

Economy and Regeneration Scrutiny Committee

Minutes of the meeting held on Tuesday, 18 July 2023

Present:

Councillor Johns – in the Chair

Councillors Abdullatif, Benham, Hussain, Iqbal, Northwood, Richards, I Robinson, Shilton Godwin and Taylor

Also present:

Councillor White, Executive Member for Housing and Development

Councillor Lynch, Deputy Executive Member for Housing and Development

Jason Hingley, This City

ERSC/23/29 Minutes

Decision

That the minutes of the meeting held on 20 June 2023 be approved as a correct record.

ERSC/23/30 Manchester Housing Strategy (2022-2032) - Annual Monitoring Report

The Committee received a report of the Strategic Director (Growth and Development) which provided an update on the progress made towards the Strategy's objectives during 2022-23.

Key points and themes within the report included:

- Increasing affordable housing supply and building more new homes for all residents;
- Work to end homelessness and ensure housing was affordable and accessible to all;
- Addressing inequalities and creating neighbourhoods where people wanted to live; and
- Addressing the sustainability and zero carbon challenges in new and existing housing;

Key points and queries that arose from the Committee's discussions included:

- To welcome the ambition for the city and the progress being made, while recognising that there was significant work still to do and the challenges the Council was facing;
- Domestic violence and the allocation of housing priority bands;
- Barriers preventing local authorities from delivering more social and affordable housing;
- The age of many buildings in Manchester and the challenges with retrofitting;
- The definition of affordable housing;
- The number of people on the waiting list for different types of properties; and

- Consideration of access to amenities such as GPs and shops when planning new housing developments.

The Executive Member for Housing and Development reported that domestic abuse victims were classified as band one and he offered to provide further information on the allocations policy and how this was working. He highlighted the progress in reducing the use of temporary accommodation. In response to Members' comments, he stated that it was very important to develop on the city's brownfield sites to deliver social and affordable housing, although there were challenges with contamination and viability. He outlined the progress being made with retrofitting housing, while stating that more needed to be done and that some of this work was conditional on Government funding. In response to a Member's question, he highlighted that the Council worked with Arawak Walton, the largest independent black and minority ethnic (BME) Housing Association in the North West, which had a long history of working in central Manchester.

The Executive Member for Housing and Development reported that, for planning purposes, the Council had to use the Government definition of affordable housing but that the Council had introduced the Manchester Living Rent, which they believed was truly affordable, and which many of the Council's partners were signing up to. In response to a Member's question about delays in construction of new developments, he advised that work had to start within three years of planning permission being granted. He highlighted some of the challenges with this and stated that, in relation to partners within the Manchester Housing Provider Partnership (MHPP), the Council could have a positive dialogue on overcoming delays, but that this could be more challenging in the case of private developers. In response to a Member's question, he outlined some of the challenges that the Council's partners were facing with building lower carbon buildings, including funding and the legal framework, while stating that MHPP partners had a strong commitment to delivering this and highlighting the mechanisms the Council had to enforce this. The Strategic Director (Growth and Development) highlighted how, in relation to the private sector, the Council had to balance the need for more homes, the need for more affordable homes and the need for carbon net zero homes.

A Member who was also the Chair of the Environment, Climate Change and Neighbourhoods Scrutiny Committee (ECCNSC), invited Committee Members to attend the 7 September meeting of her committee for an item on Housing Retrofit. She clarified that targets related to zero carbon and not net zero carbon. In response to a Member's request for information on how much of the carbon reduction budget was being spent on housing, the Chair advised that it was likely that this would be considered by ECCNSC and that he would speak to the Chair of that Committee about it.

In response to a Member's question, the Strategic Director (Growth and Development) reported that Homes England had experienced uncertainty in recent years about the capital funding they had available to deploy. She highlighted the £150m of brownfield funding over three years to accelerate housing delivery as part of the Greater Manchester Trailblazer Devolution Deal, stating that this work was taking place in partnership with the Greater Manchester Combined Authority (GMCA), the other nine Greater Manchester local authorities and Homes England.

She stated that Homes England also helped the city region with revenue funding for de-risking brownfield sites. She welcomed that, following a recent announcement, the Affordable Homes Programme could now be used for the re-provision of social housing, which would be beneficial in areas such as Victoria North. In response to a question from the Chair about what role the Council could play in enabling residents to access homes in open-market sales, where they were having to compete with investors, she stated that the Council had limited ability to influence this but, for developments where the Council was working in partnerships, such as joint ventures, it was expected that a significant amount of the homes would be for the benefit of Manchester residents.

In response to a question about supply and demand of housing, the Strategic Lead (Housing Strategy and Policy) reported that, due to population growth, there was an under-supply of approximately 500 homes per year in the city so an ambitious housing strategy was needed, considering the different types and tenure of housing needed, different income levels and constraints on the availability of land in different parts of the city. In response to a question about the figure in the report on homes being built close to public transport, he clarified that this meant within 500m of a Metrolink, Rail or Bus Station, and not just a bus stop.

In response to a Member's question the Head of Strategic Housing confirmed that the Enabling Independence Accommodation Strategy would include people with a physical disability. In response to question about cladding, he informed Members about the Building Safety Group, which the Council had established immediately following the Grenfell Fire in London, stating that this had now developed into a Greater Manchester-wide group, led by the Fire Service, and that a lot of work was taking place in relation to building safety; however, he reported that there were hundreds of high rise buildings in the city, many with cladding and wooden balconies, and that some developers had still not signed the Government's pledge to remove cladding. He added that the next challenge would be the safety of medium-rise buildings. He reported that there was information on the Manchester Move website about the number of households on the waiting list, including what band they were in and how many bedrooms they needed, along with estimated waiting times, and he offered to share this link with Members.

The Strategic Director (Growth and Development) acknowledged the Member's comments about the provision of wider amenities in a city with a growing population. She stated that population growth was monitored, using the Manchester City Council Forecasting Model, and she outlined some of the challenges with planning for amenities in areas with new housing developments, particularly where a number of housing developers were involved, stating that this included challenges with funding where the Government Departments wanted to see that increased demand was there before committing additional resources, rather than looking ahead to the impact of housing developments which were in the pipeline; however, she stated that for large scale development plans, such as Victoria North, the Council was trying to design this in from the outset. The Director of Development reported that the district centre regeneration programmes also enabled new spaces to be created for healthcare infrastructure. In response to a question from the Chair, he explained how the amount of Section 106 funding for housing affordability was calculated and that it could be used in a different area, reporting that the Council was keen to make the

best use of this funding, prioritising social rents, more affordable tenures and low carbon homes.

Decision:

That the Committee will receive an update on this work in the next municipal year.

[Councillor Johns declared a personal interest as someone affected by cladding issues, following a reference to this during the Committee's discussion.]

ERSC/23/31 This City Programme Update

The Committee received a report of the Strategic Director (Growth and Development) which outlined the significant progress to date in the formation, constitution and governance of This City, the Council's wholly owned housing delivery vehicle, and also in the spearheading of the construction of its maiden scheme, Rodney Street, alongside the development of a long-term business plan.

Key points and themes within the report included:

- Company formation and initial business planning;
- Phase 1 developments;
- Pipe of development – Phase 2;
- Investment partnership(s); and
- Recruitment.

Key points and queries that arose from the Committee's discussions included:

- To welcome the work taking place;
- Would the rented homes be retained in the rented sector to ensure low-cost rents in the long-term;
- Communication with and involvement of Ward Councillors on Phase 2 development and future phases;
- The housing allocation process for these developments and the importance of building mixed communities; and
- Governance arrangements.

The Deputy Executive Member for Housing and Development confirmed that the rents would be within the Council's control and that the homes would not be eligible for right-to-buy.

The Executive Member for Housing and Development reported that there were outline ideas for Phase 2 but that this would be discussed with local Councillors. He stated that the Council was looking to use a Local Lettings Policy to get a good mixed community in the developments, including using a local connection as part of the criteria. He expressed concern that the Local Housing Allowance had been frozen for a number of years, while market rents were increasing, and called on the Government to increase this. In response to a Member's question, he confirmed that Ward Councillors would be involved, with Council officers, in the naming of the buildings in their area.

In response to a Member's question about whether the proportion of affordable housing would increase as debts were paid down on individual developments, Jason Hingley, Director of This City, confirmed that this was the intention.

The Director of Development explained the governance arrangements for This City, which included a Strategic Programme Board, a Non-Executive Board and checks and balances on decision-making. He stated that there would be intensive work over the next six months to get an investor partner on board, following which early consultation with Ward Councillors could take place, most likely next year.

The Executive Member for Housing and Development acknowledged the importance of a Member's point about This City being representative of the communities it served, including in leadership roles, stating that there was a degree of diversity in the Non-Executive Board and that this was something that the Council was committed to.

Decision:

To note the report and that the Committee would continue to monitor this work.

ERSC/23/32 How the Council works with MHPP (Manchester Housing Providers Partnership) and the Private Rented Sector

The Committee received a report of the Strategic Director (Growth and Development) which provided an overview on how the Council worked with partners in the MHPP and within the Private Rented Sector to achieve the Council's strategic objectives. It also provided an introduction to the Council's role as a good landlord following the move to bring the homes previously managed by Northwards Housing back in-house.

Key points and themes within the report included:

- The review of the MHPP;
- How the Council worked with MHPP to deliver affordable homes, improve outcomes for existing residents across Manchester and meet the city's strategic objectives;
- The Private Rented Sector, including selective licensing and short-term lets; and
- The Council's role as a good landlord.

Key points and queries that arose from the Committee's discussions included:

- The importance of supporting vulnerable residents to understand their rights, noting that some groups, including refugees, might not be aware of sources of advice, such as Citizens Advice, and might also face other barriers such as language barriers and lack of trust in institutions;
- Selective licensing, including the future for areas where schemes were coming to an end and areas for the next phase;
- Short-term lets and their impact on the local housing market;

- Concern about increasing rents and the freezing of the Local Housing Allowance; and
- Whether MHPP was being used to secure improvements from social housing providers, for example, in the time taken for repairs to be carried out, noting that this seemed to have got worse.

In response to a Member's concerns about a particular street in his ward, the Executive Member for Housing and Development asked to be provided with further information so that this could be addressed, in consultation with the Member.

The Executive Member for Housing and Development reported that Citizens Advice had previously had a strong presence in local communities, including libraries, but that this had reduced, following a funding cut from the Government; however, he reported that Citizens Advice were still providing advice services, including running pop-up advice sessions, and he stated that it was important that people were signposted to this support, using different languages and methods. He highlighted that housing associations provided advice to their tenants on a range of issues and that information on available support, including for people renting in the Private Rented Sector, was on the Council's website.

The Executive Member for Housing and Development stated that selective licensing targeted the lower segments of the private rented sector, as referred to in the table at 4.2 in the report. He reported that there was good evidence of the impact of selective licensing but that schemes ended after 5 years and that the Council was monitoring the situation after these schemes had ended and looking at what other interventions could be used to keep housing standards in these areas higher.

The Executive Member for Housing and Development highlighted the information in the report on short-term lets and the Council's response to the Government consultation on this, in which the Council had asked for greater regulation of this area. In response to a question about whether planning covenants could be used to restrict the use of properties for short-term lets, the Strategic Director (Growth and Development) stated that this could be used where the Council had a land-interest in the development. In response to a further question about whether covenants could also be put in place through the Planning Committee, she stated that she would consult with colleagues in the Planning Department and provide a response.

In response to a Member's question, the Executive Member for Housing and Development informed the Committee about work taking place at a neighbourhood level to get housing providers working together to address local issues, while acknowledging that this was not yet working well in all areas. He acknowledged a Member's comment about the importance of ensuring the provision of purpose-built student accommodation which was affordable and would, therefore, free up family homes for families, stating that this would be addressed through the Local Plan and was monitored by looking at data on Council Tax exemptions. In response to a question about the Private Rented Sector, he advised that he hoped that the Good Landlord Charter would play an important role in improving this sector.

The Director of Housing Services reported that there had been a big spike in calls about damp and mould following the tragic death of Awaab Ishak in Rochdale and

that the Council was undertaking a programme of works to address these. He informed the Committee that all of the properties had been visited, provided they had been able to access them, and that the triaging of damp and mould issues had been greatly improved. He offered to provide Members with further data on this. He highlighted the £25m of capital investment which had been approved for key priorities, including Decent Homes.

The Compliance and Enforcement Specialist reported that the Housing Compliance Team had recruited Engagement Officers to work with vulnerable residents and that key leaflets, including on damp and mould, were translated into the most common community languages.

The Executive Member for Housing and Development reported that MHPP was a positive partnership and a useful forum but he acknowledged that a lot of providers had a backlog of repairs for a range of reasons, although officers and Members were putting pressure on providers to address this and to provide a good service to their tenants. He stated that he would feed back a Member's comment about some housing providers not attending meetings. He stated that the list of areas for potential future selective licensing schemes was being reviewed and that Members would be consulted with. In response to a Member's comments about some landlords not accepting tenants in receipt of benefits, he expressed concern about this, stating that it was illegal although hard to enforce and that this needed to be part of the Good Landlord Charter. In response to a question from the Chair, he stated that the Council's housing staff received training to identify other issues, such as welfare concerns or other repair issues, when they went into a tenant's home to carry out a repair. The Director of Housing Services reported that, if a property was requiring multiple repairs, the service would look into the underlying reasons for this and whether there was a need to invest in improvements.

In response to a Member's question, the Chair stated that he would clarify with officers the timing of a report on selective licensing. The Member asked that this include information on the movement of homes upwards from the bottom segments of the private rented sector, in relation to table X at 4.2 in the report.

Decisions:

1. To request a more detailed report on the Council's role as a Good Landlord.
2. To receive a report on short-term lets, focusing both on regulating their use and on what additional supply of accommodation can be put in place as an alternative, including information on who is using short-term lets and what they are looking for in their accommodation.
3. To note that the Chair will discuss with officers the timing of a report on selective licensing.
4. To note that the Strategic Director (Growth and Development) will consult with colleagues in the Planning Department and respond "on whether covenants could also be put in place through the Planning Committee", with reference to

restricting the use of short-term lets and helping Manchester people to purchase property where they are being outcompeted by external investors.

ERSC/23/33 Strategic approach to developments of social homes via a city-wide New Build Local Lettings Policy (LLP)

The Committee received a report of the Strategic Director (Growth and Development) which proposed a strategic response in the form of a New Build Local Lettings Policy (LLP) for all new developments of social homes to be let at social or affordable rent.

The Committee was invited to comment on the report prior to its submission to the Executive.

Key points and themes within the report included:

- Background information;
- Developing sustainable communities;
- The proposed New Build Local Lettings Policy, which would apply only to “general needs” properties at first let;
- The effect of restricted lettings; and
- The equalities impact of the policy.

Key points and queries that arose from the Committee’s discussions included:

- To welcome the report and recognise the important issues it addressed;
- That the name might suggest that it applied to all new build properties;
- Had the percentage allocated to each of the three categories been modelled to check it met the needs of the housing register; and
- Why was living in an adjacent ward taken into account under criteria (i) in the second category but adjacent wards were not taken into account under the other criteria in this category.

The Head of Strategic Housing reported that it was not possible to reflect the numbers on the waiting list. He explained that this policy was an attempt to deal with the new social housing which was becoming available and that the split between the three categories had been agreed with Ward Councillors for Miles Platting and Newton Health, where new social housing had been built. He informed Members that the purpose of this policy was to create a standard lettings policy that could be used for any new build social housing but that it could be adapted for new developments in particular areas, where this was agreed with local Ward Councillors, including amending the criteria in relation to adjacent wards. A Member commented that it would be useful to have a data-informed approach to the split between the three categories. The Head of Strategic Housing stated that he would look into this. He explained that in 2020 any priority relating to working households had been removed from social housing allocation but that a number of Members had highlighted the importance of mixed communities, including working households, leading to the proposal for 50% of lettings in new builds to be allocated to working households.

The Executive Member for Housing and Development reported that it was useful to have this standard policy as a baseline but that it could be tailored for individual developments, recognising that needs varied across the city.

The Chair commented that it was not clear from the report that this was a standard template which could be adapted for different developments in different parts of the city and suggested that this be made clearer in the report before it was submitted to the Executive.

Decisions

To commend the New Build Local Lettings Policy to the Executive, subject to:

- The information submitted to the Executive providing greater clarity that this is a standard template and that the allocation policy can be adapted for individual developments.
- Improved quantitative information being provided to the Executive when they consider this item.

[Councillor Richards declared a personal and prejudicial interest, having been involved in the development of this policy when she was an Executive Member and left the room for this item.]

ERSC/23/34 Overview Report

A report of the Governance and Scrutiny Support Unit was submitted. The overview report contained key decisions within the Committee's remit, responses to previous recommendations and the Committee's work programme, which the Committee was asked to approve.

The Chair highlighted that a report on the Cultural Strategy had been added to the agenda for the February meeting. He advised that he was considering theming this meeting around culture and tourism and suggested that the report on short-term lets be added to the agenda for that meeting and that it also include a general update on hotel accommodation. He recommended that the item on Design for Life and Rightsizing be removed from the "to be scheduled" list, as this had been included in the Housing Strategy report.

Decision:

That the committee note the report and agree the work programme, subject to the above comments.