

Questions and Statements submitted from Councillors not on the Cabinet

Date: Wednesday, 27 May 2020



This page is intentionally left blank

Questions and Statements submitted from Councillors not on the Cabinet

Agenda Item 9 – Seascope Group Limited 5 Year Strategic Plan (2020-25)

Question from Councillor Barlett

Regarding Agenda Item 9 Seascope Group Limited Strategic Plan. Would the Cabinet Member for housing please answer the following points.

The Council's strategic plan for housing has yet to be presented to Council for approval (we were informed earlier in the year that it would take at least a year to produce this). Despite this, the Seascope business plan makes major commitments to significantly expand its operations into the Private Housing Sector for building and purchasing properties for private rent and or sale. Given that the Council's housing strategy has not yet been produced, it would seem that Seascope are developing a housing strategy of its own. Please could the Cabinet member comment on this whilst taking into account the following points:

The Seascope strategy will require a multi-million pound investment into the private housing sector but will use cheap government borrowing that is not available commercially, easy access to council land, council staff (including company directors who are not paid) and a Corporate infrastructure. For properties built or purchased, these will be then rented out by Seascope. In short, the complete supply chain from financing to letting the property will belong to Seascope but with all financial risk being taken by the council tax payer. Does the cabinet member not agree with me that this arrangement is an anti-competitive monopoly that does not accord with the norms of a free market economy?

The country has now entered a recession and there will be huge uncertainty over the housing market in the next few years. Will the cabinet member agree with me that now is not the time to subject the taxpayer to the financial risks that now arise.

The administration has repeatedly stated its intention to build social housing. The Seascope strategy does not contribute to this intention and will not produce homes for those waiting on the social housing register. Instead of using precious council land for the benefit of residents in need of social housing it would appear that Seascope would prefer to use council land for the production of profit.

Response by the Portfolio Holder for Housing – Councillor Wilson

I would like to thank Cllr Bartlett for raising his points at O&S last week and subsequently submitting questions to be answered. I will try to briefly address the points he's raised. In the absence of government funding over several years councils across the country have had to become more creative in financing its objectives and frontline services. One of those objectives as Cllr Bartlett quite rightly pointed out was the want to build Socially rented homes.

In the early in the 90's grants from government covered around $\frac{3}{4}$ of the cost of all housing, built out at below market rent, but since 2008 this has fallen away dramatically. Cameron's Affordable Home's programme gave no money for social

housing. And often May's lifting of the borrowing cap to build is used to ask why we are not building more, but new homes will be subject to the Right to Buy. Current rules mean that those receipts from any sales can only cover a maximum of 30% of the cost of building new homes with a strict time limit of three years to spend it. Which leaves us vulnerable to losing council land and money in the long run. In addition to this the government in October, imposed a rise in the interest rate in the Public Work Loans Board which affected our plans going forward. However despite this we still intend to build social rented homes but as part of a balanced approach.

With regards to it being anti-free market I respectfully disagree, the company is subject to state aid rules, and the 2011 Localism Act gave councils 'the general power of competence' to give local authorities the freedom to be creative and entrepreneurial, acting directly in the interest of their communities. Our Housing Strategy has not yet been produced, however I believe that we should be embracing every housing delivery method available. Bristol is one council that has done just that, setting up its own development company, and it uses its private sale to subsidise their affordable rent. It is a 'profit for purpose', that so many councils have been forced to drive forward as austerity was implemented.

We have a responsibility to continue funding services for our most vulnerable residents and involving ourselves in commercial activity such as those set out in this plan enables us to balance budgets by redirecting commercial surpluses back to the Council as the sole shareholder of these companies. This comes with a degree of risk inevitably, but a measured risk, with the aim of BCP Council residents enjoying the benefits that come from this.

With country potentially about to go into a deep recession, we obviously must assess the strategic plan in that context and see how we deal with circumstances as and when they present themselves. However, with a funding gap, and unmet housing need across BCP this 5 year plan may actually have more merit now. Our desire to build Social Housing is very strong and in June we will be bringing through the first Social rented development, something that hasn't been done in the Bournemouth Neighbourhood for over 20 years.

It is important to stress that building homes is just one strand of this plan, Seascope does a lot more, its Disabled Facilities Grant funded adaptations to homes, and the acquisition of homes to house some of our most vulnerable who have been homeless. Securing 26 properties over the next few years to enhance our delivery of Housing First will change lives. Seascope is a key tool in our overall approach to housing

The Council's strategic plan for housing has yet to be presented to Council for approval (we were informed earlier in the year that it would take at least a year to produce this). Despite this, the Seascope business plan makes major commitments to significantly expand its operations into the Private Housing Sector for building and purchasing properties for private rent and or sale. Given that the Council's housing strategy has not yet been produced, it would seem that Seascope are developing a housing strategy of its own. Please could the Cabinet member comment on this whilst taking into account the following points:

The Seascope strategy will require a multi-million pound investment into the private housing sector but will use cheap government borrowing that is not available commercially, easy access to council land, council staff (including company directors

who are not paid) and a Corporate infrastructure. For properties built or purchased, these will be then rented out by Seascope. In short, the complete supply chain from financing to letting the property will belong to Seascope but with all financial risk being taken by the council tax payer. Does the cabinet member not agree with me that this arrangement is an anti-competitive monopoly that does not accord with the norms of a free market economy?

The country has now entered a recession and there will be huge uncertainty over the housing market in the next few years. Will the cabinet member agree with me that now is not the time to subject the taxpayer to the financial risks that now arise.

The administration has repeatedly stated its intention to build social housing. The Seascope strategy does not contribute to this intention and will not produce homes for those waiting on the social housing register. Instead of using precious council land for the benefit of residents in need of social housing it would appear that Seascope would prefer to use council land for the production of profit.

Agenda Item 13 – Holes Bay, Poole (former power station site) acquisition strategy

Question from Councillor White

As a Hamworthy Ward Councillor I very much welcome this proposal to acquire the former power station site.

The report talks about non design specific remediation works being completed in 2021/2022.

This seems to me rather vague and unambitious.

Is it not possible to start work on the essential infrastructure such as the flood wall, site levels and roads at a much earlier stage?

Response by the Portfolio Holder for Regeneration and Culture – Councillor Howell

If the Council approves purchase of the Power Station site and the purchase is completed, we will be keen to move forward with regeneration as soon as possible. The reference to remediation is general because the Council still needs to firm up its approach, which will to some extent be dependent on the masterplan that it develops. There may be some public realm and infrastructure works that can be undertaken at an early stage. Indeed, early development of public realm would help bring the site to the attention of more people and have a positive impact on future sales values. However, we need to be confident that any works ahead of agreeing a full master plan will not impact on the eventual layout and design. For example, in relation to the existing planning consent for the quay wall repair and quayside promenade, Council officers are currently investigating whether the specification was specific to the proposed 850 dwelling development or whether it has been designed in isolation and so would be flexible enough to allow us to develop a more ambitious and sustainable scheme with a larger number of residential and commercial units.

Agenda Item 14 – Bournemouth Town Centre Vision (TCV): Winter Gardens Site – Regeneration Opportunities

Question from Councillor Bartlett

1. Does the announcement that the Council intends to purchase 32% of the flats at the Winter Gardens site indicate that the development may not proceed without the financial backing of the Council through its commitment to purchase these flats?
2. By making this multi million pound investment in the Winter Gardens development this will expose the tax payer to significant risk, with the country now in recession and the uncertainty of the housing market over the next few years is it reasonable to expose the tax payer to the level of financial risk that will arise if this investment is approved.

Response by the Portfolio Holder for Regeneration and Culture – Councillor Howell

1. The analysis that has been carried out by Officers demonstrates that the purchase of the flats would be a sensible and good decision in investment terms for the Council and that is our reason for proceeding, in addition of course to assisting our regeneration objectives.
2. This is one of the prime responsibilities of the council is to help manage local economies through recessions and to deal with issues that the private sector really struggle with. This development will greatly assist us in achieving our housing targets set by Government and any profits that come out of it will be available potentially for developments elsewhere such as the Pavilion Westover Road/ Bath Road project. The access to funding itself, we can borrow at preferential rates so that gives us an advantage over the private sector so I am comfortable with the financial risk element.

Agenda Item 16 – Traffic Regulation Orders

Statement from Councillor Trent

When conducting a residents survey in advance of the local elections in 2019 I became aware that this was an area of concern to local residents. A subsequent conversation with one of the ward councillors who used to represent this area confirmed that it was an issue that continued to cause division within the community.

At that time there was a plan being considered for some extension to the yellow lines, but residents who contacted me felt that the proposals being considered at the time were not adequate to protect access to the end of the cul-de-sac, which had apparently recently resulted in an ambulance not being able to get to a patient in an emergency. Having discussed the perceived problem with the original proposed restrictions with the residents who expressed concern, I put forward some more comprehensive restrictions that dealt with the problems expressed, but still allowed some unrestricted parking on the road for those with a second vehicle and/or visitors (all homes have drives) - on the basis that you can take away from, but not add to, what is advertised. Officers drew up the plans that covered concerns, and they formed the basis of the subsequent advertisement.

Though I am acutely aware that restricting parking in one area can cause displacement to others, these are proposals to deal with a safety and access problem – albeit mainly at certain times of the day. A past issue with a house at the end of another cul-de-sac, that was severely damaged in a life threatening fire made worse by the inability of a fire engine to get past parked vehicles, makes me err on the side of caution, and

support proposals that maintain access to emergency vehicles at all times. There are alternative spaces in the area that allow short term parking, that have no homes fronting them, indeed the area is used for a very busy polling station. Hopefully post lockdown there may be a drop in people driving pupils to school and collecting them in a car. That's another issue for another time.

I fully support the recommendation that the restrictions marked on the plan be adopted, and hope that they're fully supported by Cabinet. This has been a long drawn out issue, and here is a carefully thought out way of dealing with the long standing problem.

This page is intentionally left blank