

CABINET REGENERATION SUB COMMITTEE

TUESDAY, 13 DECEMBER 2016

PRESENT: Councillors Simon Dudley (Chairman), Jack Rankin (Vice-Chairman), Phillip Bicknell, Carwyn Cox, Samantha Rayner, Derek Wilson and David Coppinger

Principal Members also in attendance: Councillors Bateson and D. Evans

Deputy Lead Member also in attendance: Councillor Hilton

Officers: Russell O'Keefe, Karen Shepherd, Alison Alexander, Shauna Hichens and Rob Stubbs

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Saunders

DECLARATIONS OF INTEREST

Councillor Cox declared an interest in the item 'Land at Ray Mill Road East – Appointment of a Development Partner – Update' as he lived across the road from the site. He left the meeting for the duration of the discussion and voting on the item.

Rob Stubbs and Russell O'Keefe declared interests in the item 'RBWM Property Company Initial Business Plan' as directors of the company.

MINUTES

RESOLVED UNANIMOUSLY: That the Part I minutes of the meeting held on 24 October 2016 be approved.

RBWM PROPERTY COMPANY INITIAL BUSINESS PLAN

Members considered approval of the Company's initial five year business plan.

The Lead Member explained that the company had recently been renamed following fair criticism in relation to transparency. The plan aimed to achieve three things:

- To best put the council's assets to use for the council tax payer and resident, by turning assets as efficiently as possible into revenue generating streams. It was clear this did not mean selling off land holdings.
- Developing an affordable housing property portfolio to ensure the borough was a place for everybody.
- Being a key part of Maidenhead regeneration by increasing housing in the town centre

The key principles were noted as:

- Ensuring assets were not simply disposed of.
- No overall cost to the council tax payer

- Providing strategic direction; the shareholder operating protocol ensured transparency in decision making including proper consultation.

The Lead Member explained that by the end of the five year period it was anticipated that the asset base would amount to £45m with dividends of over £600,000, which represented 1% of council tax. During the five to ten year period, arrangements with Joint Ventures and the development of the golf club site would mean the release of further assets. It was noted that the activity was undertaken by the property company as it could not be legally undertaken by a local authority.

The Chairman highlighted the severe lack of affordable housing supply in the borough. One of the few schemes being developed at Stafferton Way involved the building of the affordable units at the very end of the development. The Strategic Director explained that the new Affordable Housing Guidance approved at Cabinet in November 2016 would help to stop such situations occurring in future. The Chairman requested that in future S106 agreements be signed off by the Lead Members for Planning and Housing.

It was noted that Housing Solutions had approximately 4000 properties, therefore an additional 1000 would make a significant difference.

The Chairman requested that through the property company shareholder board, more work should be undertaken to define 'affordable housing' and whether 80% was the right figure.

The Head of Finance explained that the loan had been frozen for two years to allow the company to get off the ground, it would then start paying back at a level of interest above that of the Public Works Loan Board. The financial statement included an element in relation to property; any rental agreements would be reviewed on a five year basis. Councillor Bicknell suggested this should be agreed in the definition of affordable housing.

It was noted that a new property company Managing Director had been appointed from January 2017 on an interim consultancy basis. The costs had been capitalised.

The Strategic Director confirmed that detailed reviews of the proposals put forward by housing associations had been undertaken; the process was now at the final stage of appointing a provider, who should be in place at the beginning of the new year. Shared ownership was not implicitly included in the business plan, but providers had been asked as part of the tender process to explain how they could support the company in shared ownership. The Chairman asked for work to be undertaken to see if any of the 138 units could be set up as shared ownership rather than just affordable rent. It was noted that this would require agreement of a scheme with a housing association and to be recognised by a lender through a commercial agreement. Part of the work to develop a scheme would be to look at tax liabilities as the property owner. It was noted that shared ownership would not be lost if a property was sold; the housing association would usually manage this process on behalf of the property company.

Members noted that the shareholder operating protocol set out the thresholds and mirrored the financial levels in the borough constitution. Any loan or capital injection would require Cabinet or Full Council approval.

Members noted that the Key Worker scheme was advertised on the borough website. Anyone applying for a Key Worker post at the council could at the same time register interest in the scheme. All schools had been notified and would be using it in their advertising.

The Chairman suggested that some of the eight units in York Road should be considered for affordable rent, and possibly shared ownership. The Lead Member highlighted that there was a trade off as more affordable housing meant less revenue. The Chairman added that the company should develop and apply a shared ownership product for some supply as soon as possible.

It was confirmed that housing associations used affordability models to assess affordability as properties came up for review.

RESOLVED UNANIMOUSLY: That Cabinet Regeneration Sub Committee:

i. Notes and approves of the initial five year Business Plan.

ii. Approves initial budgets of £200,000 and £400,000 respectively in order to undertake works at 16 and 18-20 Ray Mill Road subject to planning being successfully approved.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on items 6-11 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act

The meeting, which began at 5.30 pm, finished at 6.48 pm

CHAIRMAN.....

DATE.....