

## RECORD OF EXECUTIVE DECISION

Tuesday, 14 July 2020

**Decision No:** (CAB 20/21 28104)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Culture and Homes
SUBJECT:	1000 Homes Programme
AUTHOR:	John Maillard

### THE DECISION

(i) Subject to the financial approvals of Council, to delegate authority to the Director of Place following consultation with the Cabinet Member for Homes and Culture, Executive Director Communities, Culture and Homes, the Executive Director Finance and Commercialisation and the Service Director Legal and Governance:

- To deliver a programme in accordance with the overall financial parameters and assumption outlined in this report and to approve and agree the details of each individual scheme which will be based on a specific scheme by scheme business case evaluation.
- To establish a new Programme Board to oversee the delivery of the programme.
- To enter into contracts with consultants, design teams and construction companies as required.
- To agree the final housing and tenure mix for each individual scheme.
- To approve funding applications and successful awards towards this programme.
- To take any other actions required, ancillary approvals or enter into any agreements required to give effect to this decision.

### REASONS FOR THE DECISION

1. The council has an ambition as set out in the Corporate Plan to deliver 1000 council homes by 2025, this is underpinned by:

- The identification of a need for affordable homes in the city, whilst new homes are being delivered, there is a gap between the need for and the provision of affordable homes.
- The impact that a new homes programme will have on growth in the city and region, leading to new jobs, apprenticeships, investment in the local construction industry and growth.
- A longer-term vision to continue to provide homes for those in need across the city.

- The aim to address the continual reduction of the council stock of around 100-150 homes per year through the RtB programme
  - The ability for the council to have control over the delivery of homes to address the local need.
  - Giving opportunities through the Housing Revenue Account to give residents secured tenancies.
  - The ability through shared ownership to help households into property ownership that may not otherwise have been achievable.
2. On 29th October 2018 the government implemented the removal of the HRA borrowing cap to encourage councils to deliver new homes to help address the national housing crisis. 274 new homes are either already delivered or under construction in Southampton as part of the 1000 council homes programme. This report seeks approval to use this borrowing option in addition to the retained RtB income plus grant income that can be secured to deliver the remaining 726 homes. Approval is sought for the full capital budget to proceed with this programme.
3. This programme will help deliver council priorities of making Southampton Greener, Fairer and Healthier.
- Greener – This council homes programme will aim to deliver better quality, energy efficient homes that are working towards the RIBA Climate Challenge target for 2025. Homes will be more affordable to heat and maintain.
  - Fairer – In a time of economic uncertainty, this council homes programme will help to stimulate the local economy by creating jobs. It will also provide access to homes that match local need in areas such as affordability and adaptability.
  - Healthier – Good quality of homes improves the quality of life and has a positive impact on the health and wellbeing of communities.

## **DETAILS OF ANY ALTERNATIVE OPTIONS**

1. Do Nothing – this is not a recommended option given the current and future demand for homes in the city as outlined in paragraph 12.
2. Sale of all vacant sites for capital return– this would secure a capital receipt for the council but would not maximise the number of affordable homes or deliver more council homes. This is evidenced by the reduction in the number of affordable homes built in the city by developers in recent years.
3. Sale of all sites for less than best value for the provision of more affordable homes – this would secure a significantly reduced capital receipt and could secure affordable homes, but not council homes with secured tenancies.
4. A Joint Venture for all sites – this approach would not maximise the number of affordable council homes on the site and has a lengthy programme of selection and implementation associated with it.
5. Sale and Lease back – this option involves an external investor funding the development in return for a rental payment over a period which may vary but is generally between 20-40 years, it relies on a mix of affordable and market rent properties. The model does not allow for Right-to-Buy to apply. This is a complex arrangement with financial risk and procurement issues. This option does not maximise the number of affordable homes on the site as there would need to be a significant percentage of market rental properties, so it relies on a demand for market rent across the sites.

**OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None.

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 14<sup>th</sup> July, 2020

Decision Maker:  
The Cabinet

Proper Officer:  
Claire Heather

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*