

Informal Housing Panel meeting with stakeholders held on Thursday 21st October 2021

The Leader welcomed everyone to the meeting and outlined purpose of the meeting

1. The most appropriate and cost-effective additional actions for us to pursue in the short, medium and long term to reduce the impacts of the housing crisis; and
2. Identify areas where we the Council be asking Government to change policy or revise their current level of funding.

Setting the scene

The Head of Planning, Housing and Health welcomed everyone and explained that the exercise was a rapid house needs to assessment to action and pursue short, medium and long term solutions and to seek to identify requests of government and to develop additional activity to those that the Council already delivered support to together with gaining additional knowledge to enable the development of ideas and initiatives going forward.

He added that the focus of the meeting would be spilt into two sessions, with session one focussing on the current situation and session two exploring issues around housing supply and increase in the future. He advised that the timeframe for the meeting was two hours.

Session one: Focus - the housing needs of our current population, housing standards and how we could better use our existing housing stock.

North Devon Housing Crisis – Mark Johnson:

Mark Johnson gave an introduction explaining how the North Devon Housing Crisis Group was founded together with their aspiration to provide everyone with a safe comfortable home to live in. He added that the group had been working with local landlords and agents to rent long term to local people. They had also been providing information forums in relation to dealing with Section 21 notices.

Providing an emotional support network.

Lobbying for manifesto for change, which covered local and central government.

He outlined the group's manifesto for both central and local government, as outlined below:

Central Government:

- Allow local authorities to borrow to build social housing without restriction and prioritise use of all local authority and Government owned land for this purpose.
- End "Right to buy", at least, until the housing crisis was solved and then

- ensure all receipts from any sales were spent on building social housing.
- Remove the tax advantages currently given to Furnished Holiday Lets and treat all income on same basis as Assured Short hold Tenancy Lets.
- Remove the 100% small business rates relief for holiday homes.
- Properly regulate by law Furnished Holiday Lets to the same standards of safety and compliance as Assured short hold Tenancies.
- Introduce a tax on properties left empty for longer than 18 months of 5% of property value per annum to make leaving properties empty economically unviable.
- Introduce a tax on 2nd homes occupied for less than 90 days per annum of 3% of property value per annum to force owners to either rent out or sell.
- Introduce a tax on property developer land banks, held without development, to encourage building not speculating.
- Make “affordable housing” be calculated using local, not national salary levels. Double the required percentage level for these developments from 10% to 20% in housing shortage areas.
- Reform tenancy laws to create a long-term rental model similar to that in Germany to allow tenants security of tenure and long-term landlords security of income.
- Until the current housing crisis was solved, introduce a temporary ban on all new house sales to anyone who is not primarily resident or purchasing to let on assured short hold tenancy in areas within x miles of coast or within National Park or Areas of Outstanding Natural Beauty (AONB).

Local Government:

- Introduce a licensing scheme for furnished holiday lets and allow regulation of the number of properties in any one area by the local authority.
- Require change of use for any property being converted from a permanent residence to a holiday let.
- Write to all holiday homeowners to inform them that if they use domestic rubbish collection, they would immediately be liable for Council Tax and that the local authority would inform HMRC that they were no longer a Furnished Holiday Let for tax purposes.
- Increase Council Tax to 200% for second homes.
- Implement a substantial percentage requirement for affordable rental housing for all new developments.
- All new builds to be covenanted to make all future sales to be as primary residence in perpetuity.
- Actively promote fund and encourage the setting up of Community Land Trusts to build local homes for local residents on long term tenancies at affordable social rent levels.
- Build any social housing possible now using fastest construction methods possible including modular homes. Prioritise use of any council owned land to this purpose.
- Identify all empty properties and how long they have been empty. Requisition all those homes empty for longer than 12 months; offer requisitioned homes to homeless and those on priority waiting lists;

empty properties were to be offered cheaper to tenants that could renovate homes themselves.

- Review all current housing regulations to look for powers the council had to maximise available homes for rent.

The Chair and other officers thanked Mark for his representation.

Encompass – Claire Fisher CEO:

Claire Fisher gave an introduction explaining how Encompass was established and operated and provided the following representation:

- Encompass Southwest was a registered housing charity working across Northern Devon since 1996.
- For many years they had been told “ the average person was only two pay cheques away from homelessness’, can’t help thinking that with the current housing landscape this should actually read ‘the average person was only one landlord decision/second home or holiday let away from homelessness’.

We were starting to see a shift in the housing landscape, there was an emerging group of people who were facing homelessness whom did not necessarily fit into the traditional model of homelessness, and these included:

- Those people working but unable to afford to buy a property so rely solely on the rental market.
- Young families on low income who were just about keeping their heads above water, suddenly were at risk of drowning.
- Young people under the age of 25 were being pushed further away from the housing market or even being able to rent a bedsit.

Even people who have an AST were now living in uncertainty about landlords selling up or moving over to holiday lets/Airbnb.

It is important to start with the meaning of ‘homelessness’ – homelessness doesn’t just mean rough sleeping, homelessness meant people without a permanent home.

This could mean living in cramped and unstable temporary accommodation such as hostels, bed and breakfasts or sofa-surfing. Could also include internal issues such as; poor mental health, drug and alcohol dependencies, physical health, relationship breakdowns, money and debt worries and childhood trauma and the external issues which include; the removal of the Universal Credit uplift, increase in National Insurance and increased rents what you had was the ‘Perfect Storm’ and something of a tornado causing destruction and devastation to many local people with the potential to catapult them into homelessness.

The majority of Encompass work was focused around those people who were often considered vulnerable and whom were often furthest away from any real sustainable housing solutions, with the ‘perfect storm’ pushing them further away than ever before.

Impacts at local level:

- Their supported accommodation was starting to silt up, with often no or very little options for move on.
- Rise in rents for one bedroom flats making them unaffordable for anyone claiming local housing allowance.
- Housing First clients waiting six months to find suitable accommodation.
- The vulnerable becoming more vulnerable and being pushed further away from sustainable housing solutions.

The question now had to be what they were doing to ease the suffering for many of the people they supported. A problem with such devastating effects required not one but many solutions, if ever there was a time to really think 'outside of the box' then this was it.

Here were just some of our blue sky ideas which they had started to implement locally;

- Encompass taking on the tenancies for one bed accommodation units and subletting to their clients.
- Working with national social investors to give us access to greater accommodation (Resonance).
- Working in partnership with Collyers to find new ways of encouraging landlords to rent directly to Encompass.
- Host family and lodging schemes.

More than ever it was a time to experiment, to do nothing was not an option, there was a huge emphasis to work together to find solutions, share ideas and resources.

What was required from the local and national government:

- Support to bring empty properties back into use, working more collaboratively with local landlords and housing charities.
- More social/affordable housing – truly affordable housing for local people.
- Incentives to landlords and social landlords to house people with complex needs.
- More housing first style accommodation.
- To support a trauma informed approach to housing to reduce the number of evictions.
- Local authority leading on a Landlords Forum for North Devon.
- Working with national social investors such as resonance.

The Chair and Head of Planning, Housing and Health thanked Claire for her representation.

Salvation Army – Mark Read:

The Head of Planning, Housing and Health welcomed Mark Read from the Salvation Army to the meeting.

Mark Read gave an introduction explaining how the Salvation Army provided support for homelessness and those precariously housed together with support to the foodbank and provided the following representation:

As a Church Leader representing Ilfracombe he was involved in housing justice work and supported individuals with their individual housing requirements. He added that he had spoken to a group of people directly affected and met with JM to discuss their concerns.

He added that vulnerable members of our society had often been exposed to trauma in childhood or other adverse childhood experiences, which in turn led to substance abuse, alcohol dependency and mental health issues. As a result of these early experiences many people were deprived of the means to succeed or manage the childhood trauma, which impacts upon them greatly and Houses of Multiple Occupation (HMO) were often their only option generally of very poor quality.

He highlighted some of the issues experienced by individuals and gave examples as follows:

- Often just one room, which was just big enough to lie down in but unable to lock the door.
- Properties were often hot during the summer months and cold during the winter months.
- Individuals often find themselves in situations that do not benefit their health or their safety.
- Addresses in certain areas were often red flagged by employers.
- A noticeable loss of good landlords who had moved into the holiday let sector.
- Issues with the process and policies for assessing who qualified for support and the people who had previously had interventions but now no longer qualified for support.
- The miss guided belief that if they made themselves homeless they would qualify for greater assistance, when in actual fact more often than not those people slip through the net.
- They had a contribution to make to the community if they were given the opportunity.

He added that there was requirement to look at alternative models of housing together with alternative providers and the options available. He stated that the “one size fits all” model was not fit for purpose and that the Council had an opportunity to lead.

The Head of Planning, Housing and Health commended Mark in relation to the clarity of the feedback that he had provided.

Evidence form Colleyers: Representation read by the Service Lead – Housing Advice and Homelessness, North Devon Council:

Demand for rental property had never been higher. As one example the company put on two bed terraced house in Bramble Path, Landkey for one day and ended up with 36 applications.

Happy for you to pass on the feedback on what we're trying to do to help. Ultimately they were trying to help raise awareness, advise landlords appropriately to try and select tenants who would be wanting long term rentals. Most of which they had been doing for a little while anyway, but more so now that they had a lot of selection when it came to applicants.

Ultimately they needed more landlords to buy properties to rent out on a long term basis, although whether that required some form of stamp duty discount or another form of encouragement/incentive to get landlords to buy more. The issue they could see with that was, that would be seen as 'the greedy landlords would be getting a discount/break when buying more property and getting richer', rather than providing much needed rental housing in the area.

The holiday rental market was obviously another angle to attack to a certain degree, because ultimately North Devon was a tourist area and that should be seen as a positive. However there was no doubt that the volume of properties being rented as holiday lets was affecting the AST rental market, and, without any safety regulations which was concerning. So, we would definitely agree that the air bnbs/holiday lets needed stronger safety measures put in place, etc gas safety, electric safety, etc.

Evidence submission from North Devon Homes - Martyn Gimber:

North Devon Homes (NDH) was a registered housing (HA) association and charity, whose vision was “Working together to create communities where people want to live”. They owned and managed the majority of affordable stock in North Devon and housed 10,000 customers (1 in 10 people in North Devon) across 3,300 homes.

They were an independent community landlord run by a board of trustees and regulated by the Regulator of Social Housing and the Charity Commission.

Their charitable objectives were about alleviating poverty and provision of affordable housing in North Devon. Everything they did was about delivering and furthering those objectives and any surplus or profit made on their activities was 100% re-invested back into North Devon with housing related schemes for the benefit of local people. They aimed to protect and improve the social housing assets they had and utilised a mix of public, private and their tenant rent money to invest in the homes they held, build new homes and where they could provide local jobs and invest in building skills and capacity for the future. They wanted to ensure that they built “communities” not just houses and that they invested and nurtured communities by going above that of other landlords who might just see homes as units or commodities.

NDH was an Investment Partner with Homes England and had developed various schemes of new build and regeneration schemes as small as two units up to major schemes with values of £70m across North Devon. They used a blend of public and private finance to help deliver new housing and work through Advantage South West, their procurement chain partnership (25% owned by NDH) to help manage the supply chain and divert resources and help to harness the local supply chain. They had a profitable subsidiary, Anchorwood Limited, which gifted all its profits back to NDH. This was an ethical developer which was able to compete with private sector developers to try and capture profit and use it to fund new affordable housing.

The company prided themselves on their low cost per unit, £2,900; high customer satisfaction, 91%; and low rents (including service charges) compared to their peers and landlords. They strove to ensure that they balanced the choices on value for money between rent cost and quality. They ensured that they invested in quality and safety compliance for their homes. This approach kept them independent and, therefore, made NDH best placed to directly serve the community that they represented.

They were the only locally based registered Housing Association operating in the North Devon area. Other Registered Providers who operated in North Devon manage their stock remotely and sent resources or skills into North Devon to support their stock. NDH preferred to use local people and local contractors to ensure they kept as much impact locally, which they could from an efficiency quality and environmental perspective. They invested £20m locally every year from a revenue point of view, and £20m of capital investment pa.

They directly employed 137 highly skilled staff and ensure that they had a motivated team to deliver housing and related services for North Devon. Their team was capable, dependable, had a good track record and was directly accountable to their customers, community and stakeholders. They cared about their reputation and the community that they lived in. They employed many more contractors and local businesses to help them to deliver their aims and they understood housing and the communities that they served. Many of their staff had been with the company for 20 years and know their customers well.

The housing stock was transferred from the local authority (LA) for £44m in 2000. NDH had private finance loans secured against the assets of £120m and had to ensure that they complied with their funders' requirements under the terms of their loan agreements. They had paid over £8m in Right to Buy (RTB) receipts since 2000, passing these to the LA under a RTB sharing agreement.

They had invested £75m in planned repairs upgrades and regeneration to bring the stock up to date and had a funded 35-year business plan based on future rental income and growth. They aimed to deliver at least 100 additional social rented homes a year.

The more successful they were, the more homes and investment they could deliver into the heart of the community. They could deliver more much more but they needed to work in partnership to leverage this further.

They knew that housing was so much more than just a roof over your head: health, well-being and economic drivers being critical for the local area, sustaining villages and our rural communities. They provided elderly and vulnerable customer support as well as youth teams to help some of the most vulnerable across their communities in North Devon.

Affordability was a critical issue in North Devon, with low average wages and very high house prices. The ratio of 15 times the average wage to house price was one of the highest in England and it was getting bigger every year. There was a chronic supply problem, exacerbated by many years of under investment from successive governments; lack of inward support to support affordable housing schemes due to planning issues; as well as local objection to anything being built, making the delivery of any housing challenging and sometimes controversial.

Access to affordable homes was almost impossible for many with many young people not registering as they had lost hope of ever being housed. This meant that the true extent of the problem needed to be more fully understood. They also knew that they needed housing to help key workers move to the area to support their businesses. Not all inward migration was negative as a local economy they desperately needed key skills and younger more economically active people to help come in and sustain the area and villages. They knew that a lot of the existing population was elderly, with a high proportion aged over 65, and they knew that would be a drain on local resources - with housing and support being a critical factor. Many schools, large employers and critical services report that even if they could attract staff, they had nowhere to live, and that key worker accommodation was a huge hidden housing problem for the area.

Their stock in trade as an affordable housing provider was delivering quality homes, ensuring compliance and delivering responsive repairs. The homes they managed were affordable and of excellent quality, supported by a 24-hour repair service from their own team. They did their own repairs and self-sustained their business as much as they could.

About half of the rent they collected went on planned repairs and investment and was spent mostly with local businesses.

They managed and owned 3,300 homes with 13,900 bed-spaces. They estimated that 10,000 of these bed spaces were occupied.

So in crude terms they had 70% occupancy of bed-spaces.

Many social rented homes were under-occupied and people could be persuaded to move on if they had some grants or incentives to offer them. Moving from social housing at £100 p.w. to a private let at £300 p.w. It is interesting that the social

housing had got a stigma when it was, in fact, the premium housing product and should be cherished and invested in. But, sadly, it was in very short supply.

The private sector was changing rapidly and they were seeing more and more people displaced as the likes of AirBnB took hold and owners saw they could make more money on short term lets, or cash in and sell for second homes, as people migrate or local people try and get on the housing ladder.

Across their stock they saw 250 customers turnover each year and this was largely driven by deaths and property exchanges. Many people wanted to transfer from other HA landlords into NDH as the service that they offered was generally perceived as better and as they were locally based. They were not a remote call centre in Aylesbury or somewhere where customers had to wait five days for a van to be sent to do a repair from the south east.

In North Devon in 1980 there were 7,500 affordable homes before the advent of Right to Buy. Those homes represented about 15% of the physical housing stock at that time. The number of affordable homes in North Devon is now about 4,400 (8% of all stock). This gap of 3,000 is pretty much what they thought the demand level for affordable still was; and a functioning housing market needed around 15% deemed affordable higher in low wage areas such as North Devon.

The 3,000 homes that were required also had to fit future housing need and refined to fit post-pandemic change in housing requirements and demography. Family make-ups are changing and they were seeing more single people requiring housing. The housing needed had to cross a broad range of tenure types and sizes. In the 1950s they built rows and rows of the same type and size of family housing – these were now the “under-occupied” homes that they see generations later. Under-occupied, hard to heat, and sitting on a large footprint.

15% affordable was a good yardstick to ensure a fully functioning and flexible market to deal with economic fluctuations.

So, the social housing stock in North Devon was in good condition, whereas the private rented accommodation was often poor condition and expensive. People were trapped in private rent. Even if they wanted to get out, they couldn't because they were losing savings or a high proportion of their income to expensive private landlords, sometimes paying for very poor quality housing.

They estimated that of the 3,000 affordables that were needed, there should be a mixture of Social, Affordable, SO, First Time buyer / Discounted Homebuy, Key worker and Self Build.

NDH could deliver 100 additional social rented, and many more if they could deliver more market sale to help subsidise the provision of social rented or affordable. Finance was available and there were many investors looking toward longer-term deals. There was a worry that some of the private non-social housing investors and profit making entrants were pushing up S106 and land prices exponentially and making the ability of the social landlords to deliver or find schemes even harder.

Those new “for profit” entrants were being encouraged in by current policy and, in our view, this was short term / opportunistic and was damaging supply.

Land availability was an issue. It took them on average 8.5 years from first seeing an opportunity to turning the key in the front door. Delivery of affordable homes took a huge amount of investment, took a lot of time and effort, absorbed huge overheads and carried significant risk. Very often this had to be underwritten by the tenants of the HA whose rents were contributing to the procurement and subsidy of those new homes. As the timescales exceed four years very often, political or local pressure or objections occur so that schemes were rarely delivered easily or quickly.

They could change that by having a much longer strategic plan with clear priorities, identifying shared sites with LA or government; developing an investment plan to help us scale up supply with a mixture of public and private finance and base delivery on a range of housing need areas and demands to lessen the risks and to *create communities where people want to live.*

2 Summary:

A The housing needs of our population:

- As set out above, they concluded that compared to national averages and local need there was under-provision of affordable housing in North Devon to meet local need.
- They suggested that the Local Authority worked with North Devon Homes to reduce barriers to supply; contributing more proactively to infrastructure and reducing requirements for S106, CIL and other payments that could be put more meaningfully into increasing the supply of affordable housing for local people.
- Planning for affordable housing could be prioritised and local planners could work to support and facilitate provision in a different way.
- It would be helpful if cross-tenure schemes that support increased affordable housing could also be prioritised in this way.
- If there were a clear local housing strategy that declared the needs, the mix, the type and the location of housing that the local community required to thrive, they could be a more proactive partner in this respect.
- With capital investment, vision and long-term commitment, they could work on better longer term managed temporary accommodation to meet local need.
- The LA could release ransom strips and land to facilitate more and quicker supply.
- Members could support and champion housing – historically some ward members had opposed developments that were required.
- Right to buy receipts received by the LA could be reinvested in a replacement affordable property programme.

- They could work together to support the aspirations of a local housing strategy, formally or informally seeking and progressively working to secure inward capital investment and grant to provide better affordable housing.
- The LA could work to support those customers impacted by the welfare reform cuts, targeting the local hardship fund that had been announced to those in receipt of benefit and whose accommodation was at risk. Universal Credit cuts would impact NDH customers, taking nearly a million pounds out of household budgets in North Devon in the coming 12 months.

B Housing Standards on existing stock

- Housing built with public grant was already required to be built to standards which could be different and ordinarily exceed any other standards and requirements. Local systems and assessment could recognise this better
- Regeneration and, specifically, carbon reduction would be progressive national agendas and they could support and inform the LA's work in that respect.
- They could, with support, be more progressive and responsive in how they developed and supported skills in the local economy that private landlords and private owners could conceivably benefit from those skills.
- They could work to be part of a wider partnership that linked the future skills, to employment opportunity, housing standards in a way that would develop and ease local labour supply for the retrofit skills that would be required.
- They could extend their Disabled Facilities Grants support to other areas with a clear forward order commitment.

The Chair thanked Martin for his representation.

The Head of Housing, Planning and Health added that the officers had been given a vast amount of information from the various stakeholders and that he hoped that session two would be as productive.

Discussions and outcomes from session one:

- Roy Tomlinson – Empty homes action, quick win not clear if empty home identified where does it get sent to at NDC?

The Head of Planning, Housing and Health, North Devon Council advised that when empty properties were reported to the Council via the website they were reviewed by the housing Sector renewal team. He added that it was right to acknowledge that the Council was not currently proactive in bringing empty homes back into use. The Council was however currently working on policies to support interventions.

Claire Fisher added that Encompass were working with North Devon Homes to bring empty properties back into use.

Councillor Lofthouse explained that empty properties could also be reported to the local Ward Members.

The Chair advised that the number of empty properties listed on the Council tax base were as follows:

- October 2020 – 689 empty properties.
- October 2021 – 454 empty properties.

Mark Johnson questioned whether the reduction in empty properties was as a result of them being utilised as holiday lets instead? He added that he had spoken with Colleyers and was astounded by the number of Air B&B properties.

In response, the Chair requested evidence to support his claim. However, without the figures he was able to provide this.

Session two: Focus - further opportunities to increase housing supply to address household growth and the historic under supply of housing.

1. Head of Quality, Perrigo, UK - Caroline Norfolk-Shaw:

Wrafton Laboratories employed 530 members of staff and was a long established local business of 50 years. The company took their responsibilities as an employer very seriously and that was key to securing the future of the business within the local area.

The company had experienced difficulties in the recruitment and retention of employees, which was largely due to the lack of available accommodation for employees within the technical roles. This shortfall had been addressed via the backfilling of vacancies via agency staff. The house price to wage ratio for the area was ludicrous and many people could not afford to live in the area. There have also been instances where graduates had moved back with their parents, as they were unable to afford their own property. The impact of high house prices within the north Devon area was not just affecting individuals but also the organisations that sought to employ them.

2. Homes England – Rosa Payne:

A very powerful and interesting session.

Homes England had evidence of a loss of rental properties to AirB&B, which had been obtained from RightMove data, follows:

- From the last week of August 2021 there were 60% less properties for rental than there were in August 2019.
- In October 2021 there were 55% less properties.

Sarah Bentley added that there was also an impact in the loss of AirB&B properties to owners that since the first lockdown in March 2020 now had the

means to be able to work from home and had relocated to the area on a full time basis.

3. Financial Director EMEA. Tdk-Lambda - Alan Dykes:

TDK Lambda had been an employee within Ilfracombe for 60 years, when the business was first established it employed 15 people with a figure of 300 for the current workforce. The company was part of an international group and remained competitive within the market place and other locations around the world. Locally there had been recruitment issues and historically it had always been difficult to recruit people beyond Bristol owing to the lack of available housing within the North Devon area.

Tdk-Lambda had links to Petroc and provided training opportunities to students within the company. Roles related to IT, finance and engineering were all held by employees outside of the county, as it was difficult to attract them to settle into the area because of the high house prices, which had often led to vacancies which could not be filled. The company had established a recruitment centre in Bristol but this in turn had moved the intellectual heart of the company further up the motorway.

20% of the working population of the 5,000 that were employed created a huge challenge to house the workforce within a reasonable commute. This failure to recruit to positions within the Ilfracombe area moves elements of the business out of Ilfracombe. He highlighted Cornwall as an example with many beautiful properties located next to the sea that were not occupied by local people because the high property prices had forced them to move further in land.

He raised the following points:

- Questioned why the Council gave rates advantages to empty homes and added that this needed to be reviewed.
- Requested that when a builder sought approval for development land there should be encouragement or incentive to build out and not sit on their plans for the site.

The Leader thanked Alan for his representation to the panel.

The Head of Planning, Housing and Health acknowledged the workforce deficits together with the challenges within the private sector, which also existed in equal measure within the public sector.

4. Pearce Construction – Paul Knox:

Paul Knox addressed the panel advising that he had joined the company 27 years ago as an apprentice. The last Council houses were built by the company in the 1980s and more recently for NDH in the early 2000s. The

company did not have a land bank and were currently working towards the net zero challenge.

He explained that consultees were a big problem for the company if there was no response within the statutory period and emphasised the requirement to develop a flexible policy as one size doesn't fit all.

5. Representations of Louise Sharman (Director) and Peter How (Managing Director) Chichester Homes.

The following points were raised:

Chichester Homes was a local housing developer.

Very buoyant local market, but becoming more concerned re. inflation and any rise in interest rates.

Considered that some developers had always had tendency to land bank/sit on option agreements. Buoyant market over past 12 months, together with knowledge North Devon Council did not have 5 year land supply, which had increased demand to secure land. Landowners also wanting to take advantage.

There was already skill shortage in industry – made worse by BREXIT/Covid – 19.

Also now had supply chain issues (linked to BREXIT, Covid-19, Suez Canal) which were bringing about an approximate three month delay in completions. Cost of materials had increased significantly due to supply verses demand.

The North Devon 'housing market bubble' was also associated with a general market correction, properties in North Devon had been historically undervalued.

The Government's "Help to Buy Scheme" had given opportunity but potentially inflated prices in more desirable locations. The potential benefit of the scheme was now reduced (first time buyers only, more properties > SW price cap) and was due to end in March 2023.

What next?

Current sales – 40% of purchases out of area, historically that was 20 – 30%.

The lack of 'churn' was a major risk to the wider market.

Local land owners' expectations were becoming increasingly unrealistic but the company's target profit margins were broadly consistent irrespective of the market.

Local developers' contribution to the wider economy highlighted (as an employer, Chichester had 20 employees but engaged with many local professionals and trade sub-contractors, also utilised the services of North Devon Council's Building Control service etc).

Efficiency of supplying new homes

For sites without any prior planning approval, the time between 'deal with landowner' to 'bucket in ground' was taking minimum of two years.

The complexity of development was not widely appreciated, e.g. issues re. ecology and biodiversity archaeology, drainage and flood risk. Also, added time. This could also encourage bad practice.

A feeling that some pre-commencement conditions were adding unnecessary delays in developments. Conditions were often repeated and could have been dealt with more efficiently during the application process. More flexibility in the system would help.

Members appear to be under more pressure to 'call in' applications if they do not have community support. A sense that members were identifying questionable planning considerations to bring applications to committee.

Statutory determination periods for validated larger planning applications was unrealistic and invariably missed.

Pre-application advise time delays were common.

But – recognition that many delays were caused by the lack of feedback from statutory consultees.

Frustration re. current S106 process. A feeling of unnecessary re-submission of information, also delays and errors by legals were common. Even when s106 agreed, delays of 6 – 8 weeks for it to be signed by all parties – delays normally by North Devon Council and Devon County Council (not developer/land owner).

Concern re. the integrity of viability assessments. Having built out a number of policy compliant sites, the process must have integrity and be fair to all parties. Were S106 contributions in their entirety now realistic to encourage development without need for viability? North Devon Council's insistent on social rent verses affordable rent did not help. Viability process obviously added more time delays.

Concern re. future loss of efficiency of the DM service due to the need for North Devon Council to resource appeals.

Positive recognition of the competency of many North Devon planning officers.

Believe efficiency would increase if there was greater continuity in the case officer for specific applications and more personalised contact.

6. North Devon Homes – Martyn Gimber:

The market value of our assets was £300m but we can't borrow against all of that, so had capacity of £150m. We were £125m drawn and have £25m capacity to help support schemes. It was important for the organisation to support growth and stem any RTB or sales with new homes as the overheads became more expensive and the aim was to deliver 100 new homes a year.

In order to do this, there was a requirement to be continually adding new properties that had higher capital values to the balance sheet, to help increase their asset value and create uncharged security against which they could borrow future funds to help facilitate future growth. As the time lag between schemes could be 8.5 years, ensuring future capacity required long term planning and capital finance planning.

Affordable homes required a subsidy of £50k per unit and social rented a subsidy of around £75k per unit to stack up versus social. Either way, without any grant existing customers (very often the poorest section of society) were subsidising new provision.

Landlords that hold stock in North Devon may have benefitted from generous grant and subsidies to procure homes with the assistance of the Local Authority in the past. These mortgages would have been paid off and they would be re-mortgaged to provide that landlord with funds to invest in its chosen area of operation and in areas where development was easier. Many schemes that had been developed over the years in North Devon were providing the security for investment in other Local Authority areas or, worse still, the landlord had decided it was no longer viable to manage a stockholding in North Devon and sold off the units. North Devon Homes tried to buy them back to keep them available for local people but this was North Devon money being used to buy back assets which should really be kept and used for the people of North Devon.

Although the current plans indicated a minimum of 100 affordable homes and 100 market sale, North Devon Homes could do more and had identified a pipeline of 1,000 homes. The speed of delivery would depend on planning, market sale and whether they could attract grant or other funding. Working with the Local Authority and others, to bring those opportunities forward.

Delivering new affordable required significant subsidy as social rents of £100 pw or affordable of 125 per week, meant that the NPV of each unit was around £50K or £75K, depending on rent. Each home costed around £150k, meaning that grant of between £75-£100k was needed.

Cheap or zero cost land enables North Devon Homes to build affordable. Where there was public land, or where the Local Authority held ransom strips or covenants over land that they had, these could be released to help them to deliver more homes. They could then borrow against them to provide even more homes and on and on we go. There had to be a wider view on "value" rather than just the concentration on

cost or land price – this overruled many decisions and had led to many sites not being developed and used as income generators rather than assets to unlock housing provision.

In terms of their existing sites, they had attracted many grants and inward investment to regenerate Forches, Woodville and Pill Gardens over the years. They wanted to do some similar work at Slade Valley, Ilfracombe and at other estates that badly need a review and refresh, to provide modern, more adaptable housing to help them to manage the future housing requirements of our communities and the next generation.

North Devon Homes would do this by using modern methods of construction (MMC) through ASW and would build skills and apprenticeships as they went. This wider approach was a key component of their activities and was why they were fundamentally different to other RP or profit providers.

There were many changes to Planning and Community Investment Levy on the way, with much more flexibility on offer, but they needed to be ready strategically to understand where investment was needed and get a number of oven-ready schemes lined up. North Devon Homes had a lot of zero carbon and energy efficiency work to do as well, and there were grant monies available. They must work together to try and get the maximum impact and support projects for the area. This required clear plans, prioritised schemes and good understanding of what needed to be done.

North Devon Homes could do so much more to tackle the housing crisis with the use of new homes bonus being channelled into housing, RTB receipts and the increase in values in the market being used to provide new homes, use of market sale homes activity to cross subsidise the provision of affordable homes. We have developed a viable method of building high quality homes and using the profit to directly subsidise new affordable homes. This is innovative and works really well through our ethical developer and subsidiary Anchorwood Limited. We can scale this up and use the inherent inefficiency and dis-functional high market values we see in North Devon as a way to help solve the crisis we all face.

7. Representation received from Councillor Eric Ley

- Councillor Eric Ley sent his apologies for the meeting, owing to the bad weather earlier in the week he had no internet connection so was unable to join the meeting evening.

He had requested that the following be raised in his absence:

- There was a requirement to implement into policy a rule for new open market dwellings to have a primary residential condition attached to them. This is something that the Exmoor National Park Authority had been doing this for several years and it appears to be at least 90% effective in stopping second homes/air B & B and holiday lets.

Discussions and outcomes from session 2:

- Councillor Biederman questioned what powers local authorities had in relation to an owner that did not wish to utilise their empty property together with what the maximum figure was for housing benefit?

JM advised that there were specific regulatory provisions within the Housing Act 2004 regulatory framework, which included various interventions that could be utilised in a situation of that nature. He added that he did not have the housing benefit information to hand.

- The Leader requested clarification re. Modular Passive Housing and how it could be incorporated into future plans?

Martyn Gimber advised that this was all part of building a better partnership with the advantage within the Southwest. He added that this area of work had been established about 20 years ago and some work had already been undertaken by NDH within that area.

Rosa Payne advised that 60% of new housing would be modular built adding that as a company they were getting prepared for that and had been working closely with Pearce Construction to develop the skills to deliver such homes within the construction industry.

Martyn Gimber added that there were experimental units within Lynton and Lynmouth and South Molton with new methods of heating and culture change. They were currently working on a specification for new homes to ensure that they met current and future specifications.

In terms of supply and balance sheets, it was not possible to build all of the new supply without the sufficient funds to do so. The company had currently allocated £25m to develop new communities/properties but had to have the funds to meet the demand. They were currently using housing to secure future loans, which also involved reviewing properties that required investment now to enable them to then borrow against in five to ten year's time. The company had a £300m market value asset base to support future programmes and explore opportunities going forward for development areas around Slade in Ilfracombe and would be interested in speaking to the representatives from Perrigo and Tdk-Lambda to discuss opportunities with local partners and key worker accommodation.

There were also opportunities in town centres such as Ilfracombe and Barnstaple for permitted development rights to unlock some interesting units for housing.

Councillor Patrinos questioned the next steps for NDC.

Councillor Spear added that the meeting had been one of the most important and that he hoped that the Council could move forward and evaluate the situation. He thanked the Clerk and Officers together with the representations from invited guests.

The Head of Planning, Housing and Health added that it was important to incorporate the Notice of Motion from Councillor Tucker to Full Council on 29th September 2021 into the findings report from the meeting. There was an incredible amount of rich information contributed by the stakeholders and there was now an important amount of work to be undertaken to capture all of the representations that had been made. He advised that there would be a subsequent work shop with the Members to critically appraise the information and produce recommendations, which would then be taken through the Council's Committee process.

The Leader thanked Head of Planning, Housing and Health and his team for their continued hard work to ensure that residents within the North Devon community were sufficiently housed. He also passed on his thanks to Councillor Topham in her role as Lead Member for Housing.

In response to a question regarding feedback form the meeting to the stakeholders. The Head of Planning, Housing and Health advised that the recording and notes taken at the meeting would be analysed and at the current moment in time it would be unrealistic to promise any deadlines as it was a very complex piece of work and as such needed to be undertaken correctly.

The Chief Executive provided reassurance that as this process had not been undertaken before, the officers would need to consider the best way to progress the findings of the meeting. He added that as such there might be a second informal meeting held to discuss the outcomes of the first meeting and the very last thing that the Council would wish to do would be to exclude stakeholders from the process.

Councillor Topham added that she had found the meeting extremely informative and was very interested to hear the different perspectives from local businesses and thanked the stakeholders for their contributions to the meeting.

The Leader thanked all of the speakers, officers and Members for their contribution to the meeting. He added that the Council would ensure that this was progressed as efficiently and swiftly as possible.

Meeting ended at 20.49.