

## HOUSING STRATEGY

### 1. INTRODUCTION

- 1.1 This report proposes a new Housing Strategy to cover all aspects of housing in the District from the Council's role in facilitating the delivery of over 10,000 new homes to 2036 (as per the draft Local Plan), to its own build and acquisitions programme and plans to accelerate the increased supply of much needed affordable housing.

### 2. BACKGROUND

- 2.1 An earlier draft of the proposed Housing Strategy was subject to consultation between September and November 2017. The new proposed Housing Strategy takes into account the findings of the consultation and reflects changes in national guidance and housing legislation during the intervening period including the emerging policies and targets that are now contained within the draft submission local plan (2016 – 2036).

### 3. THE NEW PROPOSED HOUSING STRATEGY

- 3.1 The new proposed Housing Strategy is attached at Appendix 1.
- 3.2 The aim of the Housing Strategy is to create balanced communities for residents of the New Forest District, providing a range of housing options that are affordable and sustainable. The strategy considers all aspects of the Council's involvement with market and affordable housing.
- 3.3 The Housing Strategy identifies four key priorities:
- 3.3.1 To accelerate and maximise future housing development that meets local need and leads to sustainable growth;
  - 3.3.2 To increase the supply of high quality affordable homes through an ambitious council house building and acquisitions programme;
  - 3.3.3 To improve the housing circumstances of those within our communities most in housing need;
  - 3.3.4 To make the best use of housing to meet the housing needs of local people, including supporting a strong and quality private rented sector.
- 3.4 The Housing Strategy sets out the various housing challenges that are being faced within the New Forest district and the importance of achieving future housing growth that delivers the right homes in the right places. Direct connections are made to the council's corporate plan objectives, economic development and the draft local plan with its target of 10,500 new homes by 2036.
- 3.5 High priority is given to council house building and the expansion of the current development program to include homes for social rent, affordable rent and shared-

ownership. A mixed tenure program will not only enable the council to address a broader range of housing needs and aspirations; it will also enable the council to effectively compete in the market alongside other Registered Providers and to extend financial capacity. As stated in the proposed Housing Strategy, a mixed tenure program will make it possible to fund up to 600 new affordable homes up to 2026 - a figure that could be increased as a result of additional government funding and optimized borrowing.

- 3.6 Plans are in place to review all council owned land and property with residential development potential (including housing and non-housing assets) however it is generally recognized that the Council has a very limited supply of land suitable for affordable housing development. To achieve the delivery objectives, the Council will therefore need to identify all opportunities to acquire additional development land, undertake development on its own land, transact with third party developers and project manage new developments. This substantial and important work will lead to a step change in the Council's existing affordable housing delivery program and will require additional resources.
- 3.7 Through its various key priorities the Housing Strategy highlights the council's commitment to supporting different types and tenures of market and affordable housing from the growth of the private rented sector to self-builders, and the needs of older people seeking to downsize. For those who cannot buy on the open market and who are unlikely to be a priority for secure social housing, the council is proposing to introduce new-build shared-ownership, enabling buyers to purchase a share-interest with a mortgage (typically 40%) whilst paying a subsidised rent on the remainder. Other genuinely affordable and accessible intermediate housing models are to be considered and piloted where appropriate for lower income households who can afford to rent but are struggling to save a deposit (e.g. Rent to Buy). Designing, implementing, and managing these new initiatives and activities will require additional resources.
- 3.8 Progress of the Housing Strategy will monitored through annual reports to the Housing Scrutiny and Overview Panel.

#### **4. HUMAN RESOURCE IMPLICATIONS**

- 4.1 To scale-up the development program and optimise affordable housing delivery as set out in the Housing Strategy, it is anticipated that three additional posts will be required within the Housing Development and Strategy Team:-
- a) a 'New Business' Development Manager/Surveyor to identify, secure, promote and deliver new sites;
  - b) a Project Manager to oversee and manage the construction and delivery of new dwellings;
  - c) a Development post to implement new initiatives, e.g. to develop and manage all aspects of shared ownership delivery and Rent to Buy schemes.
- 4.2 These resources will enable the development objectives of the Strategy to be achieved, recognising that a step-change in delivery in terms of greater numbers of affordable housing will be the result.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The delivery of this Strategy will seek to ensure ring-fenced Housing Revenue Account (HRA) resources are maximised to their full potential. The recent removal of the borrowing cap gives Local Authorities enhanced flexibilities in terms of playing a key part in the delivery of new affordable homes across the Country. Whilst modelling suggests that limited borrowing may be required to achieve the objectives set out within the strategy, it will be necessary to monitor progress over time. The Council should be prepared to consider any opportunities that arise, and the potential should be there to fund the delivery of new homes through borrowing as long as a sound financial viability appraisal confirms it is suitable to do so. The Council has a sound financial platform to build upon and the delivery of the Housing Strategy will seek to further enhance the financial performance of the existing HRA. By venturing into new tenures, the financial performance of the HRA will improve, as additional rental income is made available for the essential maintenance and management of the Council's overall Portfolio and to fund more new affordable homes.
- 5.2 The cost of the three additional posts referred to in paragraph 4.1 amount to £143,000 and will be met from the Housing Revenue Account.

## **6. HOUSING OVERVIEW AND SCRUTINY PANEL'S COMMENTS**

- 6.1 The Panel and Members of the Homelessness Task and Finish Group supported the vision of the Housing Strategy. They noted the local challenges and the Council's role in facilitating the delivery of over 10,000 new homes in the District to 2036, which have been identified in the draft local plan. The Panel welcomed in particular, the Council ambitions to accelerate its own house building and acquisition programme to create at least 600 affordable homes by 2026. It was noted that different types and tenures of housing would be provided which would include the Council's own shared ownership scheme as well as affordable rent in addition to social rented tenures. The Panel supported the recommendation to approve the Housing Strategy and wished to be kept regularly informed on the progress of the Housing Strategy.

## **7. PORTFOLIO HOLDER'S COMMENTS**

- 7.1 The new draft Housing Strategy provides a concise summary of the many housing challenges we face within the New Forest, whilst providing a positive vision for the future supported by cross-cutting actions and priority objectives. I commend the document and look forward to seeing the results being delivered on the ground, working alongside our own officers and partners in the private and public sectors.

## **8. ENVIRONMENTAL AND CRIME AND DISORDER IMPLICATIONS**

- 8.1 There are none.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 The Housing Strategy is for the benefit of all of the Council's residents and will have a positive impact by increasing the availability of housing and affordable housing within the Council's district. Consideration has been given to the needs of those who identify with the protected characteristic groups of age, disability, pregnancy and maternity, who may find it difficult to access the housing market. However, this strategy must be read alongside the Council's other key housing initiatives including the Homelessness and Rough Sleeping Strategy, the Tenancy Strategy and the new Allocations Policy which will all provide a means to meet the housing needs of those within these protected characteristic groups. It is recognized that the way in which the strategy is implemented and the impact on those with a protected characteristic will need to be regularly monitored to ensure that those residents are able to take advantage of the strategy's key objectives.

## **10. RECOMMENDATIONS**

- 10.1 That it be a recommendation to Council that the Housing Strategy, as attached as Appendix 1 to this Report, be approved.

### **Further Information:**

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### **Background Papers:**

Public documents