

## **Report to the Cabinet**

**Report reference: C/132/2005-6.**  
**Date of meeting: 10 April 2006.**



**Epping Forest  
District Council**

**Committee: Housing Scrutiny Panel.**

**Subject: Increasing the Amount of Affordable Housing in the District –  
Recommendations of the Housing Scrutiny Panel.**

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### **Recommendations:**

**That the Cabinet considers the following recommendations of the Housing Scrutiny Panel, following the Panel's detailed discussions on ways of increasing the amount of affordable housing within the District:**

**(1) That additional one-off budget provision of £1million be made within the Council's Capital Programme for 2006/7, funded as follows;**

**(a) £500,000 - by reducing the budget(s) of one or more existing projects within the Capital Programme by an equivalent amount as determined by the Cabinet (either in 2006/7 or later years); and**

**(b) £500,000 – as additional expenditure to the existing Capital Programme;**

**(2) That the Cabinet undertakes a formal review each year, prior to the annual review of the Capital Programme, on whether or not further budget provision should be included within the Capital Programme to fund social housing grant(s), and if so, how much should be included and when;**

**(3) That the proposed feasibility studies on the development potential of the Council's car parks require potential developers to maximise the amount of affordable housing provided on the sites within any proposals that come forward;**

**(4) That the land associated with any General Fund assets that becomes surplus to requirements in the future, where residential housing would be acceptable in planning terms, be provided to a registered social landlord free of charge to provide affordable housing, instead of providing a capital receipt for the Council; and**

**(5) That the Council seeks Right to Buy (RTB) "Hot Spot Status" for the District from the Office of the Deputy Prime Minister (ODPM) which, if obtained, would reduce the maximum discount available to tenants under the RTB from £34,000 to £16,000, in order to slow the reduction in the Council's contribution to the affordable housing stock in the District.**

### **Background:**

1. At the request of the Overview and Scrutiny Committee, at its meeting held on 3 March 2006, the Housing Scrutiny Panel considered a detailed report from the Head of Housing Services on potential ways in which the amount of affordable housing provided within the District could be increased. This was in the light of concerns expressed about the relatively low levels of affordable housing being provided in the

District, 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. The scope of the report had previously been agreed by the Housing Scrutiny Panel at its meeting on 7 December 2005.

2. A copy of the Head of Housing Services' report to the Panel, as attached to the agenda for the meeting held on 3 March 2006, is available on Modern.Gov as background information for the Cabinet. If any member experiences problems accessing this report then they should contact Democratic Services. Set out below are the outcomes of the Panel's deliberations on each of the issues raised in the report. The paragraph numbers refer to those in the Head of Housing Services' report. The Scrutiny Panel's recommendations to the Cabinet are set out at the commencement of this report

### **Provision of affordable housing in the Green Belt (Paragraphs 18-39)**

3. The Panel concluded that there was no merit at the present time in exploring further the possibility of allowing affordable housing in the Metropolitan Green Belt, on the basis that it would constitute very special circumstances and an exceptional reason to the Council's normally policy. The Panel felt that the importance of protecting the Green Belt outweighed the benefits of providing affordable housing. This was particularly in light of the Council's stance on the proposals within the draft East of England Plan, which advocates a reduction in the number of new homes proposed for the District.

### **Development on large urban spaces within existing housing estates (Paragraphs 40 - 52)**

4. The Panel concluded that there is no merit in exploring further the possibility of part of one or more urban open spaces in Loughton accommodating development to provide affordable housing and enhance the remaining open space. The Panel felt that the importance of maintaining the large urban spaces outweighed the benefits of providing affordable housing, and that a number of large open spaces, particularly on former school sites, had already been lost to provide affordable housing.

### **Absolute minimum amount of affordable housing on large development sites (Paragraphs 57-62)**

5. The Panel concluded that there should be no absolute minimum amount of affordable housing negotiated by officers for residential development on Section 106 sites, irrespective of other planning gains. The Panel felt that this could be too inhibiting for Area Plans Sub Committees and would also provide developers with an argument to negotiate lower amounts of affordable housing than the current 30%.

### **Provision of additional social housing grant by the Council (Paragraphs 63-73)**

6. The Panel concluded that further provision (to the current £1.21m) should be made within the Council's Capital Programme to provide social housing grant(s) to the Council's Preferred RSL Partners to fund affordable housing schemes. The Panel's recommendations to the Cabinet are set out at the commencement of this report. The Cabinet's attention is drawn to the comments of the Head of Finance within Paragraphs 69-72 of the attached report.

### **General Fund Landholdings (Paragraphs 80-85)**

7. The Panel concluded that the development potential of the Council's car parks, on which the Cabinet has requested feasibility studies, provides a good opportunity to increase the amount of affordable housing within the District, and recommends to the Cabinet as set out at the commencement of the report. In making this

recommendation, the Scrutiny Panel was mindful of the associated reduction in the capital receipt to the Council that could result.

8. Furthermore, the Panel agreed to recommend to the Cabinet that the land associated with any General Fund assets that become surplus to requirements in the future, where residential housing would be acceptable in planning terms, should be provided to a registered social landlord free of charge to provide affordable housing, instead of providing a capital receipt for the Council, taking the same approach as the Council does for surplus HRA land.

#### **Use of grant funding from the Housing Corporation's London Region (Paragraphs 86-92)**

9. The Panel agreed that, unless any of the London Housing Sub Regions offer at least 50% nomination rights to the Council to allow the use of funding allocated by the London Region of the Housing Corporation to develop sites within the District for affordable housing, or that such funding is able to be used to purchase existing housing in the District to be let as affordable housing, the Council should not enter into any "Out of London Agreements".

#### **Scheme of RSL Partnering and Joint Commissioning (Paragraphs 93-99)**

10. The Scrutiny Panel re-affirmed the Council's commitment to the Strategic Housing Partnership and the Scheme of RSL Partnering and Joint Commissioning. The Panel felt that the Partnership and Joint Commissioning Scheme were working successfully and agreed that the approach avoids competition between RSL's, thereby minimising the associated grant requirement and increasing the likelihood of grant funding being allocated by the Housing Corporation. The Panel also felt that the Scheme's ability to involve an RSL in the planning and development of affordable housing sites at an early stage was very advantageous.

#### **"Right to Buy Hot Spot" status (Paragraphs 100-107)**

11. The Scrutiny Panel agreed to recommend to the Cabinet that the Council should seek Right to Buy (RTB) "Hot Spot Status" for the District from the Office of the Deputy Prime Minister which, if obtained, would reduce the maximum discount available to tenants under the RTB from £34,000 to £16,000, in order to slow the reduction in the Council's contribution to the affordable housing stock in the District.

#### **Statement in support of recommended action:**

12. The Housing Scrutiny Panel has considered a number of potential options for increasing the amount of affordable housing within the District. Although the Panel felt that it could not recommend the adoption of a number of the options put forward by the Head of Housing Services for consideration, it has made recommendations to the Cabinet that it feels will help increase the amount of affordable housing.

#### **Other options for action:**

13. The options available to the Cabinet are as follows:
  - (a) The recommendations could be agreed, with some variations;
  - (b) One or more of the recommendations could not be agreed; or
  - (c) The Cabinet could make additional decisions.

**Consultation undertaken:**

14. All of the Council's Preferred RSL Partners were consulted on the original scope of the report presented to the Housing Scrutiny Panel.

**Resource implications:**

**Budget provision:** Additional £500,000 expenditure from the Capital Programme and the transfer of £500,000 from other capital budgets.

**Personnel:** Nil.

**Land:** Provision of surplus General Fund land in the future to RSLs free of charge to provide affordable housing.

**Council Plan/BVPP reference:** Meeting Housing Needs. Homes and Neighbourhoods Theme.

**Relevant statutory powers:** Housing Act 1985.

**Background papers:** Nil.

**Environmental/Human Rights/Crime and Disorder Act Implications:** None.

**Key Decision Reference (if required):** N/A.