

## RECORD OF EXECUTIVE DECISION

Monday, 17 January 2022

**Decision No:** (CAB 21/22 33054)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Communities, Culture and Heritage
SUBJECT:	Starboard Way, Lordshill, New Build Tenure Mix*
AUTHOR:	Sue Jones

### THE DECISION

That Cabinet Approve:

- (i) A revised tenure mix of; 37 Social Rent, 29 Affordable Rent and 37 Shared Ownership properties. (with additional reference to the exit strategy recommendation (ii), which may change the mix.
- (ii) Further to recommendation (i) that the final unit-specific designation and therefore number of Shared Ownership homes be determined according to sales demand and by implementation of an exit strategy involving redesignation to rent as detailed in this report to be adapted as required. Further detail can be found in the Exit Strategy.
- (iii) That the internal property upgrade specification for the additional 18 number Shared Ownership homes is amended from that provided for the original 19 Shared Ownership homes. (Refer to appendix 2 Shared Ownership fit out specification).
- (iv) The procurement of a Shared Ownership Advisor and Shared Ownership Sales & Marketing Partner to include the Shared ownership homes in recommendation (i) (18 No. extra) with scope for the appointments to reduce in line with the exit strategy in recommendation (ii).
- (v) To delegate authority to the Head of Property to approve the final details relating to all matters outlined in this report, to conduct procurement activity and appoint successful bidders and to approve and implement any changes to tenure mix required in accordance with the exit strategy.

That Cabinet Note:

- (vi) If the scheme results in the creation of a number of specialist housing units (homes), requiring shared occupancy, which created multiple tenancies, the total number of units (homes) will increase to be more than the 103 total.

## REASONS FOR THE DECISION

1. The proposed tenure mix achieves a positive Net Present Value as detailed in confidential appendix 3.
2. To increase the number of Shared Ownership Homes on the development in line with The Corporate Plan Southampton: City of Opportunity - 2021- 2025 aspirations to increase the opportunity of home ownership at Starboard Way under a Shared Ownership model.
3. To provide an exit strategy in the event of inadequate sales demand. Such an exit strategy allowing all 4 bed homes which prove unmarketable as Shared Ownership to be delivered instead at Social Rent.
4. To provide a mechanism which can be flexible to respond to sales demand, to create a sustainable balance between housing need from people on the council's housing register and meeting the Corporate Plan Southampton: City of Opportunity - 2021-2025.
5. To maintain the development's financial viability in line with a positive Net Present Value.
6. In order to simplify council processes and prevent disparity in rent levels for neighbouring residents the same rental model will apply to all similar house types:
  - all 2 and 3 bed houses for rent to be Affordable Rent.
  - all 1 and 2 bed flats for rent to be Social Rent
  - all 4 bed houses for rent to be Social Rent.
7. Due to the current stage of construction, recommendation (iii) will substantially mitigate against abortive costs. Specification upgrades for this tenure to be confined to freestanding cookers, shower screens, soft close toilet seats and carpets.

## DETAILS OF ANY ALTERNATIVE OPTIONS

### Do nothing

1. This is not consistent with The Corporate Plan Southampton: City of Opportunity - 2021-2025.
2. The current approved mix did not include Social Rent. The proposed change to include a number of Social Rented properties is in line with the Council's Tenancy Strategy and provides more rental choice for tenants.
3. Imminent handovers of completed properties would either remain void, pending a different formal approval, or alternatively need to be let within a narrower tenure choice.

### Alternative unit tenure designation

4. 1 and 2 bed flats and 4 bed houses let at Affordable Rent instead of the recommended Social Rent would make them less affordable. There is opportunity within the financial model to make them more affordable, by letting them all at Social Rent.
5. Letting 1 and 2 bed flats and 4 bed houses at various combinations of Affordable Rent and Social Rent would complicate council processes and cause a disparity in rent levels for neighbouring residents.
6. Allocation of more homes as Shared Ownership than the recommendation is not consistent with marketing programme requirements or timings of property completions.

7. Allocation of fewer homes as Shared Ownership than the recommendations is not consistent with The Corporate Plan Southampton: City of Opportunity - 2021-2025. The recommended exit strategy does however allow for fewer Shared Ownership homes in the event of inadequate sales demand.

**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: 17<sup>th</sup> January 2022

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 ( <i>if applicable</i> )