

<u>Committee and Date</u>	<u>Item</u>
	<u>Public</u>

## Appendix E

### ADDRESSING UNMET HOUSING NEED

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#### 1. Summary

- 1.1 A 'Meeting Housing Need in Shropshire' Report presented to Cabinet on 7th November 2018 described the serious housing challenges facing the county.
- 1.2 In summary, a large proportion of residents in Shropshire simply cannot afford to own or rent a property. Developers are not building the right homes in the right places and are concentrated on building the most profitable larger executive houses.
- 1.3 On the 12<sup>th</sup> and 13<sup>th</sup> December 2018, the 'Addressing Unmet Housing Need – Outline Business Case to Establish a Wholly Owned Local Housing Company' Report was presented to Cabinet and Council with unanimous approval given for the following recommendations:
  - In principle that a Council Wholly Owned Local Housing Company be formed.
  - The outline governance and constitutional arrangements for the Company... are agreed.
  - A full business case, business plan, financing and governance arrangements be developed by the Executive Director of Place in consultation with the Portfolio Holder for Planning & Housing Development; and be brought back for final approval.
- 1.4 With the significant county-wide opportunities this presents, Performance Management Scrutiny Committee on 4<sup>th</sup> November 2018, agreed that the proposals for Council decision on 28<sup>th</sup> February 2019 would benefit from pre-decision scrutiny and investigation from a Rapid Action Task & Finish Group, held on 22<sup>nd</sup> January 2019.

- 1.5 The investigation was separated into three Key Decision Areas of strategic aims, development scope & ambition and governance (in keeping with legal advice).

## **2. Recommendation**

- 2.1 Council instruct the Executive Director of Place, in consultation with the Portfolio Holder for Planning and Housing Development, to ensure recommendations are embedded into the proposed Local Housing Company's setup and future operation.

## **3. Background**

- 3.1 The Task & Finish Group met on 22<sup>nd</sup> January 2019 and held four intensive sessions. Session 1 covered background / context, the County's current housing stock and unmet housing need. Session 2, strategic aims, potential development sites and innovation & leadership. Session 3, governance, legal advice, shareholders committee (supervisory board), wider council structures required and proposed funding draw-down mechanism.
- 3.2 The methodology used was a desktop exploration of contextual data and information, a supporting presentation, witness from key Officers and Members, and previous reports.
- 3.3 Documents included:
- Presentation
  - 'Meeting Housing Need in Shropshire' Cabinet Report 7th November 2018
  - 'Meeting Housing Need in Shropshire' Performance Scrutiny Report 14<sup>th</sup> November 2018
  - 'Addressing Unmet Housing Need – Outline Business Case to Establish a Wholly Owned Local Housing Company' Cabinet & Council Report 12<sup>th</sup> and 13<sup>th</sup> December 2018
  - Trowers & Hamlins Legal Report (also an attachment in Cabinet & Council Report 12<sup>th</sup> & 13<sup>th</sup> December 2018)
  - The ONE Scheme Draft Masterplan
  - Unmet Housing Need Statistics

## **4. Task & Finish Group Outcomes & Feedback**

4.1 Outcomes and feedback are separated below into the three interrelated Key Decision Areas. It is recognised that these recommendations are complex and challenging, but nonetheless the Council should be as ambitious as possible.

### **4.2 Strategic Aims**

- Build the right homes in the right places, based on need and not the most profitable sites.
- Address specific local housing supply needs and market deficiencies.
- Generate income across the portfolio to enable development of less financially viable sites.
- Generate income and create opportunities to assist the Council to provide services.
- Prioritise development that aids other Council departments, such as Adult Social Care and Children's Services.
- Utilise the Company to Place Shape and deliver housing to empower independence.
- The Company should promote economic growth; skills and employment.
- Make best use of the Shropshire Pound by using local contractors and local supply chain where possible.
- Be a market leader and promote industry change through best practice and leading by example.
- Innovate and develop housing related technologies and practices.
- Work with Registered Providers (Housing Associations) and other developers where possible.
- Support creation of a Council 'Developers Accreditation Scheme'.
- Utilise local knowledge and market intelligence from working with Members, parish councils, farmers / landowners and estate agents.
- Develop systems to provide strategic insight.

### **4.3 Development Scope & Ambition**

- Geographical spread of development across the whole county; urban and rural; purchase land to develop in the South.
- Deliver mixed development and bungalows where possible.
- Increased affordable housing provision.
- Key Worker, young people and older people housing.
- Be ambitious in development numbers and schemes.
- Reduce build times and delivery timescales.
- All properties built to Lifetime Homes Standard.
- Advance good design and utilise modern methods of construction.
- Build more spacious homes and include storage.
- Homes to be energy Efficient and promote sustainability.
- Produce communications and engagement plans for each proposed development to refine, modify and improve development proposals.
- Target and bring empty properties back into use where viable.

- Build in the flexibility to do some smaller schemes.
- Use methods of procurement that allow local companies to be involved and which train and skill local people
- Use housing property specialists where required to advise on market prices, models and deals
- Work closely with town and parish councils to identify unmet housing need, the type and tenures of housing to fulfil this need and use town and parish literature as a means of promoting this work to local people
- Explain what we mean by sustainable in the context of sustaining and strengthening local communities along with environmentally sustainable methods of construction and low carbon technologies.

#### 4.4 Governance

- Strong cross-party political working essential.
- Supportive of legal advice and proposed governance structure.
- 'Shareholder Committee' should be renamed to 'Supervisory Board'.
- Local Housing Company should grow based upon successful programme of delivery.
- Provide regular updates to Performance Management Committee.
- Supportive of proposed loan funding draw-down mechanism (based on current arrangements with two local Housing Associations).

### 5. Next Steps

- 5.1 This report was presented to Performance Management Scrutiny Committee on 6<sup>th</sup> February 2019. The Committee unanimously approved the report and agreed for it to be forwarded for consideration.

<b>Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
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<b>Cabinet Member (Portfolio Holder)</b>
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Cllr. Robert Macey
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<b>Local Member</b>
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All Members
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<b>Appendix</b>
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