

Resources and Governance Scrutiny Committee

Minutes of the meeting held on 1 March 2018

Present:

Councillor Ollerhead - in the Chair

Councillors, Ahmed Ali, Andrews, Connolly, Davies, Karney, Lanchbury, Siddiqi, A Simcock, Strong and Watson

Councillor B Priest, Deputy Leader

Councillor Flanagan, Executive Member for Finance and Human Resources

Apologies:

Councillors Barrett, Hitchen, Ludford, Moore and Russell

RGSC/18/15 Urgent Business – Housing Affordability

The Chair agreed to the consideration of an urgent report on Housing Affordability. Then reason for urgency, was to ensure the Council was in a financial position to deliver a range of good quality affordable housing.

The Committee considered a report of the Strategic Director – Development, presented by the Director of Housing and Residential Growth, which outlined how the City Council was using its available resources to support the provision of affordable homes which were of a good quality across a range of household incomes across the city.

The Director of Housing and Residential Growth referred to the main points in the report, which included:-

- The Council's definition of affordability of housing in Manchester was linked and aligned with household income and as a principle housing costs should not be more than 30% of a household's gross income;
- Progress to date with the Manchester Affordable Homes Programme, which brought together the City Council and developing Registered Providers (RPs) in delivering both traditional affordable housing across the city and new forms of housing for market rent and sale;
- The funding and resources available for delivering affordable homes in Manchester;
- The use of the Housing Affordability Fund (HAF) which pooled a range of additional funding streams targeted at the provision of affordable homes that would complement the development of higher value homes in and around the city; and
- The implementation of Housing Affordability Zones (HAZ) which would be used to accelerate new build residential housing for sale and rent that would be predominantly affordable to residents on or below the average income for Manchester

In addition, the Deputy Leader commented that the Council was committed to delivering over 2200 homes by March 2021 through its Affordable Homes Programme through a grant funding in excess of £250m. He commented that although there were a high number of private sector homes in the city which were within the Council's definition of an affordable home in terms of cost, these often came with short tenures.

Some of the key points that arose from the Committees were:-

- It was reassuring that Manchester was taking positive steps to address the gap in affordable housing in light of no serious housing strategy from the current Government;
- Clarification was sought as to the difference between social housing and affordable housing;
- Were all capital receipts ring fenced for housing investment;
- What land provision did the Council have to provide further affordable homes beyond the 2200 that were planned;
- Had consideration been given to provide sheltered housing in those areas of the city, such as Didsbury, where land values and rental properties were well above the national average and the likelihood of obtaining any form of social housing in these areas was significantly unlikely;
- Did the Council undertake an audit of the land it owned;
- Concern was raised with the use of Section 106 funding to fund the HAF as this type of funding was subject to houses being built and a such was not constant;
- Why was the Housing Revenue Account (HRA) generating, what appeared to be a surplus amount of funding, from those with low income in the first instance;
- How could the Council secure the benefits of affordable housing for the wider society and not just personal gain; and
- Whilst the HAZ were welcome, there would need to be appropriate infrastructures in place in order to make these successful.

The Deputy Leader agreed with the comments made around the lack of a strong national housing policy and commented that the Council would continue to support its residents by providing affordable homes for its residents. He commented that it was often difficult to distinguish between social housing and affordable housing and although Government had a set definition of what social housing was, this encapsulated what the Council determined affordable housing to be. The Director of Housing and Residential Growth agreed to circulate the definition of what the Council determined affordable housing to be to the Committee.

The Committee was advised that the City Treasurer was in agreement that where appropriate, capital receipts would be invested into the Housing Affordability Fund in order to provide further affordable homes.

The Strategic Director – Development explained that land owned by the Council would diminish in the next 10 years as most of the land it owned would be utilised for the delivery of new housing. Where land was available to buy, this would come at a significant cost. He also commented that the Council had access to a comprehensive register of land ownership, both of the Council and private land

owners through the Land Registry Office. Resources Scrutiny Members also had access to CPAD which provided a comprehensive audit of land use across the city.

The Deputy Leader advised that the shortage of affordable homes in parts of the city, such as Didsbury, had arisen from a legacy of right to buy of social housing. He agreed that areas such as Didsbury, did need affordable homes but as to what type these could be would need careful consideration as if they were to be social housing, then these properties would be available for purchase after five years at a considerable subsidised value than the market rate. He added that if the form of housing built was to be sheltered accommodation/extra care, then these types of premises were not subject to right to buy.

In terms of the HRA, the Deputy Leader advised this was the money coming in from social housing rent was intended to maintain the properties people rented from the Council. There was however an opportunity to use some of this funding to build new properties which could then be sold/rented with the receipts being put back into the HRA.

Decision

The Committee:-

- (1) Requests that future scrutiny of the Housing Affordability Zones is carried out by either Neighbourhoods and Environment Scrutiny Committee or Economy Scrutiny Committee, whichever being the most appropriate Committee;
- (2) Requests that Officers arrange suitable training for Committee Members on the use of CPAD;
- (3) Requests that Officers circulate the report presented to Committee to all Members of the Council for information.

RGSC/18/16 Minutes

Decision

To approve as a correct record the minutes of the meeting held on 1 February 2018

RGSC/18/17 Guidance on Publicity and Events during the pre-election period (Purdah) Local Elections

The Committee considered a report of City Solicitor, presented by the Deputy City Solicitor, which provided guidance on the local authority restrictions in relation to publicity during the pre-election period, known as purdah, which started when the Notice of Election for the local elections was published on Wednesday 21 March 2018.

The Deputy City Solicitor referred to the main points in the report, which included:-

- What was defined as 'publicity';
- Key points to consider for officers and standing candidates in the run up to an election;

- How the restrictions would work in practice; and
- Where to seek further guidance.

Some of the key points that arose from the Committees were:-

- Clarification was sought as to the precise start of purdah, as there was a scheduled Council meeting on Wednesday 21 March and an Audit Committee on 22 March;
- Clarification was also sought as to why the Council had decided to adopt the guidance period of time for setting purdah and not the shorter statutory period;
- Would any committee meetings be webcast during the purdah period; and
- Concern was expressed that starting the purdah period on Wednesday 21 March would have a detrimental impact on the ability for Elected Members to contribute to any debate at the scheduled full council meeting on the same day without being in breach of the purdah rules

The Deputy City Solicitor advised that purdah had to commence once the Notice of Election was published, which for this year, would be on Wednesday 21 March 2018. She stated that the purdah guidance related to restricting the Council publicising any material which appeared to be designed to affect public support for a political party and should not prevent meetings taking place and 'council business' being transacted.

The Committee was informed that based on government guidance, the decision had been taken to start purdah earlier than the statutory notice period. The rationale for this was due to the local elections being all out, there was a requirement to publish the Notice of Election earlier due to the number of candidates that would be standing in each ward across the city.

The Committee was also advised that a decision had been taken by the City Solicitor to webcast any meetings that took place during the purdah period.

Decision

The Committee requests that the Chair of the Resources and Governance Scrutiny Committee meets with the Leader and the City Solicitor to ascertain whether the Notice of Election could be published on a date after Thursday 22 March 2018 to enable the meetings of Council and Audit Committee to take place without the potential for Members being in breach of the purdah rules.

RGSC/18/18 Delivering the Our Manchester Strategy

The Executive Member for Finance and Human Resources, Councillor Flanagan, presented his report to the Committee and welcomed any comments or recommendations. The report provided an overview of work undertaken and progress towards the delivery of the Council's priorities, as set out in the Our Manchester strategy, for those areas within the portfolio of the Executive Member.

The Committee noted that this was the last Scrutiny meeting for Councillor Flanagan, as he would be stepping down as Executive Member for Finance and Human

Resources at the end of the Municipal Year. The Chair, on behalf of the Committee, thanked Councillor Flanagan for his support of the Scrutiny function over the last four years.

Decision

The Committee:-

- (1) notes the report;
- (2) agrees to receive an update in six month's time

RGSC/18/19 Overview Report

The Committee considered a report of the Governance and Scrutiny Support Unit which contained key decisions within the Committee's remit and responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

Decision

The Committee notes the report