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## ECONOMIC DEVELOPMENT & MANAGED GROWTH SCRUTINY BOARD - 17 November 2022

#### **MINUTES**

Present: Councillors: D Pinwell (Chairman), M Parker, A Feeney, Mrs D Holl-

Allen MBE, W Qais, J Ryan, K Thomas and M McLoughlin,

Councillors

Councillor A Mackiewicz: CPH Climate Change, Planning & Housing

in

Attendance:

Officers: Fiona Hughes: Chief Executive, SCH

Mike Brymer: Executive Director, SCH John Pitcher: Strategic Housing Lead

Perry Wardle: Assistant Director, Growth and Development

Austin Rodriguez: Head of Stronger Communities

Paul Rogers: Democratic Services

The Economic Development and Managed Growth Scrutiny Board meeting commenced at 6:02 p.m.

#### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor A Hodgson and Councillor K Grinsell, Deputy Leader and Lead Member for Partnerships and Well Being.

#### 2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

Councillor D Pinwell declared a non-pecuniary interest in respect of Agenda Item 7 'Council Housing Asset Management Strategy 2023-2033', informing the Scrutiny Board that he was a member of the SCH Board.

### 3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

### 4. MINUTES: 13<sup>TH</sup> JUNE 2022

The Economic Development and Managed Growth Scrutiny Board:

#### **RESOLVED:**

(i) To defer consideration and approval of the draft Minutes arising from the Economic Development and Managed Growth Scrutiny Board meeting held on 13<sup>th</sup> June 2022 to the next Scrutiny Board meeting scheduled for 17<sup>th</sup> January 2023.

### 5. MINUTES: 13<sup>TH</sup> SEPTEMBER 2022

Councillor McLoughlin highlighted that on page 13, fifth paragraph, the reference to 'Blossomfield Road' should be corrected to read 'Blossom Field Road'

#### **RESOLVED:**

(i) Subject to the above correction, Members of the Economic Development and Managed Growth Scrutiny Board agreed the Minutes arising from the Economic Development and Managed Growth Scrutiny Board meeting held on 13<sup>th</sup> September 2022.

#### 6. DRAFT HOUSING STRATEGY

The report before the Scrutiny Board provided a summary of the draft Housing Strategy, Implementation Plan and detailed responses received to the associated public consultation exercise. The Scrutiny Boards views on the draft Housing Strategy were sought, prior to a report being submitted to Cabinet in 2023 where final approval for the Housing Strategy will be sought.

An Executive Summary, Draft Housing Strategy and Implementation Plan were provided for Members at appendices 1, 2 and 3 to the report. The Draft Housing Strategy covers the 10-year period 2023-2033. The proposed vision is that:

'Everyone in the Borough is able to access housing at the point of need and has opportunities to create sustainable homes in thriving communities.

The report was introduced by the Strategic Housing Lead, who highlighted the respective sections of the report addressing the 10 year housing strategy 2023-2033, implementation plan, summary of intentions and commitments, housing vision, local ambitions in key areas, a breakdown of public consultation responses received and their outcomes, recurring themes arising from public consultation (e.g. housing links to health and social care, green economy and aging population), finance and partnership arrangements.

The Strategic Housing Lead also invited Members comments against the areas of the Draft Housing Strategy which addressed:

- Vision
- Key Housing Challenges
- Ambitions
- Draft Housing Strategy gaps/omissions

Having received the introduction to the report, Members of the Scrutiny Board raised several related and pertinent questions to the report, which in summary included the following matters:

Councillor Mrs Holl-Allen referenced the detail in the report alluding to ambition in relation to 'good housing options' and choices and queried what was the perceived balance across the housing stock when catering for the over 75's. The Strategic Housing Lead stated that options and choice for this demographic in the community was important and spanned options from continued independent living in the individuals own home to specialised accommodation. Furthermore, the importance of people being able to make early decisions regarding their future housing requirements was also fully recognised.

Councillor Ryan questioned how the Draft Housing Strategy would be delivered, by whom, how would delivery be measured and by whom, and how would the strategy make best use of the boroughs existing housing stock. Councillor Ryan stated that regarding the issue of housing affordability and provision of social rented housing, the draft strategy did not address these issues with adequate substance. The social rented housing stock shortage was acute in the borough, resulting in accommodating some residents outside of the borough in temporary accommodation located in West Bromwich, which was not satisfactory. Councillor Ryan further observed that people ultimately aspired to access private freehold housing and questioned how the strategy would support delivery of this, how would the strategy be delivered, by whom, over what timeline and how would its outputs be measured.

Councillor Mackiewicz (CPH Climate Change, Planning and Housing) noted that housing themes effectively ran through all the Councils Directorates and strategies, citing examples of the Councils Local Plan and young carer's strategy. The housing strategy would bring together many different strategies and tie them together, providing a framework for other departments to feed into to form one coherent strategy.

Members were advised by the Strategic Housing Lead that the 10- year housing strategy would provide a guiding light in terms of its aspirations and objectives, rather than the fine detail. The Housing Strategy in the whole would involve all Council directorates, SCH, private landlords and Housing Associations all working together to deliver good housing options for the borough (as well as addressing related policy objectives such as health inequalities). It should also be noted that the Implementation Plan tended to identify future areas for further improvement through the delivery of the housing strategy.

Councillor Thomas concurred with Councillor Ryan's summary of the draft housing strategy and went on to highlight that only 56% of Council properties had an EPC. Councillor Thomas further highlighted the following issues:

 The Draft Housing Strategy required defined deliverables/ targets, objectives, associated timelines.

- Temporary (hotel) Accommodation was challenging, with the 56-day statutory period for housing investigations to be complete frequently leading to longer residency in temporary accommodation. If the Council could complete its due diligence within the statutory timescales it would allow for people to be moved into permanent accommodation.
- Affordable Housing, the Governments definition did not equate to affordable in practical terms, which raised the potential of linking the boroughs definition of affordable with wages/salary.
- Affordable Housing and young people, greater emphasis was required within the draft housing strategy to address this specific policy area.
  Councillor Thomas viewed this issue as the biggest, single challenge the borough had to face as a housing issue.
- Quality of Housing, specifically temporary accommodation, was too poor and unfit and the norms associated with housing quality had to be challenged.

The Strategic Housing Lead advised the Scrutiny Board that the issue of affordable housing had been identified and included within the draft housing strategy at priority eight (which were not arranged in priority order within the strategy). It was acknowledged that supporting young people on to the housing ladder was challenging, with SCH having developed new build shared ownership schemes and the Council developing DIY shared ownership schemes in response. Furthermore, provision of shared ownership opportunities was also explored through Section 106 Agreements wherever possible.

Councillor Mackiewicz (CPH Climate Change, Planning and Housing) informed the Scrutiny Board that Cabinet had approved the Councils approach towards the securing of first homes for the borough's residents.

The Chief Executive, SCH acknowledged Councillor Thomas' previous reference to the 56-day rule and advised that this was a statutory requirement within a prescribed, legal framework, which could not be challenged at a management level. However, efforts could be taken forward to complete the due diligence process sooner that at present. In terms of the use of temporary hotel accommodation, it was the case that in some cases there was no alternative to using this type of temporary housing provision.

Councillor Qais noted the references to partnership working and delivery within the draft housing strategy and questioned how ownership of delivery across the various draft housing objectives would be ensured. The Strategic Housing Lead clarified that responsibility for delivery would vary from area to area, with some responsibilities allocated to specific partnership boards and social housing providers; for example, for housing delivery, older people, promotion of good management standards and locality working.

Regarding Housing Associations, the importance of their role as significant stakeholders was fully recognised. Members were advised that the new regulatory regime was scheduled to be implemented in early 2023 in respect of the letting and management of properties to ensure excellent service provision alongside existing SCH delivery arrangements.

Councillor Pinwell sought clarification as to whether partners had been consulted on the draft housing strategy at this stage and was informed by the Strategic Housing Lead that they had. In practical terms some partners were more integral to the Council and SCH in the development of the draft strategy than may be the case with certain others, as the draft strategy was expansive covering areas such as the private rented sector, affordable social rented sector, enforcement and regulatory responsibilities.

Councillor McLoughlin stated that there was nothing substantive in the Improvement Plan and questioned the figure given of 10,000 properties as comprising the SCH housing stock portfolio. As regards the type of housing provision available to older people, Councillor McLoughlin questioned whether in the case of marketed retirement properties older people were in effect being exploited through having to pay a range of fees. Furthermore, the concentration of dedicated retirement developments and marketed properties for the elderly had the capacity to change both the demographic and appearance of a locality, as was the case in Shirley.

Councillor McLoughlin stated that less than 40% of people located outside of the London region downsized their property, with only a minority of people being in the position to downsize to pay for their social care needs. As such, there was no clear question regarding how much, or what type of housing needs was required to address this element of the housing strategy. Furthermore, Councillor McLoughlin also observed that discussion relating to the number of new housing unit required in the borough was not in the context or related to the current social rented housing waiting lists.

Regarding reference within the draft strategy to 'more effective self-regulation' (paragraph 4.28), Councillor McLoughlin questioned where had effective self-regulation worked, stating that the cutting of regulatory practice could lead to the potential loss of life.

In terms of selective licensing policy, Councillor McLoughlin did not believe that landlords in the private rented sector would adhere to a selective licensing policy, especially when applied to Houses in Multiple Occupation (HMO's) and preferred that the Council retained responsibility for ensuring HMOs were maintained to standard.

In addressing climate change issues through the draft strategy, Councillor McLoughlin welcomed the attention paid to raising EPC standards in Council properties and the private sector but noted that there was no substantive discussion of the materials used for new construction and the related issue of embedded carbon present in some building materials.

In response to the issues raised by Councillor McLoughlin, the Strategic Housing Lead advised the Scrutiny Board that when it came to housing choices for older people, such as the Solihull Village model, the person concerned was provided with appropriate advice to establish what it was they were buying in to. However, it was not necessarily the case that all such models were endorsed by the Council, although such schemes could be potentially considered preferable to a retirement apartment when it came to ease of re-sale on the open housing market.

In the wider context of planning matters as detailed in Section 6 of the draft strategy, the Councils Adult Social Care Directorate was planning to facilitate some public roadshows to engage with older people around housing advice and related matters.

Regarding a selective licensing scheme, the Improvement Plan stated that there was a need to look further at the evidence base for a selective licensing model prior to any such implementation. It was hoped that enforcement staff would have a bigger role to play in the future in this area of policy.

Councillor Mackiewicz noted that there was a 40% requirement in respect of affordable housing provision, of which social rent properties were available through the Solihull scheme. Councillor Mackiewicz noted that in the longer term there may be a requirement to include a 10-year vision to frame the strategic ambition for housing in the borough.

Regarding retirement villages, Councillor Mackiewicz expressed similar concerns as previous speakers, particularly concerning their long-term viability and stated that he favoured older people remaining in their own homes wherever possible and supported with appropriate adaptations.

As far as use of building materials were concerned, Councillor Mackiewicz advised that the rate of delivery for the retrofit programmes, of which there were a number, was determined by the flow of supporting funding. Through the West Midlands Combined Authority (WMCA), the Council was also looking at new modular build options, with 3 modular build businesses already located in the borough.

Councillor Thomas referenced the private rental market, stating that she supported private ownership which provided greater security in older age. Councillor Thomas went on to highlight a reference in the report to the potential of build to rent developments (paragraph 8.19) in suitable locations such as town centres, requiring that 20% are provided as affordable private rents. Councillor Thomas shared that she was of the opinion there were 3 classes of home ownership – <sup>1</sup> multiple home ownership, <sup>2</sup> ownership of one home, <sup>3</sup> unable to access the housing market – stating that the second category was the most important, which the housing strategy should support.

The Strategic Housing Lead informed the Scrutiny Board that build to rent was used to produce a specific product for individual landlords. It did have a role to play in town centre developments, but not necessarily at the expense of providing home ownership opportunities for first time buyers. It was possible for build to rent to support local economic profile of an area, for example in the retail and hospitality sectors, and therefore would not wish to disassociate from this sector entirely.

Councillor Mackiewicz observed that there was a requirement for a rental market, which was currently shrinking nationally. The provision of other housing options included schemes such as DIY shared ownership, but ultimately people had the choice whether to rent through such schemes or not. However, such schemes did give people an equity stake in the property. If the equity stake is paid off it can be reinvested into the DIY shared ownership scheme.

Councillor Feeney queried whether existing planning strategies and policies could be challenged in areas such as targets for affordable housing. Councillor Mackiewicz advised that there was currently 38% delivery of affordable housing in the borough, with a future, similar requirement to be sought for retirement villages as they are developed.

Councillor Pinwell thanked Members and officers for their contributions to the discussion and summarised the key points arising as:

- Members would like to see more specifics in terms of timeframes, measures of success / KPI's for the housing strategy and detail for whom was responsible for delivering on the various components and priorities across the housing strategy.
- How would ownership of the housing strategy across partnerships and stakeholders be managed.
- Concern was expressed for young person's access to the housing market, particularly first steps, and how could they be supported to do so.
- Senior living sector: Questions were raised as to what was being delivered and what was the best option moving forward e.g. the discussion around 'retirement villages' and their potential detrimental impact on an area.
- There was discussion as to how more affordable socially rented properties could be delivered across the borough.
- Use of temporary accommodation and the quality and distance from Solihull of some temporary accommodation currently used was raised by Members.

- Some concern was expressed at the potential effectiveness of any selfregulation concept and questioned how this would work in practical terms, particularly with HMO's/Private Landlords in practice.
- Construction materials contributing to carbon release via new builds (i.e. embedded carbon issue) and how construction materials could contribute towards achieving better EPC ratings in the borough's housing stock was raised.
- Do It Yourself Shared Ownership models were discussed.

Having considered the Draft Housing Strategy report, the Economic Development and Managed Growth Scrutiny Board:

#### **RESOLVED:**

(i) To note the Draft Housing Strategy and provide comments on the Draft Housing Strategy for officers to note as detailed above.

### 7. COUNCIL HOUSING ASSET MANAGEMENT STRATEGY 2023-2033

SCH and Council officers have been collaborating to produce a 10-year asset management strategy for the Council housing stock managed by SCH. The Draft Asset Management Strategy 2022-2033 was provided at Appendix 1 to the report for Member's reference, with detail of the 3-year Capital Investment Plan attached at Appendix 2. The purpose of the report was to receive feedback from Members of the Economic Development and Managed Growth Scrutiny Board on the draft strategy and Capital Investment Plan.

The Chief Executive and Executive Director (SCH) introduced the report to the Scrutiny Board and provided a PowerPoint presentation, which addressed the following areas:

- Council Housing Asset management strategy 2023-2033 Approach
- National Context
- Strategic Strategy Objectives
- Customer Engagement
- Planned 10 Year Capital Investment

Having received the introduction to the report and PowerPoint presentation, Members of the Scrutiny Board raised several questions pertinent to the report, Draft Asset Management Strategy and Capital Investment Plan, which in summary addressed the following issues:

Councillor Thomas raised several issues, referencing the draft Three Year Investment Plan, specifically the first objective 'Intelligently invest sufficient

resources to ensure our homes are safe, in good condition and are 'desirable' both now and in the future...' noting that there was no accompanying definition of what was entailed, how the intelligence to be gathered would be used and what ultimately were the objectives.

Secondly, Councillor Thomas highlighted that the Draft Asset Management Strategy detailed the cost to retrofit properties to meet the net zero carbon target by 2041 as £234M (£12M per year), but later states that work would take place to deliver an £11M energy efficiency programme so that all properties were Band C by 2030 – initial focus on retrofit of the building fabric, smart controls and renewables. Councillor Thomas noted that this would leave a considerable amount of work to be undertaken in the last 10 years of the strategy in terms of expenditure and queried whether more grant funding was required to deliver this objective.

The Chief Executive, SCH advised that the reference to *invest intelligently* meant gathering evidence to gain an understanding of the performance of the housing stock to ensure wise investment decisions were made through the Capital Programme. The Executive Director, SCH confirmed regarding future ambitions and supporting funding that the £11M identified to attain Band C ratings by 2031 was already earmarked within the existing Capital Programme. If the net zero is identified as the highest priority programme in future years, then delivery of the programme would be accelerated to 2041 accompanied by increased investment.

Members were further informed that as technology was evolving at pace, SCH were prioritising delivery of insulation materials across the housing stock as well as external fabric works. Regarding the stated ambitions reflecting all of the Council housing priorities, it was the case that more Housing Revenue Account (HRA) funding would be required for delivery or external funding secured to accelerate delivery of these objectives and priorities.

Councillor McLoughlin referenced the graph in the report detailing the year of construction across the current housing stock, noting that the number of properties constructed during pre-1965 to 1977 were greater than those constructed post 1999. Councillor McLoughlin queried whether this was attributable to properties being sold, insufficient construction of new properties or a case of both scenarios combined.

Regarding EPC and housing stock energy efficiency ratings, Councillor McLoughlin stated concern at the apparent rising numbers of homes in high rise blocks which had poor quality and financial scores. In terms of lead times and asset management acquisitions, high rise blocks required the Council to put in place a plan with appropriate resourcing, or for SCH to deliver the future direction of travel for high rise blocks located in the borough.

The Chief Executive, SCH clarified that SCH was the delivery vehicle for the Council. However, high rise blocks were Council properties and legal responsibility for their management was assigned to the Council regarding

stock condition and use of investment streams via the HRA, which was Council funding. As such, management of the Council housing stock in practical terms was a partnership arrangement between the Council and SCH.

Members were advised that the same could be said for housing supply in the borough. Investment was required for maintenance of existing stock and for building new properties. As such, there was a partnership relationship between the Council and SCH with some constraints in terms of investment. The Housing Strategy did, however, detail how the partnership could work effectively and invest intelligently. The Chief Executive, SCH also highlighted that high rise blocks were the least fiscally viable housing stock under management.

The Executive Director, SCH confirmed that it was the case that there was more older property than new stock comprising the current housing portfolio. Regarding EPC's ratings, these were evaluated as part of the stock evaluation model, which comprised of categories A, B and C. The stock evaluation rating of C was the lowest rating of performance. The challenges facing high rise blocks at this time included future investment streams and sources, high resident turnover rates and general stock condition.

Members were informed that the Investment Plan did include a section addressing high rise blocks, proposing the further development of a high-rise strategy over the longer term i.e. beyond the current 2–3-year timescale.

Regarding future new housing supply across the borough, it was the case that the one biggest challenge facing the Council was land availability. Accordingly, the Kingshurst Village development was significant in local authority terms for this reason.

Councillor Qais sought further clarity as to how the Asset Management Strategy would be monitored over its 10-year life span to ensure it remained relevant to the boroughs needs and secondly, what communication and consultation channels were available to residents to input and receive feedback on strategy implementation. The Chief Executive, SCH advised that there was a 3-year window for most of the expected delivery to be seen via the Improvement Plan. Reporting would also take place to the SCH Board and Council on the delivery and progress of the Implementation Plan. Residents would be updated on progress via newsletters, and a Residents Scrutiny Panel had also been established, which SCH engaged with on a regular basis. Detailed monitoring reports would also be provided to the Residents Scrutiny Panel.

Councillor Thomas welcomed the recognition that 578 affordable social rented properties were required in the borough, and raised the following questions:

- How would housing allocations for the north and south of the borough be assigned?
- How many social rented properties were to be built?

 Was there an intention to demolish and rebuild any high-rise blocks and, if applicable, what percentage?

The Chief Executive, SCH advised that a balance was to be achieved in the provision of new affordable social rented properties in the borough, which included further provision in the south of the borough. The Asset Management Strategy was addressing investment to provide more affordable social rented housing, but such provision also entailed wider arrangements with other housing providers and cognisant of relevant planning regulations.

It was fully expected that a high-rise strategy would be in place over the next 10 years. It was too early at this stage to advise of any specific actions, but surveys and data gathering had commenced.

The Strategic Housing Lead further noted that the development of more social rented housing was not the sole responsibility of the Council and SCH, but rather was also applicable to Housing Association partners. The provision of social rented units in mixed communities was the ideal scenario, but there were apparent constraints in Solihull, such as Green Belt designation and competing for available land identified for national/ regional infrastructure projects.

Councillor Ryan welcomed the Draft Asset Management Strategy. With regard to the section in the strategy 'Customer Views', Councillor Ryan stated that residents feeling safe in their own homes and surrounding community public realm should be a high priority. In the section Our Asset Management Strategic Objectives, objective 5 'Providing safe and attractive neighbourhoods that support thriving communities', Councillor Ryan questioned how this objective would be achieved, noting that there was a potential for a profound, detrimental effect on mental health and physical well-being of residents if they did not feel safe in their locality.

Secondly, Councillor Ryan stated that any type of business required timeline and measurable targets for strategy delivery and would like to see such performance measures included in the Asset Management Strategy to review the future delivery of the various programmes within it.

In terms of consultation and engagement, Councillor Ryan queried how would the views of those people on the housing waiting list be gathered and by what means would they be consulted on the proposals within the Draft Asset Management Strategy.

The Chief Executive, SCH advised Members that SCH undertook regular surveys with their tenants, and tenants' views on safety and feelings of safety were explored. More SCH tenants reported to feel safe that was the case against the national benchmark. In wider surveys, tenant safety remained a top priority.

The Executive Director, SCH addressed the subject of measurable targets, explaining that a set of KPI's was in place against the Asset Management Delivery Plan, which was assessed on an annual basis. The KPI suite performance and results of the Tenant Satisfaction Survey would be reported publicly. The Tenant Satisfaction Survey was also reported to the Council and would be made available to the Scrutiny Board. Furthermore, with regard to tenants' safety, a range of specific measures were detailed in the Asset Management Strategy – Three Year Investment Plan, Objective 5 'Providing safe and attractive neighbourhoods that support thriving communities', all of which were designed to help tenants feel safer in their locality as well as inside their homes.

Members were informed that there were approximately 2,800 people on the housing Waiting List. SCH collected data on their housing needs, which also informed how the future borough housing needs were to be met.

Councillor Mrs Holl-Allen questioned whether there was the means to demolish any of the existing high-rise blocks and secondly, noted that it was probable that the Covid-19 pandemic had hindered SCH in identifying what regular housing maintenance works were required on the housing stock during the pandemic period.

The Executive Director, SCH advised that the challenge presented by high rise blocks was the density of accommodation involved and the space available to replenish. With over demand for current available housing in the borough, reducing capacity through high rise demolition was not an option.

Members were advised that all repairs continued to be undertaken during the Covid-19 pandemic. Only Capital improvement works were suspended based on sector guidance, with 70% of the Capital programme having continued to be delivered. By October 2022, SCH had addressed the backlog in routine repairs, which was a good performance when viewed across the sector.

In respect of the Investment Plan, Councillor McLoughlin observed that the what, how and when type of information categories supporting the plan should be included. Furthermore, it was important to document some issues, such as HRA borrowing, Public Sector Loans Board borrowing, associated costs and what further actions and resource was required from the Council to SCH to facilitate delivery.

Councillor McLoughlin noted that land had been found for the Council strategically, but not for housing to be developed and questioned whether this would affect any more SCH planned deliverables e.g. delivery of Kingshurst Village.

The Chief Executive, SCH advised that Kingshurst Village, like every development scheme, was subject to fiscal evaluation and the wider national economic picture, which would have some bearing on the related financial modelling.

Councillor Pinwell summarised the key points arising from the discussion of the Draft Asset Management Strategy and Asset Management Strategy Three Year Investment Plan as follows:

- There was strong endorsement of the priorities outlined in the Draft Asset Management Strategy.
- EPCs in older housing stock was a key matter to be addressed.
- Provision of new housing development, including affordable social rented was essential to the borough.
- Tenants feeling safe in their homes and within the wider community was very important.
- On-going tenant engagement and consultation was also highlighted.

Having reviewed and discussed the Council Housing Asset Management Strategy 2023-2033 report, the Economic Development and Managed Growth Scrutiny Board:

#### **RESOLVED:**

i. To note the Draft Asset Management Strategy and Three- Year Capital Investment Plan, and to draw SCH's attention to the comments arising from the Scrutiny Boards consideration of the report as detailed above.

# 8. ECONOMIC DEVELOPMENT AND MANAGED GROWTH SCRUTINY BOARD WORK PROGRAMME 2022/23

Having reviewed the Work Programme 2022/23 report, the Economic Development and Managed Growth Scrutiny Board:

#### **RESOLVED:**

 To agree the Economic Development and Managed Growth Scrutiny Board Work Programme 2022/23 for the remainder of the municipal year.

The Economic Development and Managed Growth Scrutiny Board meeting closed at 8:02 p.m.

