

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (COMMUNITIES AND CUSTOMERS) held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Tuesday, 5th April 2016.

PRESENT: Councillor S J Criswell – Chairman.  
Councillors D Brown, Mrs L A Duffy,  
M Francis, R Fuller, T Hayward,  
Mrs P A Jordan, Mrs R E Mathews and  
D J Mead.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors P Kadewere, M C Oliver and Mrs D C Reynolds.

IN ATTENDANCE: Councillors D B Dew, R B Howe, T D Sanderson and R J West.

### **33. MINUTES**

The minutes of the meeting of the Panel held on 1st March 2016 were approved as a correct record and signed by the Chairman.

### **34. MEMBERS' INTERESTS**

No declarations were received.

### **35. NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel received and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book) which has been prepared by the Executive Leader for the period 1st April 2016 to 31st July 2016.

### **36. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contains information relating to financial or business affairs of any particular person (including the authority holding that information).

### **37. DRAFT HOUSING STRATEGY 2016 - 2019**

With the aid of a report by the Housing Strategy Manager, the draft Housing Strategy for 2016-19 was presented to the Panel. Recent Overview and Scrutiny work on affordable housing and Registered Providers (RPs) has informed the strategy, including the recent study day which investigated challenges faced by seven local RPs. An action plan included in the strategy lists how the housing elements of the new Corporate Plan will be delivered.

The strategy has a suggested 3-year lifespan but the current pace of change in national policy means further reviews are likely to be required within this period to ensure it is kept up to date. It covers housing issues facing the district, including current and emerging national policy proposals such as those in the Housing and Planning Bill 2015. This Bill is expected to introduce radical changes affecting the Council and its partners, including the extension of Right to Buy to housing association tenants, 'pay to stay' where tenants with household income of more than £30k per year would be charged higher rent and a new starter homes initiative.

Starter homes built under this scheme would be sold at a maximum of 80% of market levels, capped at £250k outside London, and the discount would be passed onto the next occupant if sold within the first five years. If sold in year 5 onwards, then the home can be sold at 100% of market value and the affordable element is lost. The £250k cap was not considered to represent an affordable home in Huntingdonshire. Further welfare reform is expected to affect rents and the ability of tenants to cover housing costs. Reducing the cap on housing association rents to the Local Housing Allowance (LHA) cap should be manageable for general needs housing but not for supported housing which costs more to run. However, the cap for supported housing has been put on hold by Government for a year pending further analysis.

The local context for the strategy is focussed on the demands presented by population growth and the district's ageing population. Housing stock is in good condition in general but house prices are high and rising, with the latest estimate of average prices now £252k. This means that affordability for local residents is an increasing problem. Assessment of future housing need shows that 21,000 additional dwellings are needed over the Local Plan period with just over 8,000 of these being affordable.

Actions in the strategy are listed by Corporate Plan strategic priorities and objectives. Planned activities around enabling communities include community development work on large sites, homelessness prevention and support to help vulnerable people live independently through provision of aids and adaptations. A specific need for additional supported housing for adults with learning disabilities has resulted in proposals being developed for new schemes in St Ives and Godmanchester which will be progressed subject to funding.

The Council's focus on growth will see significant development at three sites contributing over 60% of the total dwellings anticipated. It was noted that Government policies and the need to account for viability will impact significantly on the number of affordable homes delivered on these sites. Only 10% of homes being delivered at Alconbury Weald in phase 1 are affordable and the developer at Wintringham Park is proposing just 3%. While around 300 affordable homes were being delivered per annum previously, the number has decreased significantly reflecting reductions in external funding from Government. This situation is similar to that faced by other councils. The strategy also lists actions contributing towards the strategic priority to become a more efficient and effective council, with a section on devolution to be added under this priority. Actions listed in

the strategy will become Key Performance Areas for staff working on them. The previous strategy resulted in a range of significant achievements, including the provision of 309 new affordable homes, 843 people supported to live independently through the provision of Disabled Facilities Grants and considerable investment in supported housing, including the successful £2.3m external funding bid for the extra care scheme in St Ives.

Councillor Fuller, as Chairman of the Registered Social Providers Working Group, explained that the Group had concerns that the housing associations involved in the study were now expecting to provide less general social housing, affecting their ability to help those local residents who are unable to afford to make use of Help to Buy or Starter Homes schemes. The Group has great concerns over the impact of changing policies on supported housing and has suggested revisiting the housing waiting list to consider re-prioritising needs.

*(At 7.26pm, during the discussion of this item, Councillors T Sanderson and R West were invited to join the discussion).*

The Housing Strategy Manager was asked how the Council could have greater influence on developers to ensure that developers meet the needs of older people, such as building older people's bungalows near to a new care home. Current policy doesn't allow planners to directly influence this so developers may choose to ignore such suggestions. It was explained that the strategy recognises the needs of older people and the housing team work with planners to ensure that needs are addressed. Housing officers have a say in affordable housing provided so will look into the example raised. The Council has more influence with exception sites rather than general needs allocation but there are examples such as a development in Sawtry where developers have provided properly adapted bungalows to meet specific needs.

Concerns were raised over the risk of insufficient affordable homes being delivered on major sites. Disagreement over what is viable could lead to appeals involving planning inspectors and the Council cannot be certain of what they may decide. It was suggested that a lack of affordable homes on major sites might encourage the owners of other sites to come forward offering more affordable homes, encouraging the Council to give planning permission where it wouldn't otherwise in order to deliver more affordable homes. It was explained in response that the Council's priority is to ensure the Local Plan will deliver 21,000 additional homes so the status of the major sites is constantly being monitored.

The planning system is not the only means of delivering affordable housing. However the reliance on three major sites means deliverability will be challenged if developers only offer 3-10%. The Council is not in the same position to build new homes itself as local authorities with a housing stock as the funding regime is different and this Council does not own significant land. It was noted that CIL has an impact on development viability and that, as a result of this, other authorities have chosen not to implement CIL or to implement it on small sites only. Legal advice is being sought on whether additional affordable housing could be delivered through the use of CIL. Getting involved in lots of viability discussions risks consultancy overload.

The strategy states that there is confidence that sufficient financial capacity remains for housing associations to deliver growth aspirations within Huntingdonshire but the Working Group has identified concerns about the ability of one provider to deal with potential risks. It was explained that meetings with seven local providers identified that the area's housing associations provide a range of specialist, local housing. Some focus on supported housing while others provide rural housing or deliver volume through bond financing and large development teams. They have shown appetite, commitment, financial capacity and a track record for delivering the affordable homes needed locally. Some are more innovative than others and three of the providers are planning to increase their future development plans despite Government changes. All are committed to making efficiency savings and are reviewing their operations to save money before reducing frontline services or future development.

It was noted that the Council will have limited ability to require housing association properties sold through the extended Right to Buy to be replaced locally. Replacements won't have to be the same tenure so it is possible that social rented homes could be replaced with shared ownership properties. However, the Council will encourage providers to replace locally and will direct development opportunities to those providers known to have right to buy receipts. Only 2-3% of stock is likely to be disposed through the extended Right to Buy.

Members asked what other options could be considered to fund or provide more affordable homes. While there are no easy answers, Members were told that there were a range of options to explore if this was a political priority. These include financing from bond markets, Community Land Trusts, working in partnership with others and making use of Council land and finances. While new ways of delivering affordable homes may not work, the Managing Director encouraged the Panel to keep an open mind.

Officers acknowledged that the country is experiencing a housing crisis and that the impact of delivering fewer affordable homes is having a dramatic impact on residents. There is currently an all-time high in the number of households in temporary accommodation and bed and breakfast accommodation in the district. Those requiring housing can't afford low cost starter homes or private rent even with Housing Benefit.

Members asked that the Council review those on the housing waiting list. The last major review of the Lettings Policy was in 2013 and another review is likely to take place within the next year. This will provide the opportunity to review whether the partnership or the Council individually should change how people with low housing needs are dealt with. It was suggested that detailed analysis of the waiting list, such as the household incomes of those listed in Band D/D\*, could provide more hard facts about the local situation.

The Panel supported the Working Group's recommendation that the Housing Strategy Manager draft a letter on behalf of the Council to the Housing Minister about the effect of the LHA rent cap on supported housing. It was requested that a copy also be sent to local MPs.

In concluding the debate, it was felt that there were areas for the Panel to reflect on during the preparation of next year's work programme. In particular, the following themes emerged:

- How is the risk to delivering the Council's allocated housing numbers being managed with regards the fact that over 60% of the new homes proposed in the Local Plan to 2036 are contained on only three strategic sites?
- How can the Council both support and challenge RPs to actively develop new housing offers which meet local need?
- What can the Council do to address the delivery of affordable housing on the strategic sites when viability is apparently so challenging, including considering non-conventional solutions?
- Having begun the scrutiny of RPs, how do we further explore our relationship with them and hold them to account in delivering solutions for our challenged housing market?

#### **38. RE-ADMITTANCE OF PRESS AND PUBLIC**

RESOLVED

that the press and public be re-admitted to the meeting.

#### **39. WORK PLAN STUDIES**

The Panel received and noted a report by the Democratic Services Officer (Scrutiny) (a copy of which is appended in the Minute Book) which contained details of studies being undertaken by the Overview and Scrutiny Panel for Economy and Growth.

#### **40. OVERVIEW AND SCRUTINY PROGRESS**

With the aid of a report by the Democratic Services Officer (Scrutiny) (a copy of which is appended in the Minute Book) the Panel reviewed the progress of its activities since the last meeting.

It was noted that further reports on the health economy need to be scheduled for the next municipal year and that an update on mental health services will be scheduled for July.

The Working Group on Voluntary Sector Funding has held its second meeting, with Sue Grace from Cambridgeshire County Council attending to discuss their review of funding arrangements and move to a three year funding cycle. The possibility of working together was considered but both councils are at a different stage. Two further meetings are scheduled to identify the needs of the community, with the Citizens Advice Bureau and Hunts Forum invited to attend. This would inform a tender process for the provision of advice services. One member of the Working Group has stood down for personal reasons but it was agreed that the Group would continue with three Members.

Members were informed that a fruitful meeting of the Elderly Patient

Care Working Group was held on 1st April. The Group was confident that improvements have been made since the study started, with a focus on better basic care and nutrition, and they were pleased to have concluded their work.

The Managing Director is exploring a timetable with Cambridgeshire County Council's Chief Executive for the scrutiny of next year's budget. Some minor adjustments to County Council budgets followed the Task and Finish Group's comments in January but earlier involvement is expected next time.

Chairman