

	<h2>Housing and Growth Committee</h2> <p>27 January 2020</p>
<p style="text-align: center;">Title</p>	<p>Strategy for development of housing on council land and acquiring new homes</p>
<p style="text-align: center;">Report of</p>	<p>Chairman of Housing and Growth Committee</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Urgent</p>	<p>No</p>
<p style="text-align: center;">Key</p>	<p>No</p>
<p style="text-align: center;">Enclosures</p>	<p><i>Appendix 1 – Strategy for development of housing on council land</i></p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Stephen McDonald, Stephen.mcdonald@barnet.gov.uk, 020 8359 2172</p> <p>Paul Shipway- Head of Housing Strategy</p> <p>Paul.shipway@barnet.gov.uk, 0208 359 4924</p>
<h3>Summary</h3> <p>This report sets out proposals for taking forward the council’s programme of building new homes on its own land, either directly via the Housing Revenue Account, or in partnership with Opendoor Homes, a registered provider owned by the council’s Arm’s Length Management Organisation Barnet Homes.</p>	

Officers Recommendations

1. Approve the Strategy for development of housing on council land (Appendix 1)

1. WHY THIS REPORT IS NEEDED

- 1.1 The council established a programme of building homes on its own land in 2015.
- 1.2 Due to a national borrowing cap that applied to the Housing Revenue Account, Barnet Homes established a Registered Provider Opendoor Homes which is owned by The Barnet Group (ALMO), to deliver new affordable homes for rent supported by a loan from the council.
- 1.3 Opendoor Homes is currently delivering a programme of 340 new affordable homes for rent and has been working with the council to develop proposals for 250 more new mixed tenure homes on a number of sites.
- 1.4 Proposals have also been developed as part of the council's MTFs to transfer 950 council homes to Opendoor Homes, as well as 140 homes that the council has acquired on the open market for use as temporary accommodation.
- 1.5 In addition, the council has agreed to fund a programme to purchase 500 more properties on the open market which will be owned by Opendoor Homes and used as temporary accommodation for homeless people.
- 1.6 The borrowing cap that applied to the Housing Revenue Account was removed in 2018, providing additional capacity for the council to deliver new council homes.
- 1.7 This report sets out in Appendix 1 the proposed strategy for taking forward plans for new homes on council land funded either through the Housing Revenue Account or Opendoor Homes.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The proposed local development strategy sets out the approach that will provide Opendoor Homes with a sustainable future, by increasing the assets held by the organisation, as well as a clear programme for development of new homes over the next five years. In the longer term this will enable Opendoor Homes to build the capacity for developing more new homes.
- 2.2 The capacity of the Housing Revenue account to deliver new homes is limited, due to other investment required in council housing, including fire safety. Opendoor Homes provides capacity to deliver more new homes than would otherwise be possible.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 The council could decide to work with other registered providers and developers in the borough to develop its sites, however this would not provide Opendoor Homes with a viable future. It has been demonstrated that Opendoor Homes is already providing good quality homes and value for money through an independent review.

4. POST DECISION IMPLEMENTATION

4.1 The council and Opendoor Homes will proceed with the plans outlined in appendix 1.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The strategy for development of housing on council land contributes to the council's priorities of ensuring decent quality housing that buyers and renters can afford, prioritising Barnet residents, and responsible delivery of our major regeneration schemes to create better places to live and work, whilst protecting and enhancing the borough by:

- increasing the supply of much-needed housing across a range of tenures;
- delivering new homes that people can afford;
- reducing homelessness and the use of temporary accommodation;
- ensuring high quality housing and services;
- investing in homes and communities for the long term; and
- reinvesting in further delivery of housing and in services for existing residents.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The building of 250 council homes will be funded through the Housing Revenue Account and is set out in more detail in the council's Housing Revenue Account Business Plan.

5.2.2 The existing programme being delivered by Opendoor Homes to deliver 340 new homes is being funded through a combination of a loan from the council and Right to Buy Receipts.

5.2.3 The transfer of acquisitions to Opendoor Homes and the purchase of 500 more acquisitions for use a temporary accommodation will be funded by loans from the council.

5.2.4 Opendoor Homes are developing new funding models for the delivery of mixed tenure homes, for example working with developers to secure capital funding externally.

5.3 Social Value

5.3.1 Having consideration to the Public Services (Social Value) Act 2012, there are no specific social value considerations arising from this strategy.

5.4 Legal and Constitutional References

5.4.1 Under Article 7 of the council's constitution, the Housing and Growth Committee has responsibility for:

- housing matters, including housing strategy, homelessness, social housing, and housing grants and commissioning of environmental health functions for private sector housing.
- regeneration strategy and overseeing major regeneration schemes, asset management, employment strategy and business support and engagement.

5.4.2 The Council has legal power to dispose of land and buildings under section 123 Local Government Act 1972 and (in the case of housing land) section 32 of the Housing Act 1985 subject where applicable to the consent of the relevant Secretary of State.

5.5 Risk Management

5.5.1 There is a risk that Opendoor Homes will not have the capacity to deliver the new homes in this strategy. Opendoor Homes has already established an effective development team and will find it easier to recruit and retain staff in a highly competitive market with a clear strategy in place to increase their portfolio.

5.5.2 There is a risk that the quality and cost of new homes will not meet the council's requirements. The council recently commissioned an independent review of the development function by Municipal which looked at the quality of the homes being delivered, and the value for money these provided. The report concluded that the new homes delivered so far were being done at a lower average build cost than other local authorities, with positive resident feedback about the experience of living in their new homes.

5.5.3 There is a risk that the council will not have access to the homes owned by Opendoor Homes. The agreements that the council has with Opendoor Homes stipulate that the council has the right to nominate tenants to the properties in perpetuity.

5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people from different groups and foster good relations between people from different groups.

5.6.2 The housing development strategy will make a significant contribution to the provision of additional high-quality affordable housing in the Borough, providing homes for those facing homelessness and on lower incomes.

5.6.2 Equalities Impact Assessments will be undertaken on individual schemes as they are brought forward.

5.6.3 The proposals in this report do not raise any negative impacts for equalities

and demonstrate that the Council has paid due regard to equalities as required by section 147 of the Equality Act 2010.

5.7 Corporate Parenting

5.7.1 Some of the new affordable homes to be provided will be suitable for care leavers.

5.8 Consultation and Engagement

5.8.1 Consultation and Engagement plans will be developed for sites that are deemed suitable for development and stakeholder engagement undertaken as the designs progress.

5.9 Insight

5.9.1 The council's Housing Strategy evidence base demonstrates the need for increasing the amount of affordable housing in the borough, including a Strategic Housing Needs Assessment which showed an annual requirement of 704 new affordable homes.

6. BACKGROUND PAPERS

6.1 Cabinet Resources Committee, 24 June 2013, 'Local Authority New Housing Programme'

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=7457&Ver=4>

6.2 Assets Regeneration and Growth Committee, 15 December 2014, Strategic Asset Management Plan

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7886&Ver=4>

6.3 Assets Regeneration and Growth Committee, 16 March 2015, Barnet Development Pipeline – Tranche 1

<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=7887&Ver=4>

6.4 Council, 20 October 2015, Report of Policy and Resources Committee – The Barnet Group – Creation of new legal entity and subsidiary

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=162&MId=8340&Ver=4>

6.5 Assets Regeneration and Growth Committee, 24 July 2017, 2-10 Hermitage Lane, NW2

<https://barnetintranet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9337&Ver=4>

6.6 Assets Regeneration and Growth Committee, 17 September 2018, Mixed Tenure Housing Programme

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9764&Ver=4>

6.7 Assets Regeneration and Growth Committee, 25 March 2019, Development Pipeline, Establishing New Sites for consideration

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9484&Ver=4>

- 6.8 Assets Regeneration and Growth Committee, 16 September 2019, Housing Acquisitions Programme – Phase 4

<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=696&MId=9929&Ver=4>