

# **Report to the Housing Scrutiny Panel**

**Report reference:**

**Date of meeting: 7 December 2005**



**Subject: Referrals from the Overview and Scrutiny Committee**

- (a) Amendment to the Terms of Reference of the Housing Scrutiny Panel**
- (b) Increasing the Amount of Affordable Housing in the District**

**Officer contact for further information: Alan Hall, Head of Housing Services**

**Committee Secretary:**

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## **Recommendation:**

- 1) That the deletion by the Overview and Scrutiny Committee of Term (3)(v) (relating the consideration of the Annual Review of Housing-Related Fees and Charges prior to consideration by the Cabinet) from the Panel's Terms of Reference be noted;**
- 2) That the request of the Overview and Scrutiny Committee for the Housing Scrutiny Panel to consider ways of increasing the amount of affordable housing within the District, as an addition to its Work Programme 2005/6, be noted.**
- 3) That the scope of a future report to the Panel on ways to increase the amount of affordable housing in the District be as set out in Paragraph 8 of the report, together with any other suggestions of the Panel.**

## **Amendment to Terms of Reference**

1. At the beginning of the Municipal Year, the Overview and Scrutiny Committee agreed the Terms of Reference for each of the Standing Scrutiny Panels. One of the Terms of Reference for the Housing Scrutiny Panel (Term (3)(v)) was as follows:

"To consider and provide comments to the Housing Portfolio Holder on the following matters, prior to consideration by the Cabinet...(v) Annual Review of Housing-Related Fees and Charges"

2. However, it has been discovered that this overlaps with one of the Terms of Reference of the Finance and Performance Management Scrutiny Panel, which is to consider the draft budgets for each portfolio, which would include fees and charges.

3. It has been agreed by the Overview and Scrutiny Committee that it is not necessary for two standing scrutiny panels to scrutinise proposals for Housing-Related Fees and Charges prior to consideration by the Cabinet and that, of the two, it is more appropriate for the Finance and Performance Management Scrutiny Panel to undertake this function, as part of its overall scrutiny of Council-wide proposals for fees and charges. The Chairman of the Housing Scrutiny Panel was consulted on this proposal, and raised no objections.

4. The Committee agreed, therefore, to delete reference to this issue from the Terms of Reference for the Housing Scrutiny Panel, which the Panel is asked to note.

## Increasing the Amount of Affordable Housing Within the District

5. At its meeting in November 2005, the Finance and Performance Management Scrutiny Panel considered the performance made in the Second Quarter of 2005/6 with the new set of Key Performance Indicators, previously agreed by the Cabinet. Two of these relate to the amount of affordable housing being provided in the District.

6. At the meeting, the Leader of Council expressed concern at the low levels of affordable housing being facilitated by the Council, compared with the increasing need. The last Housing Needs Survey (2003) estimated that 665 new affordable homes were required *per annum* to meet the current and arising need over the following five years. As a result, the Panel agreed to recommend to the Overview and Scrutiny Committee that the Housing Scrutiny Panel be asked to consider ways in which the amount of affordable housing provided within the District could be increased. This was subsequently agreed by the Overview and Scrutiny Committee at its meeting on 10 November 2005.

7. It is anticipated that the Head of Housing Services will report in detail on this issue at the Panel's next meeting. However, it would be helpful if the Panel could consider the scope of the report. It should be noted that the Council's ability to increase the amount of affordable housing is constrained by three main issues:

- Land – The Council has exceeded its Essex Structure Plan targets for new housebuilding, and all allocated sites have been developed. Therefore, all new developments (including associated affordable housing requirements) are on unplanned “windfall” sites. This will not change until the Council releases new land in response to the requirements of the East of England Plan, or makes a decision to allocate land in advance of the Plan
- Grant – Although affordable housing can be provided without grant from the Housing Corporation or the Council, the amount (compared to the percentage of market housing on sites) is significantly reduced without grant. In any event, land is still needed.
- Members' Priorities – The Council is responsible for delivering many different – often conflicting - policies and services, and must balance these priorities. It is possible that more affordable housing could be provided, at the expense of other priorities.

8. The Head of Housing Services and the Management Board have given consideration to the scope of the report to the Panel, and recommend that the scope of the report to the Panel's next meeting should cover the following:

- Details of historic and forecast performance on the provision of new affordable housing
- Consideration of the legal ability and desirability of an initiative to allow the development of residential accommodation in the Green Belt, providing 100% affordable housing, as a very special reason for departing from normal Green Belt policy – in advance of the release of land through the East of England Plan
- The scope for developing on substantial parts of large amenity areas on Council estates
- Setting an absolute minimum amount of 20% affordable housing that will be acceptable on large development sites, irrespective of other planning gains
- The Council's ability to provide additional Social Housing Grant
- A review the Council's General Fund and HRA landholdings to assess the scope and

implications of providing land to an RSL, free of charge to provide 100% affordable housing, or to a developer to provide a mix of market and affordable housing (with the OMV being paid for the market housing land, with the affordable housing land provided free)

- A commitment to comply with the Council's agreed Joint Commissioning Scheme, whereby the Council will only support a bid to the Housing Corporation if a developer works with one RSL nominated by the Council, in order to minimise the amount of grant required, thereby increasing the likelihood of bids being funded.

9. The Panel is asked to agree the scope of the report, and consider whether there are any other proposals to be included.