

**HOUSING INITIATIVES WORKING GROUP held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN on 3 MARCH 2011 at 10am**

Present:- Councillors E L Bellingham-Smith, J E Menell and D J Morson.

Tenant Forum representatives: Mrs Effie Rogers and Mr Sam Sproul.

Officers in attendance: Jack Burnham (Housing Enabling and Development Officer); Roger Harborough (Director of Development), Martin Ling (Interim Housing Strategy and Planning Policy Manager), Roz Millership (Divisional Head: Housing and Environmental Services), Liz Petrie (Housing Management Manager), Rebecca Procter (Democratic Services Officer), and Judith Snares (Housing Options/Homelessness Manager).

HWG28 ELECTION OF CHAIRMAN FOR MEETING

Councillor Morson was elected Chairman for the meeting.

HWG29 APOLOGIES

Apologies for absence were received from Councillors R Chamberlain, J Hudson and S Schneider.

HWG30 MINUTES

The minutes of the meeting held on 11 January 2011 were received, confirmed and signed by the Chairman as a correct record.

HWG31 MATTERS ARISING

(i) HWG27 – Housing Reform Consultation

The Housing Options/Homelessness Manager gave an update. There had been comment on the DCLG website regarding the two year minimum rental period, with many respondents considering this was too short, and that five years would be better, as had been submitted by this Council. The suggestion was that the term should be a local decision rather than mandatory. The results of the consultation would form part of the guidance accompanying the Localism Bill in order to assist councils prepare their tenant strategy.

HWG32 CHOICE BASED LETTINGS MONITORING

The Housing Options/Homelessness Manager updated the Working Group on progress in monitoring the Locata Choice Based Lettings (CBL) system. She said it had been hoped that the system could be fully implemented by April, but that the date had been set back due to the involvement of two further partners in the CBL group. Although the joining of additional partners had led to delay, the fact was that the costs of using the system were reduced if there were more participants in the group.

In reply to a question from Councillor Morson the Housing Options/Homelessness Manager said any changes would be advertised to tenants via the website, since most people tended to bid online, and that all tenants would receive a letter. It was the intention that all existing tenants re-register so as to obtain a complete set of fresh data. The system would then progress from a 'points' to a 'banded' system, which would operate in parallel for a time, before moving to banded only.

Effie Rogers asked about provision for those who had no access to or were unable to use a computer. The Housing Options/Homelessness Manager said people could either telephone or come into the offices where staff could assist with completing online forms.

The Housing Options/Homelessness Manager informed the Group of changes to the production of the Home Options freesheet which would soon be implemented. She provided Members with an example of the new leaflet. As most people now placed bids online, the current arrangements for the freesheet to be distributed in hard copy were becoming obsolete. The cost for 7 issues of the old-style free sheet was £5,000 but the new version could be produced much more cheaply at a cost of £60 each fortnight.

Councillor Menell asked about availability of computers for those with no access. The Divisional Head: Housing and Environmental Services reported that a project was being developed by the Director of Corporate Services to put computers into sheltered housing schemes, and provide training for residents. Members were delighted to hear about this initiative.

The Housing Options/Homelessness Manager said a guide to using the CBL scheme had also been changed, and was now much cheaper to print. Copies were sent only to new people coming into the scheme.

It was the intention to purchase the Locata Advice and Homelessness module, which would give the advantage of allowing officers to access electronic records from the reception area of the offices, saving time.

Councillor Morson said progress was very encouraging, and thanked officers for their hard work. Sam Sproul agreed matters were moving in the right direction.

HWG33

DELIVERY OF AFFORDABLE HOUSING – STANSTED AREA HOUSING PARTNERSHIP S106 FUNDING

The Interim Housing Strategy and Planning Policy Manager presented a report advising on use of the monies held by the Stansted Area Housing Partnership for future affordable housing funding. A report had been brought to the Community and Housing Committee in September 2010, as a result of which it was decided to agree a scheme of delegation to authorise the Director of Development to make available for use a proportion of the SAHP money for affordable housing in Uttlesford, subject to consultation with the Working Group. The SAHP would also have to be consulted on any proposals. The Director of Development would also have delegated power to make available a proportion of the money to each of the other three SAHP

authorities. As lead authority, Uttlesford had access to 60% of the total funding of £2.2 million plus accrued interest, which equated to around £1.32 million.

The Interim Housing Strategy and Planning Policy Manager said Phase 2 of Holloway Crescent had been identified as the first scheme potentially to benefit from the SAHP. In order to draw down the money, it was now necessary to go back to the SAHP partners and seek their agreement, and a meeting had been arranged for 21 March. The outcome of discussions would then need to be reported to Council and the parish council. In summary, this was a good potential scheme as it would be developed in-house and at social rents, rather than at affordable rents.

The Housing Enabling and Development Officer said an analysis of average grant rates provided by HCA had been carried out and an initial viability exercise indicated the sum of £400-450K would be required for delivering the development at Holloway Crescent. By using section 106 monies the land would remain in the ownership of the Council. The initial proposals had been approved by both the Holloway Crescent Task Group and Leaden Roding Parish Council, which had suggested some changes, and a meeting was to take place with the Concern Group next week. Plans would be prepared by an architect following initial discussions, at no cost, and the proposals would then be submitted to the Community and Housing Committee for approval.

Members discussed the principles by which spending SAHP money would need to be determined. Officers said assessment would be done on a scheme by scheme basis, having regard to the best value requirements of the HCA.

Councillor Morson said it would be important to ensure the process was transparent and considered to be fair in relation to all parts of the district.

The Director of Development advised regard would have to be had to the fact that there were cross-boundary nomination arrangements, and therefore schemes would need to be located in areas which could be used also by the SAHP local authority partners.

Effie Rogers asked which other development schemes might be considered. Officers explained there were several potential schemes in the district which had been suggested by partners and parish councils.

Effie Rogers asked where money for renovations would come from, for example, for use at Mead Court. The Divisional Head: Housing and Environmental Services replied that a separate bid had been submitted for funding from the Department of Health, and the outcome was still awaited.

The Director of Development said the Council had a joint local investment plan with Harlow and Epping Forest which gave a total overview of opportunities and the status of particular sites. The key principle was first to secure HCA funding approval, and then to apply to SAHP.

Officers agreed to bring a schedule of potential development sites to the next meeting.

Councillor Bellingham-Smith asked whether Flitch Green was being considered, regarding a question as to whether sufficient affordable housing had been built. The Director of Development said a current planning application had been received but had not been determined.

The Interim Housing Strategy and Planning Policy Manager said possible developments had to be looked at in the context of affordable housing progress, because housing association partners were very soon expected to set out their plans for the next four years.

Councillor Morson said in the context of the above discussion that it was important the Working Group should continue its existence after the election.

Effie Rogers asked for a summary of the accommodation which was currently proposed at Holloway Crescent. Officers gave a brief summary of the units planned. Members noted that whilst the parish council had initially asked that one-bedroomed flats be included, the scheme had since been changed at the request of the parish council.

RECOMMENDED to Community and Housing Committee that £445,000 of the Stansted Area Housing Partnership's 106 monies be used for the development of 9/10 affordable housing units at Holloway Crescent, Leaden Roding.

HWG34 **DEVELOPMENT PROGRAMME**

The Working Group considered a schedule setting out the Council's affordable housing delivery programme. Seven schemes were currently on target to complete by March 2011, which would provide 53 social rented homes, 12 intermediate homes and 6 shared ownership homes. The programme would be achieved with over £2.25 million Homes and Communities Agency funding. The schedule set out in addition details of 236 homes on ten schemes estimated to complete by 2013.

Members agreed the affordable housing delivery programme was very encouraging.

HWG35 **NATIONAL AFFORDABLE HOUSING POLICY**

The Working Group considered a report presented by the Interim Housing Strategy and Planning Policy Manager, which explained recent updates in national policy which would affect provision of affordable housing in the district.

The report drew to Members' attention the fact that the HCA had released a framework document which set out how affordable housing could be funded from 2011 to 2015. The main product for delivering affordable housing would be the new 'affordable rent' tenure. Affordable rent would allow registered providers to charge up to 80% of open market private rents and therefore use

the additional rent received to subsidise the build costs of new affordable housing. The Government had confirmed that the rise in rents would be taken into account in the setting of Housing Benefit.

Councillor Morson questioned whether 'affordable rent' would in fact be affordable. The Interim Housing Strategy and Planning Policy Manager explained affordable rent would be 20% below market rent, and that the expectation was that additional rent received would subsidise the build costs of new affordable housing.

The Working Group discussed the implications of the new tenure. Some housing associations operated across a wide range of areas, and the possibility could arise that higher value areas could subsidise building new housing in other areas.

The Interim Housing Strategy and Planning Policy Manager highlighted further points. He said affordable rents would include the service charge for flats, which would reduce the differential. There was also provision for the conversion of existing completions where these had already been agreed at social rent levels, to convert them to affordable rent tenures, for example, Bell College and the Friends' School sites. Conversion to affordable rent would enable spending on new affordable housing to commence more quickly.

Further issues highlighted in the report were the suggestion by the West Essex Partnership to work with registered providers to encourage reinvestment of additional funding within the West Essex area; the contribution of local authorities to new supply through the use of their own landholdings via s 106 agreements, the New Homes Bonus and the Community Infrastructure levy; and the need under the Localism Bill to develop a 'Strategic Tenancy Strategy'.

Regarding the tenancy strategy, there were management options to be considered, as the intention was that all lettings at affordable rent would no longer be for a tenant's lifetime, but for a term set according to the council's policy. It would therefore be necessary for housing associations to take account of the policies of local authorities. Negotiations involving housing associations operating across many local authority areas were likely to be complex, for example Hastoe operated across 61 different local authorities.

Officers were intending to negotiate with the three authorities forming the West Essex Local Investment Plan, to enable them to work together according to agreed base principles. The Interim Housing Strategy and Planning Policy Manager reiterated that events were moving fast, as housing associations had to submit their development plans by 3 May, in order for the HCA to sign them off by July.

Councillor Morson thanked the Interim Housing Strategy and Planning Policy Manager for what was a very informative and clear report. He said it was evident there was much work ahead for officers and Members, and that this group would continue to have a role to play after the election.

Sam Sproul said it was important that tenants be involved in the discussions. The Interim Housing Strategy and Planning Policy Manager said the discussions would lead into development of a strategic policy on tenants, which the government had clearly indicated would be subject to consultation with tenants.

Councillor Morson asked for it to be minuted that updates for Members and the Tenant Representatives should continue to be provided regularly.

The Interim Housing Strategy and Planning Policy Manager gave an overview of the government's intentions on use of the additional funding. The money was intended to provide 150,000 new homes and included an element to be set aside for mortgage rescue and the empty homes programme. The indication from forthcoming legislation was that the Council would be able to charge 80% rent on developments it built itself. The Group expressed concern that an 80% market rent level would lead to an increase in the number of council tenants on benefits.

The Director of Development said economic modelling had not been available at the launch of the affordable housing programme, but when it was published was likely to address some of these questions.

Effie Rogers said she was concerned at the security of extra money being collected by housing associations, and asked what guarantees there were to protect funds. Officers explained that housing associations were closely regulated, but there were potential risks around the exposure of housing associations to private finance.

Councillor Morson thanked officers for the up to date and clear information supplied. He said it was essential the Housing Initiatives Working Group should go forward in its existing form after the local elections.

HIWG36

ANY OTHER URGENT BUSINESS

The Divisional Head: Housing and Environmental Health said the Chartered Institute of Housing had undertaken a remodelling of the Council's business plans with regard to buying out of the housing subsidy. The model showed what would happen if the Council remained in the subsidy system. A graph had been produced showing cash flow and stock condition, which indicated the Council could afford to buy itself out of the current system by taking out a loan of £86 million. The modelling was based on new rents and included all types of expenditure, and was based on a fairly high interest rate. She referred the Working Group to assessments carried out already by the Assistant Chief Executive-Finance regarding the implications of taking out a loan for the period of 30 years.

The Divisional Head: Housing and Environmental Health thanked all members of the Working Group for their immense contribution to the work of the housing service. Councillor Morson endorsed her comments, and said the Group had by its exemplary work advanced many issues.

The meeting ended at 11.10am. Page 6