

**Subject:** Housing Delivery Options – Extract from the Proceedings of the Housing & New Homes Committee meeting held on 2 March 2016

**Date of Meeting:** 17 March 2016

**Report of:** Monitoring Officer

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**Wards Affected:** East Brighton

**FOR GENERAL RELEASE**

**Action Required of the Committee:**

To receive the item referred from the Housing & New Homes Committee for approval:

**Recommendation:** That the following be referred to the Committee for consideration:

- (1) That the Policy & Resources Committee be recommended to agree that the Executive Director Environment, Development & Housing, in consultation with Executive Director of Finance & Resources, procure specialist legal and financial advice in order to evaluate and progress the proposals for the delivery of alternative models for the supply of affordable housing as detailed in the report, for report back to Housing & New Homes and Policy and Resources Committees.
- (2) That Policy & Resources Committee be recommended to allocate £0.100m of the 2016/17 Strategic Investment Fund towards specialist legal and financial advice.

**BRIGHTON & HOVE CITY COUNCIL**

**HOUSING & NEW HOMES COMMITTEE**

**2 MARCH 2016**

**MAIN MEETING ROOM – THE FRIENDS MEETING HOUSE**

**Present:** Councillor Meadows (Chair) Councillors Hill (Deputy Chair), Mears (Opposition Spokesperson), Gibson (Group Spokesperson), Atkinson, Barnett, Lewry, Miller, Moonan and Phillips.

**DRAFT MINUTE**

**PART ONE**

**73 HOUSING DELIVERY OPTIONS**

- 73.1 The Committee considered the report of the Acting Executive Director Environment, Development and Housing which recommended funding for legal and financial advice to progress the establishment of a Joint Venture and/or Special Purpose Vehicle to deliver new homes and to inform development of specific proposals for report back to Housing and New Homes Committee and Policy and Resources Committee.
- 73.2 The report was presented by the Interim Head of Property & Investment/Head of Housing Strategy.
- 73.3 Councillor Phillips asked if social rents/living rents could be included in the proposals. The Head of Property & Investment/Head of Housing Strategy replied that the consultation included a whole range of models.
- 73.4 Councillor Mears stated that many questions remained unanswered. Paragraph 5.1 showed that tenants would not be consulted on specific schemes until the planning stage. Councillor Mears felt that tenants had been side-lined. There was no mention of living wage rents in the report. Councillor Mears expressed concerns about the financial implications in paragraph 7.3. This gave no idea of the total costs of setting up a company. There were no staff in place to protect the board. The Conservative Group would abstain from voting on the recommendations as there was not enough information in the report.
- 73.5 Councillor Miller concurred with the above comments. He considered that the proposals were quite high risk and was concerned that there had been no risk analysis. The council would be borrowing from the general fund to build homes. If the market were to crash the general fund would take the risk. He asked if other means of borrowing could be explored.
- 73.6 The Head of Property & Investment/Head of Housing Strategy explained that government funding had been allocated to investigate a range of options. The report

sought permission to carry out more work and seek specialist advice which would be brought back to Members.

- 73.7 The Acting Executive Director, Environment, Development & Housing assured Members that the consultation paper stated that there would be scheme consultation through the planning process. Impacted tenants would be consulted.
- 73.8 Councillor Atkinson saw the report as an enabling paper. It set out the direction of travel for the local authority and flagged up difficult issues. Councillor Atkinson highlighted the adverse economic impact on key workers as stated in paragraph 3.10. Councillor Atkinson stated that the paper provided a way forward and he supported the recommendations.
- 73.9 Councillor Gibson welcomed the idea of having a mix of rents including living rents. He asked for a definition of living wage rents. The Acting Director Environment, Development & Housing explained that living wage rents were a percentage of a person's living costs.
- 73.10 Councillor Gibson informed members that he agreed with Councillor Atkinson's comments but shared Councillor Mears' reservations about the lack of detail. On balance, he considered that the proposals should be agreed. He requested a further briefing on this matter. Councillor Gibson referred to paragraph 3.21 and asked for an explanation of intermediate rent levels. He further referred to page 168 of the agenda (Page 36 of the Savills report) and asked for an explanation of the calculations. The Head of Property & Investment/Head of Housing Strategy explained that rents could be modelled at any level, depending on what worked. The intermediate rent reflected a notional rent for key worker housing. He would provide information to Councillor Gibson on temporary accommodation figures.
- 73.11 The Chair stated that a briefing could be arranged for all members of the committee.
- 73.12 Councillor Moonan found the proposals exciting and believed that they needed to be explored. She agreed that there were gaps but she thought the council should proceed. It would be a good investment of money and could lead to a solution to some of the housing problems in the city. The Chair concurred and stated that it was an opportunity to explore delivering housing in a different way.
- 73.13 **RESOLVED:-**
- (1) That the options which are likely to be available in funding and structuring a new Council vehicle to support delivery of additional housing supply be noted.
  - (2) That the Policy & Resources Committee be recommended to agree that the Executive Director Environment, Development & Housing, in consultation with Executive Director of Finance & Resources, procure specialist legal and financial advice in order to evaluate and progress the proposals for the delivery of alternative models for the supply of affordable housing as detailed in the report, for report back to Housing & New Homes and Policy and Resources Committees.

- (3) That the Policy & Resources Committee be recommended to allocate £0.100m of the 2016/17 Strategic Investment Fund towards specialist legal and financial advice.