

<p>London Borough of Hammersmith & Fulham</p> <p>FINANCE, COMMERCIAL REVENUE & CONTRACTS POLICY & ACCOUNTABILITY COMMITTEE</p> <p>2 JULY 2019</p>	
<p>Building Homes and Communities Strategy</p>	
<p>Report of the Cabinet Member for the Economy and the Arts - Councillor Andrew Jones</p>	
<p>Open Report with exempt appendix</p> <p>The appendix is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>	
<p>Classification - For Decision</p> <p>Key Decision: Yes</p>	
<p>Consultation</p> <p>The development of this report has been informed by consultation on specific sites with tenants' representative groups, schools, and internal departments who operate existing assets that are being considered.</p>	
<p>Wards Affected: All</p>	
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1. Background

- 1.1. At February PAC committee received a presentation on the Council's approach to using its estate more economically. One aspect of that has progressed further – the new homes and community assets strategy, which has been submitted to Cabinet for approval on 1st July and which is summarised below. Further aspects of the approach will be brought forward as they are developed.

2. Overview

- 2.1. The report seeks agreement in principle to a self-funding programme of investment in homes and community assets which aims to:
- Build new, genuinely affordable housing which will help maintain the borough's vibrant social mix;
 - Supports the Council's Business Plan priority of 'Building Shared Prosperity';
 - Renew key community assets, including schools and leisure centres; and
 - Generates income to reinvest in frontline services

- 2.2. The strategy will commit the Council to utilising its land and property assets to meet key administration priorities to deliver affordable housing and support the Council's financial challenge.
- 2.3. The programme to deliver the strategy, will aim to deliver approximately 1,800 homes over a period of up to ten years, and generate long-term income to support the Council's financial challenge.
- 2.4. The report explains the rationale and sets out the budget and approvals required for early stage delivery where schemes demonstrate sufficient potential for the Council to invest resources in establishing financial viability.

3. Approach to consultation and engagement with residents

- 3.1. The report emphasises that schemes are at an early, exploratory stage and subject to consultation with residents and other stakeholders before progressing. Cabinet are specifically asked to note the approach to consultation and engagement including:
 - (a) the principle that no individual scheme can proceed without substantial resident involvement
 - (b) the interdependency between the strategy and the Defending Council Homes policy currently in development
 - (c) the establishment of a resident panel to provide oversight of consultation on individual schemes as an integral part of the development gateway process.

4. Outline strategic case

- 4.1. The appendix to the Cabinet report includes a Strategic Outline Case (following Government business case structure). As well as setting out the strategic and management cases it has a finance and economic analysis.
- 4.2. This shows that two options have been modelled to demonstrate the different options available to the Council:
 - Option 1 - developing and retaining the asset for income
 - Option 2 - developing the asset but disposing of it and benefiting from the increase in land value.
- 4.3. The financial and economic case demonstrates that the programme has (a) a positive Net Present Value (NPV) and (b) a positive cost to benefit ratio (1.39 for the disposal option and 1.51 for the retained option 2)
- 4.4. Further iterations of the financial case will help to refine the overall strategy for the Council at scheme level, ensuring financial assumptions are robust and determining the best approach on a site by site basis

5. Funding

- 5.1. This report requests financial approvals, subject to the above governance and control arrangements. Approximately £1.5m is requested to progress HRA schemes to the point where a planning application can be submitted, with £230,000 (funded from previously agreed s106) to facilitate progress in relation to GF and HRA schemes which are not yet at the same stage. It also notes possible future costs associated with those GF and HRA schemes, but that these will require further decisions.

NOTE ENDS