
PUBLIC (NON-EXEMPT)

HAVANT BOROUGH COUNCIL

CABINET

13 July 2022

TACKLING HOUSING PRESSURES: HOUSING DEVELOPMENT STRATEGY

FOR DECISION

Portfolio Holder: Cllr Alex Rennie / Cllr Gwen Robinson

Key Decision: No

Report Number: HBC/061/2022

1. Purpose

- 1.1. This paper is submitted to Cabinet to meet the requirements of the Corporate Strategy

2. Recommendation

- 2.1. Members are requested to approve
 - a. The housing development strategy at Appendix A supporting the direct intervention by the Council into the housing market

Members are requested to note that, subject to approval of 2.1(a) above:

- b. A funding strategy in support of the housing development strategy at Appendix A will be presented to the next meeting of Cabinet
- c. An action plan and a recommendation for creation of a housing development company will also be presented to Cabinet for approval to its next meeting

3. Executive Summary

- 3.1. Havant Borough Council has a number of duties regarding the provision of housing across the Borough.

Housing advice: The Council holds responsibility for reducing homelessness and ensuring that advice is given regarding options for housing across the Borough

Local Plan: The Council has an obligation to identify a 5-year housing land supply in the Local Plan. The Local Plan team undertake a housing market assessment to understand the types and tenure of housing being provided across the Borough.

Development Management: There are targets set for affordable housing at the point of granting planning permissions for new development above a certain size.

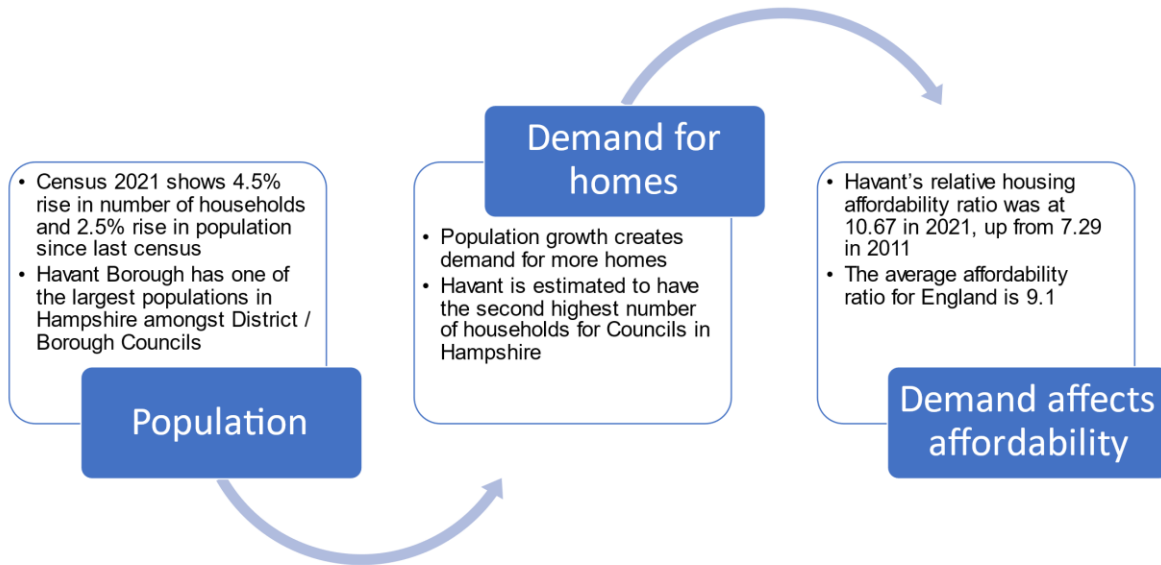
- 3.2. These duties facilitate the provision of housing and do not give the Council any powers of direct intervention into the housing market. This report asks the Cabinet to consider how it might use its resources to directly intervene into the housing market to secure more housing, ultimately to secure and control the provision of more affordable housing, for its residents. This proposal is set out in the housing development strategy at Appendix A

Corporate strategy

- 3.3 The Corporate Strategy has 'A quality homes for all' as one of its key objectives. That contains two priorities regarding the delivery of housing. The first identifies that 10,433 new homes are needed for the Havant Borough between the period 2016-2037. This links to the Local Plan provision of a 5 year housing land supply as identified in paragraph 3.1 above. The Council's requirement is to identify sites for development in the Local Plan, however it has few levers to ensure that developers bring forward sites for development. Some developments with planning permission become stalled for viability or funding issues.
- 3.4 The Corporate Strategy also identifies that the Council should consider the feasibility of creating a housing company to drive forward development. If Cabinet approves, the Housing Development Strategy at Appendix A, a further report will come to the next meeting of Cabinet to explore the benefits and implications of direct intervention into the housing market.

Housing pressures

- 3.5 There is no doubt that housing provision is under pressure across the Havant Borough as demonstrated in the graphic below:



Benefits of a housing company

3.6 Direct intervention into the housing market could have a number of benefits for the Havant Borough as follows:

- Creation of a company will allow the Council to work with developers to build housing on land it owns. This will contribute to the number of homes coming to market.
- The Council will be the sole shareholder in the company giving it a level of control over the provision of new homes.
- This means that, as shareholder, the Council may choose to re-invest any profits from sale into the delivery of further housing.
- The company will be able to hold its own housing stock.
- Holding housing stock allows the Council some control over sale or rent of homes held through the company. If it chooses to rent homes, it also has control over the allocations policy, for example giving priority to key workers, veterans or providing discounted market rents or sales to low income families are options to consider
- The Council will also have net zero ambitions in mind regarding future developments and could seek to influence the environmental quality of housing coming to market.

3.7 Delivery of these benefits will be subject to financial modelling for each site and the agreement reached with the developer regarding the viability of each site. A

funding strategy in support of this development will come to next meeting of Cabinet, subject to approval of the Housing Development Strategy at Appendix A.

Next steps

- 3.8 If the Cabinet support, in principle, direct intervention into the housing market and want to deliver the housing development strategy, a number of actions will be required
- (1) the Council will be required to set up a wholly owned company (or limited liability partnership) enabling it to hold stock and joint venture with a developer or registered social landlord. The rationale and justification for the company will be explained in the report to Cabinet at its next meeting
 - (2) the housing company will require a funding / investment strategy setting out the various methods that the Council may use to support the delivery of housing or unlock stalled development sites. This will be dealt with in the next report to Cabinet
 - (3) At present the Council does not have a complete asset register. Whilst this is in progress, early progress can only be made in relation to known sites owned by the Council. These can be considered in the next report to Council
 - (4) appropriate expertise will be sought by the Council to support the delivery of the housing strategy. The cost of this will also be considered at the next meeting of the Cabinet.
 - (5) An action plan will be required outlining how the Council will proceed to unlock various sites, particularly those identified within the regeneration strategy.

4. Additional Budgetary Implications

None at this stage. It is likely that delivery of a housing company will require additional expertise which is not currently within the Council. Officers are working with colleagues in other Districts and Boroughs to draw upon their expertise. Any additional financial implications will be reported to the next meeting of Cabinet when it is decided whether to proceed with a housing development company.

5. Background and relationship to Corporate Strategy, Climate & Environment Strategy and/or Business Plans

Links to the Corporate Strategy are set out in the report.

6. Options considered

This paper sets out the next steps in order to meet objectives of the Corporate Strategy. It therefore addresses the options available in the report.

7. Resource Implications

7.1. Financial Implications

These will be addressed in the next meeting of Cabinet, subject to approval of the Strategy at Appendix A.

Section 151 Officer comments

Date: [insert date]

[Section 151 Officer to insert comments here]

7.2. Human Resources Implications

None at this stage

7.3. Information Governance Implications

None at this stage

7.4. Other resource implications

None at this stage

8. Legal Implications

Legal implications addressing the development of a housing company will be dealt with in the next report

Monitoring Officer comments

Date: [insert date]

[Monitoring Officer to insert comments here]

9. Risks

Whilst there are risks associated with the creation of a housing company, these will be evaluated in the funding strategy and the legal advice accompanying the recommendation to create a company of the Council. Given recent high profile cases, it is vitally important that good governance of the company is understood and fully supported by the Council during the operation of the company.

10. Climate & Environment Implications

Subject to any financial implications, the control of housing development allows the Council to consider the design and quality of housing it wants to provide to market. This can be addressed in the report to follow to the next Cabinet meeting, subject to approval of the strategy.

11. Consultation

The Portfolio holder supports this proposal and work will be undertaken to develop a plan to communicate the creation of a company to the members of the Council, to developers and to the wider public.

12. Appendices

Appendix A: housing development strategy on a page

13. Background papers

Agreed and signed off by:

Portfolio Holder: Cllr Gwen Robinson

Executive Head of Service: Executive Head of Regeneration & Communities (Claire Hughes)

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