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2nd January 2018

Dear Sir/Madam

COMMUNITY HOUSING AND HEALTH (OVERVIEW AND SCRUTINY) COMMITTEE

A meeting of the above mentioned Committee has been arranged to take place on **THURSDAY 11th JANUARY 2018** at **6.00 p.m.** in the **COMMITTEE ROOM**, District Council House, Lichfield to consider the following business.

Yours faithfully



Neil Turner BSc (Hons) MSc
Director of Transformation & Resources

To: **Members of Community Housing and Health (Overview and Scrutiny) Committee:**

Councillors Leytham (Chairman), Miss Shepherd (Vice-Chairman), Mrs Evans (Vice-Chairman), Bamborough, Mrs Boyle, Mrs Constable, Hoult, Humphreys, Mosson, O'Hagan and Ray



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AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. To approve as a correct record the minutes of the Meeting held on the 12th September 2017 (copy attached)
4. Work Programme (copy attached)
5. Merger of Burton Hospitals NHS Foundation Trust and Derby Teaching Hospitals NHS Foundation Trust (verbal report)
Executive Directors from both Trusts will be in attendance
6. Affordable Housing Delivery- Approval of Registered Providers and Use of S106 Monies (copy attached)
7. Standing Items
 - a) Lichfield District Health Provision (verbal report)
 - b) Staffordshire Health Select Committee (verbal report)

Briefing Papers:

**COMMUNITY, HOUSING AND HEALTH
(OVERVIEW AND SCRUTINY) COMMITTEE**

12 SEPTEMBER 2017

PRESENT:

Councillors Leytham (Chairman), Mrs Evans (Vice-Chairman), Miss Shepherd (Vice-Chairman), Bamborough, Mrs Boyle, Mrs Constable, Houlton, Humphreys, O'Hagan and Ray.

Apologies for absence were received from Councillor Mosson

DECLARATIONS OF INTEREST

Councillor O'Hagan declared a non-pecuniary interest he was currently employed by the Southern Staffordshire and Shropshire Mental Health Service.

MINUTES

The Minutes of the Meeting held on 30th May 2017 were taken as read, and approved as a correct record and signed by the Chairman.

RESOLVED: That the Minutes of the Meeting held on 30th May 2017 be approved as a correct record

WORK PROGRAMME

Members considered the Work Programme and it was proposed by the Leader of the Council that he would like the Committee to consider his proposal to introduce a Local Member Initiative Fund which would be a small budget for each Council Member to give to help projects in their ward. It was suggested this may go on the Work Programme for the January meeting.

It was requested that updates on DFG's be given to the Committee. It was reported that the specification for the new contract was being developed with partners and more would be known after February 2018. It was agreed for an item to be added to the Work Programme for the March meeting.

Housing and health matters were discussed and it was requested that an item be added for the January meeting on how well the council was meeting the requirement in planning development to have regard for health and wellbeing. It was noted that health in housing was part of the Wellbeing Strategy which the Committee would consider in March.

RESOLVED: That the Work Programme be noted and updated as agreed.

ENERGY EFFICIENCY AND FLEXIBLE ELIGIBILITY

The Committee received a report on a Flexible Eligibility Statement of Intent (SOI) that had been prepared in response to recent changes to one of the Government's

domestic energy efficiency grant schemes. It was reported that these changes allowed authorities to set their own eligibility criteria for a segment of the ECO2t Help to Heat Fund enabling qualifying households support for energy efficiency measures.

It was reported that the Government had made a key change permitting local authorities to set up their own criteria for 10% of the overall ECO fund to enable vulnerable and low income households' access to funding who would otherwise be ineligible for assistance under the normal Affordable Warmth criteria.

The Committee welcomed the SOI and felt it allowed the knock on effect of reducing hospital admissions caused from lack of warmth.

When asked, it was noted that this did not replace the current scheme but allowed the opportunity to allocate some of the funding to reach more residents.

- RESOLVED:**
- (1) That the proposed Statement of Intent be noted; and
 - (2) The Cabinet Member and Director of Place and Community be delegated to agree and sign the final version of the Statement of Intent.

STANDING ITEMS

LICHFIELD DISTRICT HEALTH PROVISION

The Committee discussed various matters that were affecting the health provision in the district. It was reported that the potential introduction of Physician Associates was a cost cutting way of recruiting to help GP's, in the same way PCSO's were introduced to help Police Officers and the Committee had concern with this concept. It was noted that there were still not enough GP's for Burntwood especially with the number of houses approved to be built and the clinic in Whittington had just closed. It was reported that there were still discussions taking place regarding the need for a GP clinic in Fradley.

The merger of Burton and Derby Trusts was also discussed with concern that the 'local health' provision model would be lost to these emerging bigger trusts.

RESOLVED: That the information received be noted.

STAFFORDSHIRE HEALTH SELECT COMMITTEE

The Chairman of the Committee reported the outcomes of the Staffordshire Health Select Committee meeting on the 7th August 2017. Matters noted included the merger of the Burton and Derby NHS Trusts and a report from the Staffordshire and Stoke-on-Trent Sustainability and Transformation Partnership (STP) on their "Together We're Better" initiative.

RESOLVED: That the information received be noted.

(The Meeting Closed at 7.15pm)

CHAIRMAN

COMMUNITY, HOUSING AND HEALTH (OVERVIEW AND SCRUTINY) COMMITTEE DRAFT WORK PROGRAMME FOR 2017-18 (Version 2)

| Item | 30 May | 12 Sep | 11 Jan | 26 Mar | Details | Link to CHH Top 10 | Officer | Member Lead |
|---|---------------|---------------|---------------|---------------|---|--|----------------|--------------------|
| Policy Development | | | | | | | | |
| Terms of reference | ✓ | | | | To remind the Committee of the terms of reference and suggest any amendments | | CLL | N/A |
| General Health Service Review (standing item) | ✓ | ✓ | ✓ | ✓ | To update Members on GP Provision in the District and proposals emerging for Samuel Johnson and Sir Robert Peel Hospitals | N/A | GD | CG |
| Wellbeing Policy | | | | | Task Group to aid the formulation of a Wellbeing Policy | | GD | |
| Feedback from Staffordshire Health Select Committee (standing item) | ✓ | ✓ | ✓ | ✓ | The Chairman of the Committee is the LDC representative on the County Council's Health Select Committee and will feed back on any items of relevance to Lichfield District residents. Councillor David Smith is the County Councillor representative on the Select Committee with a remit to feedback to the local Health Panel / Committee | N/A | GD | DL / DS |
| Funding the community and voluntary sector | | | | | Task Group to monitor the process | | | |
| Disabled Facilities Grants | ✓ | | | | Briefing Paper - Update on performance | 'Deliver a programme of disabled facilities grants to help people remain living safely at home' is a Directorate top 10 priority | GD | CG |
| Public Space Protection Orders and an Environmental Crime Strategy | | | | | Briefing Paper from progress made by the Regulatory & Licensing Committee | | GD | |
| Statement of Intent for Flexible Eligibility | | ✓ | | | | | GD | |

COMMUNITY, HOUSING AND HEALTH (OVERVIEW AND SCRUTINY) COMMITTEE DRAFT WORK PROGRAMME FOR 2017-18 (*Version 2*)

| Item | 30 May | 12 Sep | 11 Jan | 26 Mar | Details | Link to CHH Top 10 | Officer | Member Lead |
|---|-------------------|-------------------|-------------------|-------------------|---|---------------------------|----------------|------------------------|
| Affordable housing delivery- approval of Registered Providers and use of s106 monies | | | ✓ | | Details of how the council has worked in partnership with housing associations (Registered Providers) through a Development Partnership Agreement to deliver new affordable homes since stock transfer. The report also sets out how the council intends to invite bids from Approved Registered Providers for existing s106 monies and future commuted sums to deliver new affordable homes. | | GD | DP |
| Merger of Burton Hospitals NHS Foundation Trust and Derby Teaching Hospitals NHS Foundation Trust | | | ✓ | | Discussion with Executive Directors from both Trusts | | | |

Affordable housing delivery- approval of Registered Providers and use of s106 monies



Report of Councillor Doug Pullen, Cabinet Member for Housing and Health

| | |
|--------------------|--|
| Date: | 11 th January 2018 |
| Agenda Item: | 6 |
| Contact Officer: | Gareth Davies/Lucy Robinson |
| Tel Number: | 01543 308741/308710 |
| Email: | gareth.davies@lichfielddc.gov.uk lucy.robinson@lichfielddc.gov.uk |
| Key Decision? | YES |
| Local Ward Members | All, as applies to the whole of Lichfield district. |

**Community,
Housing and
Health (Overview
& Scrutiny)
Committee**

1. Executive Summary

This report sets out how the council has worked in partnership with housing associations (Registered Providers) through a Development Partnership Agreement to deliver new affordable homes since stock transfer. The Agreement has now lapsed and we propose to replace this with a policy that includes a set of criteria to approve Registered Providers (RP's) for future s106 opportunities (developer contributions) for affordable housing¹. The report also sets out how the council intends to invite bids from Approved Registered Providers for existing s106 monies and future commuted sums to deliver new affordable homes, and the criteria to assess these bids based on their strategic housing fit, deliverability, value for money and affordability.

2. Recommendations

- 2.1 That Members consider and comment on the report.
- 2.2 That Members recommend to Cabinet the proposed criteria for approval of Registered Providers at Appendix A and use of s106 monies at Appendix B.

3. Background

Approval of Registered Providers

- 3.1 In 1999 the council went through a lengthy and rigorous selection process² to select four partners to form a Development Partnership that would work together to deliver new affordable housing; whilst never a legal document the partnership was established on the principles of trust and cooperation. At this time there were several funding streams available from the government to enable delivery of affordable homes including Local Authority Social Housing Grant (LASHG),³ and the intention was that only the four partners would be eligible for this funding, in addition to any s106 opportunities or developer contributions for affordable housing arising from new

¹ Planning obligations made under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms. S106 agreements are often referred to as 'developer contributions' along with highway contributions and the Community Infrastructure Levy. The most common use of planning obligations is to secure affordable housing. See <https://www.lichfielddc.gov.uk/Council/Planning/The-local-plan-and-planning-policy/Planning-obligations/Section-106.aspx>

² This was done in conjunction with the Housing Corporation which became the Homes and Communities Agency in 2008 and is set to become Homes England in 2018. The HCA directs government funding through to and regulates housing associations.

³ LASHG was introduced in 1974 and was available until 2003.

development sites in the district. The Partnership Agreement was reviewed with revisions made in 2004, 2008 and 2011.

- 3.2 Since the selection of the four partners there have been many significant changes, both locally and nationally such as:
- the formation of group structures of many local housing associations, and in particular the merger of HomeZone and Bromford which reduced the number of partners to 3
 - the Housing Corporation became the Homes and Communities Agency(HCA) with a different emphasis on delivery
 - housing associations became known as Registered Social Landlords(RSL's) and more recently Registered Providers(RP's)
 - LASHG was abolished in 2003 and HCA funding towards the delivery of affordable housing gradually reduced, most dramatically since 2010⁴
 - the housing market is very different and the reduction in grant funding has meant that housing associations have had to look for different ways of enabling new supply without recourse to public funding such as buying and developing their own sites and not being so reliant on s106 opportunities
- 3.3 Since mid-2000 the council has occasionally received criticism from housebuilders and their agents that the Development Partnership was precluding competition from other housing associations. Due to this, several years ago it was decided to change the wording of s106 agreements to stipulate that a housing association had to be 'approved'⁵ by the council as opposed to 'preferred', meaning that other housing associations not just those in the Development Partnership could bid for s106 opportunities. In addition to the original partners, the council has 'approved' another 4 housing associations, one as they acquired s106 units that none of the partners would purchase, and another three as they brought forward significant affordable housing opportunities of their own. The additional RP's were approved as they could demonstrate that they were committed to delivering good quality, well designed, sustainable, adaptable, affordable homes in the District, could meet our strategic housing aims and had excellent housing management and maintenance standards⁶.
- 3.4 In 2017 the council has received approaches from two new RP's that have entered into arrangements with national housebuilders and have sought to become approved for the purposes of the s106 agreement. Both of these are 'for profit' RP's meaning that rather than surpluses being reinvested in the stock and communities they pay dividends to shareholders. Of the 1,746 RPs registered with the HCA, only 39 or 2% are 'for profit' with the majority being non-profit and predominantly charitable housing associations like those currently operating in the district.
- 3.5 The Partnership Agreement, that was last reviewed and signed in 2011 for a period of 4 years, has now lapsed. This along with the changes and approaches outlined above mean that rather than look to revise such an agreement, we propose to adopt a policy on the council's criteria to approve new RP's. All Approved RP's would then be monitored and reviewed on an annual basis to ensure that they continue to meet the criteria; they would be invited to regular meetings to discuss development opportunities and their performance on managing their homes and enabling new supply.
- 3.6 A set of proposed criteria for approving Registered Providers is attached at Appendix A.

⁴ RP's can bid for funding for new affordable housing to the HCA through the National Affordable Homes Programme (NAHP).

⁵ S106 agreements state that an RP has to be approved by the council but that approval will not be unreasonably upheld.

⁶ Source: Developer Contributions SPD 2016

Use of s106 monies received (commuted sums)

- 3.7 Where constraints preclude the delivery of affordable housing on site it is possible to negotiate a commuted sum⁷ in lieu of the affordable homes normally required. The council currently has £400,000 of commuted sums in reserves that we are now seeking to use towards delivery of affordable housing. Other smaller sums have been negotiated⁸ that once received, we propose to keep in reserves to allocate once an amount c£200k has been collected.
- 3.8 It is proposed to allow the RP's that have been approved by the Council to bid for this money and a recommended set of criteria to be used to assess bids is attached at Appendix B. It is proposed to evaluate the bids on their strategic housing fit and how well they meet housing needs, their deliverability, value for money and affordability.
- 3.9 We plan to invite bids from the approved RP's and will allow 6 weeks to receive submissions. The bids will be assessed by a panel of officers and the Cabinet Member for Housing and Health.
- 3.10 The proposals have considered the Council's developing property investment strategy, which may present further options for the development of affordable homes in the future.

| | |
|------------------------|--|
| Alternative Options | <p><u>Approval of RP's:</u></p> <ol style="list-style-type: none"> 1. To do nothing and not approve more RP's/have a criteria 2. To adopt different criteria for approving RP's and/or assessing bids 3. To not have an approved list and relax s106 agreements to enable all future s106 negotiated new-build affordable housing to be allocated to any organisation of the developer's choice. 4. To develop a new Partnership Agreement with existing partners. 5. To develop a new Partnership Agreement, re-advertise for new development partners and have a full selection process of interviews and presentations. <p><u>Use of s106 monies:</u></p> <ol style="list-style-type: none"> 1. To adopt different criteria for allocating s106 monies 2. To not open up the funds to all Approved RP's and only allocate to the stock transfer RP Bromford, however this would reduce the competition element from the process. |
| Consultation | <p>We have consulted the original 3 development partners and the other 4 approved RP's on our proposals and criteria for approval. All have welcomed our approach and feel that the council has acted reasonably in its approval of RP's to date and that having a policy with criteria for approving current and future RP's is a very good way forward. One RP said that "We feel that the approach is fair, open and transparent. We completely agree that having a management presence in the area is vital to ensure that estates are managed well and tenants are supported". All approved RP's have also welcomed the opportunity to be able to bid for s106 monies to deliver more affordable homes.</p> |
| Financial Implications | <p>The first bidding round will use £400k of s106 monies that is currently held in reserves. Other commuted sums negotiated will be added to reserves once they</p> |

⁷ Developer Contributions SPD 2016 states that any alternatives to on-site provision will only be considered in exceptional circumstances and where off -site alternatives are considered to be the best way to achieve the delivery of affordable housing- see <https://www.lichfielddc.gov.uk/Council/Planning/The-local-plan-and-planning-policy/Supplementary-planning-documents/Downloads/Developer-Contributions-SPD/Developer-Contributions-SPD.pdf>

⁸ Other commuted sums totalling £654,100 have been agreed but they will not be due until the schemes start on site

| | |
|---|---|
| | are received and other invitations to bid will be conducted once sums circa £200k are collected. |
| Contribution to the Delivery of the Strategic Plan | The Strategic Plan 2016-2020 sets out what we want to achieve in four main themes. The development of new affordable homes will contribute towards the theme of 'clean, green and welcoming places to live' and by helping to reduce homelessness it will contribute towards the theme of 'healthy and safe communities'. |
| Equality, Diversity and Human Rights Implications | The new homes will have be a positive impact on the availability of affordable homes for those in need, particularly vulnerable, low income households. |
| Crime & Safety Issues | New affordable homes may help to improve an area previously subject to anti-social behaviour which will impact positively on our duty to prevent crime and disorder within the district (Section 17 of the Crime and Disorder Act, 1998). |

| RISK | Risk Description | How We Manage It | Severity of Risk (RAG) |
|------|--|--|------------------------|
| A | No RP's come forward to bid for the s106 monies or inadequate bids are received. | Promotion amongst all RP's and sufficient lead in time given to develop bids. | G |
| B | Legal challenge from RP's that we do not approve that seek to pursue s106 opportunities with developers. | Discussion with major housebuilders with sites in the district and promotion of the approved list to ensure that they contact these RP's to invite bids. | A |

Background documents:

Relevant web links:

[Lichfield District Housing Strategy 2013-2017](https://www.lichfielddc.gov.uk/Residents/Housing/Housing-strategy/Download-our-housing-strategies) - <https://www.lichfielddc.gov.uk/Residents/Housing/Housing-strategy/Download-our-housing-strategies>

[Lichfield District Council Strategic Plan 2016-2020](https://www.lichfielddc.gov.uk/Council/Performance-efficiency/Strategic-plan-2016-2020.aspx) - <https://www.lichfielddc.gov.uk/Council/Performance-efficiency/Strategic-plan-2016-2020.aspx>

[Local Plan Strategy 2008-2029](https://www.lichfielddc.gov.uk/Council/Planning/The-local-plan-and-planning-policy/Local-plan/Local-Plan-Strategy.aspx)- <https://www.lichfielddc.gov.uk/Council/Planning/The-local-plan-and-planning-policy/Local-plan/Local-Plan-Strategy.aspx>

[Tenancy Strategy 2012](https://www.lichfielddc.gov.uk/Residents/Housing/Housing-strategy/Download-our-housing-strategies)- <https://www.lichfielddc.gov.uk/Residents/Housing/Housing-strategy/Download-our-housing-strategies>

Criteria for becoming an Approved Registered Provider

To become included on the 'Approved list of Registered Providers', organisations must demonstrate that they:

1. Are registered with the Homes and Communities Agency (HCA) and are judged by them as compliant for governance and viability requirements⁹
2. Manage stock in the local¹⁰ area and/or have an established local management arrangement
3. Have a sustainable and long¹¹ track record in the management of affordable homes and have a plan in place to reinvest any surpluses for the benefit of local communities

They must also agree to:

1. Have in place or agree to develop a nomination agreement¹² with the council and allocate homes in accordance with the council's allocation policy through the choice based lettings system¹³
2. Commit to the principles enshrined within the council's Tenancy Strategy
3. Agree to develop a complaints protocol by negotiation with the council
4. Attend and actively contribute to the council's Strategic Housing Partnership and other Development related meetings
5. Consult and liaise with council officers about potential new development opportunities

Note: This criteria will be reviewed to ensure compliance on an annual basis.

⁹ The HCA publishes regulatory judgements on RP's for compliance with the governance and viability requirements of the Governance and Financial Viability Standard. G1 and V1 are the preferred ratings.

¹⁰ Local = to own or manage stock in Lichfield District or a neighbouring authority

¹¹ Long term is 5 years plus

¹² The nomination agreement is for purposes of allocation of housing (nomination, acceptance and refusal of nomination) and successful partnership working between the RP and LDC.

¹³ The current choice based lettings system is called Homes Direct

| Evaluation Criteria | What We Would Like to See |
|--|---|
| <p>1. Strategic housing fit</p> <p>Bids will be assessed in relation to how well the proposed scheme(s) complies with the council’s Strategic Housing priorities as set out in:</p> <ul style="list-style-type: none"> • Strategic Plan 2016-2020 • Housing Strategy 2013-17 • Tenancy Strategy 2012 • Local Plan Strategy 2008-2029 <p>The proposed scheme(s) will need to make a clear contribution to meeting housing need and providing healthy, sustainable communities.</p> | <p>Strategic Housing priorities:</p> <ul style="list-style-type: none"> • The housing mix, type, size and tenure meets identified housing needs • Increased provision of social rented or affordable rented homes. • Reduced homelessness <p>Suitability and sustainability of the location:</p> <ul style="list-style-type: none"> • Brownfield land brought back into use • Close proximity to amenities, employment opportunities and public transport provision • Conforms with the Local Plan Strategy <p>Promotes health and wellbeing:</p> <ul style="list-style-type: none"> • Scheme design includes high-quality greenspace and encourages physical activity • Provision of Lifetime Homes • Safe and accessible scheme design |
| <p>2. Deliverability</p> <p>The proposed scheme(s) must be deliverable within a reasonable timescale, preferably within 6 months of approval.</p> | <p>The bid should address the following:</p> <ul style="list-style-type: none"> • Evidence of site ownership • Confirmation of any pre planning application advice that has been received or planning permission obtained • Outline of anticipated construction schedule and how ‘start on site’ will be achieved by the agreed date • Confirmation of payment dates and amounts |
| <p>3. Value for Money</p> <p>Scheme proposal should demonstrate value for money. The most competitive scheme that maximises the number of bed/person spaces will be awarded higher marks.</p> | <p>The scheme will ensure:</p> <ul style="list-style-type: none"> • Delivery of affordable homes that would otherwise be undeliverable without commuted sum funding • Maximisation of new affordable home bed/person spaces for the funding requested • Additional New Homes Bonus and council tax received |
| <p>4. Affordability</p> <p>The proposed scheme should be affordable and designed to minimise running costs.</p> <p>Rents should be lower than LHA rates.</p> <p>Social rent is preferable to affordable rent.</p> | <p>Housing costs:</p> <ul style="list-style-type: none"> • Confirmation of proposed rents, between 60% and 80% of the market rent and no more than Local Housing Allowance¹⁴ • Explanation and breakdown of any service charges and the terms and conditions which will be applied. • Where included, shared ownership homes must be affordable <p>Fuel poverty:</p> <ul style="list-style-type: none"> • Confirmation of energy efficient design, including any low/zero carbon energy generation technologies |

¹⁴ Local Housing Allowance was introduced in 2008 and is the maximum financial help that a tenant of a private landlord can get towards the rent. It is based on the 30th percentile of local rented accommodation in the area in which the housing benefit claim is made. These areas are called Broad Rental Market Areas, defined as "where a person could reasonably be expected to live taking into account access to facilities and services.