

Cabinet – 29th July 2024

Minute Extract 15: Next Stage in the Housing Pipeline

The Cabinet considered a report of the Executive Director (Environment and Place) presenting an overview of the Housing Pipeline work to date and sought approval for the next stage of the Pipeline, including site sales and appropriations, three housing development opportunities and an external funding opportunity.

Resolved:

1. That the progress made on the housing pipeline to date, as set out in the submitted report, be noted.

2. That the revised governance structure for the Housing Pipeline, as set out in the report, be noted.

3. That the following next steps for the Housing Pipeline, be approved:

(a) The sale of 291-297 Victoria Avenue site to secure full capital receipt, with the capital receipt to be ringfenced to help fund future Housing Pipeline development opportunities.

(b) That under S122(1) of the Local Government Act 1972 36 Satanita Road be appropriated from the General Fund to the Housing Revenue Account (HRA), with existing HRA budgets to be utilised to undertake the necessary void works to bring the home into use as affordable council housing.

(c) That under S122(1) of the Local Government Act 1972 The former Cattery site on Prince Avenue be appropriated from the General Fund to the HRA.

(d) That authority be delegated to the Executive Director for Environment and Place, in consultation with the Executive Director for Finance and Resources, the Cabinet Member for Finance, Assets, and Investment, and the Cabinet Member for Planning, Housing, and the Local Plan, to progress the Futures development through the planning process to establish an indicative scheme and site density on the principle of residential use and to engage with the market and prospective development partners.

Recommended:

4. That the following next steps for the Housing Pipeline, be recommended to Council for approval:

(a) The development of c.30 council homes on the Cattery (affordable rent capped at Local Housing Allowance) be funded by the release of c.£12m (inclusive of appropriate contingency) of HRA funds. Of this, 40% (c.£4.8m) is to be funded from right-to-buy receipts, while 60% (c.£7.2m) is to be funded from HRA capital reserves.

(b) That authority be delegated to the Executive Director of Environment and Place and the Executive Director of Finance and Resources, in consultation with the Cabinet Member for Planning, Housing, and the Local Plan, and the Cabinet Member for Finance, Assets, and Investments, to authorise the completion of the Grant Funding Agreement for the council's Brownfield Land Release Fund bid, subject to successfully securing funding. Or, if the bid is unsuccessful, fund £0.467m of enabling works through 60% of HRA capital reserves (£0.28m) and 40% of Right-to-buy receipts (£0.187m).

(c) The use of existing funds or funds received from site sales for detailed feasibility works, cost planning, and design works for the Hamlet Court Road site.

Reasons for recommendation:

1. The South Essex 2022 Housing Needs Assessment details the increasing need for housing of all sizes and tenures throughout Southend. The work of the housing pipeline will help to alleviate some of this housing pressure through the delivery of new housing, including affordable housing.
2. The development of new housing will assist the council financially with increased council tax income and additional rental income for the HRA. Further, where the council sells sites for development (either commercial or residential) which would otherwise have sat empty in Council ownership, the council will be assisted financially through receiving council tax or business rate income.
3. The proposed development on the Cattery of c.30 houses along Passivhaus principles (the largest Passivhaus development in the city) will be an opportunity for the council to lead on the delivery of sustainable housing in the city.
4. The revolving investment fund, the position of which will be bolstered following site sales and the Futures development, will enable a sustainable supply of housing for the city through the pipeline.

Other options:

1. Selling all sites within the Housing Pipeline - while it makes sense from a financial and development perspective to strategically sell some sites within the Pipeline, there are other sites it makes more strategic sense to retain and develop.
2. Develop all sites - due to the constraints identified on 291-297 Victoria Avenue, sale would be a better option, with the funds ringfenced within the revolving investment fund in order to assist the financing of future development opportunities.
3. Registered Provider Partner/Joint Venture partner- Partnering in a Joint Venture will be explored for the Futures site, however due to the size of the Cattery it has been determined that the Council has a sufficient experience and the required skills within its development team in order that it can progress this development in-house.
4. Do Nothing - this option would result in no new housing including affordable housing being developed and would therefore not assist the Council in reducing its housing

pressures and would not improve the financial position of the Council. It would also leave the Council with residual liabilities and costs for sites it currently owns.

Note: This is an Executive Function save that the decisions in Resolution 4 (a), (b) and (c) above constitute a Council Function.

Not eligible for call-in

Cabinet Member: Cllr A Jones