

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Housing Company Task and Finish Forum held Online via the Zoom app on 14 December 2020

Attendance list at end of document

The meeting started at 11.00 am and ended at 12.50 pm

9 Public speaking

There were no members of the public wishing to speak.

10 Minutes of the previous meeting

The minutes of the meeting of the Housing Company Task and Finish Forum held on 8 October 2020 were confirmed as a true record.

11 Declarations of interest

There were no declarations of interest.

12 Matters of urgency

There were no matters of urgency raised at the meeting.

13 Confidential/exempt items

There were no confidential or exempt items.

14 Options and lines of enquiry to deliver more affordable/social housing

The Service Lead – Place, Asset and Commercialisation presented a joint report writing with the acting Housing Service Lead, which enabled discussion on options to be explored to determine how it was possible for the Council to deliver its objective of increasing the supply of affordable/social housing. The report also aimed to provide some direction in terms of the Housing Company itself and whether or not it was still required. The company was originally set up for the specific purpose of providing market housing at market rents (not social/affordable housing), however the business plan could be altered if desired. It was noted that an advantage of using a Housing Company to provide additional social housing was that these properties would not be subject to the Right to Buy scheme (the Council currently lost approximately 30 homes/annum under Right to Buy). The Housing Company was not a registered provider, but the Council was.

The Strategic Lead – Housing, Health and Environment warned the TaFF that the Housing Revenue Account (HRA) did not have limitless resources. He explained that the investment and funding had competing priorities and that any new build and acquisitions would need to be reconciled with decarbonisation, tenants' safety and improvement programmes to existing stock. There was some borrowing capacity, but this was not limitless as borrowing had to be repaid. The HRA currently funded around 30 new

homes per year. The HRA Business Plan was being reviewed as new stock condition information was produced.

There were a number of opportunities for increasing HRA stock numbers that could be explored further and these were set out in a table in the Service Lead – Place, Asset and Commercialisation and Housing Service Lead’s report. Members were also encouraged to add to these opportunities/mechanisms. No one single delivery mechanism was likely to be suitable but there were opportunities to proactively develop a range of delivery mechanisms set out in a development strategy involving a combination of development, redevelopment and acquisitions funded through active asset management generating receipts through strategic disposals, Right to Buy receipts and borrowing, enabling investment in providing new homes.

Some of the challenges for increasing HRA stock numbers were:

- EDDC did not currently have the skill set, capacity or knowledge to deliver its own social housing development programme (this was why the Housing Company had not been successful so far).
- The Council would be competing with other registered providers (Government funding and policy tended to favour registered providers to provide social housing, rather than local authorities).
- Competing funding needs within the HRA.
- The risk appetite that EDDC wished to take.

The Service Leads’ report suggested that the way to better understand what was possible was to speak to other authorities who were already increasing their social housing portfolio. There would be benefits in a small working group of members and officers having discussions with these local authorities. To facilitate more focussed discussions with other authorities it was thought that it would be better to focus on a manageable range of mechanisms (3 or 4), rather than all options possible.

It was noted that Bristol City Council had been successful in increasing its social/affordable housing provision through partnership working and the TaFF agreed to learn from its experience. Members were cautioned that direct comparisons could not be made as Bristol City owned a large amount of land, compared to EDDC.

The TaFF agreed that an aspiration was for the Council to deliver more social housing. It needed to ensure that the right houses were being provided in the right places, at the right price. The point was made that people should be enabled to live where they wanted to live and allowed to remain within their communities. It was important not to dismantle people’s social support networks by forcing them to move to accommodation outside of their village/town. Community led development was important and policies for this were being included in the draft strategic planning service plan. Rural exception sites should be considered and community land trusts encouraged.

It was suggested that the Council could partner with small/medium (SME) businesses to design, build and deliver on small sites, which would also stimulate the local economy. Members believed EDDC had a number of plots in its ownership where additional housing could be provided and it was suggested that the TaFF look at available areas for development. The Strategic Lead – Housing, Health and Environment cautioned members about too much infilling of areas in order to preserve the existing environment. He also warned that planning permission had been difficult to achieve for some sites previously.

To move the work of the TaFF forward members were requested to consider the scale of the aspiration first, before determining the mechanisms and funding/financing of delivery. The Forum also discussed in detail whether the current Housing Company should be dissolved, remain dormant, or explored further for provision of market rent to provide an income stream to the general fund. The Housing Company was originally set up for a different purpose to what was now being considered. There was concern that the Housing Company was a distraction for the TaFF, which should now be looking at housing delivery across the district. It was important for the Forum to understand what was and wasn't possible and the Council's ability to deliver. For this reason it was agreed that the scope of the TaFF should be amended to focus on social housing strategy and delivery, rather than on the Housing Company. It was suggested that the TaFF be renamed, to the Strategic Delivery of Social Housing TaFF, to express its focus on strategic delivery of social housing.

RECOMMENDED: to Cabinet

1. that the Housing Company TaFF be renamed and repurposed to another more suitable name to fulfil the vision of moving the TaFF forward, to focus on social housing need, delivery mechanisms and financing mechanisms.
2. that a working party of members be established to work with officers, approaching and learning from other authorities who have grown their Housing Revenue Account stock in recent years, before reporting back to the Housing Company TaFF. This would then inform the TAFF as to recommended resources, focussing on relevant mechanisms and finance required to proceed.
3. that the Housing Company should remain dormant.

Attendance List

Councillors present:

O Davey
I Hall
D Ledger (Chair)
A Moulding
H Parr
E Rylance
I Thomas

Councillors also present (for some or all the meeting)

P Arnott
P Faithfull
G Jung
T McCollum
P Millar

Officers in attendance:

Tim Child, Service Lead - Place, Assets & Commercialisation
Simon Davey, Strategic Lead Finance
Jo Garfoot, Acting Housing Service Lead
John Golding, Strategic Lead Housing, Health and Environment
Susan Howl, Democratic Services Manager
Alethea Thompson, Democratic Services Officer

Councillor apologies:

M Armstrong
K Blakey

Chairman

Date: