

HOUSING AND COMMUNITY SERVICES COMMITTEE

11th October 2007

PRESENT:-

Conservative Group

Councillor Lemmon (Chairman), Councillor Grant (Vice-Chairman) and Councillors Mrs. Farrington, Ford (substitute for Councillor Hewlett), Harrison, Roberts and Mrs. Wheeler (substitute for Councillor Murray).

Labour Group

Councillors Dunn, Mrs. Gillespie, Richards and Shepherd.

In Attendance

Councillor Mrs. Brown (Independent Member).

APOLOGIES

Apologies for absence from the Meeting were received from Councillors Hewlett, Murray and Mrs. Patten (Conservative Group)

HCS/40. **MINUTES**

The Open Minutes of the Meeting held on 30th August 2007 and of the Special Meeting held on 4th September 2007 were taken as read, approved as true records and signed by the Chairman.

MATTERS DELEGATED TO COMMITTEE

HCS/41. **CONSULTATION – HOMES FOR THE FUTURE (HOUSING GREEN PAPER)**

A report was presented to the Committee to consider a response to the Housing Green Paper “Homes for the future: more affordable, more sustainable”. Members were asked to respond to specific questions set out in this Green Paper.

The Head of Housing confirmed that the Housing Green Paper was a consultation paper covering a breadth of topics including questions of supply and demand, design, access, the planning system, infrastructure, sustainability, social housing, the mortgage market and skills. It covered issues such as how many new homes were planned, how the increased numbers would be achieved and how the Government intended to deliver more affordable homes. It also considered the quality of new homes and their environmental impact.

The key figures were confirmed as follows:

- The total number of houses was planned to increase by two million by 2016 and three million by 2020.

- Housing supply would rise towards the 240,000 per year target in 2016, an extra one million new homes on current plans by 2020.
- Of the total new homes, there would be 70,000 more affordable homes a year by 2010/11.

Summary of Proposals

(1) Delivering homes where they are needed. The proposals were:-

- 200,000 extra homes in the Growth Areas in addition to existing plans.
- 100,000 extra homes in 45 towns and cities.
- Potential for 50,000 extra homes in additional New Growth Points.
- 5 eco-towns of between 5,000 and 20,000 homes.
- More new rural homes.

(2) Delivery without needless delay – continuing planning reform. The proposals were:-

- New Regional Plans.
- Mini reviews of regional plans to increase regional and local targets.
- A Single Regional Strategy incorporating housing, economic and environmental issues.
- Better local incentives and enforcement.
- Local authorities would have to identify enough land to deliver the homes needed.

These proposals would be supported with increased infrastructure funding, reviews of regional plans and a new Housing and Planning Delivery Grant. There would be new guidance to help Councils identify land for housing, action to encourage developers to bring forward housing more quickly and reduce incentives to hold land back. The proposals also sought more use of public sector land, better use of disused land and existing buildings and the creation of the new homes agency.

(3) Public sector land use. It was stated that there was a significant amount of land owned by Central Government, its agencies and local government and that they would be reviewing their land holdings to identify land which could be released for housing. There was potential for 60,000 new homes on surplus brownfield land owned by local authorities. English Partnerships was to set out new standards for housing on surplus Government land and would increase the number of affordable homes developed. A new approach to the use of vacant land owned by local authorities would be launched, to provide additional housing and the opportunity for a more active role for local government in the development of these sites.

(4) Recycling homes and land. This noted a continuation of the national target, that over 60% of new homes should be built on brownfield sites. The problem of properties left empty for a long time was explored in

addition to the potential to look at a range of measures including the new Housing and Planning Delivery Grant, to bring them back into use.

- (5) Infrastructure. The importance of coordinating infrastructure delivery was emphasised, ensuring that appropriate services were available. Local authorities were expected to take the lead and responsibility for driving coordinated infrastructure delivery, alongside partners such as the Highways Agency.
- (6) Well designed homes and places. The benefits of good design and an emphasis on family homes were referred to. It was recognised that the planning system must consider the needs of children including gardens, play areas and green spaces. New housing for the elderly should also be appropriate for their needs and a National Strategy for Housing in an Ageing Society would be published in the autumn. To ensure that design standards were maintained as volume grew, the Paper proposed to explore the feasibility of an agreement between local authorities, developers and industry bodies on minimum design standards.
- (7) Greener homes. The following targets would have to be met:-
 - All new homes to emit 25% less carbon from 2010.
 - All new homes to emit 44% less carbon from 2013.
 - All new homes to be zero carbon by 2016.

It was recognised that delivery of these targets, at a time when there was a need to increase supply and speed of delivery would be a difficult task. It was stated that delivering zero carbon new homes would require new skills, supply chains, partnerships and business models, impacting on builders, energy suppliers and other stakeholders. The need to address existing housing was also acknowledged as well as effective flood risk management.

- (8) More Social Housing. At least £6.5 million would be invested in social housing over the next three years. The aim was that 45,000 new social homes for rent would be built each year by 2010/11. The reduction in the number of new lets of social houses and the increasing demand from an ageing and growing population and those unable to keep up with rising house prices, were quoted as reasons for the need to deliver more social homes.

Many of the new homes would be provided by housing associations. There was also a need for a greater private sector contribution and stronger council involvement. The role of the private sector was noted, including the ability to bid for Housing Corporation Social Housing Grant and their involvement with Private Finance Initiative (PFI) Schemes.

Local authorities were keen on improving the quality of their existing housing and there had been substantial improvement over the last decade. As affordability and the supply of local homes were now such critical issues, councils were encouraged to play a greater role in facilitating the supply of affordable housing. This included enabling new affordable housing to be built, influencing the decisions that were made and having a direct role in the building of new homes (within the

HRA) where it provided value for money compared with other options. Where councils chose to invest their money in new supply, the Paper proposed that the local authority should be able to keep the incoming capital receipt returns from those additional homes.

The Paper also noted that consideration was being given to removing current restrictions to social housing grant, allowing councils to apply in their own right. However, before this was extended to councils, there would be a rigorous criteria set for selecting potential local authority developers.

The government had also been piloting a more radical scheme to take some councils outside the HRA, in effect, to leave the HRA subsidy system and retain their rental income. The initial results from the pilot had shown potentially significant benefits by modelling this approach.

There was also a proposal to review the rules governing housing capital receipts, allowing councils to retain receipts generated by the disposal of equity shares in their own dwellings, if those receipts were used for the provision of affordable housing.

(9) Helping first time buyers. It was proposed that:-

- Local authorities be supported in building additional shared ownership homes on their land, through local housing companies.
- At least 25,000 low cost homes be delivered each year over the next three years.
- Opportunities were increased for social tenants to purchase a share in their home.
- The range of open market Homebuy products were immediately expanded to offer a 17.5% Government equity loan for key workers and first time buyers.

(10) Improving the way the mortgage market works. The proposals were:-

- Consult on a new legislative proposal for a covered bond regime, to assist mortgage firms to finance more affordable, longer-term fixed rate mortgages.
- The Government to continue to back a Private Member's Bill, which would increase the proportion of funds which might be raised in wholesale markets, allowing building societies more flexibility in financing their mortgages.
- HM Treasury to undertake a review to identify any further barriers to lenders wanting to raise funds in wholesale markets.

(11) Skills and construction. The paper stated that to deliver housing growth, higher environmental standards, better places to live, and an adequate workforce of skilled workers was needed. The existence of recruitment and retention difficulties and skills gaps were also noted. The report set out proposals to ensure appropriate capacity and capability within the key sectors supporting housing growth; to increase joint working between Government departments and other relevant industry bodies, and committed to bringing together key partners in a major drive to ensure that skills met further demand.

- (12) Implementation: a shared endeavour. The roles of a range of stakeholders was looked at and the need to involve local communities in the debate about housing growth was highlighted. The strategic housing role of local authorities was also noted and it was stated that the government department wanted to see local authorities play a stronger role in addressing the housing needs of all residents. The issue of partnership working with other public bodies and private developers, as well as ensuring a 5-year rolling supply of housing land were also covered.

A range of local delivery vehicles was considered as a way of working to improve the prospects and pace of housing delivery. A number of models were noted in the Paper including local authority owned companies, community land trusts, local housing companies, limited liability partnerships, single estate transformation models and strategic housing and regeneration partnerships.

The role of private sector developers in delivering homes for low cost ownership and for social renting was also considered. The issues of transparency and competition within the sector and the importance of data sharing between stakeholders, to inform the whole chain of housing supply was also considered.

RESOLVED:-

- (1) ***That responses to the specific questions set out in the Housing Green Paper be made as follows:-***

- ***Do you consider that any additional tools and/or mechanisms are now needed to deliver the design policies in order to achieve our aspirations for an uplift in quality and to improve inclusive design?***

Stronger measures may be required to fully achieve the targets set out in the paper for Eco-homes targets.

- ***Do you agree that further work to explore and evaluate quality assurance approaches would be worthwhile?***

Only if this was to set minimum mandatory standards rather than set guidelines.

- ***What are your views on our proposals to allow councils to retain the full rental income from, and capital receipts on disposal of, additional new properties financed from local resources and consult on detailed options?***

We welcome the proposals to reform the Housing Revenue Account to allow councils to develop. However, the proposals are threaded with numerous caveats such that they appear not to encourage councils to build, except in circumstances where it is considered to provide better value for money. There is also an underlying assumption that councils have vast amounts of surplus land. Councils who do not have land and/or are not able

financially to contribute towards new development may potentially find it difficult to build.

- ***What are your views on our proposals to change the pooling regime for receipts from shared equity schemes that local authorities develop and consult further on any detailed proposals?***

We welcome this proposal.

- ***What are your views on the strengths of the models for delivery new supply set out in chapter 12?***

We welcome consideration being given to a range of models proposed. However, it is not clear as to what “new” financial investment the Government is proposing to ensure these models deliver.

- ***Are there other models you know of which could effectively secure the outcomes sought?***

No comment.

(2) That the additional comments made by Members be noted and the Head of Housing Services be authorised to agree the final response in consultation with the Chairman of the Committee.

HCS/42. **HOMELESSNESS STRATEGY 2007–2012**

A report was submitted requesting the Committee to adopt a Homelessness Strategy, to comply with the Homelessness Act 2002.

The Homelessness Act came into force in July 2002. It required local authorities to:-

- Carry out a review of homelessness in their area.
- Formulate and publish a Homelessness Strategy based on this review.
- Keep the Strategy under review.
- Consult other local or public authorities or voluntary organisations before adopting or modifying the Strategy.

The Council’s first Homelessness Strategy was published in July 2003. Since 2003, the Council had worked more closely with partners to meet the needs of those who presented themselves as homeless. Some positive projects included increased support to help people sustain a tenancy, the establishment of a YMCA furniture scheme and the introduction of a rent deposit scheme. Unfortunately, the Council had not been able to progress some of the new supported housing developments, such as the direct access hostel, due to lack of Support the People funds. However, Officers were proposing to revisit the provision of a new direct access hostel in 2008/09.

Work on the new Strategy commenced in 2006 with the publication of an updated Homelessness Review in July 2006. This was then followed by two consultation events held in February and March 2007, whereby stakeholders

were asked to challenge the key issues identified as part of the review and to agree the action required to address these.

Based upon the outcome of this consultation, a draft Homelessness Strategy was prepared, which stakeholders had again been consulted on.

RESOLVED:-

That the Committee approves the proposed Homelessness Strategy 2007 to 2012

J. LEMMON

CHAIRMAN

The Meeting terminated at 6.40 p.m.