

## **BATH AND NORTH EAST SOMERSET COUNCIL**

### **HOUSING AND MAJOR PROJECTS POLICY DEVELOPMENT AND SCRUTINY PANEL**

Tuesday, 11th March, 2014

**Present:-** Councillors Rob Appleyard (Chair), Steve Hedges (Vice-Chair), June Player and David Veale

**Also in attendance:** Graham Sabourn (Head of Housing), Andrea Frow (Senior Valuation Surveyor) and Simon Martin (Operations Manager - Project Management)

#### **50 WELCOME AND INTRODUCTIONS**

The Chairman welcomed everyone to the meeting.

#### **51 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

#### **52 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Councillors Hartley, Simmons, Ball & Stevens had all sent their apologies to the Panel.

#### **53 DECLARATIONS OF INTEREST**

The Chair, Councillor Rob Appleyard declared an other interest in agenda item 8 'Cabinet Member Update' as he is a non-executive director of Curo and they are mentioned within the report.

Councillor Steve Hedges declared an other interest in agenda item 8 'Cabinet Member Update' as his son works for Curo and they are mentioned within the report.

#### **54 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

#### **55 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

Mr David Redgewell, South West Transport Network addressed the Panel.

He said that he had been informed that the management team at Bath Bus Station would appreciate a meeting with officers from Project Delivery soon to discuss some matters.

He called for adequate public transport to be put in place to serve the new homes on the former MoD sites and that the Council should be seeking Section 106 agreements with the developers to provide public transport infrastructure.

He said that he believed that the Council does have a shortage of housing and that a further 13,000 homes should be the minimum that it looks to create in its current plans.

He added that he felt the decisions of the Development Control Committee to vote against officer recommendations for new homes were disgraceful.

Councillor David Veale commented that the Council had a policy to adhere to and Councils such as South Gloucestershire had a much bigger area to work within.

Mr Redgewell replied that South Gloucestershire has to consider the matter of the Cotswolds as an Area of Outstanding Natural Beauty in many of its applications, but it was still housing people.

Councillor June Player commented that the needs of residents must also be considered in applications and that green spaces do need to be protected.

Mr Redgewell suggested that the Panel receives an update on the Core Strategy following the decision of the Inspector which was due within the next month.

The Chairman thanked him for his statement and his suggestion and said he would discuss it with officers at his next agenda planning meeting.

## **56 MINUTES - 21ST JANUARY 2014**

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

## **57 CABINET MEMBER UPDATE**

The Head of Housing was present for this item in relation to the Housing Services Update.

The Chairman asked a question relating to the recent Boat Dwellers review carried out by the Panel. He said that it was his understanding that £40,000 had been set aside for further work in this area and wanted to know how the money would be spent.

The Head of Housing replied that he would have to seek a response from Councillor Ball.

The Chairman asked for that response to be given to the Panel prior to their next meeting.

The Operations Manager was present for this item in relation to the Development, Regeneration & Project Delivery Update.

The Chairman asked if the planning permission for the Norton Radstock Regeneration was under review.

The Operations Manager replied that highways works for the scheme had been approved and that permission had been granted by the Development Control Committee subject to the signing of a satisfactory Section 106 agreement, which was currently being finalised. He added that the matter had been referred to the Secretary of State's office to be reviewed and that they were currently considering the matter.

*Post Meeting Correction: The Operations Manager advised the Panel that the referral to the Secretary of State was for the whole permission including the highway works. The highway works form part of a single application and are therefore also the subject of the referral. Until this is resolved, neither the highway or development works can proceed*

Councillor June Player commented that she had been notified of work taking place on the Bath Western Riverside on Sundays which she believed was not allowed.

The Chairman advised her to contact the Planning Enforcement Team so that they could make enquiries.

## **58 MOD SITES - CONCEPT PLANS**

The Chairman referred Panel members to a report they had initially received at their January 2014 meeting as he wanted to assure himself they were aware of the information that it contained.

Councillor Patrick Anketell-Jones commented that he was concerned about the number houses to be built upon the former Ensleigh site. He said that the original statement had proposed a figure of 350 homes and that the latest figures from the developers were that 285 homes would be built to allow for open spaces, allotments etc. He asked whether the original statement should be reconsidered.

The Chairman replied that he would need to seek advice on that matter. He added that he believed a planning application for the site was due in very soon.

The Head of Housing advised that the Divisional Director for Community Regeneration could assist with responding to the question raised by Councillor Patrick Anketell-Jones.

Councillor Steve Hedges stated that he felt the real housing figures for each site should be declared as soon as possible.

The Head of Housing replied that the Council was awaiting the Inspector's decision on the proposed Core Strategy and that the Concept Statements were the Planning Dept.'s best estimate on each site. He added that the applications will ultimately depend on the will of the developer.

The Operations Manager commented that the National Planning Policy Framework sets out a target density and that the Inspector will need to be satisfied by the figures proposed. He added that developers would have to justify any reductions to the original figures.

The Chairman said that it was a desire of the Panel to invite the respective developers to a meeting of the Panel at some stage in the future.

The Panel **RESOLVED** to note the report.

## **59 COUNCIL LAND AVAILABILITY & LEASED HOUSING STOCK**

The Head of Housing and the Senior Valuation Surveyor gave a presentation to the Panel regarding this item. A copy of which will be available online as an appendix to these minutes or on the Panel's Minute Book, a summary is set out below.

The Head of Housing explained that the presentation would update the Panel on the work currently being progressed covering the two related issues of:

- Most effective use of Council land; &
- How we are going to deal with leasehold properties going forward

He gave Members a brief overview of the challenge our community faces around accessing the housing market, particularly in Bath city centre where the leasehold flats are.

He informed them that last week the National Housing Federation launched their Home Truths document which stated that B&NES has the least affordable housing in the South West. On average house prices across the district are over 14x average incomes. This is a combination of high house prices & relatively low wages. Salaries in the South West are amongst the lowest in the Country.

He stated that that house prices & rents have exceeded their 2008/2009 peak and are clearly on the rise and that the Home Truths document is predicting that rents will rise by 40% over the 6 years. He added that there is significant demand for social rent where the Council can receive on average around 140-150 bids, but this has reached up to 300 bids on occasions.

He said that the question for all concerned was how do we try to encourage a balanced & sustainable market in this environment. How can we provide an area where our local communities (local workers, families, the elderly etc.) can afford to live and indeed want to live.

He said that a great deal of effort was required to prevent a dysfunctional housing market – a place where local communities are displaced, local workers have extremely long & arduous commutes and new developments are marketed abroad to wealthy individuals who simply use it as base rather than a home.

Councillor June Player commented that if families are displaced then further amenities such as Doctors and Schools should be built.

The Head of Housing explained that there are two principal ways that we can influence the housing market:

- Use of policy levers, encouraging, enabling, effective regulation etc.
  - Clear planning policies which are effectively enforced, particularly around social housing & Section 106 agreements.
  - Article 4 direction & additional licensing to tackle the market imbalance around Oldfield Park / Westmoreland area.
- The second way we can influence the city centre housing market is through the strategic use of our existing assets including Council land & the existing leasehold properties.

The Senior Valuation Surveyor stated that the Council was a significant land owner. She explained that surplus land was generally offered to the open market, however, the Council does have the option to dispose of it at less than market price in specific cases, e.g. for social housing.

She added that there were a number of leasehold flats within the City Centre, comprising of 8 “Living Over the Shops Scheme” (LOTS) units developed in partnership with Knightstone Housing and 62 other residential units of which 56 are in partnership with Curo.

She said that both schemes had hand-back options;

- LOTS – break clauses over the next few years
- Curo – when a property becomes vacant

The Head of Housing explained how the Council were proposing to take these important issues forward. He said they were proposing to work with the Homes & Community Agency (HCA) on their SIGNET project. He stated that the HCA have been tasked with taking forward the land belonging to government agencies and departments, such as MOD, NHS, Environment agency etc. To help them do this they are mapping all such land on a GIS mapping database. The benefit of using a GIS mapping database is that it visually presents development opportunities, particularly around land assembly. He said that working with this project may also present some further opportunities for this Council.

Secondly, he informed the Panel that Property Services had recently undertaken an exercise to update their property holding records & identify / clarify land ownership. He added that it is proposed that the Council corporately reviews this list & identifies any potential housing options for each site.

Thirdly, he said that in partnership with Curo & Knightstone we are looking at the various options for the leasehold properties. This will include the relative merits of taking the properties back & disposing of them on the open market, selling the properties or providing long leases to the Registered Providers (RPs), or continuing to allow the current arrangements to run.

The Chairman asked what role the Panel could play in this area of work.

The Head of Housing replied that if guided by the Council's Senior Management Team (SMT) the Panel could comment on a draft report prior to a Cabinet decision. He stated that the demand for social housing still exists and that Curo work within all three models;

- Social Rent – 50-60% of market rents
- Affordable Rent Tenancies (ART) – 80% of market rents
- Private Rents

He said that if they develop the land however they will be required to use the ART model.

Councillor Steve Hedges commented that he believed the sites of Plymouth House and the old Job Centre on James Street West, Bath should be used for housing.

The Head of Housing replied that office accommodation was also vital within the City. He added that some of the office units opposite the Lower Bristol Road Gypsy & Traveller site would be developed into housing.

Councillor David Veale commented that he very much welcomed the work of officers on this matter.

Councillor Patrick Anketell-Jones asked if it was going to be difficult to continue social rent within the centre of the city.

The Head of Housing replied yes and said that the majority of units in Bath Western Riverside would be ART.

Councillor June Player commented that student accommodation built by UNITE always appears to be developed quicker than other housing sites.

The Head of Housing replied that this was probably because UNITE have a very clear business model and rely on rental income which is required quickly. He added that other developers have to be sure that they are in a position to market their land appropriately.

The Chairman thanked the officers for their presentation and said that he hoped the Panel could be involved further in this work as it progresses.

## **60 PANEL WORKPLAN**

The Panel approved the workplan as written.

The meeting ended at 7.20 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**

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# **Council Land & Leasehold Properties**

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**Graham Sabourn, Head of Housing  
Andrea Frow, Senior Valuation Officer Property  
Services**

## *the housing market challenge...*

- High demand for housing, particularly in central Bath
  - City centre 1/2 bed flat costs an average of **£200,000/£358,000**
    - Require **£46,000/£81,000+ p.a.** income to purchase & **£40,000/£72,000** deposit.
    - Excludes over  $\frac{3}{4}$  of potential first time buyers
  - Average city centre 1/2 bed flat rent is **£723/949 p.m.**
    - Affordability test = **£34,000/£46,000+ p.a.**
  - Receive up to **300 bids** for social housing properties in city centre
- How to encourage a balanced & sustainable housing market in this environment



## *potential levers...*

- Policy levers, including
  - Encouraging & enabling appropriate development,
  - Effective regulation etc.
  
- Strategic use of Council assets, including:
  - Council land,
  - Existing leasehold properties



## *strategic use of Council land...*

- Significant land owner
- Surplus land generally offered to open market, however, option to dispose at less than market in specific cases, e.g. for social housing
- *However*, any effective subsidy would be at expense of corporate income

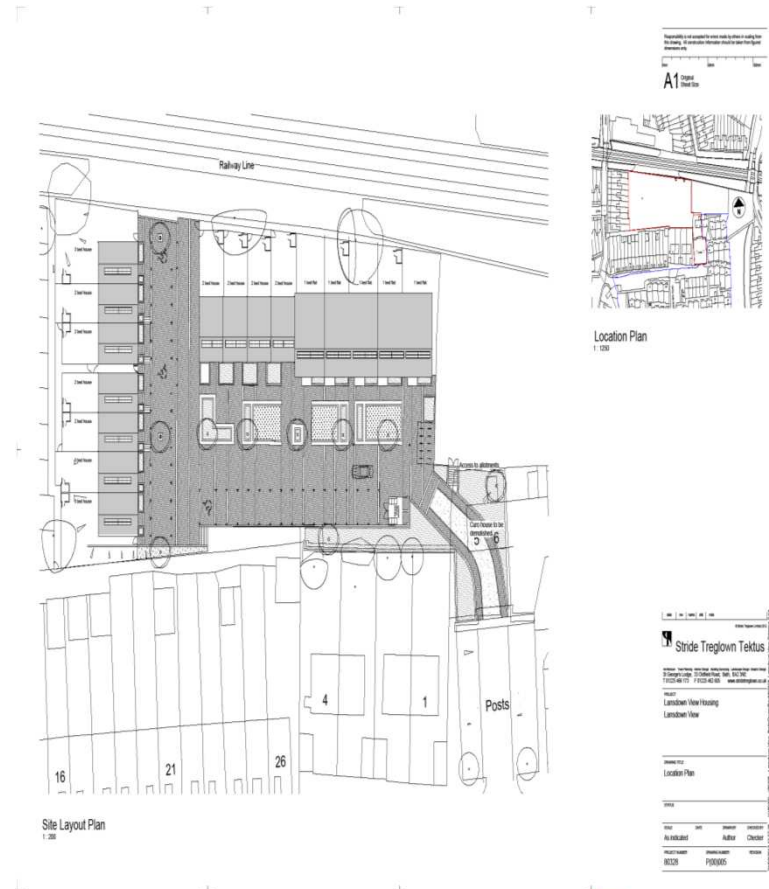


## *strategic use of leasehold properties...*

- Number of leasehold flats within the City Centre, comprising:
  - 8 “Living Over the Shops Scheme” units developed in partnership with Knightstone Housing;
  - 62 Other residential units of which 56 are in partnership with Curo
- Various hand-back options
  - LOTS – break clauses over next few years
  - Curo – when a property becomes vacant



- HCA SIGNET project partnership
- Working corporately provide housing option appraisal for each Council site
- Evaluate options for leasehold properties
- Future paper to SMT and Cabinet for steer/decision



## *issues that will need to addressed...*

- Competing demands – estate income cf. social housing
- Establishing most effective use of resources:
  - High market value - better to reinvest capital receipt elsewhere?
  - Modern energy efficient social housing cf. old inefficient housing
  - However, land availability issue, particularly in City Centre
  - Engaging with existing leaseholders – SR/ART/PR options
- How important is a balanced & sustainable housing market & ultimately how much do we want to intervene to influence?

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