

BATH AND NORTH EAST SOMERSET COUNCIL

HOUSING AND MAJOR PROJECTS POLICY DEVELOPMENT AND SCRUTINY PANEL

Tuesday, 24th July, 2012

Present:- Councillors Eleanor Jackson (Chair), Steve Hedges (Vice-Chair), Les Kew, Will Sandry, Ian Gilchrist (In place of Paul Fox) and June Player

Also in attendance: Graham Sabourn (Associate Director for Housing), Jeremy Smalley (Divisional Director for Skills and Employability) and Marie Percival (Senior Development Officer)

Cabinet Member for Homes & Planning: Councillor Tim Ball

15 WELCOME AND INTRODUCTIONS

The Chair welcomed everyone to the meeting.

16 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the emergency evacuation procedure.

17 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillors Paul Fox and Cherry Beath (Cabinet Member for Sustainable Development) had sent their apologies to the Panel. Councillor Ian Gilchrist was in attendance for the duration of the meeting as a substitute for Councillor Paul Fox.

Councillor Will Sandry had advised the Panel that he would probably arrive shortly after the meeting had commenced.

18 DECLARATIONS OF INTEREST UNDER THE LOCAL GOVERNMENT ACT 1972

Councillors Eleanor Jackson and Les Kew both declared an interest as current members of the Development Control Committee.

19 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

The Chair announced that she had agreed to Victor da Cunha, Group Chief Executive and Louise Swain, Executive Director for Customer Services of Curo addressing the Panel regarding their proposed structure and constitutional changes.

Mr da Cunha gave a presentation to the Panel, a summary is set out below.

Integrating our Housing Associations

To bring together our three asset owning landlord functions to:

- Harmonise and improve our landlord service offer;
- Reduce complexity, costs and duplication and allow us to secure £3.8m savings over the next five years;
- Simplify the regulatory burden.

Resident Scrutiny and Accountability

1. New HCA regulatory framework published April;
2. Emphasis on “co-regulation” and greater role for independent resident scrutiny;
3. Curo’s Resident Scrutiny Panel in place;
4. New Resident Involvement Framework approved in June;
5. Increasing focus on local accountability; and

Constitutional changes needed

- Independent review of governance in 2011;
- Outstanding constitutional recommendations;
- Move to industry normal rules;
- Industrial and Provident Society standard;
- Review B&NES right to nominate onto the Board; and
- B&NES class voting rights.

Observing good governance

The Board must ensure:

- It has the right mix of skills and experience necessary to enable it to achieve its objectives and plans.
- All Board members have the same legal status and equal responsibility for decision making.
- Each member acts only in the best interests of the organisation and not on behalf of any constituency or interest group.
- That Board members are appraised, assessed and demonstrably fulfil their duties and code of conduct.
- No more than 12 members and no less than 5 members.

Tension in current arrangements

- Once appointed, the successful Cllr has the same fiduciary duty as all the other board members and:
 - is not able to exercise influence on behalf of any external party;
 - cannot divulge any sensitive information; and
 - must always act in the best interest of Curo.
- Current B&NES nominee is not given the “same legal status” as other Board members, as they are not able to receive a share or vote at AGM’s.
- Once appointed, the nominee is not legally able to represent B&NES

Key constitutional proposals

- Adopt standard I&P rules;
- “Closed” advertising to Residents for 2 Board positions
- “Closed” advertising to all 65 eligible B&NES Cllrs for 1 Board position;
- Once appointed to serve their three year term;
- No longer referred to as “nominee”;
- Open advertisement if closed process does not lead to appointment;
- Adjust the constitution to move from “Class Voting Rights” to “one shareholder, one vote” system.
- Arrangements enshrined in Standing Orders

Strengthening our strategic partnership

- Strengthen the role and scope of the current “Strategic Partnership Meeting”;
- Include housing, employment, health and regeneration;
- Membership of the Strategic Partnership Meeting is senior members of each political party and Executive Team members from B&NES and Curo.
- Minutes of meetings shared with other Cllrs to increase transparency.
- Curo to continue to attend Policy Development and Scrutiny committees and to play an active role in other community initiatives.

The Chair thanked Mr da Cunha for his presentation.

Councillor Les Kew asked what would happen at the conclusion of the three year term for B&NES appointed members of the Board.

Mr da Cunha replied that it would be possible for the member to serve up to nine years in total on the Board and that he would generally expect a continuation of service if all parties were in agreement.

Councillor Les Kew commented that he felt that proposal would be out of step with the Council’s election process as the nominee could lose their seat at an election and yet still remain on the Board.

Mr da Cunha replied that the link to the Council should technically end with their appointment to the Board.

Councillor Les Kew commented that he felt this proposal was unsuitable because as Councillors they have a duty to represent the public.

Mr da Cunha commented that the appointed member would need to show the appropriate skills to take on the role and would therefore be chosen against specific recruitment criteria.

The Chair commented that she was uncomfortable with the use of words such as ‘suitability’ and ‘criteria’ as they hold their current roles by being elected by the public. She asked how the other nine directors would be appointed.

Mr da Cunha replied that an advert would be published and then a very similar recruitment process would take place.

Councillor Steve Hedges commented that he felt that the appointed Council member would surely find it difficult not to represent the public. He asked how the Chair of the Board would be appointed.

Mr da Cunha replied that the role of Chairman is appointed in an entirely separate process and is advertised on that basis. He wished to add that a few pilot schemes were on-going with regard to Local Accountability and that they were being charged with creating Local Plans that would have clear outcomes and timescales.

Councillor Steve Hedges suggested that Councillors should be made aware of these pilots.

Louise Swain replied that Curo were thinking about how they could provide better support to Councillors and a clearer view of their processes.

The Chair advocated the involvement of Town and Parish Councillors also.

Councillor Ian Gilchrist asked if it would be an easy task to find residents who would be willing to sit on the board.

Mr da Cunha replied that they needed to improve communications on this matter to show the worth of the Board and to explain the role they would have on the Board.

Councillor Will Sandry commented that he was not sure if the current objectives of Curo were being met as their latest accounts showed that they have a surplus of £6.6m. He also questioned whether the group was going to be privatised.

Mr da Cunha replied that the group were simply adopting nationally recognised arrangements following the advice given at the conclusion of an independent review. He added that the group remained a Housing Association at heart and was not considering privatisation.

Councillor Will Sandry asked why salaries in excess of £100,000 were not shown in the latest set of accounts.

Mr da Cunha replied that those figures would be shown in this year's account. He added that membership of the Board had been reduced from 48 members to 12 and that Executive Members had been reduced from 6 to 4. This has resulted in a reduction in the budget of £200,000.

Councillor Will Sandry commented that he had been informed by a local resident of a problem with the contract to the company that fits the kitchens for Somer / Curo. He said that this had resulted in her kitchen not being replaced during the last round of upgrades.

Louise Swain replied by saying that this had occurred as a consequence of their governance procedures. She added that the contract had been terminated as it was unsuitable for the customers of Curo. She wished to however reassure the Panel

that the feedback they have had from the public on the new suppliers was positive and asked for Councillor Sandry to inform her of the resident he mentioned in his comments.

Councillor Barry Macrae addressed the Panel. He said that as a member of the Corporate Audit Committee he would welcome a discussion on the matter there as he was worried of the potential ramifications. He also proposed that a legal view be sought.

Councillor Les Kew asked if a resident nominee moves away from the area could they still retain their role on the Board.

Mr da Cunha replied that there would be nothing legally to stop them. He added that they would have to fulfil their obligations as a member of the Board.

The Chair commented that she felt a Board meeting attendance quota should be set. She then summed up the discussion by asking for a report back from the Corporate Audit Committee at the September meeting of the Panel and asked for representatives from Curo to attend to give a further update on the matter and inform them if an Equalities Impact Assessment (EIA) had been carried out regarding the structure and constitutional changes.

The Panel **RESOLVED** to accept these proposals.

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

David Redgewell, South West Transport Network had made a request to speak at the meeting but was unable to attend.

21 MINUTES - 29TH MAY 2012

The Chair asked for one amendment to be made to the minutes on page eight. She asked for the location of the Alcan site to be listed as Westfield rather than Radstock. The Panel agreed to this amendment and confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chair.

22 CABINET MEMBER UPDATE

Councillor Tim Ball, Cabinet Member for Homes & Planning addressed the Panel. He asked if they would consider reviewing the process of the recent decommissioning of John Slessor Court, an extra care facility.

Councillor Steve Hedges replied that he felt the best course of action would be for officers to supply the Panel with a report on the process and then they could decide if any further action was required.

Councillor Tim Ball replied that he was happy to proceed on that basis.

Councillor Steve Hedges asked for an update on the Empty Properties budget process.

The Associate Director for Housing replied that the service has been appointed with a capital budget and that the Council's Resources officers have advised us that certain elements of the process can't be carried out as they are revenue services.

Councillor Les Kew asked what is hoped to be achieved by the process.

Councillor Steve Hedges replied that it is hoped that the empty homes can be brought back into use on a cost neutral basis and provide families with a home.

Councillor Tim Ball added that it would also raise the profile of the local areas and stop the properties becoming a drain on community resources. He stated that he felt some revenue funds would be required in the completion of the process.

The Chair, on behalf of the Panel, thanked him for his update.

23 HOUSING SERVICES ENFORCEMENT POLICY

The Associate Director for Housing introduced this item to the Panel. He explained that having recently reviewed the existing policy a number of enhancements are proposed.

He stated that one of these would be to replace the existing initial "straight to informal" approach with a short consultation period for engagement with landlords, tenants and interested parties. After this period a decision would then be made on the most appropriate approach which could be either formal or informal action. This would prevent unnecessary delay created by informal action in the cases where Housing Services do not believe that the landlord will undertake repairs promptly. It would also ensure that we act in accordance with guidance that discourages enforcement authorities from taking inappropriate enforcement action.

The Chair commented that she hoped a decision on the Policy would be by the Cabinet as soon as possible.

Councillor June Player asked how long does an HMO licence last for and how are the properties inspected?

The Associate Director for Housing replied that the licences last for five years and that an inspection is carried out prior to the licence being granted. He added that random checks are then carried out twice over those five years.

Councillor Les Kew asked what actions can be taken if a property is deemed to be dangerous.

The Associate Director for Housing replied that when there is an imminent risk to health and safety appropriate action is taken immediately.

The Panel **RESOLVED** to note with approval the proposed policy.

24 REFORMING THE RIGHT TO BUY SCHEME

The Associate Director for Housing introduced this item to the Panel. He informed them that since being introduced over 2 million properties have been sold under Right to Buy (RTB), nearly 50% of the then total. The recession, tighter rules on discounts and the fact that the most desirable properties have been sold has caused the volume of right to buy sales to fall away considerably in recent years. In 2010/11 just 2,730 sales were completed nationally compared to 92,858 in 2003.

The Government's Housing Strategy for England, Laying the Foundations (November 2011), included a commitment to "reinvigorate the Right to Buy". The change was formally implemented by the Housing (Right to Buy) (Limit on Discount) (England) Order 2012 and in March 2012 the DCLG published guidance for local authorities, referred to as Reinvigorating Right to Buy and One for One Replacement, Information for Local Authorities. The changes can be usefully grouped into three: increasing the discount cap to £75,000; a new affordable home for each one sold statement; and a range of technical changes to how stock owning Councils calculate admin costs and apportion the proceeds between the Treasury and local Councils. As Bath & North East Somerset does not own stock it is only the first point, the raising of the cap that is relevant.

The potential implications of these changes are two-fold for this Council. Firstly, if the RTB scheme is reinvigorated there will be a further and increased loss of properties within the social housing stock. However, even the DCLG predicted 250% increase in sales it is unlikely to have a significant impact on the existing stock. For example over the last 5 years there have been 57 RTB sales. An increase of 250% to 142 sales would equate to a loss of around 1.2% of the entire Bath & North East Somerset social housing stock over 5 years. It should also be noted that over the last 5 years the Council has secured an additional 556 new affordable housing units for rent.

The second implication for the Council relates to capital receipts, which are received from RTB sales. Given the high value of properties locally, the discount cap of £50,000 has been the limiting factor in all recent sales. With the cap being increased to £75,000 the effective discount has been enhanced, thus reducing the capital receipt per unit. By making some reasonable assumptions, such as all RTB sales being eligible for the maximum discount and using average sales figures it is possible to do some broad financial modelling on the effects of the increased cap. These show that if the DCLG is correct and RTB sales are increased by 250% the capital receipt, based upon the past 6 years of data, would be increased by between 55% and 80%. The exact figure is dependent upon the type & value of properties sold within that year. Conversely should RTB sales remain unchanged then the capital receipt would be reduced by 30% and 38%. On historic data RTB sales would need to increase by between 44% and 61% for capital receipts to be unaffected by the increase in discounts.

Councillor June Player asked why is Right to Buy necessary.

The Associate Director for Housing replied that it improves the sustainability of the estates that they are built upon and that it generates additional affordable properties.

The Chair on behalf of the Panel thanked him for the report.

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

25 DEVELOPMENT & REGENERATION OPPORTUNITIES IN THE SOMER VALLEY

The Senior Development Officer gave a presentation to the Panel regarding this item, a full copy of which can be found on the Panel's Minute Book. A summary is set out below.

Strategic Policy & Context

- In the past there has been an over dependence on the manufacturing sector
- Housing & population expansion has not been matched by employment growth
- Increased out-commuting
- Loss of older industrial areas:
 - Polestar
 - Alcan
 - Welton Bibby Baron

The Future

Manage economic re-structuring

- Limit manufacturing job losses
- Facilitate new service sector employment
- Build on previous employment growth
 - Bath Business Park
 - Westfield Industrial Estate
- Create 1900 jobs by 2026
- Protect employment land and / or
- Seek local employment benefits
- Regenerate town centres
- Bring forward new strategic employment locations

Employment Sites

Polestar – 17.5ha 425 jobs

Planning permission; on site re-provision of employment

Light industrial & office space on site up to 226 jobs

Pub restaurant – up to 50 jobs

Retirement Care Community – up to 160 jobs

Alcan – 4.4ha 218 jobs

Some on-site provision

£445,000 s106 monies for off-site employment provision

Welton Bibby Baron – 5ha site 330 jobs

Workforce will be transported to new premises in early 2013

Draft Core Strategy allocates site for employment & housing

Major Projects Delivery

- Aligning regeneration & development in the Somer Valley Centres and at Old Mills with the draft Core Strategy:
 - “Existing business land will be protected and alternative uses are only allowed where there is employment benefit or which contributes to improvements to the town centres.” (Draft Core Strategy)
- Will work with land owners and businesses in a bid to retain employment or to create new employment
- Will seek to stimulate new employment opportunities across the Somer Valley

Councillor Barry Macrae commented that he welcomed the presentation and was pleased to see that the wishes of the community had been taken on board. He added that the work now needed to begin on the ground and that the Council needed to give the go ahead to certain projects. He also called for a section on the Major Projects update report to relate to the Somer Valley.

The Chair commented that premises for small and intermediate operators were required in the area.

Councillor Les Kew commented that the employment space on the Polestar site needed to be questioned and stated he felt that Paulton would not be able to sustain another pub franchise.

The Senior Development Officer replied that she appreciated the need for flexible work units.

Councillor Barry Macrae commented that he wished to see the retention of employment space over housing units.

The Chair on behalf of the Panel thanked her for the presentation and asked that projects in the Somer Valley be highlighted in future Major Projects update reports.

26 HOUSING & MAJOR PROJECTS UPDATE

The Divisional Director for Development, Skills & Regeneration introduced this item to the Panel. He wished to highlight the following points from within the report.

The Core Strategy identifies a requirement for 11,500 homes between 2006 -2026. About 3,000 of these can be secured as affordable housing. The vast majority of development (about 90%) will take place on brownfield sites. To date 2600 units have been delivered (an average of c430 per annum) with a further 8900 (an average of 635 per annum) required by 2026 to achieve our targets. This requires a 47% increase in annual delivery rates to achieve our targets. The Council is working

to achieve no less than 25% of the total new housing supply being affordable housing.

Work continues on Planning and Financing the Future programme (PaFF). This is being carried out to establish the impact of development upon viability and corporate financing. The project is a response to the new and emerging income streams available to local authorities such as New Homes Bonus (NHB), Tax Increment Finance (TIF), Community Infrastructure Levy (CIL) and the potential for retention of Business Rates which are linked to the delivery of housing and employment growth.

Somerdale

- Deliver new housing – 650-700 new homes, with 35% affordable housing that is pepper-potted throughout the housing development.
- Deliver employment land / premises to create 1000 new jobs be unmistakably and identifiable as Somerdale, but be integrated with the existing town.

Enterprise Area

Work continues to articulate the scope of the Bath Enterprise Area. Key activities are:

- A study has been commissioned to identify options for the delivery of up-stream flood storage as part of a Strategic Flood Risk Management Strategy for the river corridor in Bath.
- Work has started to develop a policy basis which will help to ensure speedy delivery of sites within a target framework
- Progression of discussions with interested development parties.
- Work is progressing to produce 'Development Values' for Bath Quays South.

London Road

- The future of Caroline House is still being discussed between PfP and the Council and an update will follow in due course
- London Road budget to deliver physical regeneration £750k for 2012/13 was approved by Cabinet 13th June 2012 for delegated officer decision on individual budget elements.
- A new community group 'The Gateway Group' has been formed to make recommendations to the Sponsoring Cabinet Member of projects to be tested and assessed against agreed criterion. If and when approved, projects will be delivered by a delivery team headed by Development & Major Projects.

MOD Sites

For sites such as these, the Council would normally prepare formal planning policy through a Development Plan Document (DPD) but because there is insufficient time in the disposal timescale to complete this statutory process, the Concept Statements are being prepared instead. However, the Concept Statements are the first stage in the preparation of the Council's Placemaking Plan (Site Allocations DPD) and their preparation will be subject to the initial stages of statutory Plan preparation, including

public consultation. This will provide sufficient planning weight to provide a basis for on-going discussions with developers.

The concept statements set out in a concise manner:

- The aspirations for each site,
- The key planning priorities and requirements for new development,
- The process setting out how developers (once the sites have been sold) should engage with local communities.

A project plan was agreed with the M.O.D that enabled the three Concept Statements to be prepared and by the Council to meet with MoD's disposal timescales. The Concept Statements have undergone a period of public consultation ahead of being submitted for approval by Cabinet in September 2012.

The Chair commented that she would like the Panel to be shown a more holistic approach for the projects associated within Keynsham and Radstock. She also asked if any funds had been allocated to the Flood Mitigation project.

The Divisional Director for Development, Skills & Regeneration replied that the Council would be seeking to gain funding from the Revolving Infrastructure Fund and to draw back funds from either Section 106 agreements or the Community Infrastructure Levy from city centre properties.

The Chair asked if the Flood Mitigation works were in respect of Bath only.

The Divisional Director for Development, Skills & Regeneration replied that the initial study was district wide and that he would enquire as to whether the current proposals were for the district.

Councillor Will Sandry commented that he was concerned over the lack of a Council role / lead officer on the matter of the future electrification of the Great Western rail line.

The Divisional Director for Development, Skills & Regeneration replied that he did not know the detail of that matter, but would seek an answer from colleagues within Planning & Transport for the Panel.

Councillor Les Kew commented that he felt that the Ward Councillors should also be invited to events such as the 'Somerdale – Officers and relevant Cabinet Members workshop'.

Councillor Geoff Ward commented that he felt if any of the proposals involved planning permission within Bathavon North that the local residents would be against them. He also asked if an officer could comment on a rumour he had heard regarding the MOD site of Ensleigh. He had read in the local paper that plans for the site may attempt to spread onto the land of Kingswood School.

The Divisional Director for Development, Skills & Regeneration replied that he was not familiar with the site and would ask colleagues to respond in due course.

Councillor Patrick Anketell-Jones asked if the budget for the Public Realm in 2013 was known yet.

The Divisional Director for Development, Skills & Regeneration replied that he would pass on that question to the Divisional Director for Project Management and ask him to respond to the Panel.

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

27 PANEL WORKPLAN

The Chair introduced this item to the Panel. She suggested that they receive an update at their September meeting on how the Cabinet decision relating to Gypsies & Travellers will affect local housing matters. She also suggested they receive a report on the numbers of people who live on boats but may be making homeless claims.

Councillor Will Sandry commented that he had checked the future dates of the Corporate Audit Committee in relation to the issue raised earlier in the meeting concerning Curo. He informed the Panel that their next meeting was due to be held after the September meeting of this Panel. He also asked if the issue should be placed on the Corporate Risk Register.

The Chair proposed that the Panel therefore request the Corporate Audit Committee to meet prior to the next meeting of this Panel and report back its comments on the matter.

The Panel **RESOLVED** to agree with all of the above proposals.

The meeting ended at 8.25 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services