

Scrutiny Board (Regeneration)

Working Group

Inquiry to consider Affordable Housing by Private Developers

Terms of Reference

1.0 Introduction

- 1.1 The Scrutiny Board (Regeneration) at the request of the Executive Board on 22nd June 2011 undertook an inquiry to consider the population and household projection information that will underpin the Core Strategy; including the land banking practices of developers. It is anticipated that the Board's final report and recommendations will be completed in September 2011 and that the Executive Board will consider the Scrutiny Board proposals in October 2011.
- 1.2 It was quickly identified during the Board's inquiry on housing growth that there was a second specific piece of work that needed to be undertaken. This was to review the current position with regard to the provision of affordable housing by private developers. This at a time of turbulent economic change and financial uncertainty.
- 1.3 Scrutiny Board (Regeneration) is asked to establish a Working Group comprising of all Members of the Board to undertake this inquiry.
- 1.4 Scrutiny Board (Regeneration) is asked to co-opt Mr George Hall; former Parish Councillor Barwick-in-Elmet & Scholes Parish Council as a Member of the Scrutiny Board and of the Working Group established for the period of this inquiry, without voting rights.
- 1.5 The context of and drivers for the inquiry are:
 - That this matter is included in the City Priority Plan and the Scrutiny Board's terms of reference agreed by full Council.
 - That over recent years whilst the authority has achieved relatively high levels of affordable housing delivery, with over 400 units delivered per annum between 2008 and 2010 this should be compared with very high levels of need identified over this period – 1,889 affordable houses needed annually according to the 2007 SHMA report.
 - The fact that between 2001 and 2010 a total of approximately 29,500 new units have been delivered which equates to just under 3,000 units per annum but completion rates over the last two years have reduced significantly and a consequential reduction in the provision of affordable housing. The RSS target for Leeds is to provide 77,400 new homes over the period 2008 – 2026 (net of clearance replacement) which equates to an annual average rate of 4,300 dwellings.
 - Provision of new accommodation has been skewed towards the city centre with this sub area accommodating almost 30% of all new dwellings since 2001. In terms of stock types of property delivered this skewing of supply to the city

centre has had a marked impact with 70% of new stock being flatted or apartment schemes.

- Of the current stock of 319,400 dwellings just over 20% is classified as social or affordable housing with the remainder split between owner occupation or private rental.
- Developers tend to take a short term view irrespective of the differing needs within the cities 11 sub areas.
- It is evident from the private sector house condition survey 2007 that stock condition remains an issue across the city particularly the private rented sector where 81,800 dwellings ;33% of total private stock can be classified as non-decent.
- Announcement by the Government's Affordable Homes Programme that Yorkshire is set to benefit from a minimum of 800 new affordable homes over the next four years from a number of registered providers.

2.0 The Scope of this Inquiry

2.1 The scope of this inquiry is to review & report

- After examining the Council's planning policies for securing affordable housing from market housing developments.
- On whether there are barriers that prevent affordable homes from being provided through market housing developments.
- On how the stock and quality of affordable homes are maintained and how and who sets the rent or price of a property.
- On whether the provision of affordable dwellings could be provided across each sub region of the city on a more equitable basis instead of relying on market forces which can skew provision to one area e.g. the city centre.
- On whether the Council's approach is robust enough in examining the financial viability of developments to require affordable homes to be provided.
- Consider affordable housing from the perspective of the City Region.

3.0 Comments of the Relevant Directors and Executive Board Members

3.1 The relevant Directors and appropriate Executive Board Members have been requested to comment on these terms of reference and these will be reported to Members of the Scrutiny Board (Regeneration) Working Group at its first meeting.

4.0 Timetable for the Inquiry

4.1 The inquiry will take place over at least five sessions of the Working Group with a view to issuing a final report to Executive Board in January 2012.

5.0 Key Issues and Questions

5.1 There are a number of key issues and questions including:

What are the affordable housing requirements in each Sub Region of the city and what is the unmet demand?

How can affordable housing be provided more equitably across all 11 sub regions of the city?

What actions, if any, can the Council and our partners take to influence market forces and encourage developers to meet social housing need in areas of most need?

What are the views of developers in the provision of social housing?

Could affordable housing be provided differently in the future?

Submission of Evidence

5.1 There will be at least five evidence gathering sessions and further meetings will be scheduled as required:

Session One – Date and Time to be Confirmed

The purpose of this session is to consider:

- and approve the draft terms of reference for this inquiry.
- a report from the Director of City Development on the Council's planning policies for securing affordable housing from market housing developments.
- a background paper from the Environment and Neighbourhoods Directorate on affordable housing including a definition of what it is, whether there are barriers that prevent affordable homes from being provided through market housing developments and the demand in each of the 11 sub regions of the city.
- and discuss the key issues as appropriate.
- and hear from Martin Sellens, Christine Addison, Acting Chief Asset Management Officer and Maggie Gjessing, Housing Investment Manager.
- and confirm witnesses to attend the next meeting of the Working Group.

Session Two – Date and Time to be Confirmed

The purpose of this session is to consider:

- any information requested from the last session.
- a paper from the Director of Environment and Neighbourhoods Directorate on how the stock and quality of affordable homes are maintained and how and who sets the rent or price of a property.

- and discuss the key issues as appropriate.
- and hear from Christine Addison, Acting Chief Asset Management Officer and Maggie Gjessing, Housing Investment Manager.
- and confirm witnesses to attend the next meeting of the Working Group.

Session Three – Date and Time to be Confirmed

The purpose of this session is to consider:

- any information requested from the last session.
- whether the Council's approach is robust enough in examining the financial viability of developments to require affordable homes to be provided.
- and hear from developers and a representative from the housing finance sector.
- and confirm witnesses to attend the next meeting of the Working Group.

Session Four – Date and Time to be Confirmed

- any information requested from the last session.
- hear from representatives of the City Region Partnership as to how the provision of affordable housing is being met across the region and initiatives being taken to meet demand on a more equitable basis.

Session Five – Date and Time to be Confirmed

- to consider the Board's final report and recommendations.

7.0 Witnesses

7.1 The following witnesses have been identified as possible contributors to the Inquiry:

- Chair of the City Priority Board
- Officers from Environment & Neighbourhoods Directorate as necessary e.g, Megan Gjessing on affordable housing delivery issues and Megan Godsell on affordable housing policy
- Officers from City Development Directorate as necessary e.g. Steve Speak, Deputy Chief Planning Officer, Robin Coghlan on Planning Policy issues and David Feeney on overall Core Strategy, Martin Sellens, Head of Planning Services
- Representative from City Region Unit
- Representative from housing finance sector (i.e. mortgage finance).
- Developers.

8.0 Background Material

8.1 Planning context

National Requirements for planning & Development plans to plan for housing & delivery

- PPS 12: Local Spatial Planning
- PP3S 3: 5 year supply requirements, defining a target – need & demand issues etc.
- National guidance re. Strategic Housing Land Availability Assessments (SHLAA) & Strategic Housing Market Assessment (SHMA)
- Current economic position
- Changes to national policy & emerge of proposals to incentivise housing growth (e.g. New Homes Bonus)
- Leeds Interim Affordable Housing Policy 2011

8.2 Housing monitoring information

- LDF Housing Land monitor & Annual Monitoring Report nb. 2010 AMR latest version (including: housing trajectory, net additional dwellings, stock of planning permissions, windfall position, 5 year supply position, new & converted dwellings on PDL, Affordable Housing delivery)
- SHLAA
- SHMA

9.0 Monitoring Arrangements

9.1 Following the completion of the scrutiny inquiry and the publication of the final inquiry report and recommendations, the implementation of the agreed recommendations will be monitored.

9.2 The final inquiry report will include information on the detailed arrangements for monitoring the implementation of the Board's recommendations.

10.0 Measures of success

10.1 It is important to consider how the Board will deem whether its inquiry has been successful in making a difference to local people. Some measures of success may be obvious at the initial stages of an inquiry and can be included in these terms of reference. Other measures of success may become apparent as the inquiry progresses and discussions take place.

10.2 The Board will look to publish practical recommendations.