

## **PRESENT**

### **Members of the Committee**

Councillor Quentin Marshall (Chairman)  
Councillor Carol Caruana  
Councillor Emma Dent Coad, MA  
Councillor Tony Holt (Vice Chairman)  
Councillor Sam Mackover  
Councillor Robert Mingay  
Councillor Matthew Palmer  
Councillor Will Pascall  
Councillor Jonathon Read  
Councillor Marie-Therese Rossi

### **Others in Attendance**

Councillor Timothy Coleridge (Cabinet Member for Housing and Property)  
Michael Clark (Director of Corporate Property)  
Hitendra Godhanja (Group Accountant Financial Services)  
Tony Heavey (Senior Housing Policy Officer)  
Laura Johnson (Director of Housing)  
Stan Logan (Housing Initiatives Officer)  
Jon Medlin (Senior Policy Planning Officer)  
Steve Mellor (Group Finance Manager)  
Gillian Tobin (Senior Housing Policy Officer)  
Jonathan Wade (Policy Team Leader) PBD  
Janice Wray (Health, Safety and Facilities Manager) TMO  
Peter Wright (Project Manager - Capital Projects)  
Jerome Treherne (Governance Services)

## **A1 APOLOGIES FOR ABSENCE**

None.

## **A2 MEMBERS' DECLARATIONS OF INTEREST**

No declarations were made.

## **A3 MINUTES OF THE MEETING ON 1 FEBRUARY 2012**

The Minutes of the Meeting on 1 February 2012 were confirmed as a correct record and signed by the Chairman.

## **A4. Report by the Cabinet Member for Housing and Property**

The Cabinet Member reported rising numbers of residents in temporary accommodation and increased difficulties in securing accommodation across the Capital as rents were frequently above the new LHA capped rates. He said the next two years would present a real challenge as by April

2013 new homes would need to be found for 230 families. He warned that some families would need to move out of the capital.

Ms Johnson advised the Committee that residents aged 70 plus if they had moved into the borough in the 1970s could have protected tenancies but others would have to make homeless applications and over time it was unlikely they could remain in their current homes.

In response to questions on enforcing adequate installation of flat entrance doors to leasehold flats Ms Wray advised that the London Fire Brigade believed Environmental Health powers would be more effective in enforcing upgrades. Therefore, the London Fire Brigade intended to work with the Borough's Environmental Health Officers on the enforcement. She reported that counsel's opinion had not been sought on the freeholder's duty to ensure a safe means of escape as this was clearly a statutory requirement. The Chairman said a pro-active approach should continue to ensure the highest possible safety levels were achieved. The Committee would need an update at its next meeting.

**Action:** Ms Wray

In response to Councillor Dent Coad's question on hidden homes, Ms Johnson advised that a few flats at Elm Park Gardens had been undeveloped because of particular physical constraints and these would not earmarked for key worker flats.

Ms Johnson confirmed that the pan London protocol over securing accommodation out of borough had not been broken.

Subject to the above, the report was received and noted.

#### **A5. Selection of contractor to work with design team for KALC**

Mr Wright reported that the IESE framework had been used for £1.3 billion worth of property development since it was introduced in the UK and was now an established approach. Mr Clark confirmed that the Head of Strategic Procurement fully supported this. The Committee were advised that the 70 per cent quality, 30 per cent price split was the normal balance in assessing bids.

The Cabinet Member noted the framework approach secured better value for money in part because more transparent and accurate sub contractor costs would become available at an earlier stage.

#### **A6. Key Decisions for Early Scrutiny**

The Chairman noted that Mr Clark had identified three key decisions he thought should be brought to the Committee's attention. Mr Clark summarised the decision to appoint long term consultants for reviews as a more efficient approach than the current practice of taking on consultants for individual tenders.

The Committee noted that the Bassett Road site in the past had a number of different uses and Mr Clark would report to the Committee as soon as the preferred proposal could be disclosed. The Cabinet Member noted that

this would provide a capital receipt that the borough could use for a community use. **Action:** Mr Clark

The report was received and noted.

#### **A7. Property Recharges**

The Committee noted that recharges were not a nominal rent but covered the bulk of costs. Mr Clark advised that the Finance Department was to assess how a Tri-borough approach could reduce these costs and said that the current approach to recharging was not necessarily the method that would be applied under future Tri-borough arrangements.

The report was received and noted.

#### **A8. DEEP-LEVEL REVIEW Planning Obligations (S106 Agreements) Powers and Procedures**

Mr Medlin introduced the papers and highlighted the requirements which made planning obligations lawful and the strict tests which limited the scope of S106 Agreements. He drew attention to the full list of possible planning obligations in the SPD many of which were not housing related. He clarified the term 'acceptable in planning terms' which meant the proposal was in line with adopted planning policies such as the Core Strategy, supplementary planning documents and area action plans. Mr Medlin accepted that the objectives listed in the Core Strategy did not necessarily compliment each other and it was for the decision maker to weigh up these factors in arriving at a decision. He believed that the reports submitted to the Planning Applications Committees provided sufficient detail for Members to strike a balance.

Mr Wade drew attention to the London Plan which prioritised affordable housing and transportation as top objectives followed by the provision of education and health facilities. Mr Wade advised that the Core Strategy needed to be deemed to be in conformity with obligations, including the Mayor's Plan, and that government planning inspectors – responsible for such determinations of conformity – focused particularly on local authority housing targets. The Council's own housing targets were derived from the London Plan. Mr Wade reminded the Committee that the Core Strategy had been agreed at a meeting of Full Council. In his view negotiation over non strategic sites, enabled adverse impacts to be mitigated and despite the hierarchy of objectives, allowed for some choice.

Councillor Dent Coad declared how some decisions on major sites were puzzling and seemed to lack transparency. She was unclear as to how much independent assessment was carried out on viability figures. She pointed to the decision to expand school places at Middle Row School rather than consider a new school near Wornington Green. It was unclear to her why on-site affordable housing had not been approved for the De Vere Hotel site. Likewise the Holland Park site had not led to on-site affordable housing. Finally it was difficult to understand why a requirement

to provide for affordable housing was not included as part of the planning permission for the Commonwealth Institution.

Mr Wade reminded the Committee that planning permission granted to strategic sites was preceded by public consultation. Large sites had to comply with Development Plans and a balance struck between competing objectives. If for a strategic site there was to be a change in the number of residential units and departure from the council's strategy, the Secretary of State and Mayor could intervene. The Secretary of State could also become involved if the process was considered not to have been sufficiently transparent. As part of this safeguard, the borough could be required to provide evidence of how the planning decision obtained approval and this could lead to a public inquiry. The Committee noted that the possibility of such actions did not imply the certitude of any such responses.

In response to Councillor Rossi's question on the low numbers of affordable housing units built, Mr Medlin confirmed the target and agreed the target number was not currently being achieved but that as strategic sites were developed it was assumed a higher number would be built in future years. He advised that when averaging out the total number over the lifetime of the Core Strategy, the borough was still on target. As part of annual monitoring against London Plan requirements figures were submitted and this would alert the Mayor's Office if the borough were falling behind the target, although what response, if any, there would be to such an alert was not clear.

Mr Medlin confirmed that requirements to build affordable housing applied to developments over and above the first 800 square metres of floorspace. In response to Councillor Read, Mr Wade agreed that the list of uses in Core Strategy was not exhaustive and could be amended by the Council if it so wished. Mr Wade said that if non Section 106 Agreement funds were used for social housing, rather than the currently adopted system of linking these two distinct policies (namely, planning gain and Section 106 contributions, and provision of social housing), the process followed would be distinct from the Section 106 Agreements and be a negotiation in kind.

Mr Wade agreed with Councillor Read that the Strategic Housing Market Assessment (SHMA) and the Strategic Housing Land Availability Assessment (SHLAA) were foundation and keystone documents in providing evidence for the Core Strategy, and that any flaw in them would flow through to the entire body of policy. Officers had not been aware of any questions over the quality of the survey work carried out by Fordham Research that underpinned these documents. He confirmed the Housing and Planning Departments would have assessed Fordham Research before relying on its research findings. Messrs Medlin and Wade said Fordham Research's research was conducted in accord with best practice.

Councillor Pascall questioned the robustness of the SHMA methodology which relied on deductions from survey findings based on changed housing needs caused in part by population flows across borough boundaries.

Officers advised the SHMA research method followed government guidelines and stakeholders had contributed to the research design. The Cabinet Member commented that the research was evidence based and if carried out again would show an increased need for social housing. Members of the Committee noted that provision of any good at a price below its market value would inevitably lead to such a conclusion, since demand would exceed supply.

In response to Councillor Holt's question on the amount of money accruing from Section 106 Agreements, Mr Medlin reported that over the last three years on average £1.5 to £2 million had been agreed each year although payments could be delayed where they related to large developments which come forward in phases. He said that normally Section 106 Agreements had clauses specifying that money was to be ring fenced and linked to a specific development. He agreed to circulate figures on funding accumulated from Section 106 Agreements. **Action:** Mr Medlin

In response to the Chairman's question, Ms Johnson explained that the in-borough affordable housing provided through Section 106 Agreements was normally the aim, however funding from Section 106 Agreements did allow the Council to encourage mixed and balanced communities. She advised that if built out of borough, this borough would not get all nomination rights. The London Plan required each borough to cater for its own housing needs but did not oblige each borough to provide in-borough affordable housing.

Mr Medlin drew attention to the influence from Members on larger planning applications with the Council policy determining what the developer was required to provide. The head of terms in Section 106 Agreements were reported in all cases to Planning Applications Committees and councillors from the relevant wards could assist in determining priorities by discussing with case officers before the report for the Planning Application Committee was finalised.

Councillor Mingay highlighted the fact that according to the SHMA 95 per cent of housing need remained unmet to which point Ms Johnson commented that no London borough was able to meet its projected housing need and many outside London could not as well. Mr Medlin informed the Committee the Community Infrastructure Levy (CIL) could lead to a review of Section 106 procedures and the raising of money for affordable housing. The mechanism for spending money from CIL had yet to be devised.

Councillor Read asked Mr Wade to clarify the interplay between Council policy, wider legal requirements, implementation guidance notes and best practice. Mr Wade confirmed that the Council could change elements of its Core Strategy and be in compliance with legislation.

Subject to the above, the paper was received and noted.

## **A9. Draft Housing Strategy**

Ms Tobin explained that the three month consultation started on 15<sup>th</sup> March and alerted Members to briefings yet to be arranged. Views would be sought from the TMO, Residents Panel, advice agencies and the wider public.

Councillor Pascall drew attention to TMO's long term investment strategy and felt this needed more emphasis in the document. He believed future energy saving arising from design modifications though complex, deserved more emphasis in the paper.

Councillor Read advised that the Credit Union should not be referred to as a bank since, although it took deposits and made loans, it was regulated under a different part of the legislation. Councillor Dent Coad said a formal response from the Labour Group would be forthcoming later on.

The Chairman agreed that an update on the draft Strategy would be needed at the Committee's May meeting. **Action:** Ms Johnson

The report was received and noted.

## **A10. Draft Tenancy Strategy**

Ms Tobin confirmed guidance from the Mayor of London suggested that affordable rent tenancies should represent no more than 40 per cent rent of an average household's net income. Councillor Dent Coad suggested the draft should acknowledge that housing need was currently not being met.

The Chairman believed the Committee needed to discuss the impact of five year tenancies on incentives to return to work. He asked that officers took into account the Universal Credit system and the need to prevent tenants who returned to work from being penalised.

Ms Tobin advised that there would be a presumption to renew tenancies or for tenants to leave if their income had risen above a certain threshold. Councillor Read suggested that a presumption to renew tenancies could in effect be the continued provision of lifetime tenancies and this could reduce the greater flexibility this approach was designed to introduce.

Ms Johnson said there was a need to consider achieving a balance of tenants on estates.

The Cabinet Member thought these changes would provide the Housing Department with more information on tenants including levels of under occupation. It was unclear at this stage how incomes would be assessed every five years but it was clear implementation of these changes would be complex. The Committee noted that an update on the consultation would be available at the next meeting. **Action:** Ms Johnson

Councillor Dent Coad said a formal response from the Labour Group would be forthcoming later on.

Subject to the above, the report was received and noted.



## **A11. Draft Housing Policy for Intermediate Housing**

Ms Johnson in response to Councillor Read's query confirmed that the London Plan indicated that incomes up to £61,400 could be eligible for assistance on shared ownership schemes. Councillor Marshall referred to the Addendum Paper and said that subsidies for housing costs should be consistent with the benefit cap approach which was supported by a wide political spectrum. The Cabinet Member said that shared ownership initiatives had wide political support and the Council had supported mixed communities for some time, both of which were consistent with the draft policy.

The Chairman and Councillor Holt suggested that in addition to the proposed priority groups listed in the report, those who had lived and worked for five years or more in the borough should be a priority group.

Subject to the above, the report was received and noted.

## **A12. Miscellaneous Matters**

### **In-depth Reviews**

The Committee noted that the first meeting of the Sub-Group on use of external consultants would be held on 16 May directly after a shorter HPSC meeting.

The first meeting of the Sub-Group on self financing and the HRA would be held on 25 April where planned work under the new regime would be clarified. The second meeting would take place once a business plan had been drafted which could then be scrutinised by the Sub-Group.

### **Forward Plan**

The Chairman said it was his intention the Committee should become more constructively engaged with certain key decisions. In relation to the Key Decision for the Procurement of Contractor for Pre Construction Stage of the KALC project, he noted that because it was not of high public interest it was categorised as a two rather than a three diamond decision.

The paragraph was received and noted.

## **A13. Any Other Oral or Written Items which the Chairman Considers Urgent**

There were none.

The meeting finished at 9.37pm

Chairman