

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 3 June 2019

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| Portfolio: | Housing |
| Subject: | Draft Affordable Housing Strategy |
| Report of: | Deputy Chief Executive Officer |
| Corporate Priorities: | Providing Housing Choices |

Purpose:

To approve the draft Affordable Housing Strategy for a minimum six-week period of consultation.

Executive summary:

The draft Affordable Housing Strategy builds on, and provides detail to support, the Council's corporate priority of 'providing housing choices'. It includes relevant context and background information followed by Key Objectives and Actions for the future provision of affordable housing.

The main objective within the strategy is to provide more affordable homes, ensuring they are the right homes in the right places for those in need of affordable housing.

The strategy contains a series of steps that will be taken and will be supplemented by detailed action plans and policies in order to ensure the delivery of the key objective. In addition to committing to the delivery of new Fareham Housing (i.e. Fareham Borough Council) stock, the strategy also recognises the importance of new affordable home delivery through the planning system and by Registered Providers.

If approved, this draft Affordable Housing Strategy will be published for a minimum six-week period of consultation. This will provide the local community and any other interested parties with the opportunity to comment on the content of the Strategy. Following this period, and once any necessary amendments are incorporated, it is intended that the Affordable Housing Strategy will be presented to the Council for adoption, (replacing the current Housing Strategy (2010) and Affordable Housing Strategy (2005)).

An Equalities Impact Assessment (EIA) of the strategy will be undertaken before it is recommended for adoption. Any relevant issues or matters raised as part of the consultation on the draft document, that are pursuant to the EIA, can then be considered as necessary. It is not considered at this time that the content of the draft document has any detrimental impact in relation to EIA considerations.

Recommendation/Recommended Option:

It is recommended that:

- (a) the Executive agrees that the draft Affordable Housing Strategy (as provided in Appendix A of this report) be published for a minimum six-week period of public consultation; and
- (b) the Deputy Chief Executive Officer be authorised to make any necessary minor amendments to the Draft Affordable Housing Strategy, prior to publication, provided these do not change the overall direction or emphasis and following consultation with the Executive Member for Housing.

Reason:

To undertake a period of public consultation as part of the ongoing progression of the Affordable Housing Strategy to adoption.

Cost of proposals:

The costs of publication and consultation are covered in existing operational budgets of Fareham Housing.

Appendices: **A:** Draft Affordable Housing Strategy

Background papers: Corporate Strategy 2017-2023

Reference papers: None.

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Executive Briefing Paper

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|---------------------|-----------------------------------|
| Date: | 3 June 2019 |
| Subject: | Draft Affordable Housing Strategy |
| Briefing by: | Deputy Chief Executive Officer |
| Portfolio: | Housing |

INTRODUCTION

1. The current Housing Strategy (2010) and Affordable Housing Strategy (2005) have reached the end of their expected period of application. This, together with many national changes surrounding affordable housing in recent years and the adoption of the Council's new Corporate Strategy (2017-2023) means that we are now at the right juncture to develop a new Affordable Housing Strategy that will supersede and replace the previous strategies.
2. The draft Affordable Housing Strategy (included in Appendix A) provides relevant context and background together with an understanding of Fareham Borough's affordable housing need. It identifies Key Challenges, as well as Key Objectives and Actions, to help address the need. The strategy also touches on the role of the Local Plan in new affordable home delivery, who/how the actions will be delivered, and a timetable for short/medium term achievements as well as an overview on funding.
3. Unlike previous documents, the focus is no longer purely on a quantitative delivery of affordable homes. This new strategy not only looks to provide more affordable homes but to also ensure they are the right homes in the right places for those in need of affordable housing. In this context there is recognition within the strategy on the importance and need for the most affordable of affordable homes (e.g. Social Rent) and the need to, at times, address bespoke needs rather than just delivering the greatest number of affordable homes possible.

THE DRAFT AFFORDABLE HOUSING STRATEGY

4. The Draft Affordable Housing Strategy covers the following: -
 - Purpose
 - A great place to live
 - What is Affordable Housing?
 - Who can provide Affordable Housing?
 - Affordable Housing in Fareham
 - Fareham's affordable need

- The Waiting List
- Shared Ownership
- Local Plan
- Key Challenges
- Key Objectives
- Actions
- Who/How and Timetable

5. The 'Purpose' to the strategy is 'to provide more affordable homes, ensuring they are the right homes in the right places for those in need of affordable housing'. This is followed by 'A great place to live', which provides some general background information relating to Fareham, the population, number of homes, number of affordable homes etc.
6. Sections then relate to 'What is Affordable Housing?' and 'Who can provide Affordable Housing?'. These provide background and explanation on some of the different affordable tenures and how the monthly costs can vary depending on the type/tenure of the affordable housing. The important role of private developers/housebuilders for the provision of new affordable homes is also recognised with Local Plan policies requiring a certain percentage of homes on larger developments to be provided as affordable. This will continue to provide the majority of new affordable homes, as has been observed in the past. Meanwhile Registered Providers and Fareham Housing will also provide new affordable homes directly.
7. 'Affordable Housing in Fareham' provides a current overview of affordable housing mix in the Borough. It highlights that there are approximately 4,200 affordable homes in the Borough and the majority of these (nearly 60%) are owned and managed by Fareham Housing (i.e. the Council). The remaining are owned by other Registered Providers such as Vivid and Radian.
8. 'Fareham's Affordable Housing Need' gives information on the current level of demand for affordable homes in the Borough, estimated to be in the region of 3,000 households. This includes not just those waiting for traditional affordable homes (such as Social/Affordable Rent) but also those currently registered with an interest in Shared Ownership and/or priced out of home ownership.
9. To provide additional context to the affordable housing need an overview of 'Fareham Borough Council's Waiting List' is provided, which also recognises the importance of Social Rent for many of our customers. 'Shared Ownership' is aimed at a slightly different resident and information on the eligibility for Shared Ownership is explained as well as how this is facilitated/marketed outside of the Council.
10. The 'Local Plan' section recognises that the overall housing requirement, to include both affordable and market homes, will be set within the Council's new/emerging Local Plan. Although approximate figures are provided this is for context in relation to the affordable housing need and ultimately this will be determined in the Local Plan alongside new policies on affordable housing.
11. Recent new affordable home delivery is recognised in 'The Last Five Years' section. This includes an overview of the achievements of the Council with new developments at Sylvan Court, Collingwood Court, Allotment Road and Stevenson Court. It also recognises the affordable homes delivered by developers/Registered Providers.
12. 'The Next Five Years' focuses on Fareham Housing schemes already in the pipeline which will collectively provide in the region of 70 new homes. Work is expected to

commence on two of these schemes (Hampshire Rose and Bridge Road) in the coming months. It also again recognises the affordable homes to be delivered by developers/Registered Providers in that period. It should be noted that even when new affordable homes are delivered by other parties the provision (in terms of mix of property size, tenure and distribution on a site) is negotiated in the planning process to ensure it reflects the local need. The Council therefore influences this even when it is not delivering the homes directly.

13. 'Key Objectives' are then identified to (1) Deliver more affordable homes through the planning system; (2) Ensure those homes are the right homes in the right places and that they are truly affordable for those that need them; and (3) To directly deliver more affordable homes by Registered Providers and Fareham Housing, especially targeting those in greater need.
14. 'Key Challenges' then draws together some of the challenges arising from the background and context such as the overall number of homes being delivered, the needs for older people, working positively with developers and Registered Providers and addressing bespoke needs and affordability.
15. A series of actions has been identified in order to support the delivery of each of the Key Objectives. This includes some specific actions relating to further work to support the practical delivery of the strategy such as a new Affordable Housing Supplementary Planning Document and a Fareham Housing Regeneration Strategy. This is not intended to be an exhaustive list and any further work or actions that will help to deliver the objectives will be considered as and when opportunities arise.
16. 'Funding and Delivery' remains a challenge. Fareham Housing projects will continue to be delivered using a combination of funds from the HRA Capital Development Fund, Developers Contributions, Right to Buy receipts, grant funding and additional borrowing. The exact funding arrangements will be considered for each individual site to ensure the best and most suitable use of funds, and minimal impact from borrowing occurs.
17. A timetable focused on the forthcoming years is also provided. This shows how some of the Actions will be delivered in the short/medium term but also how, into the longer term, Fareham Housing will aim to deliver all the existing pipeline schemes and get further sites into the pipeline to effectively provide a rolling supply. We also intend for more Social Rent homes to be provided in the Borough. This will not be addressed instantly but new homes completed from 2021/22 onwards should see improvements in this area.

CONSULTATION

18. The consultation on the Draft Affordable Housing Strategy is proposed to run for a minimum of six-weeks and it will be open to all for comments. The consultation period may be extended slightly if this facilitates linking in with existing scheduled meetings that will allow an appropriate audience to be advised on the document, such as a Tenants' and Leaseholders' Forum scheduled for late July.
19. The document will be made available online and we will ensure key parties are aware of the consultation period such as Registered Providers that operate in the Borough. The most appropriate methods to notify and publicise the consultation on the strategy will be discussed and developed with the Council's Communications Team.

NEXT STEPS

20. Following the consultation period, it is intended that any necessary changes will be incorporated into the document before the Affordable Housing Strategy is progressed to Council with a recommendation to adopt it.

Enquiries

For further information on this report please contact Robyn Lyons (Ext. 4305)