

Community and Wellbeing Policy Development Advisory Group
Finance & Assets Policy Development Advisory Group
4 MARCH 2019

Present: Councillors: Tricia Youtan (Chairman), Andrew Baldwin, Alan Britten, Karen Burgess, David Coldwell, Nigel Jupp, Paul Marshall, Mike Morgan, Kate Rowbottom and David Skipp
Brian Donnelly, John Chidlow, Paul Clarke, Adrian Lee

Apologies: Councillors: Jim Sanson

Also Present: Councillors Lynn Lambert, Matthew French and Claire Vickers

17 **NOTES OF PREVIOUS MEETING**

The notes of the PDAG held on 18 December were received.

18 **AFFORDABLE HOUSING INVESTMENT - CREATION OF A HOUSING COMPANY**

The Cabinet Member for Community & Wellbeing welcomed members of the Finance & Assets PDAG who had been invited to consider the proposal for the Council to create an Affordable Housing Company.

The Head of Housing & Community Services gave a presentation that outlined the background to the proposal, steps that had already been taken and the way forward. In November 2017 Cabinet had agreed that the Council should look into how best to deliver affordable housing using commuted sums received from developers.

The Council would also continue to deliver affordable housing through housing associations.

Options had been thoroughly investigated and the preferred method was to form a Housing Company. This would comprise two companies; a property development company to deal with construction; and a property holding company to deal with maintenance and the collection of rents. This model had been successfully used by other local authorities.

The Head of Legal & Democratic Services talked through the governance and decision making processes of the proposal. The Cabinet would provide strategic control, with officers running the Housing Company on a day to day basis. Full Council would be needed to approve equity for expenditure.

The Head of Finance gave a presentation using an indicative model, which showed how the two companies would relate to each other and projected income over the next five years. An advantage of the proposal was that the Council would retain assets and some income.

Members sought clarification on a number of points regarding the structure of the companies, the need to limit liability, the status and use of commuted sums, staffing requirements and the quality and type of development.

Members were advised that the Council's Legal Department would undertake any legal work. Staff currently working on the delivery of temporary housing projects for the Council would deliver projects for the Housing Company. The Director of Community Services confirmed that development of the initial projects would be on Council owned land.

The Cabinet Member stressed that the proposal was an effective way to reduce homelessness in the district and provide permanent housing for those on the housing register. The Cabinet Member for Finance & Assets was also very supportive of the proposal.

The Group were supportive of the proposal. A full business case would be considered by Cabinet on 21 March. The Head of Housing & Community Services confirmed that if approved the process of setting up the Housing Company would start in April, with construction of homes anticipated to start before the end of 2019.

19 **SECTION 106 AFFORDABLE HOUSING FUNDING FOR SAXON WEALD**

The Head of Housing & Community Services briefed the group on the proposal to provide funding to support the delivery of 84 affordable rented homes across four sites, in partnership with Saxon Weald. The funding would be from the S106 commuted sums held by the Council, which had been gathered from developers in lieu of on-site affordable housing.

There was no statutory requirement for affordable homes on these sites, but Saxon Weald were able to provide it with the support of HDC and other agencies.

In response to questions from Members, the Head of Housing & Community Services confirmed that tenants would have the right to acquire the property through the housing association. Construction on the sites should commence within a year.

Members were supportive of the proposal, which would be considered by Cabinet on 21 March.

20 **FORWARD PLAN EXTRACT FOR THE COMMUNITY AND WELLBEING PORTFOLIO**

The extract from the Forward Plan was noted.

The meeting closed at 6.55 pm having commenced at 5.30 pm

CHAIRMAN