

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **HOMES POLICY DEVELOPMENT GROUP** held on 14 September 2021 at 2.15 pm

Present

Councillors

R J Dolley (Chairman)
J Bartlett, S J Clist, D R Coren, C J Eginton,
S Pugh, R F Radford and G Barnell

Apology

Councillor

J Cairney

Also Present

Councillors

R Evans, B G J Warren and A Wilce

Also Present

Officers

Andrew Jarrett (Deputy Chief Executive (S151)), Simon Newcombe (Corporate Manager for Public Health, Regulation and Housing), Andrew Busby (Corporate Manager for Property, Leisure and Climate Change), Claire Fry (Housing Services Operations Manager), Tristan Peat (Forward Planning Team Leader), Siann Sandy (Housing Options Officer), Sally Gabriel (Member Services Manager) and Sarah Lees (Member Services Officer)

20 APOLOGIES AND SUBSTITUTE MEMBERS

Apologies were received from Cllr J Cairney who was substituted by Cllr G Barnell.

21 PROTOCOL FOR HYBRID MEETINGS

The protocol for hybrid meetings was noted.

22 PUBLIC QUESTION TIME

No members of the public were present or had registered to ask a question within the specified timescales.

23 DECLARATION OF INTERESTS UNDER THE CODE OF CONDUCT

No interests were declared under this item.

24 MINUTES

The minutes of the meeting held on 20 July 2021 were approved as a correct record of the meeting and signed by the Chairman.

25 CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements to make.

26 **TECKAL CONSIDERATION (00:06:00)**

The Group had before it a report * from the Deputy Chief Executive (S151) considering the need for a Teckal vehicle in order to help facilitate a step change in the delivery of social housing.

The officer outlined the contents of the report, highlighting the presentation attached to the agenda pack, which considered the legal framework for delivering houses through companies. He stated that the Council needed to be clear with regard to how it wanted a Teckal Company to work and requested that Members provide a steer to the direction of travel for such a company.

The report had been considered by the Scrutiny Committee the previous day and the Chairman of the Scrutiny Committee had been invited to the meeting today to outline the thoughts of his Committee. These included the following:

- Whether the aims of 3 Rivers Development Limited should be reviewed and rather than the aim to make money for the Council could it be set up to provide social housing
- Why were the Council considering the setting up of a Teckal Company and what were the implications
- The aspirations of 3 Rivers and the plans for its future
- Did 3 Rivers have a role for the Teckal Company and had the Cabinet and 3 Rivers considered this?
- The issue of Right to Buy and had the impact on the HRA been considered
- The financial options had not been considered, there were affordability issues and implications from borrowing from the PWLB
- The benefits of a Teckal Company for MDDC and what would be the desired outcomes to include any drawbacks
- How would a Teckal Company work – how would it impact on the HRA, Right to Buy and 3 Rivers. Would a Teckal Company dodge the Right to Buy – there was a need to see some modelling on all of these issues
- Whether a Teckal Company would take over from the HRA with regard to replacement houses and would such a set up control the Right to Buy
- The need to explore the issues with other councils utilising a Teckal Company and receive further information with regard to this.

The Group had listened to the questions raised by the Scrutiny Committee and were fully in support of needing additional information in order to address some of the issues raised.

Following further discussion the Group made the following additional comments:

- The need for a cost / benefit analysis. Whilst it may be possible for a Council to retain 10% of a development profit there may also be substantial overheads incurred in the running of a Teckal company.
- The need for clarity in terms of the aims and aspirations of a Teckal company of which there were many different types.
- Whether there were any benefits to using a Teckal company to outsource some services. It was felt that this was fraught with complications.

- A need to focus on practical possibilities rather than theoretical ones.
- A request to consider various models and additional information regarding Teckal company's set up by other local authorities. What had been the challenges, what had been the successes and why?
- A need for the necessary skill sets and capabilities in order to take a possible Teckal company forwards.
- A need to remember that the ultimate aim was to create more affordable social housing.

RECOMMENDED to the Cabinet that the questions raised by the Scrutiny Committee be endorsed and that it consider the following three options having reflected on the legal, financial and organisational implications of each one:

- a) The 3 Rivers Development company 'morphing' into a Teckal company to deliver affordable housing and lettings.
- b) Running a Teckal company as a subsidiary.
- c) The direct delivery of more affordable housing by Mid Devon District Council itself.

(Proposed by Cllr G Barnell and seconded by Cllr R F Radford)

Reason for the decision:

That comments made by the Scrutiny Committee and the Homes Policy Development Group can help to shape any recommendations made by the Cabinet to full Council.

Note: * Report previously circulated; copy attached to the signed minutes.

27 HOUSING STRATEGY - UPDATE (00:53:00)

The Group received a verbal update from the Corporate Manager for Public Health, Regulation and Housing on the progress of the draft Housing Strategy document. This was now out for formal consultation with a closing date of the end of September. A dedicated web page had been set up to run alongside this.

Westexe Ward members had been approached to seek answers to the following questions with regard to affordable housing:

- a) What was the definition of affordable housing?
- b) Tiverton had long suffered from a disparity between wages and rents, could MDDC promote a private rent freeze or increases at the lower end of wage and RPI inflation?
- c) How was the Housing Strategy planning to tackle the issue of creating more affordable housing?

The following was provided as a response to these questions:

The definition of affordable housing was set out within the draft Housing Strategy and was stated as being homes let at below market rent by a registered provider. The rent was set at up to 80% of local market rent for an equivalent home.

The situation regarding the disparity between wages and rents did not just apply to Tiverton. It was seen up and down the country and in rural areas too where there were particular challenges. There were market forces at play which were beyond the control of MDDC. The district was dependent on its own geography with regard to urban and rural populations and to some extent was better placed than most, for example, coastal areas to meet the needs of its residents. However, it was recognised that demand for affordable accommodation outstripped supply.

Discussion took place regarding:

- How the Council could access Government funds to supply more social housing.
- The need for more ambitious house building targets within the Strategy.
- The seriousness of the housing shortage situation.
- The viability gap affecting rental income.

Following this, a general update was provided by the Forward Planning Team Leader on affordable housing projects. This included the following summary on the numbers of affordable houses delivered on sites in Mid Devon in recent years:

2020 / 2021	30
2019 / 2020	133
2018 / 2019	87
2017 / 2017	115

The Local Plan set out an affordable housing target of 124 per annum based on 30% proportion, subject to viability.

The figure for 2020 / 2021 was significantly lower than previous years and it was thought this may be due the impact of the covid-19 pandemic on the construction of new homes and where developers may have focused on market housing. The Forward Planning Team Leader advised the meeting that the Council had recently appointed Arron Beecham to the new post of Principal Housing Enabler and Policy Officer and a key role will be to improve the delivery of affordable housing in the district.

Discussion took place with regard to:

- An inability to provide to projected affordable housing figures for 2021/2022 since monitoring was ongoing and numbers were dependent upon viability which couldn't be predicted with any certainty.
- There was an important distinction between 'affordable homes', being charged 80% of market rents including those delivered by developers through S106 agreements and 'social housing' as part of the HRA and being part of the Council's housing stock with rents controlled through legislation and typically around 50% of market rent.
- Frustration with developers often gaining planning permission to provide sites with affordable housing and then not bringing these to fruition.

- The need to re-establish regular meetings of the Development Delivery Advisory Group (DDAG).
- The need for effective working with Housing Associations and strategic partners.
- More affordable housing being needed in villages.
- The opportunity for Members to comment on village development within the context of the NPPF when the new Local Plan was brought before them for consideration.
- The current Local Plan policy that requires developments of 20 or more homes to include at least 5% for custom and self-build.

28 **VERBAL UPDATE ON POST HILL DEVELOPMENT (01:37:00)**

The Group received a verbal update on the Post Hill development from the Corporate Manager for Property, Leisure and Climate Change. This included the following information:

- 70 new Council homes were proposed, 62 at affordable rent and 8 at social rent.
- The Council was following the Royal Institute of British Architects (RIBA) seven stage plan and referring to guidance from the Construction Leadership Council to help construct low carbon homes, from climate change impacts.
- RIBA Stage one had been completed and the Council was now in RIBA Stage two meaning that the concept plan was being progressed. Stage three would take a further 2 – 3 months after which a planning application would be submitted.
- There had already been much engagement with contractors and engineers.
- A detailed project meeting had taken place in the previous week.
- A further update would be provided to the Homes Policy Development Group in early 2022.

Discussion took place regarding:

- There had been some complicating factors delaying the start of this project such as financial constraints, as the site is part of a S106 arrangement that limits the Council being able to secure grants and there were issues of affordability, however the project was now moving forwards.
- As well as carbon considerations, building appearance would be to a high specification.
- Gypsy & Traveller provision had been specified in an adjoining site and was not for discussion in relation to this item.

29 **HOUSING SERVICE UPDATE (01:53:00)**

The Group had before it a briefing paper * from the Operations Manager for Housing Services providing an update to Members on enforcement and other activities undertaken by officers in the Housing Service.

Key highlights within the report were reported as follows:

- Since the last report there had been a restructure in Housing Services with Housing options passing to Public Health. The report now focussed on activity funded through the HRA as undertaken by the Neighbourhood teams.
- Numbers and availability of staff had been affected by the pandemic with pressures in certain areas.
- Anti-Social Behaviour had escalated during the pandemic and work had had to be undertaken in drawing up acceptable behaviour agreements.
- The courts still had a significant backlog in bringing cases forward.
- There had been a ban on evictions between March 2020 and May 2021.

Discussion took place with regard to:

- 35 Notices Seeking Possession being served.
- Neighbourhood Teams worked closely with tenants to resolve issues especially in relation to potential evictions.
- Rent debt currently stood at 1.43% of total expected income which was lower than this time last year.

The Cabinet Member for Housing and Property Services stated that the Housing Services teams had worked extremely hard during difficult circumstances to support and engage with tenants. Their professionalism had been exemplary and they were to be congratulated. The Group supported this sentiment.

Note: * Briefing paper previously circulated; copy attached to signed minutes.

30 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (02:10:00)**

In addition to the items already identified within the work programme for the next meeting, the following was also requested to be on the agenda:

- Update on the Afghanistan relocation scheme/s.
- Review procedures in relation to the allocation of Gypsy and Travellers sites as they relate to the Housing Services area.

(The meeting ended at 4.30 pm)

CHAIRMAN