
- Housing Assumptions and Strategy
- Local Authority Activity
- Potential Issues





The Hinkley Point C Project

- £16 billion project
- 7% of UK's Electricity
- 5 million homes
- 25,000 employment opportunities during construction
- 5,600 workers @ peak
- Energy Generation in 2025
- 900 permanent jobs for 60yrs

Housing Assumptions

34%

Approximately
1900 Home Based
Workers travelling
up to 90 mins to
work at HPC

66%

Approximately
3700 Non Home
Based Workers
moving within 60
mins of HPC

Education
Inspire
Programme

Hinkley Point
Training
Agency

Supply Chain
Engagement
Strategy

EDF Energy
Accommodation
Strategy

Section 106
Payments to Local
Councils

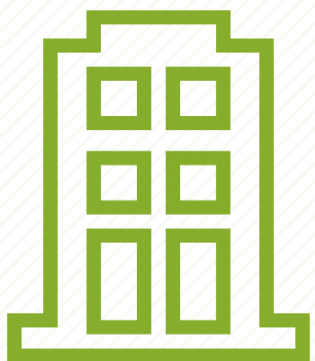
Inputs to achieve Local Labour Target

Outputs to help temporarily house the workforce



500

- **500 workers will purchase own property**
- 40,000 properties within 60 mins
- 3% annual 'churn' within market



1,510

- **1,510 campus spaces**
- 510 on site and
- 1,000 in Bridgwater



600

- **600 workers in tourist bed spaces**
- 2,070 identified spaces in peak month of August within 60 mins



750

- **750 bed spaces within Private Rented Sector**
- 50,800 bed spaces in 60 mins
- 2.5% churn = 1,270 'available'



400

- **400 bed spaces within 'latent' capacity (spare rooms)**



Hinkley Point C

On Site Accommodation Campus 510 bed spaces

Due to be completed June 2018

Issue	EDF DCO		Actual at 1566 workers (June 2017)			RAG Status – Impact on PRS
Home based workers	34%	1900	50%			
Non Home based workers	66%	3700	50%			
Rented house/flat	20%	750	31%	50%	783	
Renting with other workers			19%			
Room rental/latent accommodation	11%	400	19%	19%	297	
Purchased property/ owner occupied	14%	500	2%	2%	31	
Caravan/campsite	16%	600	11%	29%	454	
Holiday let			2%			
Hotel/B&B			16%			
Campus/temporary accommodation	39%	1,450	0%	0%		

Local Authority Activity

- £7.5m secured via s106 Agreements with EDF Energy
 - £5m contingency fund if required
 - Covers West Somerset, Sedgemoor, Taunton Deane and North Somerset
- Initial £4m for SDC and WSC paid in June 2014
 - £2m for 'Enabling Activity'
 - £2m for 'Initiatives' to create additional bed spaces
 - Remaining Funds to be drawn down from EDF Energy as required
 - Contingency payments if thresholds in PRS met

Initiatives for Creating New Bed Spaces in the Market

Initiative	SDC Target	SDC Actual	WSC Target	WSC Actual	Description	Spending to Date £
Empty Homes Grant (Inc. LOTS)	45	46	8	3	Up to £15k available to bring empty homes back into use. Properties leased and managed by Somerset Care and Repair for a minimum of 7 years	135,000
DIY Empty Homes	12	5	5	5	LA subsidised loan to bring an empty property back into use to either rent or sell	105,000
Living Over the Shops	30	See Empty Homes	8	5	Grant funding to bring empty property above shop premises back into use. Properties leased and managed by Somerset Care and Repair for minimum of 7 years	195,000
Minor Improvement Grants/ Landlord Accreditation Scheme	30	80	10	0	Working with Landlords to improve standard of accommodation within the PRS. Landlords Accreditation to ensure properties meet the Decent Homes Standards	40,000 100,000
Fist Time Buyer Loan	12	5	12	3	Loans to assist borrowers with fees, deposits, and other costs associated with purchasing a house	100,000
Lodgings Scheme/ Rent a Room	100	171	50	47	Provides advice on work required, grant of up to £1000 for H&S improvements, room accreditation, support with advertising and lodgers' agreements	120,000
Sustainable Management Scheme	80	124	20	40	SW letting will deal with vulnerable individuals in SDC and WSC, often rehousing and managing clients requiring high levels of support	160,000
Home Move Plus	0	0	60	55	Maximising the use of existing properties, enabling social housing Tenants to utilise the value of their existing tenancies and targeting under-occupancy. Downsizing Tenants will qualify for an incentive	60,000

Initiatives to Support Tenants and Landlords

Initiative	SDC Target	SDC Actual	WSC Target	WSC Actual	Description	Spending to Date £
Somerset Homelet	1000	9831	200	965	Joint scheme covering Sedgemoor, Taunton Deane, West Somerset and North Somerset. Central website used by people looking for private lets and Landlords wishing to advertise their properties	19,800
Flexible Rent Support/ Furniture Fund (Persons)	50	194	26	47	For people in non-priority need to access accommodation in the private sector. Provision of rent in advance, deposits, top-up payments and assistance in buying furniture	112,000
Landlord Training (number of sessions delivered)	5	5	5	5	Landlord Training Programme as part of ALiS, incorporating the fire service training	10,000
Tenant Ready Scheme (number signed up)	40	34	20	9	To develop the existing Tenant Accreditation and Tenant Passport scheme designed to help prospective Tenants understand their tenancy responsibilities	45,000
Credit Union	50	12	15	NR	Upgrading the Bridgwater and Districts Credit Unions systems and website to provide easier access to Credit Union membership and credit opportunities	11,600

Approved Housing Enabling Schemes

Initiative	SDC Actual	WSC Actual	Spending to Date £
Former Croft House	0	56	56,000
Prospect House	0	9	37,800
Withycutter	33	0	10,000
Doniford Road, Watchet	0	355	384,000

453



Potential Issues: Known Unknowns

- Labour Market has tightened in last 5 years
 - Higher % of and maybe additional non-home based workers?
 - Capacity / Skilled Staff for other developments?
- Capacity in the PRS is far less than it was 5 years ago
 - Rental values increasing
 - Affordability gap increasing
 - Increase in “Buy to Let” and conversion to HMO
- Significant lack of capacity of 1-2 bed units
- Links to increase in homelessness?
- Campuses are significant 18-24 month projects
 - Short term demand for caravan / low cost accommodation in Civil Engineering stage?
 - Houses in Multiple Occupation