

POLICY COMMITTEE

TUESDAY, 19 JANUARY 2016

PRESENT: Councillors George Bathurst (Chairman), Claire Stretton (Vice-Chairman), David Burbage, Stuart Carroll, Carwyn Cox, Ross McWilliams, Jack Rankin and Wesley Richards

Also in attendance: Tim Willcocks, Radian

Officers: Chris Hilton, Simon Fletcher, Andrew Brooker, David Scott, Alison Alexander, Michaela Rizou, Michael Llewelyn, Karen Shepherd, Nick Davies, Craig Miller and Russell O'Keefe

APOLOGIES FOR ABSENCE

Apologies for Absence were received from Councillors Dr. Lilly Evans and Lynne Jones.

DECLARATIONS OF INTEREST

Councillor Rankin declared an interest in the item 'Increasing Home Ownership – Options' as he was currently looking to buy a property in Windsor.

MINUTES

RESOLVED UNANIMOUSLY: that the minutes of the meeting held on 1 December 2015 be approved, subject to the following amendment:

E-consultation Update to read:

'The committee agreed that we note the progress on this subject, speak with Councillor Coppinger and look into the transparency policy and *add the item to the policy longlist for inclusion in the 2016 work programme.*

INCREASING HOME OWNERSHIP - OPTIONS

Members considered options for increasing the rate of home ownership within the Royal Borough of Windsor and Maidenhead. Members received an innovative solutions presentation from the Assistant Director of Land and New Homes at Radian, Tim Willcocks. Radian was a partner with the Royal Borough with stock in the area. Mr Willcocks explained that he was also the South East Group Chair of the National Housing Federation and also chair of the National housing Group which comprised housing associations across the country focussing on affordable home ownership. It was a lobbying and policy group.

Mr Willcocks began the presentation by outlining the policy environment. Central government's aspiration for home ownership focussed on the delivery of new homes with delivery focussed around starter homes. Help to buy would be retained until at least 2021. Shared ownership was grant funded. The right to buy programme which had been heavily publicised during the election, no longer seemed to be talked about.

The government planned for 1 million new homes during the lifetime of the parliament, including 200,000 starter homes by 2020. The industry sector had expected no grant for housing in the autumn spending review but funding of £2.3bn had been allocated, although in relation to very different products. A cap of £4bn had been put on funding for 135,000 shared ownership homes. Small allocations had been made for specialist housing and right to buy. The withdrawal of grant for affordable rent had required housing associations to change business models.

For Radian the impact of rent cuts amounted to £11-12m and would lead to challenges in four years' time. Radian had signed up to the right to buy deal but had questions over the replacement scheme and funding. Radian expected the scheme to take place but at lower numbers than expected. Radian would need to model its development programme to reflect a different tenure mix.

Mr Willcocks then presented a number of home ownership options to Members:

Shared Ownership

- Individuals could buy an affordable share in a new or resale home, with a low rent on the remainder
- As a result of the spending review, there had been changes to eligibility to broaden the scheme out beyond first time buyers or key worker groups.
- The scheme was very popular and well understood
- The cap had been increased to £80,000 which was important in high value areas
- DIYSO was one scheme, already in use in the borough

Help to Buy

- Individuals could buy a new home from a developer with a 5% deposit, 75% mortgage and a 20% equity loan free for 5 years then low interest

Starter Homes

- Individuals could buy a new home at 80% of market price
- The discount stayed for five years, then fell away
- Only for first time buyers aged under 40

- The scheme did not add to the affordable housing stock in an area

Right to Buy

- Tenants had the option to buy their existing home
- There was a discount of up to £77,900 discount outside of London
- Radian anticipated the scheme would be delivered but not to the numbers originally expected
- Housing associations could set their own eligibility criteria

Rent to Buy

- Individuals could rent a new home at 80% of market rent, enabling them to save for a deposit
- The scheme had been around for some time but there was little funding.

Members noted the salary and deposit requirements for an example property with market value of £275,000 given the different schemes detailed above.

Mr Willcocks explained that opportunities going forward included an increase in shared ownership delivery, boosted by government momentum on starter homes. The continuation of the help to buy scheme added certainty. Challenges included whether properties were affordable and attainable, product competition, mortgage availability, consumer confusion and developer appetite and opportunities. Radian saw improving opportunities in relation to wider shared ownership delivery, the expansion of DIYSO, lower share availability, tenant incentives and the acceptance of home owners and older buyers into schemes.

Delivery in the borough was challenged by house prices, land availability and land competition. S106 could be a double-edged sword as if it became too onerous, delivery became complicated. Innovative schemes were needed, for example exception site policies to release land only for affordable housing.

Councillor Burbage commented that the borough had been looking at a number of the ideas for a few years; it was pleasing that government focus now matched that of the borough. The government was pleased with the deal with the housing association sector in relation to right to buy for housing association tenants. Five associations were piloting the scheme. Councillor Burbage noted that two local housing associations, Housing Solutions Ltd and One Housing Group, had voted in favour of the pilot commencing and that the council was keen to replicate it within the Royal

Borough. Mr Willcocks explained that Radian was not one of the pilots but in principle was supportive of the idea of giving tenants the right to buy their own home. As a business model Radian would need confidence in getting receipts if properties were sold at discount. This would be achieved by local authorities selling their high value stock therefore there were questions over deliverability. The Radian board was still working through the policy implications. Housing associations would have the opportunity to set their own criteria but would not want to sell all stock, for example in rural areas where it would be difficult to replace.

Mr Willcocks explained that Radian had a number of ideas how lower share products could work. The problem lay with mortgage lenders who generally required a minimum 25% share. Radian was working with local and regional building societies to start a pilot.

Councillor Rankin commented that the main aspiration of young people was to get on the property ladder but this was very difficult. Mr Willcocks confirmed that in the starter home schemes, properties would only be available at a capped price of £250,000 outside London after discount. Councillor Burbage commented that a starter home in Windsor was likely to cost a further £100,000. Councillor Rankin asked whether the borough could be considered as London for the purposes of the scheme. Mr Willcocks suggested the council could raise this with central government, however he commented that housing policy in London was dealt with by the GLA, whereas outside London it was dealt with by the HCA and DCLG. A number of local authorities operated a discount market sale scheme where as part of section 106 a percentage was allocated for affordable housing. As this was not a government scheme there was no cap and was within the gift of a local authority.

Councillor Rankin commented that one aspect of shared ownership that put people off was that although they could afford the cost at the present time, they may not be able to afford it later on when they were in a different point in their life. Mr Willcocks referred Members to staircasing schemes where the amount of equity could increase in the same property. New eligibility criteria also allowed for homeowners to move from one property to another in the scheme. The Committee were assured that a participant would have the option to buy the shared ownership outright.

It was confirmed that the stamp duty threshold was £125,000 and there were currently no stamp duty holidays. Members noted that with shared ownership you could elect to pay either on the share you bought then pay more as time went on, or waive the stamp duty and pay when the threshold was reached.

The Chairman commented that Members experienced resistance from planning policy in relation to shared ownership. Mr Willcocks commented that housebuilders were not necessarily fans of shared ownership. Radian would like to look at options through exception sites. The Director of Planning, Development & Regeneration commented that planning policy was not resistant to shared ownership but resistant to not providing affordable rent. Through the Borough Local Plan the Inspector expected the borough to show an assessment of market need and have a plan to satisfy the need. Mr Willcocks commented that emerging planning policy would say affordable rent was no more and would be unlikely to feature in any S106 agreement going forward. This view came from discussions with HCA and DCLG over the last few weeks. Starter

homes would be delivered through S106. Of the 200,000 planned, the government expected 140,000 to come through S106 agreements. Strategic Housing Needs Assessments would become irrelevant as the government was likely to give local authorities targets for starter homes instead.

In relation to right to buy, Mr Willcocks commented that the government's newly announced 'sink state' regeneration scheme would be another part of housing policy. However he felt it would be expensive and difficult to achieve. It was a challenge for any provider to sell off stock in an area where it was difficult to provide new homes. A housing association would not necessarily use the funds from sold off stock to re-invest in the same area. Receipts from high cost areas would be used in low cost areas where more could be delivered.

Councillor Burbage agreed to contact central government in relation to the borough being considered as part of London in terms of starter homes.

The Chairman thanked Mr Willcocks for his presentation.

Members considered the accompanying report in the agenda, which recommended further work be undertaken in relation to some of the options raised in the presentation from Mr Willcocks, particularly starter homes and shared ownership, including a plan for investment of S106. Councillor Burbage commented that an upcoming workshop would help flesh out the proposals. It was valuable that Radian had products it would be able to develop with the right land availability. The council should talk to other housing associations to see what proposals they were considering. There was a need to reflect in the council policy the likelihood of the demise of affordable rent. Councillor Rankin suggested the report to Cabinet would need to have an emphasis on buying rather than renting.

RESOLVED UNANIMOUSLY: That the Policy Committee:

- i. **Requests that a partnership and investment plan to increase home ownership be submitted to Cabinet for consideration in April 2016.**

RECYCLING TASK & FINISH GROUP - ACTION PLAN & TEXTILE RECYCLING PROPOSAL

Members considered options to increase textile recycling in the borough. A recent study had demonstrated that just under 5% of landfill in the borough was textile based, much of it reusable. The task and finish group had researched a number of options to enhance the service currently offered to residents and also increase recycling rates.

Members noted the options as detailed in section 2 of the report. The recommended options were as follows:

- Option 2 - Let an agreement with a single provider to supply and empty textile banks to overcome the issues of inconsistency in the current informal arrangement
- Option 4 – work with a commercial or third sector organisation to provide door to door collection services. This would bring the opportunity to share income for reusable materials.
- Option 5 - work with a commercial or third sector organisation to provide textile collection services to local schools.

With the options generating shared income the council would have flexibility in how the income was then used. There was healthy competition in the market for provision of such services and therefore value for money could be achieved. The council's own trading entity could be used.

Councillor Cox commented that there were a number of ways to approach the issue. The current provision of bring sites was not quite right therefore options proposed would improve convenience for residents. Councillor Burbage referred to WRAP figures showing textiles had an approximate value of £200-£300 per tonne yet the income generation in the report suggested just £3000-5000 for the borough. It was explained that the figures were conservative and based on collection rates in other local authorities. There was no universal provision method therefore comparisons were difficult. The Cabinet Policy officer commented that the majority of authorities already recycling were London-based and local authorities had invested significantly in the services.

Councillor Rankin highlighted the EAST principles (easy, attractive, social and timely). For this service, enabling residents to place textiles in the blue bin would get the best result. Councillor Cox explained that this had been fully explored but the costs were not viable. Weekly collections meant the service was constrained by the vehicles dealing with all the different collection streams; it would be difficult to bring in a further stream at this stage but could be considered for future contracts.

Councillor Ms Stretton commented that a door collection service was the ideal way forward. Unlike other waste, textiles could be stored in the property for a while therefore monthly collections would be possible.

The Chairman stated that there was not enough information, particularly in relation to costs, to enable the committee to recommend options, therefore he proposed only the second recommendation be approved

RESOLVED UNANIMOUSLY: That Policy Committee:

- Request that a report be presented to Cabinet setting out the options for enhanced textiles recycling services for consideration in March 2016.**

NUDGE SUBCOMMITTEE - PROGRESS UPDATE

Members considered an update on the work of the Nudge Sub-Committee (NSC) to date. The Cabinet Policy Officer explained that the sub committee had met a number of times since the report to the Committee in September 2015. The Committee was asked to endorse the work undertaken so far and add any further items to be explored.

Tackling Mental Health Issues in Young Men - Members noted the lead officer had been on compassionate leave and therefore more work would be undertaken on their return.

Boosting Business Rates Collection – Progress had already been noted by the Committee in relation to the letters sent out to ensure more timely and full payments. Collection rates of 97% were achieved but over 3-4 years. This performance was not good compared to the southeast.

Refreshing RBWM's Advantage Card Offer – this was a pan-council initiative. Nudge could assist with incentivisation but this was a larger project and would return to the Committee in future with options including the move to a mobile app.

Boosting Active Citizenship/Volunteerism – Discussions had taken place in relation to a matching service.

Boosting In-House Fostering and Adoption Numbers – Adoption numbers were solid therefore the focus was on fostering, particularly for 10-14 year olds.

Demand-led budgeting in Home to School Transport – A scheme in Reading was being assessed to promote independence in SEN services. Demand-led budgeting would be a future issue for consideration.

The Chairman commented that the Advantage Card was a large project including communications and technology and the topic would therefore come out as a separate group. The proposals for home to school transport were welcomed both to improve independence as well as saving money.

Members did not identify any further topics for inclusion on the work programme.

RESOLVED UNANIMOUSLY: That the Policy Committee:

- i. **Endorses the Nudge Sub-Committees' Work Programme.**

POLICY COMMITTEE - PROGRESS TO DATE AND REVIEW OF THE WORK PROGRAMME

Members considered an update on the work of the Policy Committee to date.

Councillor Ranking suggested 'Pocket Parks' should be added to the long list.

Councillor Burbage commented that the council had a general commitment to 24/7 services. He suggested the option of libraries being open 24 hours per day on the basis that they were covered by CCTV and users would need a swipe card to enter and use the library. The Chairman referred to an earlier suggestion by Councillor Ed Wilson for the Tinkers Lane desk that was open 24/7 to be accessible to residents. He suggested that cashless parking and variable rate parking could be incorporated in the Advantage Card app.

Councillor McWilliams suggested areas should be considered that the council was not necessarily responsible for and could allow the private sector to provide. Members noted that a report would be brought to Cabinet in March 2016 to refresh the Transformation strategy which focussed on delivering differently.

The Chairman requested the updated list be emailed to all Members to invite additional suggestions.

RESOLVED UNANIMOUSLY: That the Policy Committee:

- i. Notes the progress on work completed, see section 2.**
- ii. Considers the longlist of policy suggestions, see Appendix A, and agrees a work programme for 2016.**
- iii. Delegates approval of the final work programme to the Chair of the Policy Committee in consultation with the Cabinet Policy Manager.**

FUTURE MEETING DATES

Members noted the following future meeting dates:

3 March 2016 (meeting date had been changed from 24 February)
18 April 2016

The meeting, which began at 7.00 pm, finished at 8.22 pm

CHAIRMAN.....

DATE.....