

**MINUTES OF THE MEETING OF THE COMMUNITY POLICY DEVELOPMENT  
GROUP HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY, 27 NOVEMBER  
2008**

**MEMBERS**

∅ Cllr J D Hawkins – Chairman

\* Cllr R C Steer – Vice-Chairman

\* Cllr B F Cane

\* Cllr S E Cooper

\* Cllr M J Howarth

\* Cllr C W Jones

\* Cllr L P Jones

\* Cllr D M O'Callaghan

\* Denotes attendance

∅ Denotes apology for absence

Also in attendance and participating:  
Cllrs R F Croad, R D Gilbert, M F Saltern and R J Tucker

Also in attendance but not participating:  
Cllrs J I G Blackler, M J Hicks and P W Hitchins

Officers in attendance:

All Agenda Items: Strategic Director (Community), Affordable Housing Manager and  
Member Support Services Manager;

Item 5 (minute CPDG.23/08 below refers): Head of Community Regeneration.

**CPDG.20/08 MINUTES**

The minutes of the meeting of the Community Policy Development Group held on 8 October 2008 were confirmed as a correct record and signed by the Chairman.

**CPDG.21/08 CHAIRMAN'S ANNOUNCEMENT**

The Chairman advised those present that the next Group meeting, which had been scheduled to take place on Tuesday, 9 December 2008, had been postponed. This postponement had arisen due to the items of business scheduled for this meeting not being ready for consideration at this time.

**CPDG.22/08 DECLARATIONS OF INTEREST**

Members and officers were invited to declare any interests in the items of business to be considered during the course of the meeting but none were made.

**CPDG.23/08 IMPACT OF CURRENT ECONOMIC CONDITIONS ON THE DELIVERY OF AFFORDABLE HOUSING**

The Group considered a report which set out the issues facing the Council in the delivery of its primary corporate objective under current market conditions. The report also highlighted the work currently being undertaken within the Council and sought approval for initiatives for improving delivery.

The report reiterated that the turmoil in the housing and financial markets looked set to have a significant impact on the delivery of affordable housing. It was hoped that the range of initiatives currently being developed by the Affordable Housing Team would assist in securing an improved level of delivery under such difficult conditions.

In discussion, particular reference was made to:-

**(a) Proposal 1: Small Scale Rural Departure Sites Initiative:-**

- (i) the extent of development arising from the current Exception Sites policy. Officers estimated that since being adopted by the Council (approximately twenty years ago), the policy had led to an average of five dwellings being built per annum. In acknowledging that the delivery of such sites was a national problem, some Members also emphasised that the process was extremely time consuming. Furthermore, Members cited examples in which landowners had been in negotiations with the Council for an extensive period of time in an attempt to deliver exception sites and had simply changed their minds, which had resulted in substantial losses of officer time and effort;
- (ii) the possibility of bringing more sites forward under this proposal. In supporting this approach, Members expressed the view that such an initiative could offer the incentive to landowners to bring forward sites;
- (iii) the landowner aspiration to retain one or two plots within an exception site. Officers confirmed that discussions with landowners had indicated that a number would be prepared to bring forward exception sites, if they could retain one, or possibly two, plots in return. However, officers also drew Members' attention to the potential risks associated with the proposal;
- (iv) the need to focus on small scale schemes. For this initiative to be effective, and to reduce the risk of a 'call-in' from the Government Office for the South West, it was noted that it would have to be targeted at small scale schemes (between six and fourteen units). Moreover, the importance of obtaining community support was emphasised;
- (v) subject to the approval of Members, it would be intended that this scheme would be piloted for the 2009/10 financial year;

**(b) Proposal 2: Phased Development:-**

- (i) justification for developers to sign up to such a proposal. In response to a question, officers believed that in some instances, and given the right set of circumstances, developers would be agreeable to negotiate for the early delivery of the affordable housing on market housing sites. This was due to some developers being anxious to retain valued and key members of staff, who would be able to continue building with an injection of funding to support affordable housing delivery;
  - (ii) the risk that the on-site infrastructure may not be put in place until the market housing was sold. In acknowledging that the use of this approach would be considered on a site by site basis, the view was expressed that this would at least offer an additional option for officers where it was apparent that a site would not come forward as a result of current market conditions;
  - (iii) the risks relating to the creation of sustainable mixed communities, and the importance of appropriate local lettings policies;
- (c) the importance of bringing sites forward to at least stabilise the employment market in the construction industry. The Chairman of the Prosperity Policy Development Group stressed the importance of the Council not losing sight of Corporate Priority 2 (Good Jobs) and questioned whether S106 Agreements were often too rigid. In reply, officers informed that the recently adopted Affordable Housing Development Planning Document emphasised the need to look at viability on a site by site basis, which it was felt provided sufficient flexibility to S106 negotiations.

It was then:-

**RECOMMENDED**

That the Executive be **RECOMMENDED** that:-

1. the difficulties facing the Council in delivering affordable housing in the current housing and financial market downturn be noted;
2. the Small Scale Rural Departure Sites Initiative be approved for a period of one year;
3. the phased approach to affordable housing delivery be approved.

## CPDG.24/08 **AFFORDABLE HOUSING CAPITAL PROGRAMME REPORT**

Consideration was given to a report which sought ultimate approval for the expenditure of up to £1.37 million of capital expenditure from the Housing Capital Budget. This level of Council expenditure could lead to other public funding in affordable housing initiatives totalling approximately £10 million.

In discussion, the following points were raised:-

- (a) With regard to the proposed Redworth Court Acquisition, it was noted that the acquisition value reflected the development being a high quality scheme initially targeted at the private market;
- (b) Officers advised that the Market Acquisition Programme was currently intended to focus upon the provision of social rented housing, as it was considered that there was no current demand for shared ownership properties. This lack of demand was due to the current difficulties in accessing mortgages, but Members noted that this position could be reviewed as and when circumstances dictated;
- (c) The Group was informed that the possibilities of 'Reverse Staircasing' (whereby a Registered Social Landlord (RSL) bought back from a homeowner a proportion of a shared ownership unit) were currently being investigated;
- (d) In respect of a Government supported Mortgage Rescue Package initiative, a non-Group Member stated that he could not support such a scheme which was fraught with risk. In response, officers informed that the Council had obligations in respect of homelessness and addressing housing need and potentially, the Council could incur costs if people became homeless. Furthermore, the core purpose of RSLs was to meet housing need and they took the long-term view that the value of housing would eventually increase;
- (e) Some Members stated their support for the Market Acquisition Programme approach (as outlined in the presented report) as it constituted reasonable value for money, even though it was more costly than grant aiding new build. When considering that £1 million could lead to the approximate construction of ten new dwellings, this approach could lead to the acquisition of thirty properties and was therefore a value for money way of delivering affordable housing in the current market in which new build opportunities were severely restricted.

It was then:-

**RECOMMENDED**

That the Executive be **RECOMMENDED** that:-

- 1) the following items of housing capital expenditure be approved:
  - £100,000 (One Hundred Thousand Pounds) for the South Hams Intermediate Rent Enterprise (SHIRE) Scheme;
  - £190,000 (One Hundred and Ninety Thousand Pounds) for the purchase of Redworth Court;
  - up to £1,000,000 (One Million Pounds) for a Market Acquisition Programme; and
  - £80,000 (Eighty Thousand Pounds) to support the development of the former Library site in Ivybridge for affordable housing;
- 2) individual purchases under the Market Acquisition Programme be delegated to the Strategic Director (Community) and the Head of Financial Services, in consultation with the lead Executive Member for Housing;
- 3) where expenditure under the Market Acquisition Programme exceeds the target investment of £33,000 per property, authority to extend the investment limit to no more than £50,000 be delegated to the Strategic Director (Community) and the Head of Financial Services, in conjunction with the lead Executive Member for Housing and the Leader of Council; and
- 4) the payment of £145,000 (One Hundred and Forty Five Thousand Pounds) for Bishops Court, Newton Ferrers be paid from S106 commuted sum receipts, rather than Second Homes Council Tax monies as per the previous Executive approval of 29 May 2008 (Minute E.7/08 refers).

(Meeting started at 2.00pm and concluded at 3.05pm)

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Chairman