

**EXECUTIVE**

**TUESDAY, 23RD MARCH, 2021**

**SUPPLEMENTARY INFORMATION SHEET**

**Agenda No    Item**

12.    **Supplementary Information Sheet (Pages 1 - 8)**

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## EXECUTIVE

23 MARCH 2021

### SUPPLEMENTARY INFORMATION

#### Procedure for the discharge of business at this meeting

The Leader of the Council, as chairman of the Executive, welcomes the attendance of members of the public and non-Executive councillors at this meeting of the Executive.

The procedure for dealing with each item of business shall be as follows:

1. Lead Councillor to introduce report on the matter
2. Non-Executive councillors invited to ask a question or comment, for which they will have a maximum of **five** minutes each
3. Lead councillor to respond to comments and questions
4. Executive debates the matter
5. Chairman to invite Executive to make decision on the matter

#### **AGENDA ITEM 5: EXTENSION OF PRIVATE RENTED SECTOR ENFORCEMENT POWERS**

Lead Councillor: Councillor Julia McShane, Lead Councillor for Community & Housing

Lead Officer: Sean Grady, Environmental Health Officer

#### **AGENDA ITEM 6: FORMER POND MEADOWS TRAINING CENTRE SITE**

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Ian Doyle, Director of Service Delivery

#### **AGENDA ITEM 7: REVIEW OF THE USE OF RIGHT TO BUY RECEIPTS AND APPROPRIATION OF LAND INTO THE HOUSING REVENUE ACCOUNT**

Lead Councillor: Councillor Tim Anderson, Lead Councillor for Resources

Lead Officer: Claire Morris, Director of Resources

#### **Update:**

In the report we set out that Right to Buy (RTB) receipts can only fund 30% of the cost of replacement housing and that the Council has a time limit of 3 years in which it can spend the receipts before the receipts have to be paid to government with interest. The government consulted on changes to the Use of RTB receipts in 2018. The consultation proposed a number of reforms such as increasing the length of time that councils have to spend the receipts, and also increasing the percentage of right to buy receipts that councils use to fund replacement housing. At the point of writing the report, no response to the consultation had been given by government. It is worth noting that both the LGA and an MHCLG parliamentary committee had made recommendations that amendments to the scheme were required to help councils to deliver on the Government's ambition to have one-for-one replacement housing nationally of properties sold under RTB.

On Friday 19 March 2021, the Secretary of State for Housing, Communities and Local Government finally announced the Government's response to the consultation. The Government has announced the following reforms for the use of RTB receipts which will have an immediate

benefit to the Council and impact on the issues raised in the report. A summary of the key reforms which will take effect from 1 April 2021 are:

- The timeframe within which local authorities have to spend receipts will increase from 3 to 5 years, this applies immediately to all receipts held by local authorities that have been collected through RTB sales from 2017-18 onwards as well as new receipts. So, receipts generated in 2017-18 do not now need to be spent until 31 March 2023.
- Increase the cap on the percentage cost of a new home that local authorities can fund from RTB receipts from 30% to 40%
- Introduce a cap on the use of RTB receipts on acquisitions to help drive new supply – this is because the use of acquisitions to deliver replacement housing does not represent the best value for money. The government is clearly encouraging delivery of replacement housing through new build. The cap will apply as a maximum percentage of the Council's overall expenditure on replacement affordable or social housing that can be spent on acquisitions. The Cap will be nil in 2021-22, 50% in 2022-23, 40% in 2023-24 and 30% in 2024-25.
- Allow councils to deliver Shared Ownership and First Homes using RTB receipts as well as affordable or social rented tenures
- In order to help administration of the scheme and offer further flexibility to plan expenditure, the scheme will become an annual pooling scheme rather than a quarterly pooling scheme.

The announcement is extremely welcome and eases some of the immediate pressure and urgency the Council is facing on its use of RTB receipts. However, whilst the Council has additional time to spend its receipts it must note the cap on acquisitions that is to be applied from April 2022. As found in the report, it was the slippage on the new build programme which mainly caused the repayment to government in 2019-20. Spending of the receipts on acquisitions was an emergency measure put in place to try and mitigate the repayment risks and is what the Council has predominantly relied on in 2020-21. This measure will be limited in future. As a result, the Council MUST ensure that it has sufficient new build affordable / social schemes coming forward in order spend its RTB receipts and it MUST ensure that delivery of those schemes is properly planned and kept on track so that delays and slippage are minimised and, in turn, minimising the repayment risks.

Although the immediate urgency of the decisions set out in the report has eased, Officers recommend that the Executive continues with the actions and recommendations set out in the report.

Paragraph 3.31 (page 41 of the agenda) states that Bright Hill is a car park held within the Council's General Fund. It has since been clarified that Bright Hill is already land owned within the HRA but has been leased to the General Fund following temporary planning permission granted for the car park in 2010 which has now expired.

As a result, paragraph (4) of the recommendation can be amended so that it now reads:

“(4) That the Bright Hill car park be closed for redevelopment once the lease to the hospital expires.”

## **SUPPLEMENTARY AGENDA ITEM 11 – ASH ROAD BRIDGE – PROJECT UPDATE**

The Executive is reminded that a public version of this report was published on Friday 19 March. This matter will, in so far as it is practicable without disclosure of any of the exempt information referred to in agenda item 9, be debated in public. Where it is necessary to discuss the exempt information, the Executive will be invited to consider passing the resolution to exclude the public referred to in agenda item 8 (below).

Lead Councillor: Councillor John Rigg, Lead Councillor for Regeneration

Lead Officer: Michael Miles, Project Leader - Corporate Programmes (Consultant)

## **AGENDA ITEM 8: EXCLUSION OF THE PUBLIC**

The Executive is asked to consider passing the following resolution:

"That under Section 100A(4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for consideration of agenda items 9 and 10 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act."

NB. If the Executive passes this resolution, it will be necessary for councillors to leave the MS Teams meeting in respect of the public part of the meeting and join the "Part 2" MS Teams (private) meeting to which all councillors have been invited.

If the Executive has had to go into the Part 2 meeting to consider the Ash Road Bridge item, it will re-join the Part 1 (public) meeting to announce its decision in respect of that item.

## **AGENDA ITEM 9: ASH ROAD BRIDGE – PROJECT UPDATE**

Lead Councillor: Councillor John Rigg, Lead Councillor for Regeneration

Lead Officer: Michael Miles, Project Leader - Corporate Programmes (Consultant)

## **AGENDA ITEM 10: NORTH STREET DEVELOPMENT SITE, GUILDFORD**

Lead Councillor: Councillor John Rigg, Lead Councillor for Regeneration

Lead Officer: Andrew Tyldesley, Town Centre Development Lead

In accordance with Overview and Scrutiny Procedure Rule 16 (h), the Managing Director has designated the decision in respect of this matter to be urgent. The chairman of the Overview and Scrutiny Committee, Councillor Paul Spooner, has agreed that, due to the urgency, the call-in procedure should not apply in respect of the proposed decisions to be taken in respect of this matter.

### Proposed additional recommendation:

"(8) That the Executive agrees that, due to the urgency of this matter, the call-in procedure shall not apply in respect of the decisions referred to in paragraphs (1) to (7) above."

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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