

Agenda Item No.3 (a)

DERBYSHIRE COUNTY COUNCIL

**CABINET MEMBER FOR STRATEGIC POLICY, ECONOMIC
DEVELOPMENT AND BUDGET**

5 May 2015

Report of the Director of Finance

HOUSING EVALUATION

1 Purpose of the Report

To provide the Cabinet Member with details of Essex County Council's (ECC) approach to the development of a financial model to assess the impact of housing growth in a region.

2 Information and Analysis

The Council has recently been approached by ECC who are exploring whether other county councils would be interested in developing an investment appraisal financial model which will help them to determine whether investment in housing may be a significant element of its financial strategies.

ECC believes that working more closely with district/borough council colleagues, as well as other public sector authorities and agencies in a region, will:

- Ensure the local authority is doing all it can to support economic growth through housing and infra-structure, increasing its Council Tax taxbase
- Support residents to live in independent lives by providing the right range of housing, particularly through the development of extra-care and specialist housing
- Reduce the revenue costs that arise from inappropriate residential care
- Create sustainable revenue streams which maximise the capital potential of our assets, going beyond the normal statutory housing provision
- Take a more intensive regeneration approach in a small number of places

ECC believe that an investment appraisal value model can be developed that goes wider than traditional commercial models which also includes potential additional income, additional costs and capacity to borrow to invest.

The development of a model that can be tailored to establish the full cost benefit analysis of investment in housing as a county council might include:

- Revenue generation including council tax receipts
- Demand management of services, particularly social care
- Economic development returns on investment
- Need for additional services arising from additional housing including waste and schools

ECC have approached a number of county councils but only Derbyshire and two other authorities have expressed an interest. The Department for Communities and Local Government (DCLG) have also expressed their support in developing a model.

It is proposed that colleagues from the Council's Finance, Regeneration and Adult Care departments attend a meeting with colleagues at ECC to discuss and establish some parameters in terms of what should be incorporated in the financial model. At this stage, it is anticipated that no more than a full working day of each officer's time will be required.

Mark Carrol, who is currently seconded from DCLG to Essex County Council to lead their housing programme, will then work with DCLG colleagues to develop the model and distribute for further comment.

3 Financial Considerations

Other than officer time at the meetings, no costs to the Council are anticipated.

4 Other Considerations

In preparing this report the relevance of the following factors has been considered:- legal and human rights, prevention of crime and disorder, human resources, equality and diversity, health, environmental, transport and property considerations.

5 Officer's Recommendation

That the Cabinet Member notes the details for the development of a Housing Project Evaluation financial model.

PETER HANDFORD

Director of Finance

14 April 2015