



Leicester
City Council

MINUTE EXTRACT

Minutes of the Special Meeting of the STRATEGIC PLANNING AND REGENERATION SCRUTINY COMMITTEE

Held: THURSDAY, 7 AUGUST 2003 at 5.30pm

P R E S E N T :

Councillor Farmer - Chair
Councillor Thomas - Labour Spokesperson
Councillor O'Brien - Conservative Spokesperson

Councillor Fitch
Councillor Ramsdale (for Cllr. Saleh)

Councillor Kitterick
Councillor Waddington

ALSO IN ATTENDANCE

Councillor Hunt – Cabinet Link Member for Environment, Regeneration and
Development

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26. DECLARATIONS OF INTEREST

Members of the Committee were asked to declare any interests they may have in the business to be discussed and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

No such declarations were made at this time.

29. RESEARCH INTO 'AFFORDABLE HOUSING MORATORIUM

The Corporate Director of Environment, Regeneration and Development and the Corporate Director of Housing submitted a joint report that summarised research on the 'moratorium' for affordable housing in three parts of the City area, and noted the views of Departments for whether or not this should be reviewed.

Members were informed that the current 'moratorium' in three parts of the City area expired on 30 September 2003. Cabinet had agreed in January 2003 that research should evaluate its impact and the report noted the research undertaken by Roger Tym and Partners.

It was noted that the consultants report had concluded that the 'moratorium' arrangements had had some impact on the City centre development sector but,

as the arrangement had only been in place since December 2001, they had recommended a new 'moratorium' arrangement for a further five years.

Responses and suggestions from Council departments and the Leicester Regeneration Company were given at the meeting and are summarised below:

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Nora Galley – Roger Tym and Partners

Outlined the results of the research carried out and of the methodology adopted. The 'moratorium', it was reported, had coincided with an increase in planning applications and planning consents, although not all had subsequently been followed through. Neither the Frog Island nor the St. Georges's areas of the City had taken off as housing areas during the 'moratorium' period. It was suggested that land values were not yet high enough in the City to attract the necessary risk investment.

Environment, Regeneration and Development Department

The department strongly supported affordable housing and were working with Registered Social Landlords (RSLs) in particular, and the Housing department, to achieve this. It was believed that parts of the City Centre market were still fragile and that a five-year extension to the current 'moratorium' was felt to be too long, two years was felt preferable.

John Nicholls – Leicester Regeneration Company (LRC)

LRC wanted to see a mix of tenants in the City Centre but the question remained of how to achieve this. Market housing was important but ways to provide affordable housing on the back of market housing had yet to be devised. At present there was not enough profit in City Centre developments to enable affordable housing to be imposed. The requirement by developers to provide affordable housing was in fact part of a list of other requirements, namely, education, public art, flood risk and highways improvements. The LRC felt that the 'moratorium' should be extended for a substantial period and that it and the market should be monitored frequently.

Housing Department

The current 'moratorium' had been a joint approach by the Environment and Development and the Housing Departments of the City Council. Since the 'moratorium' had been imposed the situation had changed. The Director of Housing was in the process of seeking Neighbourhood Renewal Fund money to fund work on developing a model that would assess the obligations of building sites against land values, along the lines of a similar model used successfully by the Greater London Authority (GLA). The department was not supporting an extension of the current 'moratorium'.

The Town Clerk outlined the Legal Implications of the report that had been tabled and drew attention to planning obligations under the provisions of the Town and Country Planning Act 1990. Reference was also made to the specific guidance on planning and affordable housing, set out in Government Circular 6/98, setting out the government's preferred approach. Further recommendations, based on the premise that there had been a severe decline in the number of affordable homes built in the last twenty years, had been contained in the report of the Housing, Planning, Local Government and the Regions Select Committee, issued in May 2003.

Members expressed concerns that a representative of the Leicester Housing Associations Liaison Group (LHALG) was not present at the meeting and questioned whether a separate meeting should be arranged to discuss affordable housing in greater detail.

It was moved by Councillor Thomas, seconded by Councillor Waddington that a Special Meeting be called later in August to discuss issues around affordable housing in the wider context. The motion was lost.

Further discussion took place as to the wider aspects of development in Leicester and of whether the affordable housing 'moratorium' should be extended.

In conclusion the Scrutiny Committee supported recommendations a) – c), as set out in the report but felt that further information on the various options put forward would be beneficial to Cabinet. It was further agreed that Council be invited to discuss the future provision of affordable housing within the Regeneration Company area as it was felt the issue warranted wider consideration.

RESOLVED:

- 1) that the conclusions of the research into the current 'moratorium' on affordable housing within parts of the City Centre, be noted.
- 2) that it be noted that the current 'moratorium arrangements were only in place until 30 September 2003.
- 3) that the opinions from Departments and stakeholders, set out in the report, on the research conclusions and the divergent suggestions for addressing concerns about the provision of affordable housing within the Regeneration Area, be noted.
- 4) that, to assist Cabinet members when considering the report, the officers provide additional information on the several options set out in the report; and,
- 5) Cabinet be asked to refer the item to Council to enable wider consideration to be given to the future provision of affordable housing within the Regeneration Company area.