

Report subject	Housing Delivery Council Newbuild Housing and Acquisition Strategy (CNHAS) update and Harbour Sail acquisition
Meeting date	10 December 2024
Status	Public Report with Exempt Appendix
Executive summary	<p>This report provides an update on the Council Newbuild Housing and Acquisition Strategy established in 2021 and sets out the priorities for delivering more Council owned homes of all tenures.</p> <p>It includes the acquisition of the Harbour Sail, a 12-storey high-rise building in Poole, under the Council's New Build Housing and Acquisition Strategy (CNHAS) Programme 4a (subject to satisfactory warranties and no incumbrance to lettings). The building comprises 32 leasehold flats currently owned by Stonewater Limited. The acquisition is intended to provide temporary accommodation as part of the Council's broader housing strategy.</p>
Recommendations	<p>It is RECOMMENDED that [Cabinet]:</p> <ul style="list-style-type: none"> a) Recommend to Council to Approve <ul style="list-style-type: none"> I. The Acquisition of Harbour Sail including 32 leasehold flats for temporary affordable housing in accordance with the budget outlined in the exempt report attached at Appendix 4. II. Approval to proceed with the acquisition and delivery of 16 homes by March 2026 under the LAHF3 programme. b) Approve the delegation to the Chief Operations Officer in consultation with the Director of Finance and the Director of Law & Governance of authority to enter contracts related to activity set out in this report. <p>It is RECOMMENDED Audit and Governance Committee recommend to Council:</p> <ul style="list-style-type: none"> c) Increasing the authorised borrowing limit of the Council to accommodate the budget set out in the exempt report at Appendix 4 for the purchase of Harbour Sail.

Reason for recommendations	To enable the Investment and Development Directorate to deliver the priorities set by the Administration and in accordance with proposals set out in the emerging Local Plan which sets a renewed emphasis on increasing housing supply.
Portfolio Holder(s):	Cllr Kieron Wilson, Portfolio Holder for Housing and Regulatory Services
Corporate Director	Glynn Barton (Chief Operations Officer)
Report Authors	Jonathan Thornton, Head of Housing Delivery Nigel Bower, Land and Partnership Manager
Wards	All Harbour Sail Acquisition – Poole Old Town
Classification	For Recommendation

Background

1. This report seeks to provide and update on the Council housing delivery programme which was established in 2021 and is reviewed on an annual basis. The programme is delivered through different routes including direct delivery where the Council designs and builds the home and acquisitions of existing homes for temporary accommodation. This approach maximises budgets across the Housing Revenue Account and General Fund and is designed to ensure the schemes are affordable and viable.
2. The Administration set out the priority to catalyse delivery of the strategic regeneration sites and work towards the ambition for 1000 council owned homes of all tenures through a programme of direct delivery, partnerships and enabling supply through disposals of developable land for residential use. This is commonly referred to as the Council Newbuild and Housing Acquisition Strategy (CHNAS).
3. The CHNAS Programme was established in November 2021 with a 5-year rolling programme 2021-2026 of c £233m. £187m for new build schemes and £45.5m for acquisitions, increased to £68.8m in 2022. Whilst good progress has been made and a number of sites have completed or are underway, the overall programme delivery has been impacted by the pandemic, increasing build costs and challenging planning policy making timescales longer.
4. Further challenges have been encountered by rising interest rates creating viability issues as loans for developments are not fully supportable without reliance on Homes England grant and either reserves or s106 contributions (for affordable housing). The level of reserves, s106 contributions and Right to Buy receipts have been fully committed to current schemes on site of previously approved.
5. A portfolio approach is being developed with a longer-term capital strategy through the HRA Business plan. This will set key financial parameters for the delivery programme, sites in scope and agree hurdle rates for cost of borrowing. This in turn will help to create a streamlined capital approach and limit the stop and start nature of the projects which runs the risk of abortive work and costs.

6. Of the 269 homes that have been acquired, over 20 have been newbuild homes bought from local developers. To date, many of these acquired properties have been refurbished and are now occupied, meeting both statutory obligations and providing stable housing solutions for individuals and families in need. By the close of this financial year, over 80 TA units will have been successfully delivered. This proactive approach has mitigated the reliance on B&B accommodations, presenting a cost-effective solution that benefits both the Council and the community.

Acquisition Programme

7. In October 2023, housing needs assessments identified an urgent requirement for 80 temporary accommodation (TA) properties to reduce the reliance on bed and breakfast (B&B) placements.
8. At that time, 259 households were housed in B&Bs, including over 140 families. In the previous year, 220 children spent Christmas in B&Bs, illustrating the scope of the issue.
9. To address this challenge, a working group comprising the Housing Needs team and local registered providers (RPs) was established to explore potential solutions and identified a demand for 80 properties to address a range of needs.
10. The cost of B&B placements is significant, with weekly rates of £440 for a one-bedroom unit and £1,005 for a two-bedroom unit as confirmed by the finance team.
11. Data indicates that if acquisition targets were not met, 274 households would have remained in B&Bs in 25/26, leading to an annual **cost exceeding £10 million**.
12. Given the financial pressure on the General Fund, the priority was to achieve cost avoidance through "spend to save" strategy, where investment in acquisitions reduces long-term reliance on costly temporary accommodation. Additionally, grant was made available through MHCLG and Homes England to enable an increase in council-owned supply to tackle homelessness. The priority for the funding is primarily existing street properties or near-term new build homes as the grant availability is time limited. Local RPs were unable to significantly contribute to meeting the identified demand, so the Council took the step to take responsibility for securing all 80 properties through targeted acquisitions.
13. By early 2024, the challenge became demand as the call on temporary accommodation continued to grow, necessitating a reprioritisation for additional council-owned properties. While the exact number of required properties remained uncertain, a target of 125 properties was set to guide planning efforts. Since then, this has been reduced to 111 properties. In May 2024, a cabinet report was agreed proposing a reallocation of resources. This involved redirecting the budget initially allocated for 160 private rental sector (PRS) properties to support an expanded acquisition strategy for temporary accommodation.
14. This adjustment aimed to enable the Housing Delivery team to acquire the necessary properties, offering a more sustainable response to the growing demand for TA.
15. The proposal also highlighted the need for flexibility in addressing the crisis, focusing on stable housing solutions for vulnerable households.
16. The acquisition programme includes several initiatives aimed at addressing specific housing needs within BCP. These initiatives focus on reducing dependence on temporary housing solutions and increasing the availability of sustainable, long-term housing options. Of the 269 homes acquired to date, 194 homes have been let.
17. Summary of Acquisitions

	Purpose	CNHAS Delivery (Acquisition)						Let
		2021/22	2022/23	2023/24	2024/25	Total Acquired	Target	
		No.	No.	No.	No.	No.	No.	No.
TA	Temporary Accommodation provides immediate short-term housing for individuals and families during housing crises. This often includes placements in emergency settings such as Bed & Breakfasts. The programme aims to move residents into more stable and sustainable housing as soon as practicable.			36	69	105	111	46
SHAPs	The Single Homeless Accommodation Programme is a government-funded initiative addressing the housing needs of individuals experiencing homelessness. It incorporates a needs assessment process to identify local gaps in housing provision and aligns grant applications with these priorities. SHAP supports the creation or adaptation of accommodation for vulnerable groups, including those with complex needs, to facilitate their transition into permanent housing.	2	1	1	36	40	72	40
LAHF	The Local Authority Housing Fund supports BCP in meeting housing needs for refugees and individuals in temporary accommodation. It prioritises the development of sustainable housing solutions to reduce reliance on short-term, high-cost temporary housing options, such as Bed & Breakfasts.				25	25	25	16
				2	6	8	10	2
					1	1	16	0
PRS	The Private Rented Sector Scheme involves acquiring properties for use as private rental accommodations. These properties expand the housing portfolio and generate income to support housing initiatives.	4	31			35	35	35
RSAP	The Rough Sleepers Accommodation Programme focuses on providing housing solutions for individuals experiencing long-term rough sleeping. The initiative addresses the unique challenges of this group and aims to promote housing stability while offering access to additional support services.	28	12	0		40	40	40

HRA	The Housing Revenue Account supports the acquisition or adaptation of properties to increase the council's stock of social housing. These properties provide affordable housing for those in need, contributing to the long-term sustainability of the local housing system.	15				15	15	15
Total		49	44	39	137	269	324	194

Challenges and Revised Strategy

18. Meeting acquisition targets required collaboration among Housing Needs and Allocations, the Voids Team, and Housing Delivery. Whilst the capital budget was approved for the acquisitions, the teams responsible for void works and lettings were required to deliver the increased programme activity with existing levels of resource. The scale of the acquisition programme and pace of delivery was significant, increasing from an average of 50 properties per year over the last 3 years to a projected 173 by 2024/2025. The timeframes from legal completion to lettings are indicative of the additional pressure on internal teams working with limited resources to deliver a programme at pace whilst maintaining business as usual across the Council existing stock
19. During the summer, some LAHF properties were reassigned to Temporary Accommodation (TA) to reduce reliance on B&B placements. Due to delays caused by central government nominations.
20. This approach has helped mitigate financial pressures while maintaining flexibility in managing the housing portfolio.
21. The Council's renewed focus comes at a time when housebuilding is at its lowest in the UK. Supply of new homes has fallen short of government targets and other assessments of need, while being highly cyclical due to funding programmes. As this happens over many years, it compounds to create a growing housing shortfall which puts increasing pressure on housing affordability. Across England affordable housing delivery fell to 29% of completions in 2022, with delivery at a local level seeing only 26 affordable homes delivered through the planning gain process during 2021/22.
22. Most of the new homes delivered are by the 11 "volume housebuilders" (i.e. defined as delivering over 1000 homes a year) as they have a geographical span which enables them to manage risk across portfolios. However, there is limited volume housebuilder delivery in BCP with regional SME developers primarily leading the market for land buying and completing homes.
23. It is notable however that history of the housing market shows that significant supply was delivered through Local Authority housebuilding. This is because Local Authorities have powers to be enablers, strategic commissioners and delivery partners and with the right conditions and ambition can better address the housing challenge at a local level. The Council has a track record of delivering through partnerships and it's inhouse contract, CWT.
24. Housing remains a key priority given the increasing pressure on homelessness and housing services. The new Government has set out its intention to make planning reform it's number one priority and will be amending the standard methodology for

housing targets. This relates to the number of homes completed over an annual period and will put additional pressure on the Council to bring forward opportunities quicker and with the right partners to deliver the expected target. The Council's own housebuilding programme has steadily delivered homes, including much needed affordable homes, over the past 5 years with land capacity to do more if the right financial conditions were created to support delivery

25. The Council newbuild and acquisitions programme will be structured with the following key aims:

- Deliver place-based regeneration which maximises the full potential of sites and connects communities to make BCP a destination of choice for future generations.
- Through a programme of active investment in affordable housing delivery, capitalise on the urban environment and tackle underutilised or surplus assets
- Exploration of a range of delivery models and investors, from direct delivery to partnerships, to contribute to meeting the wider housing needs and unlock the regeneration of Council owned land for predominantly residential use.
- To provide a choice of good quality housing for residents at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and later living accommodation
- To collaborate with members and Council client services in Homes and Wellbeing and Operational Services to design and enable place based social and physical regeneration outcomes.
- Establish strategic and bold partnerships with Homes England, MHCLG and public and private investors to position BCP as a place with ambition and ability to deliver inclusive growth.

26. The supply of housing depends on a range of factors including government policy, broader macroeconomic conditions, the planning system and how well it functions and natural constraints such as the quantum of developable land in places where people want to live. To tackle this a range of models is needed to deliver in a difficult housing and build cost environment. This report considers direct delivery (council commissions and builds) acquisitions of land, newbuild or street properties and disposals to generate income and or enable new supply delivered in partnership such as affordable housing providers.

Gateway Process

27. A new process with Housing Delivery and the wider Directorate will be introduced to provide Gateways for schemes to be progressed and monitored against approved budgets. The aim is to develop existing processes to ensure schemes are approved via Gateways prior to spend on schemes and ensuring stakeholders are consulted.

28. Gateways will include financial reviews, stakeholder inclusion and technical checks.

- a. Gateway 1 – Site Feasibility approval
- b. Gateway 2 – Commence design approval
- c. Gateway 3 – Approval to submit a planning application
- d. Gateway 4 – Award Build Contract and start on site
- e. Gateway 5 – Scheme Completion

f. Gateway 6 – Land and Property Acquisition

Housing need and supply

29. The housing register currently has over 3,100 households of which 736 are banded in emergency or gold band which is the highest needs category. There are also 520 households in temporary accommodation of which 99 are in Bed & Breakfast accommodation including families.
The strategy targets the affordability crisis, with a focus on acquiring homes that can be let at social or affordable rents.
30. The housing needs report commissioned for Dorset to inform the new local plan established that BCP has a need for 1,653 affordable rented homes pa and 1,017 for affordable home ownership. However, the council has only achieved housing completions since its formation in April 2019 of 4,916 which is less than 1,000 homes pa for all tenures.
31. Affordability across BCP area remains a considerable challenge for many. Against average wages and average house prices in BCP area you would need mortgages 10 x av. salary along with a 5% deposit to be able to afford to purchase a property and for those in receipt of help with housing costs from Universal Credit or Housing Benefit (including employed households) even the maximum level of assistance is below the average market rents in the private sector.
32. The council's Housing Strategy runs for a 5-year period, 2021-2026 and carries a lead priority of Meeting Future Growth needs, supporting the priority of housing supply. The strategy delivery plan details the CNHAS programme as providing a significant contribution to overall housing needs.
33. There is a growing need for specialised housing solutions for individuals with complex health or social care needs. The Strategic Housing and Partnerships service has commissioned a refreshed needs study to support future target setting around specialist provision, and a new Specialist Housing Needs Strategy is anticipated in 2025. The acquisition strategy will target properties suitable for adaptation or supported living arrangements.
34. Evidence for the Councils extra care strategy established that we currently have 398 extra care units available and 162 enhanced care placements. The report indicates that we should currently have 1,075 units which is a shortfall of 515 units. It also states that the number of extra care units needs to rise to 1,312 in 2030. BCP therefore should be providing an additional 752 extra care units by 2030. We have currently 351 ECH units across 9 schemes. Progress against the ECH strategy is that of the 15 objectives 7 are in progress or completed. Oversight of the strategy implementation falls under the ECH steering group. Housing and ASC Commissioning continue to work in partnership to ensure progress against all the objectives of the strategy. This includes working towards new builds/ remodelling of existing sheltering housing stock or enhancing existing ECH.
35. The programme of housing delivery also looks to support single homelessness requirements forecast as a need of approx. 83 homes, Mental Health approx. 36 homes and Learning Disabilities / Autism approx. 30 homes. All of these come with varying specification requirements which makes the delivery more challenging such as bungalows and flats that come with staff worker space. These figures are indicative until the new needs assessment is available. these demands reflect annual specialist housing need requirements.
36. Since the beginning of the CHNAS programme, the HDT have both enabled and been involved in the negotiations on the two urban extension sites in north Poole which has secured a policy compliant position with even distribution of housing typology across

both sites, and it will provide across the various phases an additional 500 new affordable new homes by 2027/8. In addition to BCP / CHNAS delivery programme we have enabled / secured the provision of 407 additional new affordable homes being delivered through our registered provider partners.

Increasing supply through acquisitions

37. The acquisition strategy is designed to support the shortfall in housing delivery that is not met through other traditional methods, including:
- a. Section 106 Delivery: This mechanism, which secures affordable housing as part of private development projects, does not meet all of the council's housing needs. The acquisition strategy provides additional capacity to address gaps left by Section 106.
 - b. In-House Development: The council's in-house development programme will be supplemented by strategic acquisitions to ensure delivery targets are met.
 - c. Registered Providers: While registered providers play a key role in delivering affordable housing, their capacity may be limited. Acquisitions will complement their efforts, particularly where registered providers fall short of delivering new homes or acquiring suitable stock themselves.
38. Over recent years, BCP Council has faced significant budgetary pressures from escalating Bed and Breakfast (B&B) costs, primarily due to the unprecedented rise in demand for temporary housing solutions. The Housing Needs team has been challenged by a continuously increasing demand, necessitating urgent and innovative responses to meet statutory housing responsibilities while managing a growing financial burden. In October 2023, it became clear that an immediate intervention was required to secure 80 temporary accommodation (TA) units to alleviate pressure on B&B expenses.
39. To address this critical shortage, the Housing Needs team initially sought support from the Housing Delivery team, which developed a proposal to redirect funding previously earmarked for private rented sector acquisitions toward temporary accommodation. This strategy aimed to secure 30 properties for TA use as an immediate solution, ensuring that previously allocated resources would effectively contribute to reducing B&B dependency.
40. In tandem, local Registered Providers (RPs) were approached to supply the remaining 50 properties needed to meet the immediate demand. Despite regular project meetings and concerted efforts to engage multiple RPs, no offers were made.
41. Following the limited response from RPs, the Housing Delivery team extended its commitment by offering to secure the additional 50 properties directly through an expanded acquisition strategy. By leveraging resources and accelerating acquisitions, the team successfully identified, acquired, and renovated numerous properties to fulfil the demand for TA. Further details about acquisition delivery is included in Appendix 4.

CNHAS Proposal for Acquisition of Harbour Sail, Poole

42. Harbour Sail is a 12-storey building consisting of 32 apartments owned by Stonewater Limited on a leasehold basis. The building was originally constructed between 2004 and 2005 by contractor HGB Western, commissioned by ASDA (McLagan Investments) as part of a larger development including a superstore and multi-storey car park. Stonewater Limited has owned the building since its completion.
43. The Council is seeking to acquire the block to be used for the provision of temporary and move on accommodation to reduce the pressures on expensive nightly Bed and Breakfast accommodation. There are 26 one-bedroom and 6 two-bedroom homes.

44. The development offers 32 refurbished homes, including 4 designated for temporary accommodation under the SHAP programme and another 4 supported by LAHF grant funding. These initiatives are essential to addressing homelessness and reducing reliance on costly temporary accommodation. The scheme's financial viability is further underscored by a positive contribution.
45. The development will provide energy-efficient homes, contributing to BCP Council's response to the Climate and Ecological Emergency declared in 2019. This standard will offer benefits such as an off-gas heating system.
46. All homes were built by 2005 and were recently modernised to current standards including external cladding deficiencies, installation of a sprinkler system and additional firebreaks to ensure the building now meets current fire safety requirements. Internally, all homes have new kitchens, bathrooms and finishes and the communal areas have been improved. The building will be lettable on completion of contracts which if approved by Cabinet, is targeted for February 2025.
47. The acquisition of Harbour Sail represents a highly advantageous financial decision for the Council, as explained more fully in Appendix 4.
48. The purchase price per property is below the market average.
49. Independent Valuation: An independent valuation was conducted to ensure the financial prudence of this acquisition and confirms the agreed purchase price represents value for money.
50. Strategic Benefit: The acquisition secures 32 homes ensuring that the Council gains assets at a reduced cost. This provides the Council with an opportunity to maximise the use of public funds, delivering affordable housing solutions at a fraction of the average market price.
51. Long-Term Financial Viability: The financial analysis indicates that the scheme will start contributing positively from year 1, further highlighting the long-term value of this acquisition.
52. This acquisition focuses on delivering 32 homes. This is designed to align with key factors driving housing demand in the BCP region, such as homelessness, the affordability crisis, and specific demographic needs, including and individuals with complex needs.
53. The total cost including fees will be funded with secured grant funding from Homes England (SHAP) and MHCLG (LAHF). The balance will be funded with prudential borrowing.
54. The forecast cash flow has been modelled assuming both the low-risk interest rate for the borrowing cost of 5.5% and the prevailing interest rate of 5.66% as of 14 November 2024. The models are contained in Exempt Appendix 4.
55. The programme will require an increase in the Council overall threshold of borrowing. The Audit and Governance Committee will therefore be asked to recommend to Council an increase in the level of borrowing.
56. The acquisition of Harbour Sail represents a strategic and financially advantageous investment for BCP Council. The purchase secures high-quality, energy-efficient homes at a below market average cost. This aligns with the Council's broader goals of addressing housing demand, supporting vulnerable populations, and delivering affordable housing solutions.
57. Additionally, the acquisition supports BCP Council's environmental commitments, with the homes featuring off-gas heating systems. The recent refurbishment ensures

compliance with current fire safety standards, while long-term repair and maintenance provisions are well-planned, minimising future risks.

58. The financial modelling, supported by secured grant funding and prudential borrowing, demonstrates the acquisition's sustainability and its alignment with the Council's broader objectives to maximise public funds and deliver affordable housing solutions effectively.

Financial Strategy

59. Although the initial budget did not specifically cover the unanticipated B&B expenses, the acquisition strategy for temporary accommodation represents substantial cost avoidance for BCP Council. The Finance team has provided the following data, which highlights the cost avoidance achieved by reducing B&B placements through direct property acquisitions. These figures reflect both the immediate reduction in B&B expenditures and the long-term cost efficiency generated by the TA acquisition program.
60. This strategic shift exemplifies the Council's commitment to fiscal responsibility and efficient resource allocation in response to evolving housing needs. The acquisition of 80 TA units will serve as a model for sustainable, scalable solutions to meet temporary accommodation requirements and mitigate future B&B costs

	One B&B Room Placement	Two B&B Room Placement
b. HB Subsidy per week	£126	£126
c. B&B Costs per week (£81)	£566	£1,131
d. Net Cost to Housing per week	£440	£1,005

50 singles @ £440 creates an annual saving of	£1,147,080
30 singles @ £1005 creates an annual saving of	£1,572,021

61. Grant Funding: The strategy assumes that grant funding, similar to the support provided by Homes England via the Single Homelessness Accommodation Programme (SHAP) and the Local Authority Housing Fund (LAHF), will continue to play a key role in financing acquisitions. Grant levels are estimated at 40% of acquisition costs.
62. House Prices: Acquisition costs have been estimated based on house price trends from the previous two years of the council's acquisition programme.

LAHF Round 3

63. The Local Authority Housing Fund (LAHF) Round 3 is a £450 million grant launched in March 2024 by the Ministry of Housing, Communities and Local Government (MHCLG). The fund aims to alleviate local housing pressures by reducing the use of costly temporary accommodation, providing sustainable housing for households under homelessness duties.
64. BCP Council has been allocated £2,847,732 over the 2024-2026 period. This includes £2,826,180 in capital funding and £21,552 in revenue funding. The Council has committed to delivering 16 new homes (9 in 2024-25 and 7 in 2025-26), which will include properties for temporary accommodation, resettlement, and larger family households.

65. Key Objectives

- a. Deliver 9 homes for households under temporary accommodation criteria.
- b. Provide 5 homes for resettlement-eligible households.
- c. Deliver 2 larger homes for resettlement households with 4+ bedrooms.

66. Funding will be released in four tranches, subject to spending milestones:

- a. Tranche 1: 30% of Year 1 capital + 100% revenue (£497,055) 7 December 2024.
- b. Tranche 2: 70% of Year 1 capital (£1,109,507) by December 2024.
- c. Tranche 3: 50% of Year 2 capital (£620,585) by April 2025.
- d. Tranche 4: 50% of Year 2 capital (£620,585) by June 2025.

67. Payments are conditional on meeting expenditure and reporting requirements, with deadlines outlined in the MOU.

68. The MOU is now signed allowing receipt of grant.

69. 8 of the 16 homes are at Surrey Road, which has already been approved by Cabinet in May 2024 and by Chief Executive emergency powers in June 2024 because Council meeting was cancelled

70. A separate Officer Decision Record will be drawn up and approved under delegated authority for individual property acquisitions if they demonstrate to be affordable.

Releasing land for affordable housing (to Registered Providers/Housing Associations)

71. In the past development has been undertaken successfully by transferring land to Registered Provider (RP) partners using development agreements. This protects the council assets and ensure delivery by not transferring the freehold until the scheme has been built to the Council's specifications. In return the completed properties would be subject to nomination rights in favour of the Council and where development costs permit, a capital receipt for the land might be achieved.

72. This approach was driven by affordable housing needs and Registered Provider (RP) partners that were prepared to work with the council. We would like to adopt the same model of development, identifying the potential RP developer partner after a period of marketing the selected sites as development opportunities for the delivery of 100% affordable housing across a range of tenures.

73. Relevant officers will work together to establish a portfolio of sites which can be marketed based on wholly affordable residential developments including nomination rights in favour of the council for rented properties.

74. This approach could accelerate the speed of delivery of the CNHAS programme, bringing benefits by reducing both financial and workforce resources, as well as reducing the council's overall risks to carry out all direct development. RPs will also have greater experience in managing some of the larger scale developments than our in-house Housing Delivery Team resulting in achieving multiple successful outcomes and best use of our land and assets.

75. There is also the option of continuing as we are with the programme being delivered solely by the Council which would continue to be hampered by many of the issues already set out in this report.

76. The council could also take the option of disposing of sites on the open market and use the receipts to invest in the remainder delivery of the CHNAS programme. This option is unlikely to deliver the affordable homes that were anticipated and still leave the Council

with its in-house team delivering affordable homes.

77. By working with Legal, Estates and procurement we will seek to set out a robust process that covers how we may look to select sites in the future for this model approach and how the disposal process will need to be dealt with.
78. The successful RP once appointed, will follow a detailed process which will include the use of a Development Agreement & Lease followed by Freehold transfer with a nomination agreement and possibly a local letting plan where appropriate. It will also include an “overage” clause where costs are reviewed once the development is complete to assess whether further money is due to the council because of uplift in estimated values.
79. Councils have an obligation to secure best consideration when disposing of land. This is set out in S123 Local Government Act 1972 (The “S123 duty”). However, there is discretion to dispose of assets at an undervalue where the purpose of disposal will promote or improve economic, social or environmental wellbeing in the area and the difference in value is less than “2 million. If the difference exceeds £2 million consent would be required from the Secretary of State.
80. This would be considered in detail for each site at the disposal stage as the offers received will need to be tested against the assessed unrestricted values as set out in the circular.
81. In March 2022 Southampton City Council cabinet approved a decision which allowed their estates department to launch an affordable housing framework. The new framework set out a strategy for delivering affordable homes across the city of various tenures and typology to meet its housing needs.
82. All parties were able to apply to be added to the framework providing they were able to deliver affordable housing the additional criteria was:
 - a. Needed to be able to deliver a range of affordable housing for both general needs and specialist housing.
 - b. The development once completed would need to be managed / operated by a registered provider (RPs).
 - c. Organisations that are not RPs will need to partner with an RP.
83. Interested parties were sent application packs and then they would be assessed by the council to the form a framework that be in place for a 4-year period.
84. The Southampton framework model is being reviewed to check if it is fit for purpose for BCPs needs and may well be incorporated into our RP site disposal process. Other councils’ have also introduced frameworks and we will also review their processes.

Development scheme update

85. See Appendix 1 for a general update on pipeline schemes.

Summary of legal implications

86. The Council has a duty (set out in Part VII 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. Increasing the number of properties available, especially for applicants with additional or complex needs. will enable the Council to meet its legal duties and mitigate the risk of legal challenges.

87. In addition, the Council 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. Adopting the revised CNHAS strategy will increase the stock available and enable the Council to fulfil its duty to signpost care leavers to independent housing more effectively.
88. Section 9 of the Housing Act 1985 empowers the Council to erect or convert buildings and to acquire houses for the purpose of providing housing accommodation to be accounted for within the Housing Revenue Account.
89. The council is empowered to borrow under S1 Local Government Act 2003 for any purpose relevant to its functions. The report sets out that the borrowing will be required to enable the delivery of housing.
90. 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., consideration must represent the best that can be obtained unless consent is sought from the Secretary of State. This will be considered in more detail when approval is sought for a specific transaction.
91. 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.
92. Council will need to be mindful of and ensure compliance with all conditions applicable to the use of the financial grants referred to in the report.
93. The Council will need to comply with all relevant procurement requirements in undertaking the proposals contained within this Report and the Council will seek further procurement and legal advice in respect of each project at the appropriate time.
94. 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).

Summary of human resources implications










95. The priorities will inform the capabilities and capacity needed to deliver the aspirations. The Investment and Development structure will be reviewed in line with Organisational Principles to establish that the span of control is adhered to.
96. A restructure within the Housing Delivery Team is expected to refocus staff on delivery of newbuild homes, with the current reduction in requirement to acquire pre-built homes.

Summary of sustainability impact

97. The Council has signed up to the climate change emergency and as such it is critical that decision makers consider the sustainability impact of their decision.
98. Summary of DIA:

Proposal Title: Investment and Development Directorate - Housing

Impact Summary

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

Answers provided indicate that the score for the carbon footprint of the proposal is: **1.5**

Answers provided indicate that the carbon footprint of the proposal is:	Low	
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Summary of public health implications

99. The investment and development programmes will create sustainable good quality housing developments and bring many benefits to the residents and the wider community.

Summary of equality implications –

100. EIA Screening has taken place and been assessed by the EIA panel on 16/10/24. The proposed improvements to the CHNAS programme review do present any negative impacts on the protective characteristic.
101. The proposed paper seeks to introduce certainty around the housing needs supply to meet our housing register needs along with the housing allocations policy and housing strategy supply of affordable housing.

Summary of Risk Assessment

102. A risk register has been completed for the CHNAS programme and the greatest risk identified is access to external funding from Homes England. The current funding programme ends in 2026 and there is no further access to that programme as build completions must be achieved by March 2026.

Background papers

Published works relating to CNHAS:

- [Council Newbuild Housing & Acquisition Strategy \(CNHAS\), 2021-2026 \(Cabinet 29 September 2021\)](#)
- [CNHAS Cabinet Appendix \(29 September 2021\)](#)
- [Council Newbuild Housing and Acquisition Strategy \(CNHAS\)- One year update, including Homes England 5 Year Framework 2021-26 Approval \(Cabinet 07 September 2022\)](#)
- [Housing Strategy 2021-2026](#)
- [Council Newbuild Housing & Acquisition Strategy \(CNHAS\) 2023-2028 \(Cabinet 13 December 2023\)](#)

Appendices

Appendix 1 - Housing delivery sites under review and progress

Appendix 2 – Not used

Appendix 3 – EIA screening tool for CNHAS review report

Appendix 4 – Harbour Sail - EXEMPT

Appendix 1 – Housing delivery sites under review and progress update

Crescent Road Development

103. The scope of the project includes the development of a new residential building consisting of 8 affordable flats. The site is situated at the end of Crescent Road, a residential cul-de-sac featuring large detached and semi-detached properties, many of which are multistorey apartment buildings. The site is adjacent to the Borough Gardens, the Wessex Way flyover, and no. 22 Crescent Road, a four-storey block of apartments. Planning has been approved; build is on hold until the outcome of a public enquiry regarding a non-public footpath across the site.

Darracott Road Development

104. Darracott Road is currently a disused Day Centre. The proposal aims to provide the addition of 6 no. 1-bedroom apartments in the form of a single block. The scheme is subject to a live planning application.

Selkirk Close Development

105. Selkirk Close is located in Merley with Local Authority homes (legacy PHP flats and houses), some of which have exercised their right to buy. The 3 sites comprise garages and aim to deliver 3 pairs of semi-detached houses (2 x 2B4PH and 4 x 3B5PH). Indicative site layout plans have been drawn, but surveys and consultation have yet to be carried out. Ward Councillor consultation will take place during Spring 2025, with a view to submitting a planning application in the Summer 2025.

Egmont Road, Poole

106. A development of six number one-bedroom rented flats within Turlin Moor, Poole, upon a back land site currently containing a BCP garage court. One of the flats has been designed for a wheelchair user. Planning permission has been granted. It is proposed that this scheme will be built out by BCP Construction Works Team (CWT).

Junction Road, Poole

107. A development of three, three-bedroom two-person, family social rented houses located witing Turlin Moor. The site utilises an isolated grassed area and former garage court. Planning permission has been granted. It is proposed that this scheme will be built out by BCP Construction Works Team (CWT).

Redhorn Close, Poole

108. A development of four, two-bedroom homes located upon two large areas of grass verge within Turlin Moor. A new planning application is to be made.

Cavan Crescent, Poole

109. Back land site that previously contained a garage court that has been removed. Proposed erection of three family homes consisting of two, three bed five person homes and one, four bed six-person dwelling. The scheme is subject to a live planning application. It is proposed that this scheme will be built out by BCP Construction Works Team (CWT).

Lymington Road, Highcliffe

110. Proposed development of eight one- and two-bedroom flats located near the centre of Highcliffe. The site consists of two older buildings that, due to their age and condition, are not suitable for conversion. A new planning application is to be made.

Duck Lane, Bournemouth

111. Proposed development of twelve two-bedroom modular apartments. The site currently consisted of a BCP garage court and area of empty grassed land. A new planning application is to be made, following the previous planning application expiring.

Lake Drive, Hamworthy

112. Proposed erection of six, one-bedroom apartments upon an area of grassed land adjacent to a BCP Sheltered Housing Scheme. A planning application has yet to be submitted.

Park Road car parks, Lansdowne, Bournemouth

113. Park Road comprises three Council-owned car parks in the Lansdowne area of Bournemouth town centre, to the rear of the mainline train station. To date, two of these have been the primary focus of this project. The 'middle' car park presents an opportunity to develop the site for residential use to increase available housing.
114. The output from a planning pre-application supports a mid-rise apartment development (part 4 and 7 storey), with acceptance of loss of the car parking spaces. It is also considered an appropriate location for mixed-use development. However, there were concerns with the "piecemeal" approach towards the redevelopment of the site and it was recommended that the proposals would be better informed if they were led by an overall plan for all three of the car park areas at Park Road. Should this project proceed, Officers would seek to comprehensively redevelop all of the car parks for a mixed-tenure scheme, with parking.
115. Notwithstanding the above, BCP Council has been approached by a private investor with a view to purchasing all three sites on Park Road in order to redevelop the area for private car parking and this project is therefore on hold until a sale is confirmed, or otherwise. If the land is to be sold it will be the subject of a separate approval (cabinet or council depending on value).

Penn Hill Car Park, Lower Parkstone, Poole

116. The site is located on a corner plot at the junction of Canford Cliffs Road and Leicester Road. The car park is underused and is heavily wooded to the south of the site and the topography uneven. The proposal aims to redevelop the car park into 24 apartments with linked parking (no public car parking will be retained). Additionally, a large cycle store will be integrated into the scheme.
117. At this stage, the tenure is still to be confirmed, but a mixed scheme is suggested by Officers. Pre-applications advice has been received from BCP Planning Officers, which generally supports the development of the site for affordable housing. Ward Councillor consultation will take place during late 2024/early 2025, with a view to submitting a planning application in the Spring 2025.
118. Notwithstanding the above, a private development company has expressed an interest in acquiring the site from the Council and preliminary discussions have been taking place, which may impact project timescales and/or likelihood of this scheme progressing. If the land is to be sold it will be the subject of a separate approval (cabinet or council depending on value)

Howton Road, Kinson, Bournemouth

119. The site comprises a disused paddock and garages. Two options have been appraised for the development of 7 or 8 houses on the site, which will complement the existing mix of houses surrounding the site. Both are proposing 2 to 2.5-storey, affordable rental homes.

120. Pre-application response from BCP Council Planning Officers largely support the proposals. It outlines that there is no other land use designation for the site and therefore residential development is considered acceptable in principle. There are however concerns about vehicular access to the site and landscaping amenity. Therefore, it will be necessary to redesign the scheme taking these comments into account. Ward Councillor consultation will take place during late 2024/early 2025, with a view to submitting a planning application in the Spring 2025.

Poole Cemetery Lodge

121. The vacant cemetery lodge at Poole Cemetery is under current consideration for refurbishment to allow letting as either affordable or private housing. The amount of work required is substantial and requires a large amount of subsidy for a single home. Investigations are ongoing to reduce the expected build costs and source funding, to allow the property back into use.

Princess Road, Bournemouth

122. Princess Road is a BCP owned site that is adjacent to the Wessex Way, which provided housing prior to demolition. The site presents a real opportunity to develop sustainable and affordable homes to the benefit of the community and for the satisfy housing need in the area.
123. The HDT were previous granted planning on the site, however this newly designed site which will be seeking planning for provides ten more homes (127 homes in total) within a much-improved design.
124. The new design looks in incorporate Modern methods of construction and benefits from Infrastructure Grant from Homes England.
125. PPA work is to start imminently on the site, with a view to submit an application at the end of December. We aim to start on site early 2026.

Oakdale Adult Education Centre, Poole

126. Oakdale Adult Education centre is a currently vacant site within BCP ownership that seeks to deliver an 100% affordable extra care housing scheme made of 59 apartments and 13 houses.
127. The development of this site is both necessary and important in order to deliver on the councils commitments to both promote greater independence and to reduce the number of people ending up in residential care.
128. The site will also deliver various types of communal space to encourage and support community and wellbeing for residents, their families and wider community.

Constitution Hill, Poole

129. Constitution Hill is seeking to deliver c98 homes in the Poole area composed of 76 social rent, 10 temporary accommodation and 12 specialist.
130. The site consists of for the former Bournemouth and Poole College site purchased in 2015
131. The proposal includes demolishing the remaining 7no. former education properties on the site. A combination of retrospective consent and prior demolition has now been granted
132. The proposed scheme will provide high quality energy efficient housing to increase the Council's housing stock and to help reduce the numbers of families in need of suitable housing. The proposed self-contained Temporary

Accommodation will assist in reducing the use of Bed & Breakfast accommodation for homeless families.

Hawkwood Road, Bournemouth

133. Hawkwood Road is a two-phase site in Boscombe West Ward, the first phase being a Community centre and the second, being 68 residential units and a clinical facility to be operated and let to the NHS.
134. Hawkwood Road site forms a significant part of the Townsfund programme, which seeks to re-energise the ward. The Townsfund programme has committed £13.3m of investment into the site, across the two phases.
135. The site delivers much needed social housing to an underserved part of Boscombe and delivers much by the way for social value via its community, health green space offering.