

Safer and Stronger Communities Scrutiny and Policy Development Committee

Meeting held 19 November 2019

PRESENT: Councillors Ben Curran (Chair), Tim Huggan (Deputy Chair), Sue Auckland, Penny Baker, Dawn Dale, Pat Midgley, Anne Murphy, Peter Price, Peter Rippon and Richard Shaw

.....

1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors David Baker, Michelle Cook, Karen McGowan and Kaltum Rivers (with Councillor Angela Argenzio attending as Councillor Kaltum Rivers substitute).

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. PUBLIC QUESTIONS AND PETITIONS

4.1 Mick Watts has indicated that he wishes to ask a question and this will be taken under Item 5 on the agenda – Call-in of Cabinet Member decision on Council Housing Stock Increase Programme, as part of the discussion.

5. CALL-IN OF CABINET MEMBER DECISION ON COUNCIL HOUSING STOCK INCREASE PROGRAMME

5.1 The Committee considered the following decision of the Cabinet, made on 14th October, 2019:-

RESOLVED: That the Cabinet Member for Neighbourhoods and Community Safety:-

- (a) notes the progress of the HRA funded Stock Increase Programme since its approval in 2014 and approves the principle of increasing delivery from 1,600 to around 3,100 new homes over the next 10 years (which if necessary may include the purchase of land for the purpose of the delivery of new council homes) subject to individual business cases and the Council's Capital Approval Processes;
- (b) agrees that proposals be developed for shared ownership homes to improve housing choice in some areas and notes that appropriate policies for the management of this tenure will be the subject of a further executive

decision; and

- (c) approves that the HRA Stock Increase Programme is reviewed annually to ensure that any additional prudential borrowing is at a level that poses no additional risk to the 30 year HRA Business Plan as the programme increases the number of new homes provided.

5.2 Signatories

The lead signatory to the call-in was Councillor Tim Huggan, and the other signatories were Councillors Steve Ayris, Penny Baker, Mike Levery and Richard Shaw.

5.3 Reasons for the Call-In

The signatories have stated that it is unclear what the implications for the Council of the extra borrowing required to finance the new homes.

5.4 Attendees

- Councillor Paul Wood (Cabinet Member for Neighbourhoods and Community Safety)
- Janet Sharpe (Director of Housing Services).
- Councillor Steve Ayris

5.5 Councillor Tim Huggan addressing the Committee as Lead Signatory, explained that the purpose of the call-in was for a number of reasons. He felt the report was vague and out-dated as approval of the HRA funded programme was given in 2014. He asked the following questions:

- why has it taken five years to get to this point?
- with the five main areas of housing need, how has that housing need been worked out as it only mitigates for a sixth of the number of social rented houses that we are going to lose over the next 10 years in the medium term plan;
- how has the impact of the programme been assessed for affordable homes which might otherwise be provided i.e. through housing associations or other social landlords.

5.6 Councillor Steve Ayris, as a signatory to the call-in, asked

- has land been purchased for the increase in the number of homes proposed to be built and has the need been identified in the local plan?
- what is the percentage of the proposed number of houses to be built on Council-owned land and what percentage of houses is to be built on Council-owned farms and farmland?
- what is the difference in cost between new build, including the purchase of the land and general acquisitions?
- are the general acquisitions from housing associations or other social

landlords?

- do the general acquisitions already exist or is there a target figure to acquire those properties within any specific year?
- will there be a full breakdown of housing types to be built and targets on different sizes, number of bedrooms etc., set out in the local plan?

5.7 Councillor Penny Baker, as a signatory to the call-in, expressed her concern about the right to buy scheme and how that will impact on any houses being built for purchase and has the impact of that scheme been built into the plan; what input has there been from tenants i.e. where or when the properties will be, and a reassurance that if there is any shortfall it won't be added to Council housing rents.

5.8 Councillor Richard Shaw, as a signatory to the call-in, the Council takes on these investments, liabilities and borrowing, could all these new homes be sold under RTB and that ought to be made clear of the implications, like to be reassured that the number that has been put forward is the right number and could it be higher.

5.9 In response, Janet Sharpe stated that the Strategic Housing Market Assessment (SHMA) is required to be undertaken by Councils every five years to assess housing need at a geographical level within the city. The assessment looks at the current numbers, types of homes and where the gaps are. Also the assessment looks at the income levels in neighbourhoods to ascertain what is needed and this also forms the local plan. The SHMA in 2019, in partnership with Rotherham, was done based on information gathered by the University, the Council and the housing market, to take account of housing demand and shortfalls and estimate where the gaps are. Initially, the assessment in 2014 was to provide 725 new homes per year, but draft assessment for 2019, has found that there was a need to increase that number up to 900 new homes per year. Janet Sharpe said the Council worked alongside housing associations and although there were up to 40 different housing associations in the city, only six of these were developing housing associations and work was being carried out to encourage housing associations to build more. On average, housing associations build about 60 new homes per year. She added that there was a shortfall in specialist homes to meet the needs of disabled people, people with learning disabilities and older people. Janet Sharpe said that the provision more affordable homes through the stock increase programme will meet the shortfall created over the last 30 years by tenants purchasing their homes through the right to buy scheme. She further stated that on some estates, 50% of houses had been sold which has left a lack of choice in the type and size of Council homes available to rent. All new properties built by the Council will meet the lifetime home standard principles and she already has a workforce in place to embark on such a project and employ more apprentices.

5.10 Janet Sharpe stated that since the Government removed the Housing Revenue Account borrowing cap on local authorities, the Council now has the flexibility to increase its borrowing for the purpose of increasing its housing stock, provided that robust business plans were put in place to manage any additional borrowing. She said that once the agreed levels had been reached, there was a need to maintain the number of properties available to protect those assets for as long as possible. She said that the priority was to make sure people can access the right

type of property to meet their needs. Janet Sharpe identified the areas in the city where land has been redundant for a few years i.e. Scowerdons, Weaklands, etc., and these estates were now being developed to the highest standard.

- 5.11 Councillor Paul Wood stated that currently there are 12,500 people actively looking for Council housing, with 40,000 on the housing register. Although the initial figure to build 1,250 homes per year, over the next 10 years, he hoped that it would be viable to build more as approximately 400 homes each year become unavailable to rent through the right to buy (RTB) scheme. Councillor Wood added that many of homes purchased under RTB were in need of major improvements, as social landlords did not always maintain the properties to the same standards as Council owned properties and this was something that needed investigating. He said that current Council house rents would not increase to fund the programme.

5.12 Questions from Members of the Committee and the public

Members made various comments and asked a number of questions, to which responses were provided as follows:-

- Properties which have been purchased through the RTB scheme are rented out by private landlords who charge sky high rents and don't always maintain the premises.
- Seven out of 10 Council housing requests are emergency accommodation.
- Through consultation, it has been found that tenants have the desire for the Council to provide affordable housing in vast numbers, as they did decades ago.
- The standard of the houses – could build more, cheaper properties, but these require repairs more so it's not cost effective in the long term.
- Specialist housing does cost more but the overall programme is balanced and the borrowing will be paid back within 30 years.
- The Programme has taken into account the impact on schools, local doctors surgeries and highways to ensure that services were delivered.
- With regard to private landlords and housing associations, Councillor Wood stated that building checks were not being carried and this was something he had raised with the Secretary of State but due there was a delay in receiving a response due to the general election being called.
- In terms of funding the programme, the total cost over 10 years is £350m, the Council is not borrowing the full amount, the Government are providing some funding, as is Homes for England, and a contribution from Section 106 monies.
- With regard to expanding the programme, Sheffield wants to maintain a

level of 300 per year, but is prepared to go above that figure but will make sure that borrowing for the programme remains under control.

- Shared ownership, which is a lost cost home ownership tenure where the buyer is granted a lease for a premium based on a percentage of the market value and then pays rent for the remaining percentage, would address some of the city's shortfall in affordable housing and would help reduce demand for social rented homes however, there is a need to develop a clear policy on this. The Government's definition on this is very strict, but the scheme would enable people to be able to afford to downsize if they so wished.
- The Council is looking into modular types of housing, which are quite expensive to build but very easy to maintain and have a very long life.

5.12 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the comments now made and the responses to the questions raised; and
- (b) agrees to take no action in relation to the called-in decision, but that the relevant Scrutiny Committee(s), should include the Housing Stock increase programme on an annual basis as part of its work programme:
 - (i) to ensure housing needs are kept under continual and relevant review,
 - (ii) that the Climate Emergency goals are taken account of; and
- (c) requests that the Council should press to have the powers to determine 'Right to Buy' on the new homes based on local need.

6. DATE OF NEXT MEETING

6.1 It was noted that the next meeting of the Committee will be held on Thursday, 16th January, 2020 at 5.00 p.m., in the Town Hall.

This page is intentionally left blank