

ENVIRONMENT AND LIVING SCRUTINY COMMITTEE

23 MARCH 2016

PRESENT: Councillor M Winn (Chairman); Councillors S Jenkins (Vice-Chairman), M Bateman, S Chapple, A Cole, B Everitt, B Foster and A Hetherington

IN ATTENDANCE: Councillors C Adams, K Hewson and A Macpherson

APOLOGIES: Councillors P Agoro, A Bond and S Cole

1. MINUTES

The minutes of the meeting held on 11 February 2016 were agreed as a correct record.

2. DECLARATIONS OF INTEREST

Councillor A Macpherson declared a personal interest in Item 3: Vale of Aylesbury Housing Trust Update, as she is one of the Council's representatives on the Trust.

3. VALE OF AYLESBURY HOUSING TRUST UPDATE

Matthew Applegate, Chief Executive of the Vale of Aylesbury Housing Trust (VAHT) provided the Environment and Living Scrutiny Committee with an update on VAHT's operations over the past 12 months and also with a briefing on its strategic direction for the next year. The presentation received by the Committee is attached to these minutes.

Councillors were advised that new developments with more than 25 residences were required to provide at least 30% as affordable housing. This could be either shared ownership or affordable rented accommodation. It was noted that affordable rent was above social rent levels, but below market rent, and was typically round 80% of market rent levels. Vale of Aylesbury Housing Trust did not have any properties subject to a rural exception scheme, but it was noted that some exception schemes were in place in the Vale. This could increase, as rural exception schemes could be included in Neighbourhood Plans.

The Environment and Living Scrutiny Committee asked for clarification of the impact of the 'pay to stay' policy, whereby households with a combined income of £30,000 outside of London could be asked to pay rent at market rate levels. It was noted that this policy was voluntary for housing associations. VAHT would be looking into this policy, and would engage with HMRC regarding gaining information about residents' incomes so that a decision could be made about whether to charge the market rent. It was noted that there would be an increase in administration costs to implement the policy, and this would need to be offset by an increase in income. A decision would be made regarding implementation after the final legislation was known. It was questioned whether this could lead to rent arrears, or whether it could lead to more residents looking at purchasing their home rather than paying the rent at the market rate. There were concerns that this could lead to a loss of social housing.

Parish Councils had noted that new developments rarely included bungalows, and existing bungalows were regularly converted. It was stated that there was no established need for bungalows, and there was an increase in land cost for developers in relation to the living space of the property. Matthew Applegate informed the Committee that there were bungalows in VAHT's existing housing stock, and there were

no plans to convert these properties. There had been some new build bungalows on the Buckingham Park development.

VAHT's policy regarding garages was questioned, as there were concerns that some of the garage stock may be demolished and housing built in place. Members were advised that there was demand for garages, and that the policy was to renovate and improve existing garage stock. An additional 250 garages were now let that had previously been in a dilapidated state.

Councillors asked for clarification regarding VAHT's financial position, and were informed that the company had a £44million turnover, and that £55million was due to be spent in the coming year. The shortfall in funding would be financed by bank loans, and this additional funding would enable development, which would in turn lead to an increase in turnover. This financial model had been in place for decades, and it was noted to be sustainable over the 30 year business plan.

It was noted that there was not a high level of demand from residents to buy the property they rented. It was questioned whether there was higher demand for more attractive properties in rural areas. Members were advised that the price of the properties in more rural locations was higher. Tenants would be entitled to a discount on the market price of the property, but it was likely that the majority of tenants would not be able to afford the rural properties even with the discount.

Members thanked Matthew Applegate for his attendance, and

RESOLVED –

That the report and update presented at the meeting be noted.

4. THE IMPACT OF THE EXTENSION OF THE RIGHT TO BUY

The Environment and Living Scrutiny received a report outlining the implications of the proposal legislative changes that would extend the Right to Buy to those with the Right to Acquire. It was noted that the Housing and Planning Bill proposed to extend the Right to Buy discount to all Housing Association tenants. This extension would be achieved through a voluntary agreement between the government and Housing Associations. It was anticipated that approximately 114 units in Aylesbury Vale would be sold in 2016/17 under Right to Buy and Right to Acquire combined, taking into consideration the extension of the Right to Buy discount. The Government has identified a 'one-for-one' replacement as a key element of this initiative. It was noted that it was not clear how the scheme would operate in areas such as Aylesbury Vale where a Large-Scale Voluntary Transfer of council housing stock had taken place.

The existing Right to Buy legislation applied to tenants of Council-owned housing stock, or residents of ex-Council stock who moved to a Housing Association as part of a large-scale stock transfer. In Aylesbury Vale, this would only apply to tenants of the Vale of Aylesbury Housing Trust who were tenants at the time of the transfer. Eligibility for the Right to Buy scheme gave tenants up to 70% discount on the Open Market Value of their property, capped at £77,900 outside of London. Another form of discounted purchase was available to residents of social housing via the Right to Acquire, which was available to housing association tenants living in a property built or bought by a housing association after 31 March 1997. It also applied for properties that were transferred from a local authority to a housing association after 31 March 1997. A tenant purchasing under the Right to Acquire would receive a flat rate of between £9,000 and £16,000 depending on the region the property is located.

The voluntary agreement between the Government and the National Housing Federation (NHF) proposed to extend the Right to Buy discount to all housing association tenants. In Aylesbury Vale, there were 11,613 tenants of Registered Providers/Housing Associations, and of these 9,497 lived in rented accommodation and would potentially have the Right to Buy/Right to Acquire. It was expected that there 5.7% of Registered Provider tenants in Aylesbury Vale may express an interest in taking up their entitlement to the Right to Buy discount, but this 'expression of interest' would not necessarily translate to a sale. The housing stock may fluctuate and could decrease. It was likely that there may be initial high level of demand to buy the property, as those who can afford to buy the property may do so quickly.

Members raised concerns about the ability to replace lost housing stock locally. It was noted that there were several large strategic developments which included some affordable housing, and that VAHT also had a development programme. Current properties were located in urban areas. Members were advised that over half VAHT's total housing stock had been lost to the Right to Buy scheme since its inception.

RESOLVED:

That the report be noted.

5. WORK PROGRAMME

Members of the Environment and Living Scrutiny Committee considered the work programme and suggested items that they would like to be included at future committee meetings, and

RESOLVED

That the work programme be noted.