**EXECUTIVE SUMMARY:**

This report summarises the activity of the Affordable Housing Member Panel so far during the municipal year 2014/15 and identifies likely areas of scrutiny by the Panel in 2015/16.

**REPORT:**

1. **Introduction**

1.1 This report provides background information on the Affordable Housing Member Panel (AHMP) and summarises its activities during the period April 2014 to February 2015. This is one of a series of updates being provided by those working groups that are accountable to the Overview & Scrutiny Committee.

1.2 The AHMP was established in 2006, after the Council agreed to the establishment of a permanent Member Panel to support the Council's key aim of promoting affordable housing. The AHMP replaced the former Affordable Housing Working Group, which was itself preceded by the Affordable Housing Scrutiny Panel.

1.3 The AHMP has a general role in promoting affordable housing and disseminating information. Its full terms of reference are set out in Appendix A but its role and remit includes:

- Reviewing / monitoring the Affordable Housing Development Programme
- Contributing to the Local Plan where it relates to affordable housing and referring comments to the relevant committees, where appropriate.
- Considering and / or contributing to other relevant Housing or Planning policies and referring comments to the relevant committee, where appropriate.
- Monitoring the use of the Council's Affordable Housing Enabling Fund in accordance with the Enabling Fund policy and considering proposals from Head of Housing Services on funding individual schemes and agree recommendations on funding decisions going forward to Cabinet.
- Considering development briefs and evaluation matrices for potential development sites in accordance with the Council's Site Disposal Policy and referring recommendations to Cabinet.
• Considering the Council’s strategies and approaches relating to affordable housing in light of developments in terms of supply of and demand for affordable housing in the Borough, guidance, advice, legislation and policy emerging from Government.

1.4 The AHMP comprises up to nine Members, approved by the Overview and Scrutiny Committee. The current membership comprises Cllrs Chris Sadler (chairman), James Vickers (vice-chairman), Elizabeth Cooper, Chris Elmer, Simon Foale, Roy Green, Geoffrey Herbert, Shweta Kapadia and Mary Marshall. In addition, the Cabinet’s Portfolio Holder for Housing, Cllr James Browne attends as a co-opted Member of the group.

1.5 The Panel is supported by Committee Services and reports are prepared and presented by officers from the Housing and Planning teams.

1.6 The Panel has been active in supporting and championing the development of much-needed affordable housing schemes in the borough, along with the Portfolio Holder for Housing. There continues to be high demand for affordable housing within Elmbridge. Even with the revised criteria for inclusion on the Council’s Housing Register, there were, as at 31 December 2014, 1207 households registered for affordable housing.

1.7 The full Panel has met twice in the current municipal year, on 28 July 2014 and 26 November 2014. In addition, a group of Members drawn from the Panel is going to meet on a one-off basis in February 2015, to act as an informal sounding-board to help with the preparation of a final draft Housing & Homelessness Strategy, prior to consideration through the Council’s formal decision-making process. In addition, the Panel was invited by Paragon Community Housing Group, to attend an event on 1 May 2014, marking the completion of its Railton Place development in Weybridge.

2. A Summary of This Year’s Activity

2.1 During the current year, the Panel considered the following items:

2.1.1 Standing Item – The Affordable Housing Development Programme

The Panel was provided with an update at both meetings. These covered the volume and mix of affordable housing completed in Elmbridge for each year since 2011/12, the likely completions this year and the forecasts for 2015/16. The update given in November advised that up to 107 affordable homes were expected to be completed in 2014/15 (although several schemes may slip into 2015/16) with around 40 next year. Appendix B provides more detail on the affordable housing development programme from April 2013 through to March 2016. The fluctuations shown are usual and reflect variations in development activity. In terms of longer-term monitoring, the Core Strategy includes a target of delivering 1150 affordable homes between 2011-26, equivalent to an average of 77 per annum. The Panel was advised, that based on current predictions, 394 affordable homes will be delivered over the first five years (April 2011-March 2016), equivalent to 79 per annum. Whilst delivery remains broadly in line with the Core Strategy target, the Panel was advised that there is no buffer in place should completions start to reduce from 2016/17 onwards.
The Panel was also apprised on schemes which are either in the pipeline or under consideration by the local planning authority, as well as schemes including affordable housing where planning permission was refused in recent times and given a summary of the recent changes to the programme, in terms of completions, applications received or expected and decisions made. This helps provide a sense of what schemes might be brought forward in the next three to five years.

As well as the above schedules, the Panel is also provided with a site-by-site breakdown of undertakings to provide financial contributions towards affordable housing from (mainly) smaller sites through Core Strategy Policy CS21: Affordable Housing. At its November 2014 meeting, the Panel was advised that 54 of these planning consents had been implemented since July 2012, resulting in payments of £3.45m been received into the Affordable Housing Enabling Fund.

The Panel was updated on the Affordable Housing Enabling Fund’s working balance (which in November stood at around £2.4m) and it received progress reports on a number of projects supported by the Fund. These include the Elmbridge Homeownership Assistance Scheme, which has helped 26 households into home-ownership between April 2011 and November 2014, through equity loans provided jointly by the Council and Catalyst Housing Association. It also covers the proposed re-development of the former Royal British Legion social club site in Heathfield Close, Hersham for affordable housing, following the Council’s acquisition of the site and planned onward disposal to Paragon CHG for that purpose. The Affordable Housing Enabling Fund, with the Panel’s support, continues to fund the Perfect Fit scheme, which supports Paragon tenants within Elmbridge who are under-occupying to downsize, thereby freeing up family-sized affordable homes for re-letting. The scheme has been running since April 2012 and by the end of December 2014, had assisted 102 households to down-size and allowing the same number of families the opportunity to move into more suitable accommodation in the process.

The Panel is also provided with updates on opportunities being explored to use the Enabling Fund to support developments to meet identified needs. At its July meeting, it considered and supported a request going to Individual Cabinet Member Decision Making (ICMDM) to provide up to £70,000 to Transform Housing & Support towards the cost of purchasing a property for use as shared housing for young people in need of support. This request was subsequently approved via ICMDM on 3 September 2014 and Transform is currently searching for a suitable property to acquire.

Whilst there were no “firm” proposals for the Panel to consider at its last meeting, it was advised of some preliminary discussions with Walton on Thames Charity to provide a financial contribution to support the purchase of a property or properties for single homeless people, to top up legacy funding resulting from the dissolution of the Thames Homeless Project charity and a further contribution from Walton Charity. Discussions are continuing and a request for a contribution from the Enabling Fund may well be brought to Cabinet or ICMDM for consideration before the end of this municipal year.
In February 2014, the Council agreed in principle to proceed with the disposal of three surplus or under-used sites in its ownership to Paragon CHG, to facilitate the provision of affordable housing. The sites in question comprise land adjacent to the Elmbidge Hub on the High Street in Walton; Ansell Hall and surrounding land at Oakbank Avenue in Walton and the former Molesey Centre for the Community off School Lane in East Molesey. The Panel received a progress report on each site and will continue to do so for the foreseeable future.

2.1.2 Other Items Considered

- Royal British Legion Site, Heathfield Close, Hersham

Following the Cabinet’s approval, on 18 June, to proceed with the purchase and onward disposal of the above site for the purpose of providing an 100% affordable housing scheme, the Panel was consulted on the number and type of affordable homes to be delivered. The Panel was supportive of the proposal to build out the extant permission comprising 8 homes, rather than seeing a radical re-design. It was also supportive of the proposals to provide a mix of general-needs and supported housing. These have informed the contract of sale with Paragon CHG. The Panel received an update on this project at its November 2014 meeting and will continue to do so as the project proceeds.

- Planning obligations, Financial Viability & Affordable Housing – how is Policy CS21 working?

In October 2013, the Panel considered a report on financial viability and affordable housing, outlining the national and local policy guidance and the methodologies used to determine whether it was viable for residential developments to deliver the level of affordable housing sought through our policies. At that meeting, the Panel expressed concerns about the number of planning applications citing financial viability issues to justify not fully meeting the Council’s expectations on affordable housing and Officers agreed to undertake an analysis of how this policy was working. The Panel was provided with a detailed analysis, which concluded that policy CS21 was helping to draw in a significant amount of developer contributions on smaller sites to support affordable housing provision with 102 consents in place with obligations to provide financial contributions attached. Conversely, there had been a fairly sizeable number of cases (around 67) where the Council’s financial consultants had been commissioned to review viability arguments put forward by developers. Of these, 38 of the applications were given planning consent, with 28 having any requirement to provide a contribution to affordable housing waived and eight proceeding with a reduced contribution.

- Planning Policy Update – impact of recent High Court and Inspectorate Decisions on the Local Plan

The Planning Policy Manager provided an update to the Panel (as he had to the Local Plan Working Group) on the implications of recent decisions on the preparation and direction of the Local Plan and the proposed recommendations to respond to these.
A review of recent intermediate affordable housing provision in Elmbridge

This report highlighted the role that intermediate affordable housing tenures can play in Elmbridge and provided an overview of the seven schemes completed between January 2013 and mid-2014 which included shared-ownership provision, including the type of provision and the costs. The information presented in the report confirmed the role that these schemes can play in the local housing market and should help inform the future development of similar schemes in the future.

Developing a new Housing & Homelessness Strategy for Elmbridge 2015-19

The purpose of this report was to advise the Panel of the plans and revised timetable in relation to the formulation and adoption of a new Housing & Homelessness Strategy for the borough. The Panel considered how the strategy should approach the issue of affordable housing delivery. A smaller number of Panel Members have agreed to act as a sounding-board or review-group as part of the drafting process and consultation process which is likely to be convened in mid-February. It is now anticipated that a draft strategy will be taken to Cabinet on 18 March 2015, with a recommendation going to full Council on 15 April to adopt it.

3. Policy Developments Relating to Affordable Housing Delivery since the Panel’s Last Meeting

3.1 At both the July and November meetings, reference was made to the consultation undertaken by the Department of Communities and Local Government in Spring 2015 on plans to prevent local planning authorities seeking affordable housing contributions on schemes of 10 units or less (where the floor area would be 1000 sqm or less). The Government published its response to the consultation and finalised its plans on 28 November, two days after the Panel last met. The ensuing changes to National Planning Policy Guidance confirmed that the Government’s intention to implement its original plans, albeit with some concessions for certain rural communities. The changes also extend to the introduction of vacant building credits, whereby local affordable housing targets would, in most cases, only apply to any net gain in floorspace resulting from a development, rather than the development as a whole, where the existing buildings on site were vacant.

The likely local effect of these changes is likely to become known over the coming months and years, although it will boost the returns for landowners and developers at the expense of providing affordable housing. It is expected to reduce both the number of sites from which affordable housing contributions can be sought and the level of affordable housing that can be required on sites where an existing building stands.

4. Likely Topics for Consideration at Future Meetings

4.1 The AHMP does not have a formally agreed work plan although items for each meeting generally include two key items:
Monitoring of the affordable housing development programme
Monitoring of, Identification and consideration of opportunities for, spend of Enabling Fund

Other items are generally agreed between the Chairman and Officers (and the input from the Panel). This has provided flexibility in terms of preparing agendas and to ensure that items can be brought forward at relatively short notice and meetings remain topical. It is likely that future agenda items for 2015/16 will include items covering:

- The impact of changes to National Planning Policy Guidance on the local delivery of affordable housing
- Updates on the review of the Local Plan Evidence Base – including the Strategic Housing Market Assessment and a Plan-Wide Viability Assessment

**Financial implications:**
None for the purpose of this report.

**Environmental/Sustainability Implications:**
None for the purpose of this report.

**Legal implications:**
None for the purpose of this report.

**Equality Implications:**
The provision of affordable housing can support the Council’s equality and diversity objectives and the delivery of its statutory duties.

**Risk Implications:**
None for the purpose of this report.

**Community Safety Implications:**
None for the purpose of this report.

**Principal Consultees:**
Cllr Chris Sadler, Chairman of the Affordable Housing Member Panel

**Background papers:**
None for the purpose of this report.

**Enclosures/Appendices:**
Appendix A – Terms of Reference
Appendix B – Affordable Housing Development Programme – 2013/14-15/16

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