

## Providing greater social and affordable housing

### Liberal Democrats Group 2024/25 Budget Amendment 1

This amendment seeks approval for:

- The recruitment of an additional Housing Development Officer and Property Development Officer
- The Housing Delivery Team to produce a 5-year social and affordable housing plan by May 2025
- Fareham to prioritize and significantly increase the provision of social and affordable housing beyond May 2025

It is important in a cost-of-living crisis that we do more to provide good quality/green social and affordable housing. Saving money on temporary accommodation and maintaining an ageing housing stock. Providing jobs to local tradesman.

### **To recruit an additional full time Housing Development Officer and Property Development Officer**

1. The additional Housing Development Officer will **enable project delivery and ongoing development of pipeline/review of landholdings for opportunities.**
2. The additional Property Development Officer will **project manage from design to completion and manage the defect period post implementation.**
3. The **cost of these two additional roles will be up to £121,200 per annum** at an annual salary of £60,600 with the difference comprising the normal associated staff costs (e.g. employee contributions, NI, etc).
4. It is proposed these additional roles would be **recruited on a fixed term contract of at least two years** with the potential to extend the roles to permanent.
5. It is proposed these roles would ultimately be paid by **adopting a new funding model where the Housing Delivery Officer and Property Development Officer time on housing projects are paid for against the projects on-costs (with those on-costs largely linked with project specific HRA borrowing and grant funding).** Salaries are currently paid as HRA cost rather than as projects on-costs. This model is already under consideration by the Council.
6. In the **short term (6-9 months) as the new model is stood up it is proposed to fund this ‘one off’ cost in the 24/25 budget through reducing the £542,000 currently allocated to “Transfer of Debt Repayment Fund”** which is repaying the long-term borrowing imposed on FBC historically by central government.
  - a. The cost of these additional roles in 24/25 will be materially reduced due to the inevitable time that will be taken to successfully recruit for the roles.
  - b. It is prudent we continue to pay back the debt and this proposal will continue to make a significant contribution in 24/25 after the proposed deduction.
  - c. This proposal is investing to improve the long-term health of the Housing Revenue Account by delivering more homes which will generate additional income and newer homes requiring less urgent repair if we consider our ageing stock. Helping to pay down this long-term debt in future years.
  - d. It is noted that the 23/24 budget saw funds allocated to the “Transfer of Debt Repayment Fund” revised down from £1,025,000 to £0 to balance the HRA. As the HRA was under pressure last year it is important we continue to set aside reasonable funds also to act as a buffer should that be required again which we are doing. It is noted rent increases are now better pacing inflation.

### **To deliver a Social and Affordable Housing Plan by May 2025**

7. The additional resource would enable the Housing Delivery Team to deliver more homes and **develop a plan to build new and develop existing social and affordable homes.**
8. This would enable the preparatory work for us to significantly increase our current homes output. This **five-year plan** would be reviewed annually.

### **The significant increase of social and affordable housing beyond May 2025**

9. Additional housing resource and a dedicated social and affordable housing plan will **enable us to significantly increase our housing provision.**
10. Our ambition would be to **triple the current provision of social and affordable housing provision year on year**, but that ambition would be subject to the realistic planning outlined above demonstrating what is possible.
11. The cost of **increasing our housing provision and the paying for our expanded Housing Delivery Team would ultimately be covered by the Housing Revenue Account (HRA).**
  - a. This would mean additional social and affordable homes would be paid through rents and not taxes ensuring no long-term burden to the taxpayer.
  - b. Borrowing would be sensibly done over the long term and paid back in future years rents. This proposal continues to advocate any HRA borrowing is affordable, sustainable, and prudent.