

Report subject	Council Newbuild Housing & Acquisition Strategy (CNHAS), 2021-2026.
Meeting date	29 September 2021
Status	Public Report (Appendix 2 is exempt)
Executive summary	<p>This report seeks Cabinet approval of the first BCP Council Newbuild Housing & Acquisition Strategy (CNHAS) 2021-2026. This is an ambitious strategic programme that will potentially invest £233 million into meeting local housing needs. The capital budget and funding for this delivery strategy will require specific Council approval, to be sought annually each year as part of the annual budget setting process.</p> <p>The separate BCP Council Housing Strategy, which is part of the Key Policy Framework set out in Article 4 of the BCP Council Constitution will also be put before Cabinet on 29 September 2021 and full Council for consideration at its meeting in October 2021. The CNHAS will help deliver this.</p> <p>The report sets out in detail a 5-year vision, strategy, standards, specific sites and required resources for the direct delivery of appropriate new homes on BCP Council owned land, building on and scaling up in-house development activity significantly compared to the last few years.</p> <p>CNHAS will deliver much needed homes for the BCP area and is a responsive strategy to: -</p> <ul style="list-style-type: none"> • The Council’s Corporate Plan Dynamic places aim of building at least 1,000 homes on council owned land across a 5-year period of a mix of tenure types. • BCP’s Housing Strategy 2021-2026 growth priorities. <p>The new build programme includes: -</p> <ol style="list-style-type: none"> 1. a diverse range/typology of 1300+ houses, flats, bungalows & shared unit property types on 24 BCP sites developed through a variety of procurement routes for both permanent and move-on accommodation supported by a programme of street acquisitions. 2. a diverse range of housing tenures, predominantly affordable (up to 65%)- rent, shared ownership, discounted sale and market (at least 35%) -discounted and full rent with nominal sale units being provided- 3. a programme approach is adopted – projects developed in parallel rather than singularly- one after another - this helps achieve pace and scale and secure better value for money.

	<ol style="list-style-type: none"> 4. BCP's Housing Delivery team's direct delivery, ensuring control and confidence, on potentially 33 BCP sites 5. yearly Council approval of programmes of projects to ensure both an effective contribution to the diverse housing needs identified within BCP and in an efficient and timely manner for marketplace confidence. <p>The CNHAS builds on existing activities by purchasing up to 250 new (to BCP) units of accommodation through expanding the activities of the Homeless Housing Acquisition programme which included approved spend of £44.7M for the purchase of existing properties for homelessness (Cabinet 11/9/2018).</p> <p>This strategy seeks approval to extend this programme in line with the Seascope 5-year Strategic Plan buying additional street properties and renting them within the council and via the wholly owned company Seascope Homes and Property Limited for both permanent & move-on type accommodation Market rent & affordable tenures. The homes will be let to homeless households, care experienced young people (CEYP) and those existing & potentially new residents, simply wanting good quality full market rental properties- enabling a long-term investment opportunity for BCP.</p> <p>CNHAS allows for the purchase of additional land for development into Council ownership where appropriate, making use of an existing £300k feasibility budget (2021/22) to do the necessary due diligence on 'harder to reach' & potential new sites becoming available.</p> <p>CNHAS is a strategy and operational delivery plan working in tandem with BCP's proposed <i>New Approach to Regeneration</i>. Refer para 22.</p>
<p>Recommendations</p>	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the principles and expected outcomes for the 5-year CNHAS as summarised in this paper and set out in the Appendix 1 2. Approves the proposed programme governance, which requires Council approval (including capital budget approval) for each year of the 5-year programme as part of the annual budget setting process. 3. Recommends to Council that it approves the extension of the principles and funding for the current Homeless Housing Acquisition Programme to also include homes for Care experienced young people (CEYP) & homes at market rent. 4. Recommends to Council that it approves an increase in the capital budget of up to £5.6 million for the capital schemes already underway and within the 5-year plan, the details of which are set out in the Appendix 2 (exempt) 5. Recommends to Council that the Chief Operating Officer is authorised to approve necessary appropriations and contractual and legal agreements in consultation with the Section 151 Officer and Monitoring Officer - such as a Pre-Construction Services Agreement (PCSA) linked to an appropriate construction Budget, the details of which are set out in the Appendix 2 (exempt)

	6. Recommends to Council that the Section 151 Officer is authorised in consultation with the Portfolio Holder for Finance to determine the detailed funding models in respect of Appendix 2 (exempt).
Reason for recommendations	CNHAS enables the council to progress the housing development pipeline at pace and scale to deliver against the relevant Corporate Plan objectives to meet both housing needs and projected housing demands, whilst generating a positive income stream to financially support council services for vulnerable residents.
Portfolio Holder(s):	Cllr Bob Lawton, Portfolio Holder for Housing & Cllr Philip Broadhead, Portfolio Holder for Regeneration, Economy & Strategic Planning.
Corporate Director	Kate Ryan, Chief Operating Officer
Report Authors	Nigel Ingram, Head of Housing Delivery
Wards	Council-wide
Classification	For Recommendation

Background

1. CNHAS is a new strategy and implementation plan initially devised to respond to the Dynamic Places ambition of ***Invest in the homes our communities need***, where we commit to ***build at least 1,000 new homes on BCP Council owned land over 5 years of a mix of tenure types***.
2. The government confirmed that the Housing Standard Method for calculating new homes would remain. BCPs (Bournemouth Christchurch and Poole) target figure was initially set at nearly 2,500 (Oct 2019), this is linked to yearly affordability ratios and currently (Spring 2021) is at nearly 2,700 homes and the CNHAS Delivery programme will contribute to this.
3. A new Local Plan with adoption scheduled for 2022. will seek to identify a range of new allocations to improve the supply of new housing.
4. A five-year strategy & plan allows a longer-term ambition to be articulated in addition to agreeing plans on an annual basis. It is critical however that this plan, including the financial forecasts, remains flexible and fluid over time as external factors impact and different opportunities are presented.
5. The Strategic Plan has been influenced by a range of issues, challenges and opportunities arising from the internal and external operating environment. This Strategy & Plan outlines priorities, objectives, standards, direction, and financial projections but predominantly identifies sites to be delivered within 5 years.
6. The Plan will help deliver the Council's Corporate Strategy and its key objectives: -
 - Dynamic Places
 - Sustainable Environment
 - Connected Communities
 - Brighter Futures
 - Fulfilled Lives

7. The activities associated with delivering CNHAS will contribute towards these key objectives in many ways but primarily by ensuring the creation of a diverse range of new homes that are needed, currently standing at 46,000+ in the next 16 years.
8. In addition, the CHNAS will deliver much needed affordable housing to meet the needs of those on the council's housing register as well as develop specialist housing on some of the sites which help deliver our adult social care and children's services corporate priorities.
9. Overall, CNHAS presents an ambition of growth and a 'step-change' for both BCP as a direct delivery of new homes at pace and scale, whilst offering a wide and diverse housing choice to suit the needs of our society.

CNHAS Vision

10. To directly deliver the building of at least 1,000 new homes through civic and partner investment on BCP Council owned land over 5 years, contributing to the 15,000 new homes in the BIG plan target. CNHAS will satisfy a variety of needs and tenure types, with sustainability standards taking steps towards the 2025 Future Homes Standard's, good internal space in rooms and accessibility outside, whilst embracing the ambitions of the draft national model design code. *Your home should be a haven, where building safety is not on anyone's mind & the housing offer to BCP residents and those wishing to live here, is a diverse & inclusive one.*

Housing Needs & future demands

11. On 27 August (prior to introduction of the new BCP Allocations Policy) BCP had 5,395 people on its waiting list.
12. In December 2020, the government confirmed that the Housing Standard Method for calculating new homes would remain. The area's target figure was initially set at circa 2,500 (Oct 2019), this is linked to yearly affordability ratios and currently is proposed at circa 2,700 homes subject to final confirmation/ adjustment and the CNHAS Delivery programme will contribute to this.
13. A new Local Plan with adoption scheduled for 2022/23 will seek to identify a range of new allocations to improve the supply of new housing. A considerable number of homes within the new supply will need to be affordable as the council continues to have over 4,500 applicants on the housing register.
14. The total BCP population is expected to grow 2% per year up to 2028 and then by 3% up to 2043.

CNHAS 5-year Programme

15. The 5-year programme includes both new build and acquisition programmes. Approximately 1,300 additional homes are planned to be provided over 5 years across 24 BCP Housing Revenue Account (HRA) and General Fund sites (refer annex1). The 5-year plan includes 250 street property acquisitions (individual properties to be identified), **together with an unbudgeted element of a further 610 homes potentially.** The overall delivery plan is spread across distinct programmes depending on the category of project, as follows:
16. **Programme 1** (P1a and P1b) total 9 sites – contains 4 projects already on site/build contract awarded (P1a), with fully approved capital budget and planning permission obtained. A further 5 projects (P1b) have capital budgets approved but not yet on-site. Most of these projects are planned to complete in 2022/23.

Programme 2 (P2a and P2b) total 4 sites - includes 2 projects (para 13 for details) with approved capital budgets that will require budget adjustment (P2a). It is proposed that

Council approval for capital budget increases of £5.6 million for one of these projects is obtained through this report. Appendix 2 provides information on the detail of £5.5 million capital budget increase required, as well as confirmation on how the increase will be funded and assurance that the revised budget continues to represent value for money for the Council. A further two place-shaping projects already in the Council's forward plan for development (P2b) will require formal Council capital budget approval as part of the 2022/23 annual plan. P2 is planned to be developed between late 2021-2024.

Programme 3 (P3) total 11 sites – includes potential development at 11 BCP sites currently at initial feasibility stage. These will require further planning, viability, and assessment work and Council approval. These are expected to be developed 2022-2026.

Programme 4a (P4a)– 250 new **Street Acquisitions**- to deliver against RSAP funding (estimated 40 homes by 31 October 2022), Children's and Adult services commissioning needs & Market Rentals, to be let through Seascope Homes & Property Limited - targeting Permanent & Move-on.

CNHAS Programme							5 year indicative budget profile						
Ref	Programme description	Member approval	Planned approval date	No. of BCP sites	No. of units built	No. of units acquired	2021/22 approved	2021/22 additional	2022/23	2023/24	2024/25	2025/26	5 year total
				number	number	number	£000	£000	£000	£000	£000	£000	£000
1a	Approved new build - small sites	Approved	N/A	4	47	0	5,235	0	4,496	59	0	0	9,790
1b	Approved new build - small to medium sites (not yet on site)	Approved	N/A	5	86	0	3,950	0	12,649	0	0	0	16,599
2a	New build - medium to large sites Herbert and Piness Road	Council approval required for budget increase post tendering	Oct-21	3	163	0	5,849	5,500	16,246	10,673	0	0	38,268
2b	New build - in forward plan. Oakdale and Hillbourne place shaping projects	Council approval required as part of 2022/23 CNHAS plan	Feb-22	2	190	0	0	0	15,030	21,540	0	0	36,570
3	New build - medium to large sites.	Council approval required as part of 2022/23 CNHAS plan	Feb-22	11	578	0	0	0	12,050	32,370	23,870	17,910	86,200
4a	Acquisition of residential street properties and redundant buildings	Council approval required to expand current programme	Oct-21	0	0	250	10,970	0	12,780	9,630	5,980	6,140	45,500
				25	1,064	250	26,004	5,500	73,251	74,272	29,850	24,050	232,927
Capital budget approved							26,004	0	37,221	10,732	0	0	73,957
Capital budget not yet approved							0	5,500	36,030	63,540	29,850	24,050	158,970
							26,004	5,500	73,251	74,272	29,850	24,050	232,927

Please note, Princess rd counted as 2 sites for funding purposes – as has General Fund and HRA - nett 24 actual sites.

Summary of financial implications

- The 5-year plan assumes capital investment of £232.9 million. Of this, £74.0 million has already been approved and is allocated within the Capital Investment Programme (CIP). The £74.0 million approved budget includes £59.2 million for approved new build projects (P1a, P1b and P2a) and £14.8 million budget approved for the existing General Fund temporary housing accommodation programme and HRA acquisition of homes (P4a). The Council has recently received £3.6 million of RSAP(rough sleepers approved programme) government grant funding for the acquisition of new homes. This will be allocated to Programme 4a, to reduce the Council's prudential borrowing required to deliver the programme.
- Programme 2a - Adjustments to current approved P2a in year capital budget allocations of £5.6 million are sought for one of the schemes (confidential Appendix 2). This reflects inflationary cost pressures arising from post Covid 19, Brexit market conditions and fire

safety & planning considerations and environmental enhancements. Approval to increase capital budget is required to progress this scheme to delivery phase. **Detail supporting the proposed capital budget increase (including proposed funding sources) is provided in Appendix 2** of this report. If approved this will increase approved capital budget from £74.0 million to £79.5 million (from total 5-year programme of £232.9 million).

19. Programme 2b and 3 – these programmes are currently at feasibility stage. £300k revenue budget has been identified (as a Corporate Priority) to undertake feasibility work and viability assessments for these programmes - note para 20. Full Council approval, supported by robust costings following feasibility and design work for both Programmes is to be sought as part of approval of the 2022/23 CNHAS plan. Note para 21 also.
20. Programme 4a – this is an extension of the 'Homeless Housing Acquisition programme' already approved and underway and will run from 2021-2026 acquiring existing street properties £10.97m funding is currently allocated to this programme with the anticipated budget balance (£35m) being detailed in the 2022/23 funding plan.
21. Excluding the £5.6 million additional capital budget increase for projects already underway, a further £153.5 million funding will need to be identified to deliver the remainder of the 5-year plan (Programmes P2b, P3 and elements of P4a). This figure is derived from desktop estimates and will be refined as feasibility and development phases are completed. Potential funding sources for the initial desktop estimate of £153.5 million include external government grant, local authority retained Right to Buy (RTB) receipts, s106 housing contributions, and additional prudential borrowing. As with all potential schemes within the 5-year plan that have not already been approved, these schemes will require separate Council approval as part of the annual budget setting process.
22. Council is also asked to note that the Turlin Moor project (in programme P3) is likely to require capital investment beyond the immediate 5-year Plan (a further £37.7 million anticipated in 2026/27 to 2027-28 if the scheme is approved). It is anticipated a bespoke approval for this project will be brought to the Council members as there is a need for further feasibility considerations and public engagement regarding the best use of this site.
23. In addition to the £232.9 million indicative 5-year plan (for which capital budget will be sought as costings are confirmed), the wider CNHAS Programme includes potential further schemes / initiatives which the Council could also progress with to ensure Corporate Priority target of 1000 new homes is met. These are described below:
 - Programme 4b (P4b)- a further 250 homes from Acquisition of new non BCP development potential land /change of use properties- if appropriate.
 - Programme 5 (P5) – a further 360+ homes targeted in 2023-2026- on the balance (sites 25-33) of 'harder to reach' BCP sites.
24. The CNHAS is not expected to define the way forward for the larger and complex regeneration sites within the council's ownership which require a different site by site approach because of wider factors for consideration such as viability, mixtures of tenure a variety of uses on these sites including public realm.
25. Future programmes & associated development sites have feasibility revenue budgets built into the MTFP to ensure ongoing delivery of sites is sustained. Current estimates of feasibility spend are £300k for 2021/22. Additional spend will be reported in advance, year on year

Financial risks

26. Current market conditions (Covid 19, Brexit related and new housing standards relating to fire protection, building safety and environmental considerations) have resulted in a marked increase in prices for raw materials, construction works timetabling delays and attractiveness of BCP Offer. It is too early to state when market conditions will settle.
27. Estimates with the programmes 2b onwards in the 5-year plan are (at this stage) desktop only and are likely to change significantly once feasibility and development phases conclude.
28. In the absence of alternative funding sources, the Council is likely to have to take out significant levels of new prudential borrowing to deliver the 5-year plan. Annual provision will need to be made within the Medium-Term Financial Plan (MTFP) regarding repayment of this additional debt. As an approximate guide, additional borrowing of £153.5 million at 3% (Invest to Save low risk rate) over 50 years would result in the need to set aside £5.8 million per annum within revenue budget for debt repayment (principal and interest). Clearly the majority of this should be recovered through additional rental income from new homes – but this will need to be fully modelled and tested. There is also the potential to reduce prudential borrowing requirement by securing alternative sources of funding (e.g., right to buy receipts, new government grant).
29. The MHCLG has published revised guidance which restricts the use of RTB receipts as funding for the acquisition of new homes. From 1 April 2022, there will be a cap on acquisitions. This will be set as a percentage of the number of homes that a local authority starts or acquires using RTB receipts each year, rather than as a restriction on the cost of individual acquisitions. From 1 April 2022, the MHCLG will prohibit more than 50% of RTB replacements being delivered as acquisitions in financial year 2022-2023. This threshold will reduce progressively over the following two years as set out below:

2021-2022	No cap
2023-2024	50% cap
2023-2024	40% cap
2024-2025 onwards	30% cap
30. The ongoing revenue implications of the establishment of 1,300 new homes in the area will also need to be properly understood as part of the wider Local Plan considerations and on a site-by-site basis. New development will have consequential impact on the local infrastructure (highways, impact on schools and other local authority provided services).
31. VAT implications – the VAT implications for the CNHAS 5-year plan will also need to be considered in full as part of the annual approval of each year of the plan.

Governance of the Strategy

32. The 5-year plan presented in this report consists of high-level indicative desktop financial estimates. These will be made more robust as the Plan progresses. Council approval for annual spend will be sought in advance at the start of each financial year (as part of the Council's annual budget setting process). All new annual capital project approvals will be supported by scheme reports detailing expected outcomes and full financial implications within the proposed annual plan. Where necessary these reports would delegate to the s151 Officer to determine the precise funding model for approved capital schemes (in consultation with relevant portfolio holder).
33. Subsequent approvals for any changes in capital budgets approved at the start of each year will be sought in line with the Council's delegated responsibilities within its Financial Regulations.

- 34.** Progress on 5-year Plan delivery will be reported quarterly to the Housing Delivery Steering Group (consisting of BCP Officers and portfolio holders), with quarterly updates also provided to Council through financial services Council Budget Monitoring.
Continuous engagement through the Regeneration Board will ensure housing delivery occurs seamlessly within CNHAS and supporting programmes.
- 35.** It is also proposed that an annual retrospective update / progress report is presented as part of the forward-looking annual plan report to Cabinet to allow oversight of progress on the overall programme, update on retrospective approval over the last 12 months and provide visibility of additional sites secured for new build / renovation & remodelling.
- 36.** The following policy principles are set out in the detailed strategy & plan in Appendix 1.
- a. CNHAS high quality standards of housing include: -
 - i. NDDS space standards as a minimum.
 - ii. Accessibility & adaptability criteria based on 100% bronze- Building Regs M4(1) standard but targeting 40% silver M4(2) up to 10% gold M4(3).
 - iii. A minimum EPC energy rating of a high B (86+) but targeting an EPC A rating where practicable.
 - iv. Fabric first and ventilation strategy similar to Passivhaus principles.
 - b. The relevant BCP Corporate Strategy for Dynamic Places calls for a 'mixture of tenure types', the following % mixtures are recommended for approval with a degree of flexibility linked to viability & final needs analysis: -
 - i. 35-40% social & affordable rent – the majority being affordable rent.
 - ii. 20- 25% Shared ownership, now accessible for new allocations at 10% equity share, now the minimum access point (25%previously).
 - iii. 0-10% discounted sale (First Homes) option – requiring reduction of d & e as necessary.
 - iv. 20- 25% individual Market rents (for the PRS)
 - v. 0-15% open market sale (OMS)
 - c. c. BCP aim to retain nearly all the homes they are to deliver across the 5 years, this will help address unmet housing needs in terms of affordable housing and ensure continued revenue streams to support the Council's services to vulnerable people.
 - d. Cross subsidy across schemes and tenure types to reduce burden on RTB receipts and public sector borrowing requirement (PSBR)
 - e. Aspiration for the Council to purchase additional sites to deliver homes.

- 37.** BCP ambitions are not only for the circa 400+ currently planned HRA homes but also the 900 mixed income homes

This approach supports the overall Programmes viability through capital contributions from certain projects but also maintain on-going income streams and helping to deliver against a broader spectrum of housing need. This also makes for an attractive mixed income offer that enables communities to thrive due to the variety of investment streams supporting them. This cross subsidy helps the Council continue to fund services for vulnerable people.

- 38.** The CHNAS will deliver general needs housing but also a significant number of supported & specialist housing on some of the BCP sites & newly acquired to address adult social care, children's services and other corporate priorities on a permanent & move-on basis.

Consultation

- 39.** The CHNAS has been developed because of senior staff and portfolio holder input over the 8 months. The CNHAS Strategy and Plan principles were supported by the Housing

Delivery Steering Group meeting in July 2021.

Summary of legal implications

40. The Council has a duty (set out on Part VIII of the Housing Act 1996) to provide accommodation to homeless households who meet the criteria for the “full housing duty”. In exercising this statutory duty, the Council are obliged to provide suitable accommodation within their own locality wherever possible.
41. Case law has reiterated that Councils should have policies in place to generate access to accommodation within the local area, avoiding the need wherever possible to place households away from the area. The CNHAS strategy will increase the number of properties available and thereby help to reduce the need for out of area placements. This will therefore enable the Council to meet its legal duties as required and mitigate the risk of legal challenges
42. Further, the Council also has duties (derived from, inter alia, Section 2 of the Children and Social Work Act 2017) to assist those young people who have previously been cared for to access services, including support with and information around their accommodation options. Currently there are insufficient options for suitable accommodation for care leavers. The CNHAS strategy will increase the stock available and enable the Council to fulfil its duty to signpost care leavers to independent housing more effectively.
43. The Council is empowered to borrow (pursuant to section 1 of the Local Government Act 2003) and to invest (pursuant to section 12 of the Local Government Act 2003) for any purpose relevant to its functions or for the prudent management of its financial affairs. It must however have regard to guidance issued by both the Secretary of State and CIPFA.
44. With regard to the general fund properties, the Council has the power to acquire and dispose of land pursuant to sections 120 and 123 of the Local Government Act 1972 provided it complies with section 123 (i.e., for a consideration representing the best that can be obtained unless consent is sought per paragraph 72 above).
45. Further, the Council has powers (pursuant to Section 9 of the Housing Act 1985 to erect houses or convert buildings to houses and to acquire houses) for the purpose of providing housing accommodation within the Housing Revenue Account.
46. Increasing the pool of available properties will provide greater flexibility for the Council to respond to housing need. Where there is a surplus of the accommodation held under the general fund then this may be managed by Seascope Properties as market housing to generate an income for the Council. The Localism Act 2011 grants local authorities far-reaching powers to act commercially. The purchase of these assets for investment purposes is entirely in accordance with these powers.
47. In exercising any power or duty, the Council must act for proper purposes, in good faith and must exercise its powers properly. It must also act for proper motives, consider all relevant considerations, act rationally, and balance any risk against the potential reward.

Summary of human resources implications

48. Implementation of CNHAS will require the recruitment and approval of 2 additional posts to those 2 already approved and soon to advertised positions. - refer Appendix 1's annex 3.





Summary of DIA

49. The CNHAS vision and aims reflect the Council's sustainability agenda, the formal DIA Impact summary statement is below with a carbon footprint estimate of 3 (low)



Impact Summary

Climate Change & Energy	Amber - Minor negative impacts identified / unknown impacts
Communities & Culture	Amber - Minor negative impacts identified / unknown impacts
Waste & Resource Use	Amber - Minor negative impacts identified / unknown impacts
Economy	Amber - Minor negative impacts identified / unknown impacts
Health & Wellbeing	Amber - Minor negative impacts identified / unknown impacts
Learning & Skills	Green - Only positive impacts identified
Natural Environment	Amber - Minor negative impacts identified / unknown impacts
Sustainable Procurement	Green - Only positive impacts identified
Transport & Accessibility	Amber - Minor negative impacts identified / unknown impacts

-  Major negative impacts identified
-  Minor negative impacts identified / unknown impacts
-  Only positive impacts identified
-  No positive or negative impacts identified

Answers provided indicate that the score for the carbon footprint of the proposal is: 3	The Carbon Footprint is banded as follows: 0-4 4.5-9.5 10-14 Low Moderate High
--	---

Summary of equality implications

50. CNHAS considers the profile of the future customers and additional demographic information on the population of BCP, which has influenced the identified priorities and objectives.
51. The EIA Panel met on 26th August 2021 and gave CNHAS an overall amber rating
- Amber – good to go subject to minor changes or mitigating actions being put in place and followed through in the development of the project/service/policy/procedure or practice.

Summary of risk assessment

52. The CNHAS Strategy and high-level Vision & objectives within it do not represent a risk in themselves but are intended to help mitigate through a Programme approach rather than an accumulation of certain risks - that housing development schemes inherently have and will face each time, through a project-by-project approach.
53. CNHAS risk assessment focuses on: -
- a. Financial probity & VFM- also refer paras 21-26 above.
 - b. Building/Construction safety
 - c. Reputational & Communication

The following non-financial key risks have been identified alongside mitigating actions:

Overall CNHAS Risk Rating			
Key Risks	Gross Risk Rating	Mitigating Actions	Net Risk Rating
Tenders for Main Contractor costs are more than budget allowances.	High	<ol style="list-style-type: none"> 1. Adopt soft market testing approach in marketplace. 2. Utilise established Frameworks & procurement processes with proven Contractors on panels etc. 3. Adopt 2 stage tender process where appropriate to enable joint approach to cost planning prior to commitment. 4. Increase budget allowances for construction within affordable parameters. 5. Ensure opportunities offered to marketplace generate economies of scale where possible. 6. Look at Offsite construction and buying consortiums 7. Enter Strategic Partnerships & Alliances. 	Medium / low

Overall CNHAS Risk Rating			
Key Risks	Gross Risk Rating	Mitigating Actions	Net Risk Rating
Change in housing need for tenures proposed caused by supply to the housing market or economy or funding.	Low / Medium	Monitor through Programme delivery period the requirements for different tenures on offer with Strategic Housing Options team. If required, the Housing Delivery Team can appraise and suggest changes to tenure to suit need and financial viability as required.	Low
Insufficient funding available, such as failure to secure funding from s106 Contributions, RTB receipts or Homes England	Low/Medium	Monitor and review spend of such funding on other schemes within the Housing delivery programmes- both within and outside CNHAS. Should insufficient funding be available, schemes will be prioritised and potentially some schemes put on hold until sufficient funding is available. Flexing the tenures – within the parameters approved would attract different funding, which could be used to ensure the scheme is brought forward.	Low
Building Safety Bill Impacts & increased fire risk & timetabling challenges during construction and prior to occupation phases.	Medium	The projects within the programmes have/will undergo vigorous filtering through the development ‘journey’ at multiple gateways – both internal Health & Safety and external fire assessments. The Design and construction process is being closely monitored by Housing Delivery Team, external consultants and the Main Construction Team. A new appointment of Contracts Services Manager will ensure that the Accountable Person and Building Safety Regulator considerations are addressed during a project’s development progress.	Medium/Low
Engagement and Consultation activities and political considerations delay the projects within the programmes.	Medium	To plan well in advance how residents, ward councillors, portfolio holders and relevant departmental/functional officers are engaged in CNHAS ‘s progress and component projects within it. To have alternative projects to ‘substitute’ into a particular programme if projects are delayed or do not proceed.	low

Annex 1 – Governance of Programmes 1-4a

CNHAS 2021-2-26	Site/scheme name	Units (potentially)	outstanding Cabinet/Council governance issues	Programme approval request	further comments
Programme 1a	1 Cynthia House, Poole	22	none	for noting	
	2 Moorside Road, Bournemouth	14	none	for noting	
	3 Northbourne Day Ctr ART	9	none	for noting	
	4 Mountbatten Gardens	2	none	for noting	
Programme 1b	5 Craven Court, 8 Kneveton rd. Bournemouth	24	none	for noting	PDR to award prior to contract
	6 Wilkinson Drive, Bournemouth	12	none	for noting	Planning approval awaited
	7 Templeman House, Leedham Road, Bournemouth	27	none	for noting	none
	8 Duck Lane, Bournemouth	12	none	for noting	PDR to use framework and PDR to publish
	9 Cabbage Patch car park, St Stephens Road, Bournemouth	11	none	for noting	none
Programme 2a	10 Herbert Avenue / Bourne Valley, Poole	24	Update To Council approval of 2019- increased construction & feasibility costs!	Council approval for increase to budget required (once cost estimate obtained)	
	12a Princess Road/Prince of Wales Road, Bournemouth	82	Update To Council approval of 2019- increased construction & feasibility costs!	Council approval for increase to budget required (through this report)	
	12b Princess Road - Hostel and Private Rented Sector development	57			
Programme 2b	11 Hillbourne School, Poole	110	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	13 Oakdale Adult Ed site, Poole	80	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
Programme 3	14 Turlin Moor (large site), Poole	400	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	15 Beaufort Road/Cranleigh Road Play Area ART	16	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	16 Constitution Hill, Poole	100	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	17 Surrey Road, Bournemouth	8	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	18 Alma Road surgery flats, Bournemouth	20	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	19 Egmont Road, Turlin Moor	9	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	20 Redhom Close, Turlin Moor	8	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	21 Junction Road, Turlin Moor	3	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	22 Dale Close	4	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	23 Lake Avenue	6	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
	24 Cavan Crescent/Sopers Lane	4	CMB, Cabinet, Council approval required	Council approval via 2022/23 CNHAS annual plan	
		1064			
Programme 4a	Acquisitions 1- Market rent	160	Update to existing 'Expansion and continuation of the Homeless Housing Acquisition Programme' of 2018	Council approval via 2022/23 CNHAS annual plan	
	Acquisitions 2- Care leavers	20			
	Acquisition 3- Temporary Housing Accommodation Strategy & unidentified older persons /specialist needs	70			
		250			

Background papers

Appendix 1 – CNHAS Strategy & plan – including its annexes 1-4.

Appendix 2 – Specific project within Programme's 1-3, Bournemouth