

To: Cabinet

Date: 15 May 2019

Report of: Scrutiny Committee

Title of Report: Scrutiny Committee recommendations concerning
The future strategic direction of the Council's group
of housing companies

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations for Cabinet consideration and decision
Key decision:	No
Scrutiny Lead Member:	Councillor Andrew Gant, Scrutiny Committee Chair
Cabinet Member:	Councillor Mike Rowley, Cabinet Member for Housing
Corporate Priority:	Meeting Housing Needs
Policy Framework:	Housing and Homelessness Strategy 2018-21
Recommendation: That the Cabinet states whether it agrees or disagrees with the recommendations in the body of this report.	

Introduction and overview

1. The Scrutiny Committee met on 15 May 2019 to consider a report concerning the future strategic direction of the Council's group of housing companies. The report, which is due for Cabinet consideration on 29 May 2019, recommends that the Oxford City Housing Limited group of companies (OCHL) continues with the current development and acquisition programmes. The Committee would like to thank Councillor Rowley (Cabinet Member for Housing), Nigel Kennedy (Head of Finance) and Alan Wylde (Regeneration and Major Projects) for attending the meeting to answer questions.

Summary and recommendations

2. The Committee welcomed the increased borrowing permissible by the new Housing Revenue Account rules, noting that the Council is still subject to prudential borrowing. The Committee discussed whether the future direction of OCHL was ambitious enough, within the context of the Council's aspirations concerning climate change. Councillors noted that developing zero and low carbon homes came at an additional premium, but that this could be offset in the long term through increased social and environmental value through greater energy efficiency

(costing less to the occupant in the long term). Councillors were of the view that OCHL should align its development programme with the long term ambitions of the Council with regards to climate change. It was noted however that the development programmes are, for the most part, in the early feasibility stages, and that the design stage (which would consider matters of efficiency and carbon impact) would be considered in a later phase of development. Officers advised that these matters would be part of the future vision of the Companies.

3. Councillors also discussed the need for new developments to be accessible, or otherwise easily adaptable, for people who are disabled. This too should be considered in the feasibility and design stages of any OCHL development.

Recommendation 1: That the Council ensures that the feasibility assessment and design phases of future OCHL developments align with the Council's carbon neutral and environmental ambitions. These stages should also consider the need for appropriate disability access. More broadly, the environmental objectives of the Council should align with all aspects of OCHL's work.

4. The Committee also discussed the Council's and OCHL's ability to react quickly to opportunistic property and land acquisitions, in competition with private sector developers. As discussed in the 2019 Budget Scrutiny Review Group report, the Council can now, through OCHL, operate in a more commercial manner. Through OCHL, the Committee would wish to see the Council responding quickly to open market property and land sales.
5. One way of achieving this is by providing OCHL with an unallocated fund to enable it to act in such a way to purchase properties and land at short notice. There have been examples of sites which have come to the market, which are then quickly secured by private developers because they are able to act more quickly. It is hoped that through OCHL, the Council can improve how it reacts to ad-hoc acquisitions to be more competitive. The Committee heard that there may be more than one way of doing this.

Recommendation 2: That the Council, through OCHL, establishes a standalone and unallocated funding pot to enable rapid property and land acquisitions. Consideration should be given to other ways that the same outcome might be achieved, such as through urgent decision procedures.

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