

Minutes of the Prosperous Staffordshire Select Committee Meeting held on 1 March 2019

Present: Ian Parry (Chairman)

Attendance

Ron Clarke	Bryan Jones
Tina Clements	Rev. Preb. M. Metcalf
Mike Deakin	Kyle Robinson
Keith Flunder	Simon Tagg
Julia Jessel (Vice-Chairman)	Bernard Williams

Also in attendance: Mark Winnington

Apologies: Jessica Shulman

PART ONE

42. Declarations of Interest

Keith Flunder declared an interest in minute number 45, in his capacity as Chairman of meetings in relation to the Checkley Neighbourhood Plan, and Ian Parry declared a non-pecuniary interest in minute number 45 as ENGIE was a client of the organisation he worked for.

43. Minutes of the Prosperous Staffordshire Select Committee held on 18 January 2019

RESOLVED – That the minutes of the Prosperous Staffordshire Select Committee held on 18 January 2019 be confirmed and signed by the Chairman.

44. Minutes of the Joint Meeting of Prosperous Staffordshire and Safe and Strong Communities Select Committees held on 18 December 2018

RESOLVED – That the minutes of the joint meeting of Prosperous Staffordshire and Safe and Strong Communities Select Committees held on 18 December 2018 be confirmed and signed by the Chairman.

45. Delivering Housing in Staffordshire

To assist the Committee in their consideration of the report, Dan Gray, the Executive Director of Property at Aspire Housing had been invited to attend the meeting. The Chairman asked Mr. Gray to give an outline of his organisation, what it did and how he viewed the current housing landscape, to aid the Committee's understanding. Mr. Gray informed members that his organisation had been having useful and productive early discussion with the County Council around the potential for increased housing development in Staffordshire. He believed that there was potential for significant

collaboration in the future between the County, District and Borough Councils and Housing Association providers. Housing Associations shared the same values and objectives as the County Council around sustainable communities and increased prosperity for residents. Housing Associations were charitable organisations typically, supported by public funding and were asset holding and the social housing which they held were assets against which they lever private sector funding. They invested for long-term returns, over thirty plus years, and would develop against the housing market cycle. There were around a dozen Housing Associations in Staffordshire, half of which were firmly rooted in the County. Aspire had formed in 2000 from the transfer of stock from Newcastle Borough Council. They currently spent around £25m per year on housing development and this year expected to have delivered 225 new affordable homes across shared ownership and rent.

There were three main ways in which Housing Associations engaged in the housing market. Firstly through the acquisition of land or the use of their own land and accessing Homes England public subsidy grant to build on those sites. Their challenge was that they were competing in a land market with private sector developers and there was also a limit to their individual capacity to the size of sites they were able to buy. Secondly through Section 106 planning obligations, although there were difficulties in this model. Private sector developers take up the large sites, who have a vested interest in minimising the amount of planning gain that local authorities took out of these sites as this impacted on their profit, so they would typically try to reduce the amount of affordable housing. There was a disconnect between private sector developers leading the process of determining the right mix and type of housing on the sites and the needs of local authorities and housing associations, and often the wider community benefit was not considered. The third model was setting up market sale companies and entering into development partnerships with private sector developers. This was in its early stages in Staffordshire.

Members were informed that there was a housing crisis, and that there was a need to provide around 300,000 homes per year, every year, in order to meet housing need across the country. Last year there were 220,000 and in previous years significantly less than that. Of that, 23% was affordable housing nationally but evidence said that this figure should be 40%. In order to fill the gap Mr. Gray said that there was a view that this would need to come from local authorities and/or Housing Associations either working independently or collaboratively.

A future collaborative relationship between the County council and Housing Associations could offer the potential for some form of joint delivery vehicle. Housing Associations were committed to long term delivery, as was the County Council. There was a model in Manchester where the Greater Manchester Combined Authorities working with the Greater Manchester Housing Providers had formed a Joint Venture Company on an equity investment basis. This worked on the basis that public sector land was offered to the Partnership first, giving them the ability to control what was going on that site: the outcomes; the quality; and the mix of tenure types, which was much more difficult to control when public land went out to the market in a totally open environment. Another opportunity which would present itself with a collaboration between the Local Authority and Housing Associations was the ability to bring in Homes England, the national funding agency for affordable housing. Homes England were able to bring very significant funding and capacity into housing delivery. Some form of

collaborative arrangement which joined up the County Council, potentially Districts, Housing Associations and Homes England could provide a powerful force in respect of increasing housing delivery. Mr. Gray believed that this model was worth exploring further with initial conversations between a range of Housing Associations and the County Council.

Members were informed that planning was a challenge for Housing Associations, taking a lot of time and capacity. Mr. Gray asked whether the County Council was able to provide additional support around the planning system and the framework for planning that would enable applications to be dealt with more quickly which would help with housing delivery. There was also a challenge around construction skills, not just on site but technical skills, highways skills, and employer's agent skills that contributed to increasing the level of housing delivery and it was at a strategic level that this needed to be taken forward.

A member asked whether there was a shortage of land allocated for housing in the County. Mr. Gray responded that the accessibility of land for development remained a major challenge and local plans were at different stages and uncertainty around the status of land through the local plan system created difficulty. There was a significant amount of land allocated for housing, but it was questionable whether this was all deliverable as there was a mis-match between who was capable of delivering housing on strategic sites and who was ready, able and willing to work on smaller sites. The member asked whether there was a shortage of housing in Staffordshire. Mr. Gray confirmed that there was a shortage of housing in the areas that his Housing Association operated. A member commented that private developers build to market demand and that shortages of houses occurred in pockets.

Members discussed the issues around peoples' ability to move up and down the property ladder and affordability at the entry level point preventing accessibility to home ownership. A member commented that it would be helpful when considering planning applications for developments which included affordable social housing if there could be input from a social housing provider to ensure the proposed development was appropriate.

A member expressed concern that the County Council had a strategic responsibility in relation to housing and that delivery was the role of District and Borough Councils and it was important to recognise this and work in conjunction with them. They also commented that there was a growing conflict within the Section 106 negotiations about affordable housing provision and a number of authorities had conditions within their local plans that steers them away from having large blocks of social housing. It was important to have early discussion between social housing providers and private developers so schemes come forward on a joint basis.

The Chairman asked the Cabinet Member for Economic Growth what issues or problems or opportunities he was trying to address in terms of housing in Staffordshire. The Cabinet Member responded that last year was the first time that housing had been mentioned in the Strategic Plan. It was felt that housing provision was not working as well as it could and the authority wanted to take a role as a disrupter to change the market. Some large developers were land banking which was frustrating as no progress was being made on Local Plans. The County Council was looking to work with Homes

England, developers and organisations involved with housing delivery. The Chairman asked why developers were land banking. The Cabinet Member responded that in some cases this was due to them waiting for the market to rise in order to increase their returns. A member commented that Local Authority planning approval allowed for development within a three-year period. In some cases delays occur because of complicated legal discussions on Section 106 and 278 Agreements, which could be really protracted negotiations.

Members discussed the impact of housing developments on the existing infrastructure and the measures which were being taken to address this. A member commented that it was important to be aware of the difficult situation that some communities were faced with when developers regularly attempted to get out of their Section 106 contributions and also out of their social housing and affordable housing contributions by using viability as a reason. The Cabinet Member responded that this reinforced the importance of enhanced two-tier working.

A member queried whether it was the County's intention through its Strategic Plan to look at the longer term and have a more concentrated approach in a particular area, for example looking at road infrastructure and other services. The Cabinet Member responded that this was the case, and that it was important for appropriate decisions to be made at the appropriate levels.

RESOLVED – That:

- a) The comments of the Select Committee on the approach being taken to develop a clearly defined strategy for Staffordshire County Council engagement in housing policy and strategy delivery to support the implementation of housing schemes, both directly and indirectly; and
- b) An advanced draft version of a clearly defined strategy be brought to the Select Committee in early Autumn 2019.

46. Economic Growth Programme

Members were informed that Staffordshire's ambitious Economic Growth Programme was continuing to play a crucial role in Staffordshire's ongoing economic improvement. Claimant unemployment rates continued to be persistently below the averages for the West Midlands and Great Britain. This success story was likely to continue as the County Council worked in partnership to deliver priority projects with the Stoke-on-Trent and Staffordshire Local Enterprise Partnership and other key local stakeholders. The key priority for the future would be to encourage further growth in high value-added sectors, meeting the County Council's ambitions for creating "better jobs" while ensuring that there was a mixed and balanced economy in Staffordshire. All of this needed to be combined with a competitive and broad skills profile among local communities, able to support this growth, giving everyone the best opportunities to fulfil their economic potential.

The committee considered details of the support provided in respect of start-up survival by the Stoke-on-Trent and Staffordshire Growth Hub, together with details of the County Council's Skills Programme. The Cabinet Member for Economic Growth informed members that there was a ripple effect from the interventions by the Growth Hub. With the LEP's support the County Council were investing a further £4.8 million in equipment

to increase STEM skills, and projects with partners would create another 1,700 apprenticeships and further education learners.

A member queried what were the ideal conditions for economic growth. The Cabinet Member responded that these would be a diverse economy, which included automotive, digital and ceramic industries and good connectivity and tourism. It was acknowledged that Staffordshire had a diverse economy which was strong and resilient, providing attractive conditions for investment. Housing costs were also relatively affordable, and there was a good mix of skills and labour. A member commented that it was important to maintain these conditions and replicate them throughout the County.

Members considered a table of selected key projects which they welcomed, in particular to help being given to town centres. In the next update to the Select Committee the Cabinet Member undertook to provide a more local view and was requested to provide more detail on the general growth of SMEs. A member questioned whether enough was being done to support high streets and smaller businesses in order to see high streets thrive. They also queried how many jobs were guaranteed at the end of apprenticeships. The Cabinet Member responded that many employers were expressing the view that they needed more skilled people who were work ready. Work was being undertaken with the LEP, universities and other partners to address this concern. Under the £58m ESF programme a range of learning, employability and business support was being delivered, which offered tailored programmes for local residents and businesses. This included the LEP's £13.2m, six-site Advanced Manufacturing Hub, using state of the art facilities and equipment, giving people the skills they needed to work in the County's key industry sectors.

A member commented that the creation of significant numbers of jobs in an area could lead to more vehicle movements and congestion on the road network. The Cabinet Member responded that well planned growth requires suitable infrastructure, and referenced the work being undertaken to prepare the Staffordshire Infrastructure Plan.

RESOLVED – That:

- a) The work and progress of the Staffordshire County Council Economic Growth Programme be noted; and
- b) The Committee will continue to scrutinise this on a six-monthly basis.

47. Petitions - School Crossing Patrols

Members were informed that the County Council's Petitions Scheme stated that petitions with at least 2,500 signatures, but less than 5,000 signatures, may require a senior officer to give evidence at a public meeting of the relevant overview and scrutiny committee. Petition organisers are invited to give evidence to the committee. As the committee with responsibility for the scrutiny of matters relating to highways and transport Prosperous Staffordshire Select Committee was the relevant committee for school crossing patrols.

Three petitions had been received and following due process letters had been sent to the organisers acknowledging their receipt and inviting them to attend the meeting to give evidence. No further communication from the petitioners had been received. However, on 22 January 2019 the County Council had announced that they would not

be withdrawing school crossing patrols and consequently the Select Committee agreed that they need take no further action.

RESOLVED – That the receipt of three petitions regarding school crossing patrols be noted, with no further action to be taken.

48. Work Programme

49. Exclusion of the Public

RESOLVED – That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Schedule 12A (as amended) of the Local Government Act 1972 indicated below.

50. Exempt Minutes of the Prosperous Staffordshire Select Committee held on 18 January 2019

(Exemption paragraph 5)

RESOLVED – That the exempt minutes of the Prosperous Staffordshire Select Committee held on 18 January 2019 be confirmed and signed by the Chairman.

Chairman