

PROVIDENCE ROW HOUSING ASSOCIATION

Development strategy 2026-2030

Introduction

PRHA provides housing for 459 households at any one time. Most of this is specialist supported housing for people moving in from the streets, people with mental health and/or substance misuse issues and young people. The remainder is family size general needs accommodation or move on accommodation for people with histories of homelessness.

Strategic plan objectives

PRHA aims to:

- Support more people to recover from homelessness
- Ensure financial viability and that we have the necessary capacity and resources to meet legal , regulatory and internally set requirements

Housing Development

Given the ongoing and increasing homelessness crisis PRHA wishes to expand its offer wherever this is possible. In the past it has developed new accommodation and improved the existing stock to meet modern standards.

Social housing development requires cross subsidy (i.e., grants won't generally pay for all of the costs). This can come from reserves , loan finance or social investment and often means that projects don't break even for many years.

As a supported housing Registered Provider, PRHA's margins are considerably tighter than those of general needs providers. Adult social care contracts are becoming less viable over time while the support needs of our residents are increasing. This means that any new housing development proposals need to be carefully considered for financial viability. Any projects which produce early year losses may result in an in-year deficit and the subsequent breach of our loan covenants.

They would also potentially divert funds needed for future investment in our existing properties. Whilst PRHA does have reserves already allocated for this it is clear that there are potential future challenges in relation to carbon

reduction/net zero targets. We have also seen unusual increases in building costs caused by a number of global factors.

This does not mean that our Board is not open to proposed new housing developments, but close financial appraisal is essential to ensure that growth does not jeopardise overall viability or investment in residents' homes. Also, the Board does not currently intend to expand into new areas of activity such as shared ownership or market rent properties. PRHA has existing loans that have funded past development programmes. Some of these are coming to an end and this may present opportunities for refinancing/ new financing. This will be kept under annual review.

Also, the Government's new low interest (0.1%) 25 year loans for social and affordable housing development and the GLA's London Social and Affordable Homes programme 2026-2036 will be reviewed for potential opportunities.

Type of accommodation

Given the pressures on supported housing contract income, supported housing will only be developed with associated long-term revenue funding in place or with a viable exit strategy.

Move on accommodation with either Enhanced Housing Management or no support in place would be a priority area given the level of demand.

PRHA will consider ownership, leasing and management agreements where these are viable and do not present unsustainable also involve the wheels and all risks.

Areas of operation

Currently PRHA owns /manages stock in Tower Hamlets, Hackney and Southwark. The Board has agreed that HA should expand its area of operation to neighbouring boroughs and North/East London. PRHA has in fact operated in other boroughs in the past.

External environment

This development strategy is being formed at a time of significant global unrest. This can result in unpredictable financial pressures as we have seen in Final to Board March 2026

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relation to fuel prices, building material costs, labour costs and availability. All of these firstly can result in increased risk in development processes and in particular in cost control. Secondly, they create competing pressures on PRHA's available funds.

Resources

PRHA has to focus over the next 2- 3 years on ensuring compliance with a significant number of new legislative and regulatory challenges. We also need to develop our environmental strategy and establish the related investment requirements to meet carbon reduction targets. These will stretch both our financial and human resources further. This strategy therefore suggests a phased approach to any new development.

Objective 1 Developing more accommodation including move-on and new supported housing models where sufficient funding is available

a) Carry out options appraisals for the development of additional units on existing sites

Building on the creation of 3 additional units in our supported housing schemes, appraisals have been started for additional units in 3 of our supported housing projects. These are for airspace and infill projects given the tight land profiles. As these sites are already occupied and works would be intrusive the appraisals need to include the impact for current residents, loss of income during works, current social care contract commitments and other factors as well as the financial viability and availability of grant funding. As such development would be optimal at these sites when key trigger points occur: the ending of a social care contract or major repairs are needed (roof/lift replacement). Where these sites are supported housing consideration will be given to developing either move-on or general needs accommodation if revenue contract income is not available.

b) Continue to monitor available funding sources for potential new development

As a member of the North River Alliance development consortium PRHA has access to potential grant funding through the GLA. In the past we have accessed this for new property development and refurbishment of our hostels in particular.

- a) **PRHA will continue to review all new grant programmes** and other potential sources of funding (eg social investment) for new housing development and opportunities to purchase/lease properties.
- b) **There is a great demand for move on accommodation** from our supported housing and this is a priority area for PRHA.
- c) **Reviewing current stock and commissioning intentions** to establish potential areas for development of buildings and service offers.

c) Consider stock transfer options from other providers

Where other RPs are disposing of stock PRHA will carry out financial appraisals and consider bidding for these. We will also:

- Take forward discussions with Peabody on the future use /ownership of Elsdale street.
- Take forward discussions with St Mungo's about the future of Crimscott street (lease or ownership)

A marketing approach will also be considered with RPs to find common ground between what stock we are interested in acquiring and their disposal strategy.

Objective 2: Carry out charitable trust /grant funding to fund services/ posts that provide additional services for our residents

a) Continue to engage fundraising advice annually to replace current grant funding and seek funding for new projects

Current priorities are:

- Resident engagement /peer support/buddying services
- PRHA's Literacy service
- Building resident communities/breakfast club/ recovery club models

Objective 3 : Develop more services for PRHA's core client groups

- **Developing and retaining social care contracts and non-commissioned supported housing**
 - Retain adult social care contracts for the services in PRHA properties (and continuing not to allow these to be offered to other providers)
 - Bid for viable contracts for PRHA's core client groups (accommodation and non-accommodation based) utilising PRHA's skills and experience base
 - Reviewing the Enhanced Housing Management service in light of the Supported Housing Regulatory Oversight Act and Housing Benefit
 - Reviewing the strategy in light of the overall business plan to include client group focus, risks and benefits, financial environment post SHROA

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- Keep viability under review in relation to true costs(full cost recovery) and actual expenditure
- Review situation for next round of commissioning for all contracts especially those where PRHA owns the buildings
- Develop rationale for bidding for new contracts- financial, geographical, diversification v. overheads costs/ contributions
- Develop links with new commissioners especially seeking opportunities for developing services with the GLA
- Explore different business models e.g. hospital discharge, TA
- **Developing non-accommodation-based models of support for vulnerable people.**
 - Explore opportunities for EHM services for other landlords
 - Explore the opportunities to incrementally develop community-based services, e.g. Housing First , floating support, outreach services
- **Develop our offer to emerging client groups**
 - Identify new opportunities for specialist services reaching sub-sectors of our core client group, e.g., services/accommodation for people who hoard

Objective 4 Consider partnerships to develop more services/ for growth

- a) Establish a strategy for partnership development opportunities**
- Within existing partnership arrangements (3 way /NRA/ G320)
 - Review partnership with the NHS and other potential commissioners of supported housing

Objective 5 Review this strategy annually

- a)** Review this strategy in the light of:
- reserves/ asset management/ carbon reduction funding requirements,

- funding opportunities/ grant levels, updated business plan
- b) Review current stock and commissioning intentions to establish potential areas for development of buildings and service offers
- c) Review geographical areas of operation
- d) Review market for potential directions of travel and assess against PRHA's experience and capacity