

REPORT TITLE: HOUSING DEVELOPMENT STRATEGY 2025-2032

19 NOVEMBER 2025

REPORT OF CABINET MEMBER: Cllr Mark Reach, Cabinet Member for Good Homes

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WARD(S): ALL

PURPOSE

The report seeks approval to adopt the council's updated Housing Development Strategy for the period 2025-2032.

This is an update of the existing Housing Development Strategy 2021-2030. This update is required as a result of macroeconomic changes over the past 5 years. These include significant build cost inflation, interest rate rises, and a reluctance from some Affordable Housing Providers to acquire affordable housing via S106 planning obligations.

The priority focus of this strategy is the delivery of additional affordable housing throughout the Winchester district, directly by the council and by supporting delivery by other Affordable Housing Providers (including Registered Providers, charities and trusts).

RECOMMENDATIONS:

1. Agree that the Housing Development Strategy 2025-2032 be adopted.
2. Agree that the Service Lead – New Homes be authorised to make non-material amendments to the Housing Development Strategy 2025-2032 from time to time, in consultation with the Cabinet Member for Good Homes.

IMPLICATIONS:1 COUNCIL PLAN OUTCOME

1.1 Greener Faster

Dealing with the climate crisis and reaching carbon neutrality is the council's overarching priority. New council homes will be provided to high energy efficiency standards, designed to mitigate environmental impacts and make a positive contribution towards biodiversity.

The updated Strategy will:

- a) deliver new council homes that limit embodied carbon use during development, are affordable to live in and limit the need to use fossil fuels once occupied
- b) achieve nutrient neutrality on all council schemes and support other affordable providers achieve the same
- c) protect residents from extreme climate events and provide homes that are comfortable and healthy to live in
- d) reduce reliance on private transport and increase journeys by public transport, foot and bike
- e) enhance biodiversity as part of new council development

1.2 Thriving Places

The district faces a challenge to attract investment and high property prices make it hard for many to live and work in the area. Increasing investment in our district to provide homes that meet the varied needs of communities and support inter-generational, mixed, cohesive communities will help the area thrive. The council's regeneration projects provide an opportunity to make best use of assets to provide new homes, commercial, community, cultural and public spaces, placing environmental, economic and social wellbeing at the heart of what we want to create.

1.3 The updated Strategy will:

- a) increase investment by Affordable Housing Providers, Homes England and government in the district
- b) provide opportunities for all ages, including for young people living and working in the district
- c) regenerate run-down areas
- d) support diverse, sustainable rural communities

1.4 Healthy Communities

Lack of affordable housing is fragmenting communities and increasing the need to travel as many can no longer afford to remain in the district. High costs of living and difficulties for residents with health, social care and support needs, in particular older people, are amongst the challenges faced. Homes are unaffordable for many and over 9% of households are in fuel poverty.

The updated Strategy will:

- a) help residents live independent healthy and fulfilled lives, with housing to meet their needs
- b) provide support for those most affected by the increased costs of living
- c) deliver housing suitable for those in need and to ensure that no-one is disabled by their environment

1.5 Good Homes for All

Housing in the district is expensive and young people and families often struggle to find suitable accommodation they can afford. The Strategy focuses on providing Good Homes for All, across the Winchester district – in Winchester Town, large settlements, the market towns and rural areas – homes that are affordable and sustainable, with low energy use and low bills, built in the right areas to meet the needs of changing communities.

The updated Strategy will:

- a) increase the number of affordable homes across the district both on S106 sites and by supporting additional supply from land-led sites
- b) ensure we have the right mix of homes with rented and low-cost home ownership options across the whole district
- c) contribute to preventing homelessness
- d) provide access to high-quality long-term market rented housing
- e) provide the opportunity for those working age younger adults and also older adults with housing, care or support needs, disabilities and vulnerabilities to live independent, happy, healthy lives

1.6 Efficient and Effective

The Strategy needs to ensure good value for money and delivery of the desired outcome of improving housing circumstances across the district. Financial, staff, property and land resources must be well used, and we must work with others to bring investment into the district.

The updated Strategy will:

- a) use effective and efficient governance and decision making
- b) make best use of council resources and attract additional funding to support new development
- c) encourage others to invest in new affordable housing in the district
- d) ensure our strategies and plans are up to date and take account of best practice and changing circumstances, including those in the lead in period to any local government reorganisation.

1.7 Listening and Learning

The Strategy aims to involve communities and stakeholders in new initiatives, listening to what they have to say, learning from them and identifying opportunities to work collaboratively to achieve objectives. A draft strategy is set out in the Appendix which will be formatted for publication if agreed.

The updated Strategy will:

- a) ensure residents and communities are well informed about plans for new council homes and that their voice is heard
- b) learn from experiences on schemes we have already completed and use that learning to improve the quality of future homes
- c) learn from others, innovate and influence to achieve our objectives and to prepare for the future

2 FINANCIAL IMPLICATIONS

- 2.1 Achieving the Strategy vision requires investment by the council and by others. Financial and staff resources are committed by the council through a dedicated New Homes Team which delivers new council housing as well as supports the delivery of new homes by Affordable Housing Providers.
- 2.2 Council budgets for new council homes delivery are set out in the annual Housing Revenue Account Business Plan. This looks forward 30 years and ensures council investment in its current housing stock is balanced with the ambition for 1,000 new council homes between 2020 and 2032.
- 2.3 The Housing Revenue Account Budget Options Report being brought to this Cabinet allows for capital spend of £200m on new homes between 2025/26 and 2031/32. This is based on delivering a further 686 homes over this period (with 314 already delivered since 2020). The cost of these new homes have been estimated based upon a number of assumptions such as acquisition and build costs, reflecting current market experience.
- 2.4 The delivery of new council homes are typically funded from council house rents, borrowing from the Public Sector Works Loans Board, Right to Buy receipts, shared ownership sales proceeds, receipts from the sale of surplus

assets, S106 affordable housing financial contributions, and Homes England and other Government grants.

- 2.5 At times it may be beneficial to support other Affordable Housing Providers to deliver new homes, particularly if this may aid viability or improve tenure mix. While this was commonplace some years ago it has been less so since the council launched its own delivery programme, however there may be occasions when this represents a preferred method of delivery. Individual proposals will require separate Member approval.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Whilst there is no statutory requirement for a local authority to have a Housing Development Strategy, it is considered best practice to do so.
- 3.2 As projects come forward the New Homes, Legal and Procurement teams work closely together which enables timely legal, governance and procurement advice to ensure compliance with the council's governance, Financial Procedure Rules, Contract Procedure Rules and the Procurement Act 2023 where applicable. This also supports the delivery of best value by promoting efficient, transparent and accountable decision-making throughout the procurement process.
- 3.3 Any financial or property related support that may be offered to other Affordable Housing Providers will be done so in accordance with necessary statutory requirements.

4 WORKFORCE IMPLICATIONS

- 4.1 The council has a dedicated New Homes team to deliver new council housing as well as support the delivery of new homes by Affordable Housing Providers.
- 4.2 Staff resourcing in the New Homes team and wider council teams such as Housing is an identified risk to the delivery of the council's ambition to deliver 1,000 new homes between 2020 and 2032. The resourcing of these teams will be kept under review to enable these ambitions to be met.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The majority of the new homes will be held within the Housing Revenue Account. Scope exists for a small number of homes to be held by the General Fund for use as temporary accommodation. Some new homes for private rent may be owned by the council's housing company, Venta Living Limited (which is wholly owned by the council).

6 CONSULTATION AND COMMUNICATION

- 6.1 There has been significant stakeholder engagement throughout the redrafting of the Strategy, including with Members, council officers (in particular finance), and external stakeholders such as Registered Providers, a Community Land Trust, charities, Hampshire County Council, South Downs National Park, and Homes England.
- 6.2 A four-week online public consultation was held on Citizen Space during summer 2025. A link to this consultation was sent to Members, TACT Board, all council tenants, and all external stakeholders. 9 responses were received, and these have been considered and addressed.
- 6.3 The Strategy was then presented at the Economy and Housing Policy Committee in September 2025 and further comments incorporated, in particular in relation to ensuring the risk of overheating of new properties is adequately addressed.
- 6.4 The final draft Strategy has been rechecked by finance officers and is presented at this Cabinet alongside the Housing Revenue Account Budget Options Report.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 The updated Strategy sets out how the council's new build and acquisition programme will meet the council priority of Greener Faster.
- 7.2 As set out in 1.2 and 1.3 above, new council homes will be provided to high energy efficiency standards, designed to mitigate environmental impacts and make a positive contribution towards biodiversity.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 An Equality Impact Assessment has been carried out and no negative impacts were identified. The updated Strategy will increase the supply of affordable housing which will be of benefit to all protected groups and therefore in compliance with the council's public sector equality duty.
- 8.2 The Strategy will provide a variety of tenures and sizes of homes to meet the range of housing needs, including homes let at social rents as the priority rented tenure where viability allows, and shared ownership housing as the priority low-cost home ownership tenure.
- 8.3 Energy efficient homes will reduce running costs for residents and address fuel poverty. Health and well-being will be improved as homes will be healthier to live in and set in environments that encourage exercise and reduce social isolation.

- 8.4 Specialist housing with high accessibility standards, care and support will be delivered to enable people with reduced mobility, including older people, to live comfortably and independently.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

10 RISK MANAGEMENT

- 10.1 The principal risk for the Strategy is that the objectives become undeliverable due to national policy or macroeconomic changes. All new housing opportunities will continue to be individually assessed to ensure they align with the principles of the Strategy and are affordable and economic to the Housing Revenue Account.

Risk	Mitigation	Opportunities
Financial Exposure	<p>The Strategy has been reviewed to ensure the financial assumptions are affordable.</p> <p>The Strategy aligns with the Housing Revenue Account Budget Options Report being presented at Cabinet.</p> <p>The Strategy will be reviewed annually alongside the Housing Revenue Account Business Plan.</p> <p>All new homes opportunities will be assessed to ensure they align with the principles of the Strategy and are affordable and economic to the Housing Revenue Account.</p>	
Exposure to challenge	All new housing opportunities will be assessed by the New Homes Programme Board and separate Member approvals sought.	

Innovation	Investigate new methods of construction and green technologies. Work with neighbouring district and borough councils, the South Downs National Park and Hampshire County Council to improve new affordable housing delivery, including in rural areas.	
Reputation	<p>Clear governance structures and appropriate Member approvals to ensure accountability and transparency.</p> <p>Consultation with residents and stakeholders on new housing opportunities.</p>	
Achievement of outcome	<p>Regular review of the New Homes Programme at New Homes Programme Board to ensure an adequate pipeline of opportunities to deliver the 1,000 homes target by 2032.</p> <p>Progress towards objectives will be monitored via Cabinet Committee: Housing.</p> <p>Macroeconomic changes including build cost inflation and interest rates to be kept under review.</p>	
Property	Continue strong working relationships with housing and estates officers to ensure all new homes are in line with Strategy objectives.	

Community Support	Local communities are consulted regarding new projects in their area and kept informed of progress. Ward Members are engaged with on individual proposals.	Associated improvements to the local area can help to garner support for projects.
Project capacity – staff resource	New Homes and Housing team resourcing to be kept under review to ensure 1,000 homes target can be met. Potential for additional support to be brought in on a scheme-by-scheme basis if required.	
Other – Devolution and Local Government Reorganisation	Keep abreast of changes to Central and Local Government structures which may result in changes to Strategy objectives.	

11 SUPPORTING INFORMATION:

- 11.1 Since its inception in 2012, the council's New Homes Programme has built over 500 high quality homes across the district. The existing Housing Development Strategy 2021-2030 set a target of the council delivering 1,000 new homes between 2020 and 2030. This target has since been updated to 1,000 new homes between 2020 and 2032.
- 11.2 In addition, between 2017/18 and 2023/24 other Affordable Housing Providers increased supply by over 2,300 new homes.
- 11.3 Macroeconomic changes over the past 5 years, including significant build cost inflation, interest rate rises, and a reluctance from some Affordable Housing Providers to acquire affordable housing via S106 planning obligations, has required this existing Strategy to be updated. The updated Strategy reflects the challenging viability of building new council homes, and the opportunity presented in acquiring S106 homes to both unlock stalled sites and add to the council's housing stock.
- 11.4 The priority focus of the updated Strategy is the delivery of additional affordable housing throughout the Winchester district. This will be achieved by investing in new council homes to meet the 1,000 homes target and

supporting other Affordable Housing Providers invest in increasing the supply of homes provided by them. Though the delivery of S106 affordable housing opportunities will underpin supply, the updated Strategy aims to drive an increase in the number of additional homes over and above S106 supply to best meet housing needs.

11.5 The updated Strategy aims to provide:

- a) A mix of housing and flats
- b) Social rented housing as the priority rented tenure if viable
- c) Shared ownership housing as the priority low-cost home ownership product
- d) Energy efficient housing
- e) Specialist supported housing for those with care and support needs and those at risk of homelessness
- f) Housing that meets the needs of those with disabilities or vulnerabilities

11.6 The updated Strategy aims to provide housing in:

- a) Areas of highest need
- b) Areas where opportunities exist
- c) Areas where it is important to meet needs close to where it arises
- d) Where schemes represent good value for money

11.7 The updated Strategy aims to enable housing provision via:

- a) S106 opportunities
- b) An increased delivery of land led opportunities to create additional new housing supply
- c) Utilisation of asset management strategies to make best use of housing stock and land to increase affordable housing supply
- d) Increased rural housing to meet village and parish needs

11.8 The updated Strategy contains a Rural Housing Strategy section. A large proportion of the district's population live in the rural areas. The sustainability of rural communities depends on the availability of homes people can afford. This section of the Strategy therefore aims to deliver additional affordable housing in market towns and villages, close to where the need arises. This will support rural communities be sustainable, help those areas survive and thrive and support local services.

- 11.9 The updated Strategy also includes an Affordable Housing Provider Strategy section. It is recognised that in order to see significant increases in new affordable housing delivery the council needs to continue to encourage and support providers other than the council to provide new homes. The updated Strategy aims to align council and other Affordable Housing Provider priorities to meet identified local needs across the district, and to make Winchester an attractive area to invest in.
- 11.10 The draft updated Strategy is attached as Appendix 1 of this report.
- 11.11 Progress towards the objectives of the Housing Development Strategy 2025-2032 will be monitored via Cabinet Committee: Housing, and the Strategy will be reviewed annually alongside the Housing Revenue Account Business Plan.
- 11.12 All new housing opportunities will be assessed by the New Homes Programme Board and separate Member approvals sought. The Board will also be responsible for agreeing an annual Delivery Plan.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Continue to use the existing Housing Development Strategy 2021-2030. This has been rejected as an updated Strategy is required to respond to macroeconomic changes over the past 5 years including significant build cost inflation, interest rate rises, and a reluctance from some Affordable Housing Providers to acquire affordable housing via S106 planning obligations.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Report Title: CAB3291 Housing Development Strategy 2021-2030

Date of Committee: 10 March 2021

Other Background Documents:-

None.

APPENDICES:

Appendix 1: DRAFT Housing Development Strategy 2025-2032