



At the last meeting of the Task Group, Members considered an issues document which provided information and key facts relating to the Group's investigation into the desirability and practicalities of building new council housing in the Borough.

It was reported that, following the Group's discussion and in response to the points raised at the meeting, further talks had been held with a number of agencies and the Regulator of Social Housing. The outcome was submitted in a report to the meeting and included updates on the following –

- **Becoming a Registered Provider (RP)**

Although initial discussions with Homes England had indicated that the process of becoming an RP could take at least 12 months, further enquiries had established that the process would be much quicker for local authorities than for other housing providers.

- **Right to Buy (RTB)**

The Task Group had previously been provided with details of the considerable discounts available to tenants under the Right to Buy Scheme and the potential risks to the Council as a result.

The update report provided information on one of the factors that may limit the level of discount a tenant would be entitled to receive under RTB which related to the 'cost floor' i.e. the amount of money spent on an individual property prior to the existing RTB. As such, the Council would be able to limit the level of discount offered by offsetting the expenditure in the previous 15 years on the property prior to sale.

Details of the costs that could be considered and examples of how the issue could affect the level of discount were detailed in the report.

Members noted the report and continued the meeting by welcoming Kevin Ruth of Together Housing Group (THG) and Alan Davies of Peter Birtwistle Trust (PBT) who had been invited to the meeting to assist the Group with its review.

The Peter Birtwistle Trust was a Registered Charity and Housing Association based in Colne. The Trust's 84 properties comprised of bungalows and flats, all of which were situated in Colne. The eligibility criteria included the need for applicants to have been born in Colne or have lived in Colne for 10 years or more, meaning that it catered for a small niche market. Despite these restrictions, the waiting list stood at approximately 120.

In contrast, the Together Housing Group was a much larger organisation. As previously noted, the Council's housing stock had been transferred in 2006 to a housing association called Housing Pendle which entered into a partnership with Twin Valley Homes. Over time this partnership had grown to encompass a number of other housing associations, all of which were now under the Together Housing Group organisation covering the north of England.

Members asked various questions of the guests which led to discussions on the likely demand for Council housing and the practicalities of delivering such properties. Things to be taken into account included –

- **Financial capacity**

Due to financial viability the building of affordable housing would have to be subsidised. Examples

given of how to fund development included applying for a Government grant; selling land; applying for a loan; mortgaging existing property/housing stock; selling assets. Government grants alone were not always sufficient without other subsidy.

- **Land opportunity**

The value of any site would need to be maximised and any site to be purchased would be done in competition with the private development market. Site investigations; infrastructure requirements; cost of construction; and professional fees would also need to be considered.

- **Skills/expertise**

The number of staff required to deliver new Council housing would depend on the scale of the proposals. PBT employed a small number of staff and used local companies for gas safe and electrical work. It was the view of Mr Davies that, with this in mind, the development of council housing on a small scale could be possible.

However, things to consider when looking at skills included the need for appraisal of sites; the delivery of the programme/project management; land buying; architects; surveyors etc., plus the ongoing maintenance and management of the housing stock.

The ongoing management was a key issue for the Group. It was felt that at present the management of the former council housing stock, now owned by the THG was no longer locality based or tenant focussed. This was in contrast to the operation of the smaller PBT which benefited from being locally controlled. However, it was noted that, although THG had become more corporate, it continued to have neighbourhood managers that were responsible for individual areas; resident led scrutiny panels; and local housing panels.

The joint venture partnership between Pendle Council, Barnfield and Together Housing was also discussed. Pearl Together Limited had been formed to increase development of both new open market and affordable housing schemes in Pendle. However, this was being hindered by the availability of sites, which would also be a constraint for the Council should it choose to build new housing.

## **Conclusion**

The general feeling was that the potential costs of developing new council housing schemes, together with a programme of long term maintenance, would likely outweigh the return, which could result in the Council making a loss. However, Members felt that there could be scope for the development of pocket sites i.e. small Council owned pieces of land, and suggested that the opportunity for this be further explored.

The decline in local management of the former council housing stock continued to be a cause for concern. The formation of Pearl Together Limited for the building of houses was viewed positively and it was therefore suggested that maybe a partnership for the ongoing management of housing schemes could also be created.

As a result the following recommendations were agreed –

That –

- (1) Council be asked to advise Government that, should it require Councils, and in particular

Pendle Borough Council, to play a more active part in creating new housing stock, then the opportunity for further subsidies must be made available;

- (2) the opportunity for the development of pocket sites be further explored as part of the Council's Asset Management Strategy;
- (3) in recognising the loss of council democratic involvement in housing management, opportunities for the wider local management of existing social housing be investigated;
- (4) in order to increase the opportunity for tenants of housing associations and privately rented accommodation to provide feedback, and for landlords to do the same, the possibility of developing an app. be explored.

CHAIRMAN \_\_\_\_\_