

**To: City Executive Board**

**Date: 17 March 2016**

**Report of: Housing Panel and Finance Panel (Panels of the Scrutiny Committee)**

**Title of Report: A Housing Company for Oxford**

## **Summary and Recommendations**

**Purpose of report:** To present recommendations of the Scrutiny Committee on A Housing Company for Oxford

**Scrutiny Lead Member:** Councillor Craig Simmons

**Executive lead members:**

Councillor Mike Rowley, Board Member for Housing

Councillor Ed Turner, Board Member for Finance, Asset Management & Public Health

**Recommendation** of the Scrutiny Committee to the City Executive Board:

**That the City Executive Board states whether it agrees or disagrees with the two recommendations set out in the body of this report.**

## **Introduction**

1. The Housing Panel and Finance Panel pre-scrutinised this decision in a joint session held in public on 9 March 2016. The joint Panel would like to thank the Board Member Councillor Mike Rowley and council officers David Edwards, Stephen Clarke, Nigel Kennedy, Jeremy Thomas and Alan Wylde, who attended to present this item and answer questions. The Panel would also like to thank a representative of Homes for Oxford for speaking on this item.

## **Summary of the discussion**

2. The Housing Development and Enabling Manager introduced the report and explained that it sought agreement to the principle of setting up a Local Authority wholly owned housing company and delegated authority to set up an appropriate company structure. The overarching aim of the Company was to increase the supply of affordable housing.

3. In response to a question about the merits of a Community Land Trust model of ownership, the Panel heard that initial discussions had taken place. The Council needed to view any opportunities at specific sites on their merits and ensure best value. The report was not seeking decisions on any sites other than Barton and nothing else was being ruled out or given a green light at this stage. In the short term, the Company would not be doing anything the Council wasn't planning to do anyway. These plans included delivering homes at Barton and estate regeneration. Other sites the Council was planning to develop would come forward in due course and be subject to separate decisions. The Company would also enable further opportunities that may follow in future, such as developing outside the city.
4. In response to a question about whether the articles of the Company could preclude it from investing in alternative housing models, the Panel heard that the articles of the Company would be drawn as flexibly as possible and the Company structure would enable the Company to partner with anybody but there was a need to balance risk given that the Company would be wholly Local Authority owned.

***Recommendation 1 - That the Company articles should be drafted in such a way so as not to preclude entering into any funding arrangements or partnerships that could help to increase the supply of affordable housing, including working with alternative housing providers and models (such as co-housing or a community land trust).***

5. The Panel observed that there may be merit in appointing non-executive Directors from the start in order to bring in outside expertise and high profile support.
6. The Panel also sought and received assurances on the following:
  - That there was sufficient officer capacity at senior levels.
  - That the Company would be able to rent out properties on a range of tenures including social and market rent.
  - Any General Fund borrowing would be prudent and affordable.
  - That the terms of the loan facility would be determined when the Company required the funding.
  - That future executive decisions would be open to scrutiny.
7. The Panel noted that important decisions about the articles of the Company, shareholder agreements, and agreements regarding the acquisition of affordable housing at Barton Park would be delegated to Council officers, in consultation with the relevant Board Members. The Panel suggested that there should be wider member oversight of these decisions, either through the scrutiny process or other means.

***Recommendation 2 - That consideration should be given to enabling wider member oversight and input into decisions delegated to officers, in particular decisions about the articles of the Company, shareholder agreements, and details of agreements regarding the acquisition of affordable housing at Barton Park.***

**Name and contact details of author:-**

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**List of background papers: None**

**Version number: 1**

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