

CABINET

10.00 A.M.

7TH OCTOBER 2014

PRESENT:- Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Jon Barry, Abbott Bryning, Tim Hamilton-Cox, Karen Leytham and Ron Sands

Apologies for Absence:-
Councillor David Smith

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Suzanne Lodge	Chief Officer (Health and Housing)
Chris Hanna	Principal Housing Manager
David Lawson	Regeneration Manager
Kathy Beaton	Housing Strategy Officer
Liz Bateson	Principal Democratic Support Officer

41 MINUTES

The minutes of the meeting held on Tuesday 2nd September 2014 were approved as a correct record.

42 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there were no items of urgent business.

43 DECLARATIONS OF INTEREST

No declarations were made at this point.

44 PUBLIC SPEAKING

Members were advised that there had been 3 requests to speak at the meeting from members of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to Delivering New Council Housing in the District (Minute 45 refers).

Christine Bailey addressed Cabinet with specific regard to proposals for Honister Road, Lancaster. Tom Phillips and Julia Russell spoke regarding Charnley and Furness Street, Lancaster.

45 DELIVERING NEW COUNCIL HOUSING IN THE DISTRICT - UPDATE

(Cabinet Member with Special Responsibility Councillor Leytham)

Cabinet received a report from the Chief Officer (Health & Housing) which provided an update on the progress being made to establish a council house building and acquisition programme, and sought Cabinet approval to move to a detailed appraisal of potential development sites.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Approval of Council owned sites for Stage 2 appraisal

	Option 1: All the Council owned sites identified in the report go to Stage 2 detailed appraisal	Option 2: Cabinet prioritises which the Council owned HRA sites identified in the report go to Stage 2 detailed appraisal	Option 3: None of the sites identified in the report go to Stage 2 detailed appraisal
Advantages	An initial programme of council house building can be established. Initial council housing building programme more financially sustainable due to minimal land purchase costs. Full appraisal undertaken to establish viability of all proposed sites allowing programming options to be considered with full information.	Option to prioritise and target council housing building programme within the district to existing council HRA land. An initial programme of council house building can be established. Initial council housing building programme more financially sustainable due to no land purchase costs.	The HRA Business Support Reserve will have greater funds to support other HRA service improvements.
Disadvantages		Not all potential sites are fully appraised.	Land will need to be acquired to deliver a council housing building programme, and this will impinge on the viability of any development through increased costs resulting in a smaller new build programme being delivered.
Risks	Potential for abortive appraisal costs.	Potential for abortive appraisal costs.	The council housing building programme is either smaller or not delivered at all.

Acquisition of land for council housing

	Option 1: The Council adopts a land acquisition strategy to enable the development of the new council housing	Option 2: The Council does not adopt a land acquisition strategy to enable the development of the new council housing
Advantages	Sufficient land is made available to support new council housing development.	
Disadvantages	Outcome more costly than developing existing council owned sites.	Insufficient land is made available to support new council housing development.
Risks	Acquiring land for council housing would be a competitive process against commercial developers, and purchase cost may make development unviable. Potential for abortive appraisal costs.	The Council's ambitions to build new council housing are not delivered.

Establishing a "delivery team" – SmartBuild™

	Option 1: Explore the feasibility of introducing a SmartBuild™ delivery model	Option 2: Do not explore the feasibility of introducing a SmartBuild™ delivery model
Advantages	Uses local delivery teams where possible to ensure investment is retained within the local community. Opportunity to build and enhance the capacity and capability of in-house RMS team. Local training, apprentice and employment opportunities. Potential tighter control of development costs.	None
Disadvantages	Potentially extended lead in time to building up organisation and skills.	Opportunity to enhance the capacity and capability of the in-house RMS team is not realised.
Risks	Diversion from existing priorities.	In-house skills not developed.

Acquisition of ex-council housing

	Option 1: The Council adopts a policy to acquire ex-council	Option 2: The Council does not adopt a policy to acquire ex-

	housing to address identified housing needs following satisfactory appraisal.	council housing to address identified housing needs
Advantages	An opportunity to increase the housing stock in a cost effective way to meet demand.	Greater budget available for new build
Disadvantages	Purchasing such properties would reduce the number available to first time purchasers entering the housing market. Less money available for new build	An opportunity to increase the council housing stock is not realised to meet demand for affordable rented housing
Risks	Risk of future Right to Buy but partially mitigated by “cost floor” provisions.	

The officer preferred options are:

Approval of Council owned sites for Stage 2 appraisal - Option 1: All the Council owned sites identified in the report go to Stage 2 detailed appraisal as this will ensure full appraisal undertaken to establish viability of all proposed sites, allowing programming options to be considered with full information.

Acquisition of land for council housing - Option 1: The Council adopts a land acquisition strategy, informed by an asset management approach, to enable the development of the new council housing as this will ensure that sufficient land is made available to support new council housing development.

Establishing a “delivery team” – SmartBuild™ - Option 1: Explore the feasibility of introducing a SmartBuild™ delivery model to maximise the opportunities of local employment and to maximise the opportunity to build and enhance the capacity and capability of in-house RMS team.

Acquisition of ex-council housing - Option 1: The Council adopts a policy to acquire ex-council housing to address identified housing needs following satisfactory appraisal as this will provide an additional opportunity to increase the housing stock in a cost effective way.

The proposals set out in the report form a coherent strategy for the Council to deliver much needed new affordable council homes in the district and also provide added value in meeting the wider social, environmental and economic objectives of the Council.

Councillor Leytham proposed, seconded by Councillor Hanson:-

“(1) That all the Council owned sites identified in the report with the exception of Furness/Charnley Street, Lancaster go forward to a detailed Stage 2 appraisal by

the Lancashire Regeneration Property Partnership. (Option 1 in 8.1 of the report).

- (2) That the outcome of Stage 2 appraisals be reported back to Cabinet on the viability or not of using Council owned sites and should this not prove viable, then options for utilising other land be put forward for consideration, including estimated Stage 2 appraisal costs.
- (3) That where appropriate, Officers in consultation with the Chief Officer (Health and Housing) and the Chief Officer (Resources) be given delegated authority, to enter into discussions concerning the acquisition of land on a case by case basis, for delivery of the new build development, informed through an asset management approach, and that detailed proposals be brought back to Cabinet for approval prior to entering into any contractual commitment. This should include Bold Street, Morecambe. (Option 1 in 8.2 of the report).
- (4) That the Chief Officer (Environmental Services) continues discussion with the Lancashire Regeneration Property Partnership to see if a viable Lancaster SmartBuild™ team could be established to deliver the building of council housing and report back to Cabinet on any proposals which evolve. (Option 1 in 8.3 of the report).
- (5) That the Chief Officer (Health and Housing) and the Chief Officer (Resources) undertakes a review to establish a rent setting policy that supports the development of an on-going council housing building programme meeting identified housing needs and taking into account the impact on the HRA 30-year Business Plan.
- (6) That the Chief Officer (Health and Housing) be given the delegated authority, in consultation with the Chief Officer (Resources), to negotiate and approve the acquisition of ex-council housing on a case by case basis, taking into account the whole life costing of any proposed acquisition together with the location, need and demand for the particular type of property. (Option 1 in 8.4 of the report).
- (7) That delegated authority be given to the Chief Officer (Resources) to update the Housing Revenue Account (HRA) accordingly.
- (8) That a Site Visit be arranged for Cabinet and Ward Members to all of the sites identified for detailed appraisal.”

By way of amendment, Councillor Hamilton-Cox proposed and Councillor Barry seconded:-

“That Honister Road, Lancaster is not taken forward to the Stage 2 appraisal stage.”

Upon being put to the vote 2 Members (Councillors Barry and Hamilton Cox) voted in favour of the amendment and 5 Members against (Councillors Blamire, Bryning, Hanson, Leytham and Sands) whereupon the Chairman declared the amendment to be lost.

By way of a further amendment which was accepted as a friendly amendment by the proposer and seconder of the original proposition, Councillor Barry proposed:

“That officers look at other sites including Bailrigg, Canal Corridor and Luneside East.”

Councillors then voted on the original proposition, as amended.

Resolved:

(5 Members (Councillors Blamire, Bryning, Hanson, Leytham and Sands) voted in favour, and 2 Members (Councillors Barry and Hamilton-Cox) abstained).

- (1) That all the Council owned sites identified in the report with the exception of Furness/Charnley Street, Lancaster go forward to a detailed Stage 2 appraisal by the Lancashire Regeneration Property Partnership. (Option 1 in 8.1 of the report).
- (2) That the outcome of Stage 2 appraisals be reported back to Cabinet on the viability or not of using Council owned sites and should this not prove viable, then options for utilising other land be put forward for consideration, including estimated Stage 2 appraisal costs.
- (3) That where appropriate, Officers in consultation with the Chief Officer (Health and Housing) and the Chief Officer (Resources) be given delegated authority, to enter into discussions concerning the acquisition of land on a case by case basis, for delivery of the new build development, informed through an asset management approach, and that detailed proposals be brought back to Cabinet for approval prior to entering into any contractual commitment. This should include Bold Street, Morecambe. (Option 1 in 8.2 of the report).
- (4) That the Chief Officer (Environmental Services) continues discussion with the Lancashire Regeneration Property Partnership to see if a viable Lancaster SmartBuild™ team could be established to deliver the building of council housing and report back to Cabinet on any proposals which evolve. (Option 1 in 8.3 of the report).
- (5) That the Chief Officer (Health and Housing) and the Chief Officer (Resources) undertakes a review to establish a rent setting policy that supports the development of an on-going council housing building programme meeting identified housing needs and taking into account the impact on the HRA 30-year Business Plan.
- (6) That the Chief Officer (Health and Housing) be given the delegated authority, in consultation with the Chief Officer (Resources), to negotiate and approve the acquisition of ex-council housing on a case by case basis, taking into account the whole life costing of any proposed acquisition together with the location, need and demand for the particular type of property. (Option 1 in 8.4 of the report).
- (7) That delegated authority be given to the Chief Officer (Resources) to update the Housing Revenue Account (HRA) accordingly.
- (8) That a Site Visit be arranged for Cabinet and Ward Members to all of the sites identified for detailed appraisal.
- (9) That officers look at other sites including Bailrigg, Canal Corridor and Luneside East.

Officers responsible for effecting the decision:

Chief Officer (Health & Housing)
Chief Officer (Resources)
Chief Officer (Environment)

Reasons for making the decision:

The decision supports the Council's priorities of clean, green & safer places, health and wellbeing, and community leadership and is consistent with the Housing Strategy and Action Plan 2012 – 2017 which seeks to maximise opportunities to increase the existing portfolio of affordable housing in Lancaster district. Site visits to the agreed proposed sites will assist Cabinet members with their decision making when the detailed appraisals are reported back in due course.

46 HOUSING ALLOCATION POLICY

(Cabinet Member with Special Responsibility Councillor Leytham)

Cabinet received a report from the Chief Officer (Health & Housing) which sought approval to adopt a new Housing Allocation Policy.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	Option 1: Adopt New Allocation Policy	Option 2: Keep Current Allocation Policy
Advantages	Will ensure that we are meeting locally identified needs and be compliant with the latest guidance from the Department for Communities and Local Government.	No changes will be required to the IT system.
Disadvantages	Will require changes to the IT system.	We will not be compliant with the latest guidance from the Department for Communities and Local Government.
Risks	May result in low demand general needs properties being empty for longer.	We will be open to legal challenges for having a non-compliant allocation policy and will be open to an increase from applicants across the North West with no local connection. This could have resource implications.

Option 1 as described above is the officer preferred option. The disadvantages associated with option 1 and the advantages for option 2 are minimal. By adopting the new Housing Allocation Policy the Council can ensure that social housing in the district is allocated in accordance with the latest guidance from the Department for Communities and Local Government. There are currently 797 applicants who are currently placed in Band E. Of these applicants 28% have no local connection to the Lancaster district, 35% are owner-occupiers without a high medical and/or support need,

36% are social housing tenants who are adequately housed (who can look for a move via our mutual exchange scheme) and 1% have sufficient financial resources to be able to rent or buy a home in the private sector. The majority of our low demand properties are sheltered housing flats and owner-occupiers and applicants with no local connection and/or sufficient financial resources will still be able to join the housing register and bid on these properties. Of the 797 applicants currently in Band E, 43% of them would be eligible to bid for sheltered housing flats.

Councillor Leytham proposed, seconded by Councillor Hanson:-

“That the recommendations, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That the new Housing Allocation Policy to reflect local priorities and meet statutory guidance, attached to the report, be approved.
- (2) That delegated authority be given to the Chief Officer (Resources) to update the Housing Revenue Account budgets.

Officers responsible for effecting the decision:

Chief Officer (Health & Housing)
Chief Officer (Resources)

Reasons for making the decision:

The decision fits with the ensuring Council ethos, particularly with regard to social justice and stewardship and supports the ‘improving access to housing’ as part of the health and wellbeing priority.

47 EMPTY HOMES STRATEGY

(Cabinet Members with Special Responsibility Councillors Hanson and Leytham)

Cabinet received a report from the Chief Officer (Regeneration & Planning) which sought approval to formally adopt the Lancaster District Empty Homes Strategy 1 (July 2013 – 30 June 2015) and consider the options available to resource this area of work in the future.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	Option 1: Aim to continue a strategic approach to empty homes until 31 March 2017, and request Officers to consider how Officer support	Option 2: Aim to continue a strategic approach to empty homes until 31 March 2017, and request Officers to investigate how Officer support	Option 3: Deliver the existing Empty Homes Strategy until July 2015 and discontinue the strategic approach to empty homes.
--	--	---	---

	might best be provided/reallocated, for consideration during the budget.	might best be provided/reallocated, and what potential exists to create a dedicated revenue and/or capital budget for long term empty homes (including any external funding opportunities), for consideration during the budget.	
Advantages	<p>Subject to budget decisions, the additional empty homes brought back into use would make a positive contribution to the overall housing supply and mix. The council will be fulfilling its strategic housing function by making effective use of existing housing, including empty homes, in order to meet housing needs. Empty homes work will contribute towards the Cabinet decision to engage in housing provision targeted towards affordable housing using a variety of methods. Empty homes work will contribute towards the strategic housing regeneration priority to bring empty homes back into use. Proactively identifying empty homes and the use of enforcement will send a strong message that the council does not tolerate empty homes, acting as a powerful disincentive to owners. Bringing empty homes into use will</p>	<p>As with Option 1 but some additional resources (if identified) would ensure the proactive work through grants can continue if alternative external sources of funding are discontinued or could allow potential match funding for properties that require a higher level of investment.</p> <p>The exact level will be determined as part of the annual Budget Process.</p>	<p>No further council resources would be required beyond those already committed and budgeted for.</p>

	<p>attract positive media coverage and publicity for the council. This is particularly important in the context of the Local Plan and meeting the district's future housing requirements. Internal and external funding opportunities can potentially be identified and quickly responded to. The council can make informed decisions around the appropriate use of the different enforcement tools available.</p>		
<p>Disadvantages</p>	<p>Future funding would be required for a dedicated resource beyond those currently committed, and it is not yet determined how this could be afforded or whether it could be reallocated from elsewhere.</p>	<p>As with option 1 but additional resources may need to be committed which may impact on the council's budget and future savings which need to be identified, even if more New Homes Bonus is generated.</p>	<p>The number of empty homes in the district could increase. The council would not be positively contributing or fulfilling its strategic housing function by making use of the existing housing provision locally. There could be more opposition to the council's Local Plan proposals which will seek to significantly increase new housing supply to meet local need when the council is failing to deal with empty homes. The council will not be delivering against its previously agreed priorities. There would be a potential loss of New Homes Bonus. Negative media publicity. Loss of opportunity</p>

			to benefit from future funding available to tackle empty homes. No regular monitoring of empty homes or relevant data being held and no targeted officer resources to initiate enforcement action.
Risks	Any empty homes officer resource is unable to return a satisfactory number of empty homes to use. Enforcement action may take longer than expected. Funding to support the pro-active work to bring empty homes back into use may be limited or not available in the future.	As with option 1 but even if further resources are identified it may still not be of a sufficient level to tackle the worst long term empty properties. Pro-active schemes require the co-operation of the existing owner.	Reputational and income loss for the council if the post was to be discontinued. May reduce the potential to secure future funding opportunities without the necessary officer resources. Impact upon the existing housing stock as properties continue to deteriorate, resulting in higher levels of capital investment required in the future. Could impact on other corporate priorities if there is more resistance to the Local Plan proposals if the council is not addressing empty homes.

The officer preferred option is Option 2 then Option 1. Both options may allow the Empty Homes Officer resources to continue until March 2017 in some form (subject to future budget setting processes and approvals) and may ensure that the strategic approach that has been adopted to tackle empty homes will continue in the medium term. Both options allow members to consider the extent to which the Council can commit resources to tackling empty homes along with the Council's other priorities when the budget is set for 2015/16 and beyond, and at a time when there is more clarity about any other funding that could be made available to support bringing empty homes back into use given the circumstances described in paragraph 8.3 in the report. Under Option 2, if there is an additional budget made available to tackle empty homes, there is the potential to continue the existing partnership with Methodist Action with or

without the benefit of central government funding, which would mean that the grant paid by the Council to Methodist Action could be fully recovered through a reduced rental income payable to the empty homes owner and the monies could then be recycled and rolled out for other empty properties.

Whilst Option 1 would allow consideration of officer resources, it would seem more fitting to consider a wider range of options at the appropriate time, as allowed for under Option 2. Furthermore, the role of the Empty Homes officer support could predominantly focus on enforcement instead of having the benefit of a wider range of approaches to tackle empty homes depending upon other available resources and funding opportunities. Option 3 would ultimately result in less action being delivered to tackle empty homes, with no specific resources available to tackle even the worst empty homes within the district and with all the associated negative impacts and loss of potential income outlined above.

Members have been provided with the draft Lancaster District Empty Homes Strategy, which has emerged as a result of having the necessary resources for its delivery and to formalise the current arrangements. This report details the many potential benefits in adopting a strategic approach to tackling empty homes, whilst acknowledging the necessary resources required. Should Option 1 or 2 be approved, then officers will review the Empty Homes Strategy 1 July 2013-30 June 2015 and prepare a revised document up to 30 March 2017 for approval in due course.

Action around empty homes has been widely debated and subject to close scrutiny both nationally and locally. Officers can report that at every Local Plan consultation event that took place in June 2014, members of the public raised questions about what actions the Council was taking to tackle empty homes in the context of the need for 12,000* new homes across the district (*figure from the Turley report which will be subject to further review), and the local community were furnished with very positive details of the activities and attention that has been given to tackling empty homes in the past 12 months. There would be a significant loss to Lancaster district not to be able to continue this very important work in the longer term.

Councillor Leytham proposed, seconded by Councillor Hanson:-

“That the recommendations, as set out in the report, be approved.”

By way of an amendment, Councillor Barry proposed and Councillor Sands seconded:

“That Lancashire County Council be requested to consider making a contribution towards funding the post of the Empty Homes Officer.”

Members then voted on the amendment.

(3 Members (Councillors Barry, Bryning and Sands) voted in favour, 2 Members (Councillors Hanson and Leytham) voted against and 2 Members (Councillor Blamire and Hamilton-Cox) abstained) whereupon the Chairman declared the amendment to be carried.

Councillors then voted on the original proposition, as amended:-

Resolved unanimously:

(1) That the draft Lancaster District Empty Homes Strategy 1st July 2013 – 30th

June 2015 be adopted.

- (2) That Option 2, as set out in the report, be approved as the preferred option to take forward for further consideration during the 2015/16 Budget Process.
- (3) That delegated authority be given to the relevant Chief Officers to bid for external funds in line with the Empty Homes Strategy, subject to them being within the Budget & Policy Framework, and the Empty Homes Strategy and ongoing need for supporting resources be reviewed during the 2017/18 budget process.

Resolved:-

(3 Members (Councillors Barry, Bryning and Sands) voted in favour, 2 Members (Councillors Hanson and Leytham) voted against and 2 Members (Councillor Blamire and Hamilton-Cox) abstained)

- (4) That Lancashire County Council be requested to consider making a contribution towards funding the post of the Empty Homes Officer.

Officers responsible for effecting the decision:

Chief Officer (Regeneration & Planning)
Chief Officer (Health & Housing)
Chief Officer (Resources)

Reasons for making the decision:

The decision is consistent with the action to 'increase the number of improved homes and improve access to housing' identified in the Corporate Plan 2014-16 (Health and Wellbeing) and supports the Housing Action Plan 2012/2017 to reduce the number of empty homes within the District by taking appropriate enforcement action, developing an Empty Homes Strategy, pursue bids for funding and through council tax charging.

48 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor Hamilton-Cox and seconded by Councillor Bryning:-

"That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act."

Members then voted as follows:-

Resolved unanimously:

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

49 LAND FORMING PART OF LANCASTER LEISURE PARK, OFF WYRESDALE ROAD, LANCASTER

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a revised report from the Chief Officer (Resources) to report back detailed terms for the completion of the sale and the lease renewal of land forming part of Lancaster Leisure Park for a final decision. The report was exempt from publication by virtue of Paragraph 3 of Schedule 12A of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the revised exempt report.

Councillor Hamilton-Cox proposed, seconded by Councillor Leytham:-

“That the recommendation, as set out in the revised exempt report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That the land off Wyresdale Road, Lancaster, as shown hatched red on the plan attached to the exempt report, be disposed of on the terms and conditions as set out in section 2 of the exempt report.

Officer responsible for effecting the decision:

Chief Officer (Resources)

Reasons for making the decision:

The Corporate Property Strategy requires that the Council review its asset base and only retain those assets required to meet its agreed objectives and priorities. Where assets are not required for this purpose they should be disposed of at best value. This is an opportunistic sale, allowing the Council to improve the management of its assets.

Chairman

(The meeting ended at 11.45 a.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - telephone (01524) 582047 or email
ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON 9th OCTOBER, 2014.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 17th OCTOBER, 2014.**

