

## RECORD OF EXECUTIVE DECISION

Monday, 14 March 2022

**Decision No:** (CAB 21/22 33525)

DECISION-MAKER:	CABINET
PORTFOLIO AREA:	Cabinet Member for Growth
SUBJECT:	Framework of Registered Providers to deliver affordable housing in Southampton
AUTHOR:	Tina Dyer-Slade, David O'Neill

### THE DECISION

That Cabinet Approve:

- (i) the creation of a framework of Housing Providers to deliver affordable housing throughout Southampton.
- (ii) the use of a competitive tender process to determine the successful HPs.
- (iii) delegated authority to Head of Supplier Management for undertaking the process to implement a framework.
- (iv) delegated authority to the Head of Property to:
  - agree and approve the criteria on which applying HPs are to be assessed on prior to appointment.
  - approve the appointment of successful applicants onto the framework.
  - take any other actions required to give effect to this decision.
- (v) a further report will be brought back to the appropriate decision maker, seeking approval for a schedule of sites to be included in the initial programme of disposals.

### REASONS FOR THE DECISION

The proposed framework will increase the number of affordable homes within Southampton including those provided at social rent, affordable rent and shared-ownership. This will create an opportunity for the council to negotiate nomination rights for residents on the housing register, it will also enable more residents who wish to take a step on the housing ladder to own a share of their own home.

The purpose of developing a framework for the appointment of HPs is to create an efficient and effective process which is consistent in each case for the transfer/disposal of land. This process will include due diligence of each of the HPs before they are appointed to the framework.

The Council will proactively control the release of sites through the framework rather than reacting to the demands of the market, ensuring there is a clear, consistent and fair approach.

By using a procured framework, the Council will have the opportunity to directly influence the type and tenure of accommodation to be provided on each site and any other requirements that it has in relation to the quality of delivery and management of the homes.

## **DETAILS OF ANY ALTERNATIVE OPTIONS**

### Disposal of individual/multiple sites

The simple disposal of land would not enable the Council to determine or influence the end use of the land. It would not be possible to specify the property type, the tenure mix or any quality aspects.

Long stop dates could be set as a deadline within which a development should take place. However, the Council could only enforce longstop dates on the basis that the land is returned into Council ownership if contractual timescales for carrying out works were not achieved. No financial recourse could be imposed.

### Procurement of single sites

Although this would allow the Council to place usage restrictions on the land sale/transfer (property type, tenure, size etc), each single site procurement would need to be tendered and advertised separately, this could result in a lengthy process for each site procured.

Due to the number of potential sites being considered for transfer, the administration and additional workload for the Council would be significant including the due diligence which would need to be completed with each submission.

Procurement of individual sites could lead to several additional HPs operating within the city, with some only having a limited presence. This could lead to lower standards of management services to residents, and remote management offices where it may not be cost effective to have a local presence.

### Joint Venture

A joint venture (JV) is a model where two or more parties enter into an arrangement to jointly share risk and benefit. This usually involves the development of a separate company which all parties become part of. This approach is unlikely to maximise the number of affordable homes on each site as capital receipts would be required to fund the JV. Additionally, there would be a lengthy programme of procurement, selection and implementation associated with it. There are additional associated practical difficulties in owning, managing and operating a separate company.

## **OTHER RELEVANT MATTERS CONCERNING THE DECISION**

None.

**CONFLICTS OF INTEREST**

None.

**CONFIRMED AS A TRUE RECORD**

We certify that the decision this document records was made in accordance with the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 and is a true and accurate record of that decision.

Date: 14<sup>th</sup> March, 2022

Decision Maker:  
The Cabinet

Proper Officer:  
Judy Cordell

**SCRUTINY**

Note: This decision will come in to force at the expiry of 5 working days from the date of publication subject to any review under the Council's Scrutiny "Call-In" provisions.

Call-In Period expires on

Date of Call-in *(if applicable) (this suspends implementation)*

Call-in Procedure completed *(if applicable)*

Call-in heard by *(if applicable)*

Results of Call-in *(if applicable)*