

Time Commenced – 6:00 pm
Time Finished – 7.48 pm

Regeneration and Housing Scrutiny Review Board

29 November 2017

Present: Councillor Bayliss (Chair)
Councillors Grimadell, Ingall, Naitta, Stanton, Webb and West

In Attendance: David Enticott – Finance Director and Company Secretary - Derby Homes
Amanda Fletcher – Head of Finance
Mark Taylor – Interim Director of Finance
Ian Fullagar – Head of Strategic Housing
Chris Morgan – Regeneration Manager
Andrew Waterhouse – Spatial Planning Group Manager
Rosie Watson – Implementation Team Leader
Verna Bayliss – Strategic Partnership Manager

09/17 Apologies for Absence

An apology for absence was received from Councillor S Khan.

10/17 Late Items

There were no late items.

11/17 Declarations of Interest

Councillors Bayliss and Webb declared interested in items 5, 6 and 8 (minutes nod 13/17, 14/17 and 16/17 as they were Members of Derby Homes Board.
Councillor Naitta declared that he was an employee of Intu.

12/17 Minutes of the meeting held on 5 July 2017

The minutes of the meeting held on 5 July 2017 were agreed.

13/17 Housing Revenue Account Business Plan

The Board received a presentation from David Enticott – Finance Director and Company Secretary – Derby Homes and Amanda Fletcher Head of Finance on the impact on the Housing Revenue Account business plan of various changes over recent years.

Resolved to note the impact that policies have had on the HRA business plan.

14/17 Accelerating Housing Delivery

The Board considered a report which set out the requirement for new housing across tenures, the need for additional affordable housing, and a proposed course of action to increase supply by accelerating construction.

It focused on 3 main areas: the profile of our housing requirement, the use of a Housing Delivery Vehicle to accelerate housing construction, and the contribution that apartments above shops and other commercial premises could make.

These 3 areas were discussed in more detail in the 'Supporting Information Section', paragraphs 4.1 – 4.32 of the report.

Along with many areas nationally, Derby's supply of new housing was falling short of target: In the last 6 years Derby had under-delivered against its local plan target by 1,095 dwellings. Whilst it was also reported that housing delivery exceeded the target last year, increasing housing supply was nevertheless a key objective.

Crucial to delivering on this objective was the establishment of a Housing Delivery Vehicle, but there were a number of different options as to how this might be set up. It was our intention to fully evaluate these different options and report back to Council Cabinet with a specific recommendation for its formation in the early part of 2018.

The purpose of the report was to update the Board on the current position, on progress made and on future actions and timescales for delivery.

Members of the Board suggested that a delivery company should have been set up some years ago and that it should be 2 companies, one for profit and one not for profit to provide homes across the metro area. There was a need to facilitate construction across the city. There was an on going problem with flats above shops and the design needed for the property to be suitable for living accommodation. If buildings were brought back into use this would provide an income stream to the Council.

Members of the Board asked about how talks were going with developers. It was reported that some years ago land owners had been contacted and some potential development sites came to light. Some people did not want to sell the sites and some did not want to flood the market as this would affect their profit margins. Pressure was being put on long term sites to try and get them developed. Some sites had issues such as contaminated land which needed to be addressed before development could take place. It was also reported that in respect of the Celanese site a bid had been put into Government for £20m to access the site, build a bridge over the railways line and decontaminate the land.

Members of the Board asked what the hurdles were for developers. It was reported that often sites had planning permission but were still not developed, often due to risk associated with development and funding. There needed to be encouragement to work through issues, particularly in relation to financial appraisals, accessing funding and cheaper borrowing. It was suggested that the HRA might be able to underwrite

the purchase of properties or Derby Homes purchase the properties and bring them into use.

Members of the Board asked if the 30% affordable/ social housing was achieved on development sites. It was reported that it was often not viable for developers to provide 30% affordable housing on sites.

Members of the Board asked if student accommodation counted towards the social housing target. It was noted that student housing did not count in the Council's favour. There was concern that if city living was extended to the whole city it would lose focus on the good work already done.

The interim Director of Finance suggested that the university be encouraged to build student accommodation rather than the Council.

Members of the Board asked if there was any flexibility within the tool kit to incentivise development.

It was noted that outline planning permission expired in 3 years from being granted and full planning consent expired in 5 years of being granted. S106 requirements could be delayed or waived entirely if this were to help deliver housing more quickly.

Members of the Board referred to developers banking land. It was noted that compulsory purchase orders (CPO) had not traditionally been used as they tended to be complicated and expensive. Consideration would be given to using CPO powers in the future particularly for key sites that had stood idle for a number of years.

Resolved to note the report and ask officers to consider the comments made by Members of the Board on future actions to promote housing delivery.

15/17 Consultation on the Planning Obligations Supplementary Planning Document Review

The Board considered a report which stated that Planning obligations were contributions from developments secured through planning applications under Section 106 of the Town and Country Planning Act 1990 as amended by Section 12 of the 1991 Planning and Compensation Act 1991. The Council adopted a Supplementary Planning Document (SPD) on Planning Obligations in December 2008. Since then, there had been a significant number of changes in local and national planning law and policy.

The SPD Review had been drafted to take into account the above changes and the current priorities of the Council departments which received developer contributions. This meant that there were some contributions that the Council proposed to no longer secure through planning obligations.

A draft SPD was approved for consultation on 3 November 2017. This was now underway and would run until 3 January 2018. Following consultation, a statement of public participation would be produced detailing how the Council had taken responses into account in finalising the SPD Review. This, together with any

comments from the Scrutiny Review Board, would then be considered by Council Cabinet.

Members of the Board asked how the changes would affect the Our City Our River Project. An explanation was given on how particular properties would be affected depending on whether flood defences were integral to the development or not.

Members of the Board asked about site specific contributions particularly in relation to biodiversity, historic environment and community safety.

Members asked about the rules in relation to S106 agreements. It was noted that agreements already in place would remain flexible but going forward they would need to be more project specific.

A Member of the Board referred to a Council Motion to restrict S106 agreements to ward based activity. It was noted that it was not legal to restrict it to particular wards as it related to mitigation for the development and that development may be on the edge of, or span more than one ward.

If any Members of the Board wished to send in further comments they should do so by mid / late February to feed into the report to be considered by Council Cabinet in March 2018.

Resolved

- 1. To note the draft S106 SPD and ask officers to consider the comments made by Members of the Board.**
- 2. To request the Monitoring Officer to investigate if the Council motion referred to had been rescinded.**
- 3. To send any comments on the Supplementary Planning Document to officers by mid/late February to feed into the report to be considered by Council Cabinet in March 2018.**

During the above item Councillor Bayliss left the meeting and Councillor Grimadell took the chair.

16/17 Derby – Nottingham Metropolitan Strategy

The Board considered a report which updated the Board on the progress on the developing 'Metro' Strategy with Nottingham.

Members of the Board were supportive of the Strategy but felt it did not go far enough. It was early days and would grow in time. Consideration needed to be given to promoting the whole East Midlands area.

It would allow a louder voice nationally and it was hoped that complementary offers would go forward.

The Interim Director of Finance reported that this was not a combined authority but a collaboration to pave the way to talks with Government.

It was reported that there would be a summit in early 2018 and Members of the Board would be invited to attend. A meeting of the Strategic Advisory Group would be arranged after the summit had taken place.

Resolved to note the progress on the Metro Strategy.

17/17 Items Referred from the Executive Scrutiny Board

There were no items referred from the Executive Scrutiny Board.

18/17 Remit, Work Programme and Topic Reviews

The Board considered a report which allowed the Board to review its terms of reference, remit and work programme.

Resolved to note the report.

MINUTES END