

Minutes

of a meeting of the

Scrutiny Committee



held on Monday, 7 August 2023 at
6.00 pm in Abbey House, Abbey
Close, Abingdon OX14 3JE

Open to the public, including the press

Present in the meeting room:

Councillors: Ken Arlett (Chair), Mocky Khan (Vice-chair), James Barlow, Alexandrine Kantor, Katharine Keats-Rohan, Leigh Rawlins, Ed Sadler, and Tony Worgan
Officers: Suzanne Malcolm (Deputy Chief Executive Place) and Darius Zarazel (Democratic Services Officer)
Guests: Councillor Robin Bennett (Cabinet Member for Economic Development and Regeneration, and Deputy Leader)

Remote attendance:

Officers: Paul Fielding (Head of Housing and Environment), Nigel Bower (Housing Delivery Manager), and Susie Royce (Broadcasting Officer)
Guests: Andrea Powell (Cabinet Member for Corporate Services, Policy and Programmes), David Rouane (Leader of the Council), Anne-Marie Simpson (Cabinet Member for Planning), Sue Cooper (Cabinet Member for Environment), and Maggie Filipova-Rivers (Cabinet Member for Community Wellbeing, and statutory Deputy Leader)

8 Apologies for absence

Apologies for absence were received from Councillor David Turner, who was substituted by Councillor Ed Sadler. Councillor Kate Gregory sent apologies and was substituted by Councillor Alexandrine Kantor. Apologies were received from Councillor Jo Robb.

9 Urgent business and chair's announcements

The chair welcomed everyone to the meeting, outlined the procedure to be followed and advised on emergency evacuation arrangements. There was no urgent business.

10 Declaration of interests

Councillor Ken Arlett declared an interest in item seven on the agenda, the Section 106 affordable housing funding item, as he was a trustee of Henley housing trust. However, as the trust was not affected by the passing of the policy, he would continue to sit on the committee during that item.

All members of the committee also noted that there were developments in their ward that had generated Section 106 funds but did not believe this to preclude them from discussing the item.

11 Minutes

RESOLVED: to approve the minutes of the meeting held on 6 March 2023 as a correct record and agree that the chair sign these as such.

12 Public participation

None.

13 Section 106 affordable housing funding

The committee considered the report and policy document (plus application form) for Section 106 affordable housing funding and asked questions of the cabinet member for economic development and regeneration, Councillor Robin Bennett, who was supported by the Housing Delivery Manager, Nigel Bower, and the Head of Housing and Environment, Paul Fielding.

Firstly, Councillor Bennett outlined the current process for affordable housing delivery and noted that, in some instances, developers did not deliver affordable housing on the development site and so contributed to the Section 106 fund (S106). The committee was informed that this fund had reached £2.8m and was continually added to as more developments contributed to it. It was also noted that the council was now a registered provider of affordable housing. In addition, when the council tried to pay the money out of the S106 fund, they became aware of a lack of clarity in the process. Therefore, the proposed policy and criteria attempted to make the process as transparent as possible and less iterative for applicants and the council.

The committee also noted that the policy was ready before the May 2023 election but was called into the committee by Councillor Ken Arlett and would be taken to Cabinet later in the week. Councillor Bennett also confirmed to the committee that once approved, registered providers and community land trusts would be made aware of the policy change in order to increase the number of bids the council receives.

The committee then began scrutinising appendix 1 to the report which covered the proposed grant policy and application form. On point 4 of the policy, members discussed the replication of 'delivers affordable housing' and 'deliver affordable housing in perpetuity' in the list of the council's key priorities. When asked for clarification, the Housing Delivery Manager confirmed to the committee that the council would try to deliver in perpetuity, and although he believed these two points meant slightly different things, he had no objection to the removal of 'delivers affordable housing' and keeping the point about delivering in perpetuity. The committee then agreed to recommend to Cabinet for the removal of this point.

Members then discussed another point in the key priorities list, the point that 'In area where there is a high level of demand and deficit of supply', and they made a point that affordable housing was needed in most areas of the district. To clarify, the Head of Housing and Environment confirmed that they would be using the housing register to understand where the demand for affordable housing was and that where there

would be a match between demand and a bid to provide affordable housing, it would score relatively higher than a location where there was less demand. Overall, members agreed that this point should be kept in the policy.

In response to questions about the 'not able to access Homes England funding' point in the key priorities list, the Head of Housing and Environment confirmed that there were typically no restrictions on funding sources and that a mix of funding was normal. Councillor Bennett also added that this was in the policy to prioritise bids which did not have access to the Homes England schemes, such as smaller schemes, and members were satisfied with these answers.

A point was raised about the number of questions required from bidders, which some members thought could be prohibitive. However, the officers confirmed that this was needed in order to be more transparent with their requirements and to reduce the iterative process they had found to be the case with past funding applications.

The committee asked a point of clarification about if the fund could be used by housing associations to purchase existing homes and convert them into affordable homes. The Head of Housing and Environment confirmed that this would be allowed but that this fund was aimed at creating new affordable homes.

On item 12 of the policy, about the industrial standard Key Performance Indicators (KPIs) that the bids would be assessed against, some members believed that this was not necessary as certain trusts did not work against KPIs. However, the committee agreed that these KPIs should be kept as they provided key financial details and ensured the council was investing prudently.

Members then discussed point 13 in the policy, the scoring matrix, and asked if there was a defined pass mark needed for successful bids, certain pass marks for each section, or just an overall mark. In response, the Head of Housing and Environment informed members that the scoring would be used by officers to help inform their decision as well as help inform the bidders about certain low scoring elements of their bids so they can be resubmitted, and therefore there was no minimum score. Although some members of the committee expressed a desire for certain bids to be excluded if they failed to meet a certain standard, they were content with the response from officers and Councillor Bennett that they did not want to exclude any bid at an early stage based on points that could be met later, as some organisations would learn from the initial bid and potentially resubmit a successful application later. Councillor Bennett also added that Cabinet would have the final say on bid and they could prevent funding for any bid they believed did not properly meet certain criteria.

When asked about the scoring point in the matrix, 'Unit and scheme costs demonstrating Value for Money', and what value for money was defined as, the Head of Housing and Environment responded to members that value for money was considered to be how much money would be needed to produce each unit of affordable housing, which was a comparable figure between bids. In addition, there would be other aspects considered, such as the value for money for the people who would live in those homes and what their bills would amount to. An example was raised that some houses might be more expensive but deliver higher quality offer to the tenant as they would have a lower monthly cost, and this would also be accounted for. Overall, the committee was satisfied with the concluding remarks on the issue by Councillor Bennett who stated that value for money would be assessed for its benefit to the council and to the tenants.

The committee then discussed including an addition point in the scoring matrix for a geographic link between the bid location and the source of the S106 funds. Although the Head of Housing and Environment mentioned that S106 could be applied throughout the district the committee agreed that having the information would be beneficial in order to help address housing needs.

Members then discussed a final point in the scoring matrix under scheme features, 'meets zero carbon or better' and questioned if this could be amended to account for bids working towards net zero. However, the committee was satisfied that the scoring of points between zero and three would account for such bids and so agreed to keep the wording.

On point 19 of the policy, on the number of payments made to successful applicants, members asked for clarity about the number of milestones applicants could expect. In response, Councillor Bennett agreed that the wording could be amended from 'typically' to 'up to' five milestones and the committee agreed to recommend this amendment to Cabinet.

Finally, members discussed point 22 in the policy and inquired as to whether there could be an inclusion of a maximum number for the timescale, such as, 'will endeavour to complete in six months'. The Head of Housing and Environment then confirmed that point 21 acknowledged the application within 10 working days but if they provided a timescale in point 22, they risked falling outside this and causing more confusion. Overall, the committee agreed to keep the wording of point 22 as it was.

The committee then discussed the accompanying report to the policy. Specifically, on point 13 of the report, members asked officers why the threshold for suspending the application window was £250,000 when they believed that this money could still be utilised for the provision of affordable housing. The Head of Housing and Development responded that this figure was chosen as most bids were received in excess of this figure, but Councillor Bennett confirmed that the figure could be reduced. Overall, the committee agreed that a smaller threshold figure of £50,000 should be implemented as this could support smaller applicants and use more of the S106 funds. Councillor Bennett also added that it was a rolling pot but that a regular update on the balance should be provided to members.

On point 17, members then asked if reference could be made to broader climate issues. However, they were satisfied with the response from Councillor Bennett that this would mostly be picked up by the planning service when applications were submitted.

Finally, members asked a question to the Head of Housing and Environment about who would assess a bid by South Oxfordshire District Council, and he responded that theoretically the council could put in a bid but that it would need to be assessed impartially by officers not involved in the application. He also noted that it would need to go through Cabinet and Council, so it would be a transparent process.

Overall, the committee accepted the report and policy but agreed to pass on a series of recommendations to cabinet for its amending.

RESOLVED: to recommend to Cabinet the following changes to the Affordable Housing Section 106 Commuted Sums Grant Policy:

1. That under point 4, the first item on the list ('delivers affordable housing') be removed as it is duplicated with the last item ('Delivers affordable housing in perpetuity')
2. That point 7 include reference to the fact that existing dwellings can be included with the category of acquisition.
3. That in the scoring matrix under point 13, an addition point be included under the 'Scheme features' heading titled, 'Geographic link to source'. This will detail how close the proposed dwelling is from the application that delivered the S106 funds.
4. That point 19 be reworded to say that, "... The key payment stages are up to five milestones".
5. In addition, the committee agreed that point 13 of the officer report, about at what level of funds the application window would be suspended, should be reduced from the proposed amount of £250,000 to £50,000.

14 Work schedule and dates for all South and Joint scrutiny meetings

The committee noted the work programme and then discussed the council's housing mix policy and the issues they had experienced with it being out of date. Members mentioned that they would like to see this come to committee. They also discussed the climate action plan but noted that this was a matter for the Climate and Ecological Emergencies Advisory Committee.

RESOLVED: that committee noted the work programme.

The meeting closed at 7.33 pm
