



Portsmouth
CITY COUNCIL

**REPORT OF POLICY & REVIEW TOPIC PANEL B ON
“REVIEW OF HOUSING NEED”**

1. PURPOSE

- 1.1 The purpose of this report is to present the Executive with the recommendations of the Policy and Review Topic Panel B following their review of Housing Need.

2. BACKGROUND

- 2.1 Addressing housing need is a high priority for the city. Housing is one of the 7 priority themes in the Community Strategy, which sets out the vision for the city for the next five years. The Strategy sets out the commitment of key public, private, voluntary and community organisations to achieving the following outcomes for housing:

- Everyone has somewhere to live
- Provision of the right number of affordable homes in the city to meet priority need
- All our residents can access the support they need to live in their homes safely
- More of our residents to live in fit accommodation and homes in good repair

- 2.2 The city faces significant challenges in ensuring effective housing provision. Outside of London, Portsmouth is the most densely populated urban area in England, with an average of 42 households per hectare. Although the population has remained stable in recent years, changes in the social structure have created an increase in the number of households in the city (an increase of 16% in the past 20 years). The demand for housing has also increased alongside this growth. Opportunities for the construction of new properties in Portsmouth are very limited owing to the short supply of land for development and as a result, although the level of demand is constantly increasing, the amount of new properties being built is in decline.

- 2.3 Portsmouth has significant social and economic problems, which contribute to the problems of housing need in the city. A large proportion of those of working age are unqualified and lack basic skills. As a result, average wages are also low. Only half of the city's households have an annual income of more than £15,000 and 12% of households in Portsmouth are receiving benefits. A report by the Joseph Rowntree Foundation in 2003 indicated that over half of the working population of Portsmouth could not afford to buy property in the city even in the lowest quartile of the market. House prices in the city rose by 40% between 2000-2002 with the average property now costing £134,000. Property prices are now estimated to be over five times the average household income.

- 2.4 Homelessness is a major issue in Portsmouth with levels in the city reaching double the national average with 10.3 households per 1000 being accepted in 2002-03 as homeless. Demand for social housing is high with over 9000 applicants on the combined Portsmouth Housing Register, including tenants waiting for transfers.

- 2.5 The city also suffers from high levels of disrepair in the private sector. This is mainly due to the age of dwellings (around 50% were built prior to 1919) and

the low available capital people have to make improvements to their homes. Currently around 6,500 properties or 9% of the city's private sector dwelling stock are estimated to be unfit for habitation.

- 2.6 The review of housing need is timely as housing provision is gaining an increasing importance on the national agenda. The Government recently commissioned economist Kate Barker to conduct a review of housing supply in the UK, in particular focussing on supply shortages and high house price inflation. Barker's report was published in March 2004. It included recommendations to build an extra 23,000 subsidised homes each year and advocated reform of planning agreements for affordable housing.

3. SCOPE OF THE REVIEW

- 3.1 The scope for the review of housing need was agreed by the Policy and Review (Oversight) Panel at their meeting on 4 April 2003. The Panel agreed that the review would focus on the effectiveness of Portsmouth's approach to providing the right amount of housing of the right type and affordability to meet future need, in particular taking account of the emerging regional agenda.

- 3.2 The scoping paper set the following objectives for the review period:

1. To understand the national, regional and local mechanisms that inform Portsmouth's strategic housing requirements
2. To assess how Portsmouth can influence the regional and national agenda and consider how sub-regional working should be taken forward
3. To review current definitions and forecasts of housing need and consider how local housing need should be assessed in the future
4. To assess how the authority proposes to maintain supply of housing to meet future dwelling requirements, including the need for affordable housing
5. To review competing needs for land use within the city, such as housing versus employment
6. To review current improvement policies in relation to private sector house conditions
7. To propose any changes in the way Portsmouth housing needs should be met

- 3.3 The review was allocated to Policy and Review Topic Panel B. The Panel comprised:

Councillors Peter Guthrie (Chair)
Mike Park (Vice Chair)
Jezz Baker
Jacqui Hancock
Anthony Martin
Jim Patey

The Standing Deputies were Councillors Geoff Goble, Andy Silvester and Steve Wemyss.

Following the City Council elections the composition of the Panel is now

Councillors Mike Park (Chair)
Jim Patey (Vice-Chair)
Margaret Foster
Anthony Martin
Alistair Thompson
Steve Wylie.

The Standing Deputies are Councillors Jezz Baker, David Steven Butler, and David Horne.

The Panel met formally on seven occasions between 18th March and 13th May 2004 and informally on three occasions between 20th May and 14th June 2004.

4. SUMMARY OF EVIDENCE RECEIVED

A full list of meetings held, the witnesses in attendance at each meeting, and the documentation reviewed by the Panel at each meeting is attached as Appendix 1. The minutes of the Panel meetings and documentation reviewed by the Panel are published on the Council's website and are also available on request.

4.1 Assessing Housing Need

Local authorities are required to undertake Housing Needs Assessments to inform their requirements for affordable housing. Guidelines were published by the DETR in 2000 on undertaking Housing Needs Assessment ('Local Housing Needs Assessment: A Guide to Good Practice'). The Panel heard that Portsmouth City Council, Gosport Borough Council, Havant Borough Council and Fareham Borough Council had jointly commissioned the Hampshire Housing Market Study in September 2001. The resultant study did not comply with government guidance on the assessment of need for affordable housing. It was also at variance with the overall housing provision figures in the Regional Planning Guidance and the Structure Plan. These deficiencies caused the local planning inspector to conclude that Portsmouth City Council did not have a rigorous assessment of housing need and that the Council had not therefore provided a reliable indicator of the need for affordable housing.

Both Fareham and Gosport Borough Councils have agreed to commission a new housing needs assessment. Havant Borough Council chose not to commission a new study as their local plan was approved. The Panel was advised that without a robust of housing need the Council would be in a potentially weak position in negotiating affordable housing provision with developers. Officers are currently meeting with consultants to look at the options for commissioning a new study. This is likely to cost in the region of £25,000 to £45,000. In the long-term it is likely that a regional approach to housing needs assessment will be taken.

4.2 Affordable Housing Supply

4.2.1 Provision of social housing

Social housing refers to accommodation that is offered more cheaply than is available in the commercial housing market – with rents at least 50% or less – due to public subsidies. Social housing currently accounts for around 18.8% of the total housing stock in the city – 13.3% Council owned and 5.5% Registered Social Landlord (RSL) owned. The City Council also owns 6000 dwellings in Havant. Social housing represents the majority of new affordable housing being provided within the city.

Demand for social housing is high with 9000 households on the combined housing register waiting for a housing allocation or a housing transfer. The highest demand in terms of numbers is currently for one-bed properties. However, larger properties are in short supply in the city and turnover of these properties is much lower than for smaller properties. Homelessness legislation means that families with children are given priority. The greatest need is therefore for larger homes for families.

The City Council runs an under-occupation scheme to ensure that best use is being made of its stock. Currently about 40 tenants are registered on the scheme and 15 under-occupying households were rehoused through the scheme in 2003/04. However, there are about 590 tenants on the transfer list but not signed up to the scheme who want to move to a smaller property. This is mainly due to restrictions in the under-occupation scheme, which means these tenants are not eligible for the scheme. Under-occupying properties receive points under the City Council's allocations policy for under-occupation but most have not accumulated enough to be considered eligible for a transfer.

The Panel heard that the city is losing around 300 council properties each year through people exercising their "Right to Buy". Currently completions of new social housing are not high enough to compensate for this loss. A number of other authorities have been directed to reduce the maximum amount of discount offered through Right to Buy from £38,000 to £16,000. The Panel heard that capital receipts from Right to Buy sales would only begin to fall if demand for Right to Buy sales fell by 30%. Up to this point capital receipts would actually rise due to the reduction in the average discounts being granted. Initial research with authorities that have been allowed to reduce the discount on Right to Buy sales suggested that there had been a surge in the number of Right to Buy applications in the period before the new discount came into force. The new Housing Bill is likely to result in restrictions on Right to Buy, in particular an increase in the length of tenancy before Right to Buy can be exercised from 2 to 5 years.

The City Council is in the process of consulting with tenants on the future ownership of its stock, in light of the need to meet the Decent Homes Standard by 2010. Options being considered are:

- Retention of Stock (the status quo)

- Large-Scale Voluntary Transfer – this would entail all or part of the City Council’s housing stock being transferred to a RSL. The capital receipt from such a deal could be used to fund new affordable homes
- Arms Length Management Organisation (ALMO) – As well as additional government funding, ALMOs have powers to borrow money for new build
- Private Finance Initiative

4.2.2 Low cost home ownership and private rental schemes

The Panel heard that, where affordable housing is to be provided, local authorities are not permitted to be too prescriptive in terms of the type of tenure. Low cost home ownership can range from schemes where the developer gives a first time discount from the market price, to the sharing of equity (usually with a loan) at future sales, and shared ownership, where the occupier buys a proportion of the equity of the property and rents the other percentage. The Panel specifically received evidence on the following types of low cost home ownership:

Shared Ownership

Under shared ownership the occupier buys between 25% and 75% of the equity of the property and rents the other percentage. According to the 2001 Census shared ownership accounts for 0.7% of current total tenure in the city. In September 2003, Portsmouth Housing Association had a waiting list of 558 people who wished to join a shared ownership scheme, of which 62% wished to move into a property in Portsmouth. With shared ownership the ability remains for the Social Landlord to retain a percentage of the equity to enable the home to remain affordable in perpetuity.

Key Worker Housing

Access to housing for key workers includes loans for home purchase and assistance with sub-market renting. The current Government definition of key workers is fairly prescriptive. The relaunched Key Worker Living Programme includes the following professions: National Health Service, teachers, police, prison, social workers, education psychologists, occupational therapists, planners (London only), fire officers (Hertfordshire only at present). The Government subsidised key worker scheme Homebuy is provided through RSLs and must use the Government’s key worker definition. If key worker housing is not subsidised by the Government but provided through planning gain then a wider definition can be used. Portsmouth’s current key worker definition was agreed by the Housing Committee at their meeting on 6 February 2002 and is based on income level. Key worker housing is accepted within the general definition of affordable housing. The Panel heard that developers sometimes try to negotiate through planning gain for key worker housing according to the Government’s definition. Current evidence indicates that demand for key worker housing in Portsmouth is low compared to other areas of the country.

Private Rental schemes

The panel also heard evidence relating to support for those on low incomes to take up tenancies in the private sector. The Council currently runs a private leasing scheme where the local authority is contracting directly with the private landlord. The Council also operates an informal Rent Deposit scheme to enable people on benefit and in low paid employment to take up tenancies in the private rented sector.

4.2.3 Planning Gain

The Panel heard that available land for new residential development within the city is limited. Currently most development comes as a result of release and development of sites not previously identified through the City Plan – known as windfall sites. The Town and Country Planning Act 1990 allows drafting of agreements (known as planning obligations) between the City Council and developers. These agreements are the legal mechanisms to ensure delivery of a percentage of affordable housing that has been negotiated as part of a planning application, on suitable sites.

The Panel heard that there is a limit to how much affordable housing can be provided through the planning process while ensuring that developers still make a profit. Currently local authorities set thresholds for the number of dwellings that can be built on site before a proportion of affordable housing must be negotiated. Hitherto Government guidance has recommended a threshold of 25. However, the Government's draft Planning Policy Statement 3: Housing proposes that site thresholds be lowered to 15. Portsmouth's new City Plan sets a site threshold of 15 units for the provision of affordable housing, with the percentage of affordable housing to be negotiated on a site by site basis. During the development of the City Plan, the Planning Inspector recommended against the lower threshold because he considered that the City Council had failed to provide adequate evidence to support its need for affordable housing. However, the lower threshold accords with anticipated new Government policy.

Local authorities are required to use a broad definition of what counts as affordable housing, including key worker and shared ownership schemes. The Panel heard that many developers are keen to use key worker or shared ownership housing to fulfil their section 106 agreements rather than social rented housing.

The Panel heard that developers generally did not like to mix housing types in new developments. Mixed housing developments could however contribute to more balanced communities with social and private housing built alongside one another rather than in separate and distinct areas.

4.2.4 Use of Council land

The Panel heard evidence regarding provision of affordable housing on Council land. Surplus, under-utilised or underperforming property is currently identified through the Council's Acquisition and Disposal Strategy. There is a legal duty for the Council to maximise the capital receipt on land unless there is a general consensus for disposal at less than best price. Where land is used for residential development, a s106 agreement could be negotiated with a private developer or development could take place through a RSL, which would reduce the value of the land. The 1995 City Plan contained an assumption that Council land would be used for 100% affordable housing, but this has rarely happened. Although the Council is receptive to schemes which maximise the amount of affordable housing provided, such developments ultimately reduce the value of the land and thus the capital receipts.

4.2.5 Land for employment usage

The Panel heard evidence from Jane Hurdley of Economic Regeneration and Tourism with regard to the need for land for employment usage in Portsmouth. Ms. Hurdley indicated that the problem of housing need in the city is caused not just by simple economic issues but is also contributed to by a range of social factors, such as substance misuse, a failing by local schools to engage with young people, high levels of teenage pregnancy and lack of self-esteem and self-confidence. There is a prevalent 'poverty of ambition' in the city, which is proven by low literacy and numeracy skills and by the high levels of unemployment. It was argued that in order to tackle the root of housing need, higher priority needed to be placed on provision of land for employment, as the more residents that are in work, the fewer people would require housing assistance.

4.3 Private house conditions

4.3.1 The Panel heard from the City Environmental Health and Trading Standards Officer regarding private sector house conditions within the city. Over half the housing stock in Portsmouth (70,000 dwellings) was built prior to 1919. The poorest housing conditions are in the private sector, with 9% of private sector homes deemed 'unfit' (compared to the national average of 7%) and 22% estimated to be 'in substantial disrepair'. If this ageing housing stock is not maintained, a significant amount of existing housing could disappear. Householders do spend money on improving their homes but this tends to involve cosmetic alterations, such as new bathrooms and windows, rather than the maintenance of the structure of the building.

4.3.2 Resources

The Panel received evidence on the level of funding available for the maintenance of private sector housing. £4.85m has been allocated by the City Council for the current private sector capital programme, of which £485,000 has been provided by the Regional Housing Board for innovative projects. An allocation from the Government is also provided to subsidise improvement

grants by up to 60% but this funding is limited. The level of funding has been substantially reduced this year from previous allocations owing to a reduction in subsidy from the Government and a general shift away from private to social housing. The Council is working with the private finance sector to secure more funding and is specifically working with Portsmouth Area Regeneration Trust to develop alternative funding options.

4.3.3 Current projects

The Panel heard evidence on current projects undertaken by the City Council to tackle disrepair in the private sector. The Council offers assistance packages for several different kinds of home improvements and repairs, and can also financially assist landlords. These packages are means-tested and come with certain conditions that need to be met by the applicants.

The City Council has undertaken several projects aimed specifically at targeting smaller areas which have high levels of disrepair in the private sector. Fratton has been designated the first 'Action Area' and Copnor and Cosham have been named Proactive Maintenance Areas. These projects involve very low financial expenditure as they simply encourage householders to apply for the financial assistance already available or offer advice for them to arrange for their own repairs and improvements.

Over 90% of assistance provided is through the Home Improvement Agency which supports the client from the application stage right through to the final payment and signing off of the works.

4.4 **Housing Finance**

The Panel heard that changes to the way in which housing is financed are reducing the available funding for housing initiatives in the city. Changes in payments to and from the Government in respect of social housing mean that from 2005/06, instead of receiving grant, Portsmouth will be required to make a payment to the Government. Grant support for debt repayment has also been withdrawn, costing the City Council over £900,000 per annum. The use of revenue from sales of Council housing is also changing. Previously the Council could spend 25% of revenues as it liked and the other 75% had to be used to repay debt. Now this 75% is being passported directly to the Government. These budget pressures have meant that revenue contributions will have to be reduced by in excess of £14.3 million over the next five years.

The Panel were advised of possible options for increasing finance for housing initiatives. These include:

Borrowing – The Council can undertake an amount of supported borrowing where the Government will assist with debt repayment. The limit at which this is set is unlikely to rise much in the future. Unsupported prudential borrowing is currently only used to fund private housing but could be of use to any scheme where the Council can off-set the costs of borrowing. The Panel were

particularly interested in the possibility of using prudential borrowing to offset the costs currently incurred by leasing properties.

Council Tax on second homes – The Council is now able to reduce council tax discounts on second homes and long-term empty properties from 50% to a minimum 10% in all or part of its district. The 428 second homes currently in Portsmouth would raise an estimated extra £183,662 at 2003/04 Council Tax levels. In addition £440,000 per annum would be available from the 1086 long-term empty properties in the city.

External funding – The Council could bid for various pots of money, such as the Single Regeneration Fund or European Union funding, to support interesting or innovative housing schemes.

Private funding – The Council can draw upon private funding or loans to support its work in tackling disrepair in the private sector

Regional funding – The Council could apply to the Regional Housing Board for additional funding if a strong case could be made showing the value of affordable housing to all of the Council's strategies.

Service charges - Potential income could be raised by levying a 'general service charge' on Council properties, which could cover any services provided beyond basic provisions, such as the cost of cleaning communal areas. The levying of service charges is currently more commonly used by RSLs.

4.5 Regional Working

The Panel heard evidence that regional agencies and the Government Office are recognising increasingly the importance of collaborative working and were interested in the work which is being undertaken in this area and with which Portsmouth City Council is currently involved.

4.5.1 Regional Housing Board

The Panel heard evidence on the work of the Regional Housing Board and its impact on housing in Portsmouth. The Board is responsible for the preparation of the Regional Housing Strategy for the South East, which has identified Portsmouth as a priority area for investment and a priority economic development area. The introduction of the Regional Housing Board has changed methods for housing funding – a new Single Housing Pot has been created and the Board makes recommendations for allocations against the priorities set out in the Regional Housing Strategy. The pot is made up of the funds previously allocated to local authorities via the Housing Investment Programme (except the dedicated resource for Disabled Facilities Grants) and to RSLs via the Housing Corporation's Approved Development Programme.

4.5.2 Lobbying Groups

The Panel received information on other work being undertaken on a regional or sub-regional basis to help address housing need.

Portsmouth City Council is represented at both officer and member level on the Partnership for Urban South Hampshire (PUSH), which represents Havant, Gosport, Fareham, Portsmouth, Southampton and Eastleigh. The Partnership has no legal status and at present operates principally as a lobbying group but is respected regionally. PUSH has recently compiled a joint response to the Regional Housing Strategy on behalf of all its partners.

Portsmouth City Council is also represented on the Cities in the South East partnership, which comprises officer and member representatives from Southampton, Oxford, Brighton, Reading and Portsmouth. This partnership also operates principally as a lobbying group.

5. CONCLUSIONS

- 5.1 The Panel notes the importance of having a robust assessment of housing need within the city and recognises that the previous Housing Market study did not produce the robust assessment of need required **[4.1]**
- 5.2 The Panel feels that addressing the need for affordable housing should be the top priority for the City Council and feels that the Council should be taking greater steps to ensure that this priority is achieved in the disposal of Council land. The Panel feels that there needs to be greater transparency and clarity to the process of disposing of Council owned land **[4.2.4]**
- 5.3 The Panel feels that the Council needs to do everything possible to aid the negotiation of a high provision of affordable housing on new developments. The Panel feels that there should be a clear process for negotiation of section 106 agreements on affordable housing that is understood by all parties involved **[4.2.3]**
- 5.4 The Panel feels that too much social housing is being lost through Right to Buy. The Panel is concerned at the effect this is having on the ability of the city to meet housing need and feels that the Council could take steps to limit this impact **[4.2.1]**
- 5.5 The Panel feels that the Council's current policy on under-occupation is not going far enough to make best use of current properties and feels that more should be done to encourage effective use of current stock **[4.2.1]**
- 5.6 The Panel recognises that a lot of hard work is already being undertaken by Council officers to achieve mixed developments and feels that this should be recognised **[4.2.3]**
- 5.7 The Panel recognises the excellent work currently undertaken by officers to tackle disrepair in the private sector. **[4.3.3]**

- 5.8 The Panel agrees that ensuring adequate provision of employment land is important but feels that this would fall outside of their remit **[4.2.5]**
- 5.9 The Panel notes the need to explore new ways of attracting finance for housing initiatives, such as prudential borrowing **[4.4, 4.3]**
- 5.10 The Panel feels that additional funding for Council Tax on second homes and long term empty properties should be allocated centrally according to the Council's corporate priorities and does not therefore support the ring-fencing of Council Tax on second homes for use in housing schemes **[4.4, 4.3]**
- 5.11 The Panel supports the work of officers in promoting Portsmouth's housing needs at the sub-regional and regional level **[4.5]**

6. RECOMMENDATIONS

Following from the findings of this review, the Panel would like to make the following recommendations to the Executive:

- 6.1 That the necessary action be taken to commission as a matter of urgency a new Housing Needs Study that complies with good practice guidance **[4.1]**
- 6.2 That where a decision is taken that Council land be used for residential purposes, the report to the Executive Member dealing with the disposal should address whether it is suitable for a higher provision of affordable housing than set out in the local plan **[4.2.4]**
- 6.3 That strategic documents, such as the Acquisition and Disposal Strategy, contain a written assumption that Council land should, where possible, be developed as 100% affordable housing **[4.2.5]**
- 6.4 That officers continue to monitor the impact on those authorities that were allowed to introduce a lower reduction for Right to Buy sales and that the impact on Right to Buy sales of the new Housing Bill is assessed. The Panel further recommends that the situation with regard to Right to Buy in Portsmouth be reviewed in 12 months time and a decision taken as to whether Portsmouth should lobby to introduce a reduction on the level of discount for Right to Buy properties **[4.2.1]**
- 6.5 That written guidance be produced on the process for negotiating section 106 agreements, which would give developers greater certainty as to what the expectation of the City Council is in relation to affordable housing **[4.2.3]**
- 6.6 That negotiations on planning gain should, where possible, seek provision of social housing but that where non subsidised key worker housing is to be provided this must be to the City Council's definition **[4.2.2, 4.2.3]**
- 6.7 That the Local Strategic Partnership delegate responsibility to the Housing Partnership for any changes and/or updates to the city's definition of key

workers and that this definition is used in negotiations for planning gain. The panel further recommends that the Housing Partnership be responsible for monitoring the delivery of key worker housing against this definition. **[4.2.2]**

- 6.8 That the current policy on under-occupation is made more flexible and that the Housing Service consider introducing the following options to free up larger properties within current stock:
- Offer greater priority within the allocations policy for those under-occupying
 - Expand the current under-occupation scheme to include other properties
 - Develop a 3 or 4 way exchange scheme
 - Explore other incentives for tenants to move from larger to smaller properties **[4.2.1]**
- 6.9 That the Housing Service regularly reviews the use of stock to ensure that best use is being made of existing properties **[4.2.1]**
- 6.10 That the Housing Service works closely with Registered Social Landlords in sharing best practice on use of stock **[4.2.1]**
- 6.11 That the City Council continues to prioritise negotiations with the private sector to achieve mixed developments and that this be included as an assumption within official policy guidance on planning gain **[4.2.3]**
- 6.12 That officers continue the good work undertaken so far in addressing disrepair in the private sector and continue to explore alternative means of finance for private sector initiatives **[4.3, 4.4]**
- 6.13 That the City Council continues to investigate the feasibility of alternative means of attracting finance for the procurement and provision of affordable housing, including prudential borrowing, particularly as a way to offset costs currently incurred by leasing properties. **[4.4]**
- 6.14 That officers continue to promote Portsmouth's housing needs through sub-regional and regional partnership working **[4.5]**

7. BUDGETARY AND POLICY IMPLICATIONS

The following table highlights the budgetary and policy implications of the recommendations being presented by the Panel.

Recommendation	Action by	Policy Framework	Budget
1. That the necessary action be taken to commission as a matter of urgency a new Housing Needs Study that complies with good practice guidance	City Planning Officer Head of Housing	Within existing policy framework	The cost of commissioning a new HNA is likely to be between £25,000 and £45,000. This cost has already been agreed within existing budget parameters
2. That where a decision is taken that Council land be used for residential purposes, the site report should address whether it is suitable for a higher provision of affordable housing than set out in the local plan	Head of Asset Management	Within existing policy framework	Use of Council land for 100% affordable housing would mean lower capital receipts from sale of the land.
3. That strategic documents, including the Acquisition and Disposal Strategy contain a written assumption that Council land should, where possible, be developed as 100% affordable housing	Head of Asset Management	Within existing policy framework	Use of Council land for 100% affordable housing would mean lower capital receipts from sale of the land.
4. That the City Council lobby to be included in the list of local authorities that have been allowed to introduce a reduction on the level of discount on Right to Buy properties	Head of Housing Service	Within existing policy framework	<ul style="list-style-type: none"> • Current Right to Buy sales account for £19 million a year (of which only 25% is retained by the Council) • If demand for Right to Buy were to fall below 30% then there would be an impact on capital receipts from Right to Buy sales
5. That written guidance be produced on the process for negotiating section 106	City Planning Officer	Within existing policy framework	No significant budget implications

agreements, which would give developers greater certainty as to what the expectation of the City Council is in relation to affordable housing			
6. That negotiations on planning gain should, where possible, seek provision of social housing but that where non subsidised key worker housing is to be provided this must be to the City Council's definition.	City Planning Officer	Within existing policy framework	No significant budget implications
7. That the Local Strategic Partnership delegate responsibility to the Housing Partnership for any changes and/or updates to the city's definition of key workers and that this definition is used in negotiations for planning gain. The panel further recommends that the Housing Partnership be responsible for monitoring the delivery of key worker housing against this definition.	Local Strategic Partnership	Change to housing committee policy as agreed on 6 February 2002 which delegates responsibility to DERT	No significant budget implications
8. That the current policy on under-occupation is made more flexible and that the Head of Housing considers introducing the following options to free up larger properties within current stock: <ul style="list-style-type: none"> • Offer greater priority within the allocations policy for those under-occupying • Expand the current under-occupation 	Head of Housing	Within existing policy framework	The under-occupation scheme had an underspend of over £27,000 on its budget in 2003/04. However, expanding the occupation scheme to include properties that are currently ineligible is likely to require an increase to the annual budget.

<p>scheme to include other properties</p> <ul style="list-style-type: none"> • Develop a 3 or 4 way exchange scheme • Explore other incentives for tenants to move from larger to smaller properties 			
9. That the Housing Service regularly reviews use of stock to ensure that best use is being made of existing properties	Head of Housing	Within existing policy framework	No (significant) budget implication
10. That the Housing Service works closely with Registered Social Landlords in sharing ideas on use of stock	Head of Housing	Within existing policy framework	No (significant) budget implications
11. That the City Council continues to prioritise negotiations with the private sector to achieve mixed development and that this be included as an assumption within official policy guidance on planning gain	City Planning Officer	Within existing policy framework	No significant budget implications
12. That officers continue the good work undertaken so far in addressing disrepair in the private sector and continue to explore alternative means of finance for private sector initiatives	City Environmental Health and Trading Standards Officer	Within existing policy framework	No significant budget implications
13. That the City Council continues to investigate the feasibility of alternative means of attracting finance for the procurement and provision of affordable housing, including prudential borrowing, particularly as a way to offset costs currently incurred by leasing properties.	Head of Housing, Director of Finance and Resources	Within existing policy framework	Subject to approval of 30 year model

14. That officers continue to promote Portsmouth's housing needs through sub-regional and regional partnership working	Head of Housing	Within existing policy framework	No significant budget implications
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APPENDIX 1

DATE OF MEETING	WITNESSES	DOCUMENTATION REVIEWED
18 th March 2004	<ul style="list-style-type: none"> - Jeff Wellings, <i>Head of Housing Service, PCC</i> - Mike Allgrove, <i>representing City Planning Officer, PCC</i> - Alan Higgins, <i>City Environmental Health & Trading Standards Officer, PCC</i> 	<ul style="list-style-type: none"> - Scoping documents for the review – one previously agreed by the Policy & Review (Oversight) Panel and a revised scoping document for approval at the meeting.
25 th March 2004	<ul style="list-style-type: none"> - Cllr Gerald Vernon-Jackson, <i>Executive Member for Housing, Health & Social Care, PCC</i> 	<ul style="list-style-type: none"> - Report by the Executive Member for Planning, Regeneration, Economic Development & Property on Identifying and Assessing Housing Demand and Supply.
6 th April 2004	<ul style="list-style-type: none"> - Paul Newbold, <i>City Planning Officer, PCC</i> 	<ul style="list-style-type: none"> - Briefing paper from Kathryn Smale, Strategy Adviser, on evidence received by the Panel by this stage of the review.
22 nd April 2004	<ul style="list-style-type: none"> - Neil Hawkins, <i>from Chandler Hawkins, representing Portsmouth Property Association</i> - Jane Hurdley, <i>Director for Economic Regeneration & Tourism, PCC</i> 	<ul style="list-style-type: none"> - No documentation reviewed.
29 th April 2004	<ul style="list-style-type: none"> - David Butler, <i>Chief Executive, Portsmouth Housing Association</i> - Alan Cufley, <i>Community Housing Manager, PCC</i> 	<ul style="list-style-type: none"> - Briefing paper from Kathryn Smale, Strategy Adviser, on evidence received by the Panel by this stage of the review.

5 th May 2004	- Alan Higgins, <i>City Environmental Health & Trading Standards Officer, PCC</i>	- Briefing paper from Kathryn Smale, Strategy Adviser, on evidence received by the Panel by this stage of the review. - Information from The City Environmental Health & Trading Standards Officer on the Government's Decent Homes Standard
13 th May 2004	- Peter Pennekett, <i>Group Accountant for Housing Service, PCC</i>	- Report giving an Overview of Housing Finance by Peter Pennekett, Group Accountant for Housing Service - Report on the Housing Investment Programme from Director of Finance & Resources, Head of Housing & City Environmental Health & Trading Standards, which went to the Housing, Health & Social Care Executive on 11 th February 2004. - Report on the Council Housing (Housing Revenue Account) Budget for 2004/5 by the Head of Housing & Director for Finance & Resources, which went to the Housing, Health & Social Care Executive on 11 th February 2004.

In addition, the following documentation was made available for members to examine during the review period:

- Housing Strategy
- Community Strategy
- Private Sector Housing Strategy
- Homelessness Strategy
- City Plan
- Regional Housing Strategy
- Review of Planning Policy for Affordable Housing for Portsmouth City Council by Mike Best Associates
- Planning Inspector's Report on the City Plan
- Briefing note from ODPM/University of Birmingham/Joseph Rowntree Foundation on Developments in Private Finance for Private Sector Housing Renewal
- Minutes of the Housing Committee, 6th February 2002