

Appendix 1 General Overview and Scrutiny Committee report Plans for Revised Key Housing Strategies

Purpose of Report

The report is intended to

- Clarify the role and objectives of the council as strategic housing authority
- Highlight immediate and new challenges to housing strategy and provision
- Explain the role and current position of key strategic documents proposed for cabinet decision
- Report on recent engagement with the housing sector and other stakeholders

1. Overview

1.1 Herefordshire council faces a diversity of challenges in its role as strategic housing authority, in common with other councils across the country. It no longer holds its own housing stock and its resources and direct control over social and affordable rented housing provision have been diminished over the years.

1.2 The council does retain significant responsibilities for housing in relation to;

- Development of affordable housing
- Policy for the allocation of social/affordable rented housing
- The prevention and relief of homelessness
- Use and quality of private sector housing
- Provision of specialist housing with care.
- Promoting health and wellbeing through safe, appropriate housing and affordable warmth

1.3 In fulfilling its duties the council works in partnership with;

- Property developers, including Housing Associations
- Housing Associations/Registered Providers of local social and affordable housing
- Voluntary sector and statutory agencies in preventing or relieving homelessness
- Neighbouring local authorities, specifically Shropshire, Telford and Wrekin and District Housing Authorities in Worcestershire.
- There are also partnerships within Herefordshire council, between teams responsible for Housing Strategy and Development, Planning, Environmental Health, Corporate Finance and Adults Wellbeing Operations.

1.4 The council's strategic housing work is influenced by myriad legislation and regulation. It is also shaped by Herefordshire's wider policies and resources and against a backdrop of the local population's needs and demographic profile. These are reflected in a variety of council and

partnership documents. In this context, the council has succeeded over recent years in delivering change and development in affordable and social housing.

- 1.5 The re-emergence of housing in the spotlight of national political debate during 2015 heralds new challenges for Herefordshire in balancing local housing needs and resources. New Bills for Housing and Work and Welfare Reform, coupled with a succession of high profile announcements indicate several radical changes to the position of Housing providers and people's eligibility for housing and its affordability. It is timely that the council is reviewing and revising all its key strategies for housing in the next few months. In so doing, it must resolve challenges in the existing local position as well as responding to new national policy.

2. The Strategic Process

- 2.1 The council is obliged to varying degrees to publish a number of official strategies or policies in relation to housing and to review and revise them from time to time. Some of these strategies are statutory and others are not, but almost all have required revision in 2015-16. In light of the changes in national policy, it was felt appropriate both to synchronise the various strategic documents and to defer their approval by cabinet. This allowed time for meaningful engagement with the housing sector and other local stakeholders, so as to inform proposed change, new partnerships and service improvement. That engagement has now been concluded and it is summarised in this report, along with the main themes emerging.

- 2.2 There are three strategic documents of primary importance, along with a number of others.

Allocations Policy

This is a statutory requirement and authorities must work in partnership with local registered housing providers. The policy sets out how social and affordable rented housing will be allocated to people in housing need on the Housing Register, using "banding" based on priorities (or "preferences") of need. These must reflect 5 statutory reasonable preference categories, alongside any local considerations. The policy is implemented by the Homepoint Partnership with Registered Providers, and is delivered by the Homepoint Team within Adults and Wellbeing Operations

Homelessness Prevention Strategy

This statutory document sets out analysis of actual and potential homelessness in Herefordshire and the council's plans for preventing and relieving it, in partnership with voluntary sector and other agencies. A recent audit of homelessness services provided reasonable assurance as to the county's provision but stressed the need for the strategy to be completed.

The Housing Strategy

Though once the main strategic document for housing authorities, this is no longer a statutory requirement. However, it is the ideal vehicle for setting out Herefordshire's approach in the face of unprecedented change in national housing policy. It also enables proper exposition of the key themes and connections and interdependency between different policies and strategies. It is

intended to articulate clearly the council's approach to housing sector partnerships and key commissioning and development priorities.

Tenancy Strategy

This is a largely technical document which sets out the rules registered housing providers should have regard to in letting social housing units in Herefordshire. It reflects additional detail as to the implementation of the Allocations through Home point. Although it is a statutory requirement, and needs to reflect the Allocation Policy, for most authorities, it is quite brief. Therefore, it is intended to follow other areas in using it as an appendix to the Allocations Policy.

Older People's Housing Strategy

This non statutory document was approved in 2014-15 in order to shape the council's corporate economic approach to the challenges posed by Herefordshire's ageing population to local housing and infrastructure. It embraces extensive growth in both market and affordable housing, including specialist accommodation with care for older people. Work is in hand to confirm detailed action planning around the strategy's implementation. It is proposed to produce a prospectus for developers and providers, setting out the council's commissioning intentions and land strategy relating to older people's housing and housing with care.

Housing Renewal Policy

This remains a statutory requirement although it has become a relatively simple document, given local authorities greatly reduced resources and powers in this area. Now updated annually, the policy focuses on improving the quality and safety of homes, encompassing environmental health issues as well as the management of Disabled Facilities Grant.

Others

The council also develops strategic positions in seeking to meet the housing needs of particular vulnerable population groups, including gypsies and travellers, learning disabled people, people with mental health needs and young people leaving care.

3. Key Housing Objectives and Challenges

Strategic Housing Objectives

- Ensure a programme of affordable housing development consistent with local housing need and national and local targets.
- Establish new models of partnership with housing developers which deliver optimum benefit from the council's resources.
- Ensure that allocations policy meets statutory obligations, is fair and realistic in the context of the exclusions policies of Home Point partners.
- Enable the local housing sector to operate economically and optimise take up of social housing.
- Prevent and relieve homelessness, however it occurs.
- Ensure appropriate and enduring solutions for people threatened with homelessness and avoid

recurring crisis for people.

- Optimise use of good quality private sector rented housing and help landlords manage the challenges they face
- Enable improved quality and safety of private sector accommodation.
- Ensure development of sufficient market rate and affordable housing and appropriate housing with care to meet the future needs of older people.
- Offer diverse, appropriate and deliverable specialist housing with care options for disabled people, people with mental health needs and vulnerable young people, including those leaving care.

Key Existing Challenges for Strategic Housing in Herefordshire

- Understanding the county's housing need in sufficient detail to promote and negotiate the appropriate development of market and, particularly affordable homes.
- Balancing a realistic, manageable social/affordable housing register which meets local need with the housing sector's need to let properties
- Balancing fairness and support to people in housing need with housing providers' management of risk.
- Tackling homelessness in a balanced way, managing both immediate risk and developing long term solutions for people.
- Promoting take up of private sector renting, whilst addressing the concerns of landlords and any risks to tenants.
- Continuing significant development of new affordable housing in the face challenges over levels of need following the revision of Allocations Policy in 2014.
- Using the council's precious land resources and limited powers to deliver affordable and social housing along with a financial return for Herefordshire.
- Identifying population needs and available resources to deliver appropriate specialist housing with care options for learning disabled people, older people, people with mental health needs and vulnerable young people.

4. New Challenges in National Policy

The new Housing Bill contains many new policies, along with new obligations and expectations on housing providers, which present them with very significant challenges. In addition, the Work and Welfare Reform Bill brings forward many changes to benefits and the wider welfare system, which may have far reaching implications for tenants of social and affordable housing and therefore, their landlords. The council is challenged to understand and plan for the combined impact of these changes for local people and its housing partners. There remains uncertainty around the final shape of some reforms and how all the changes will be implemented in practice. The key changes include;

4.1 Statutory rent reduction by 1% annually

The Government requires a progressive reduction in social housing rents by 1% for four

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consecutive years from 2016. Whilst this may be welcomed by tenants, it will substantially affect the development and improvement plans of housing providers. This is expected to curtail new build development by many Housing Associations and greatly reduce the availability of added value services and support of various kinds, having a detrimental impact for vulnerable people. The impact on tenants is uncertain as much of the saving will go to reduce housing benefit costs.

- 4.2 Extension of the Right to Buy to housing association tenants with discounts in Herefordshire of up to £78,000. The scale of likely take up of this opportunity locally is the subject of debate but is of great concern to some providers. There is little confidence within the sector that the proposed replacement of properties sold with extra new development will happen at the necessary scale or speed.
- 4.3 Earnings cap for social housing tenants of £30,000. Those earning above the threshold will be required to pay a market level rent. There are significant logistical and financial implications for providers, since once housing is allocated, no means testing is carried out. In addition to the new administrative burden this will create, landlords may also have to revise thousands of tenancies to include a means testing review. It is also anticipated that the cap may provide an incentive for greater take up of the Right to Buy.
- 4.4 Relaxation of housing developers' duty to build affordable housing units. This is to be replaced, at least partially by a requirement to build starter homes for sale at 20% or more below market rate. Such homes would be well out of reach of most social housing tenants or applicants for affordable housing, given Herefordshire's housing cost to earnings ratio. The policy could theoretically significantly reduce Herefordshire's building of affordable housing for rent, which would have a very profound impact on the long term quality, safety and security of housing for people on low incomes in the county. However, it is not yet clear how the policy will be implemented and whether any discretion will remain with local authorities.
- 4.5 Removal of entitlement to housing benefit for 18-21 year olds. This could have a significant impact in Herefordshire, since the majority of tenants in this age group will depend on housing benefit, as do all of the housing related support and temporary housing provision which the council commissions to support vulnerable young people. There is provision for exceptions to the policy and those may resolve some of the risks. However, taken with other welfare changes, there will be an increased threat of homelessness for young people, some of whom are already living in "concealed families" or overcrowded conditions.
- 4.6 The extension of the LHA shared room rate for those in social/affordable housing under the age of 35, with potential impact on the viability of small housing units for registered providers.
- 4.7 General reduction in value of benefits. This will arise from a four year freeze in working age benefits and a cap on overall household benefit income reduced to £20,000. Housing Review estimates this will result in significant reductions in housing benefit available to families. There is certainly a risk of increasing numbers of families becoming homeless.
- 4.8 Criminal liability for landlords letting to tenants without a legal right to be in the UK. This has the potential to alarm private sector landlords in particular and to lead to more eastern European and other migrants being denied housing and threatened with homelessness.



5. Engagement Process

The Adults and Wellbeing Directorate undertook engagement with housing sector providers, voluntary organisations, public sector partners and other stakeholders between August and November 2015. The purpose of this work was to understand the responses of partner organisations to new policy changes, as well as to current local challenges. The extensive process was focused on a wide range of policy issues, including those emerging from proposed legislation but also developments relating to health and wellbeing and growth and economic development. There was a very full and wide ranging response from stakeholders which is now being used to inform the new homelessness strategy, allocations policy and housing strategy.

5.1 Officers wrote to housing sector stakeholders in August, seeking opinion about changes and challenges across a wide range of housing issues. There was a useful number of in depth responses.

5.2 Three workshops were held during October to engage in depth with housing professionals and others on the key areas of Housing Development, Allocations and Homelessness. They were generally well attended and there was active debate and many detailed suggestions and feedback.

5.3 Officers have held meetings with senior managers from many local housing providers to address issues in detail and these are continuing. Whilst wide ranging, discussions have focused particularly on allocations and seeking a balance between supporting vulnerable people and those in need with managing housing providers' risks.

5.4 A main housing engagement event was held on October 19th at the Kindle Centre, where the Cabinet Member and officers from across the council debated new policies and local challenges with housing providers and many other interested organisations and individuals. This was a very productive day for the council.

5.5 It is planned to continue to carry out engagement with the housing sector over the next few months and the coming years. This is likely to include some form of annual event, and the most appropriate approaches will be reviewed in the new year.

6. Feedback from Engagement with Stakeholders

6.1 Comment and feedback received has been very wide ranging and from many different perspectives. Some of the themes and common views reflected included;

- Housing providers will be operating with significantly reduced resources over the coming

years, as a result of the progressive rent reduction and the potential impact of right to buy on existing housing stock.

- Social landlords and voluntary organisations are very concerned about spiralling debt and increasing poverty for individuals threatening their housing situation, leading to escalating homelessness and risks for providers.
- There is specific concern about persistent and potentially increasing fuel poverty, especially for older people, where it has a profound impact on health and wellbeing.
- Fuel poverty is part of a wider concern about the quality of a significant proportion of social and private sector housing in the county. The limited powers and resources of the council in this respect were highlighted, along with the need to develop new partnerships in housing renewal and improvement.
- Many contributors raised concern about the pace of development of new social housing, allied to a risk that this would be slowed further by new legislation.
- Providers and local developers expressed frustration at the high prices demanded for land in Herefordshire and argued for investment of council land assets into small scale social housing developments as well as major partnerships.
- Housing providers highlighted difficulties arising from the current Allocations Policy, including problems in letting many rural properties and concerns about people with housing needs not being visible.
- There were many calls for more effective joining up of housing with social care and health services, highlighting how central housing is to preventing ill health and sustaining stable and supportive lifestyles.
- Many contributors highlighted the need for more effective crisis intervention for people with mental health, substance misuse or behaviour needs, in order to help them maintain their settled housing.
- Some voluntary organisations hoped the council could become more proactive in establishing Community land Trusts and bringing forward initiatives under the Self Build and Custom Housing Act 2015.
- People identified the prospect of Hereford university and the new demand for student housing it would bring as both a threat and an opportunity. There was also an argument that the arrival of Syrian refugees to Hereford could have a positive impact on the county's housing economy over time.
- Many people raised the potential contribution that housing can make to wider social development and economic growth in both urban and rural areas.

7. Meeting the Challenges; New Strategies for Herefordshire

Following the recent engagement process, the following documents are being drafted for Cabinet decision in February 2016;

- Homelessness Review and Prevention Strategy
- Allocations Policy
- Herefordshire Housing Strategy

7.1 Homelessness Review and Prevent Strategy

This statutory document will cover the period 2016 to 2020 and includes a detailed review of current homelessness strategy and service provision, in the context of an analysis of population need. The strategy then sets objectives and targets for the next four years in both preventing and relieving homelessness. The council has achieved considerable advances in recent years including no use of bed and breakfast accommodation and reducing reliance on temporary accommodation, through a combination of;

- Early intervention in mortgage arrears, risk of loss of tenancy, overcrowding and family disputes.
- Highly effective street-based prevention and relief, targeting rough sleepers, offenders and those leaving prison.
- Effective housing related support services.
- A focus on durable settled housing solutions for people, looking beyond crisis.

Priorities for 2016 to 2020 will include;

- Continuation of the hospital discharge and rough sleepers support work programmes and exploration of funding sources for their further expansion.
- Further joining up and shared approaches to preventing homelessness for people with mental health needs or learning disability and chaotic lifestyles.
- Further developments in crisis intervention for people with substance misuse needs.
- Continue to make judicious use of temporary accommodation and bring down average lengths of stay.
- Continue to manage without resort to bed and breakfast accommodation
- Monitor and intervene in winter time demand for emergency accommodation, so as to continue to reduce demand and review future potential need.
- Establish a new three way partnership between strategic Housing, Children's Wellbeing and housing providers to ensure flexible and effective support to vulnerable young people in tenancies, including those leaving care.

7.2 Allocations Policy

This policy determines how people are enabled to join the housing register and bid for homes through the choice based letting system, Home Point, and how their different housing needs are prioritised. In so doing, it must balance a number of different interests and comply with the law. The operation of Home point is a partnership between the council and 8 housing providers with

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local housing stock in Herefordshire. The policy was revised and re launched in the summer of 2014, but a number of concerns in relation to its operation have led to the need for it to be revised again. The key objectives of the revisions will be to;

- Ensure that people in housing need are treated fairly and that the Home point system is simple and easy to use.
- Ensure that there is a sufficient cohort of people on the housing register to reflect the range of need and enable monitoring and analysis of that need. This is also necessary to reflect the right level of demand for new build affordable housing development in the county.
- Ensure consistency between the allocations partnership's policy and the allocations practices of individual housing providers within the partnership. This will be particularly so in relation to convicted offenders and people with a history of anti-social behaviour and people with rent arrears or wider debt.
- Enable access to social and affordable housing for "concealed families"; those people, often young adults, who are living with wider family, sometimes in overcrowded conditions.
- Ensure that social landlords have a reasonable flow of people in housing need to take up available properties in Hereford City, the market towns and rural parts of Herefordshire.
- Ensure that the allocations policy is fully compliant with housing statute and regulations.

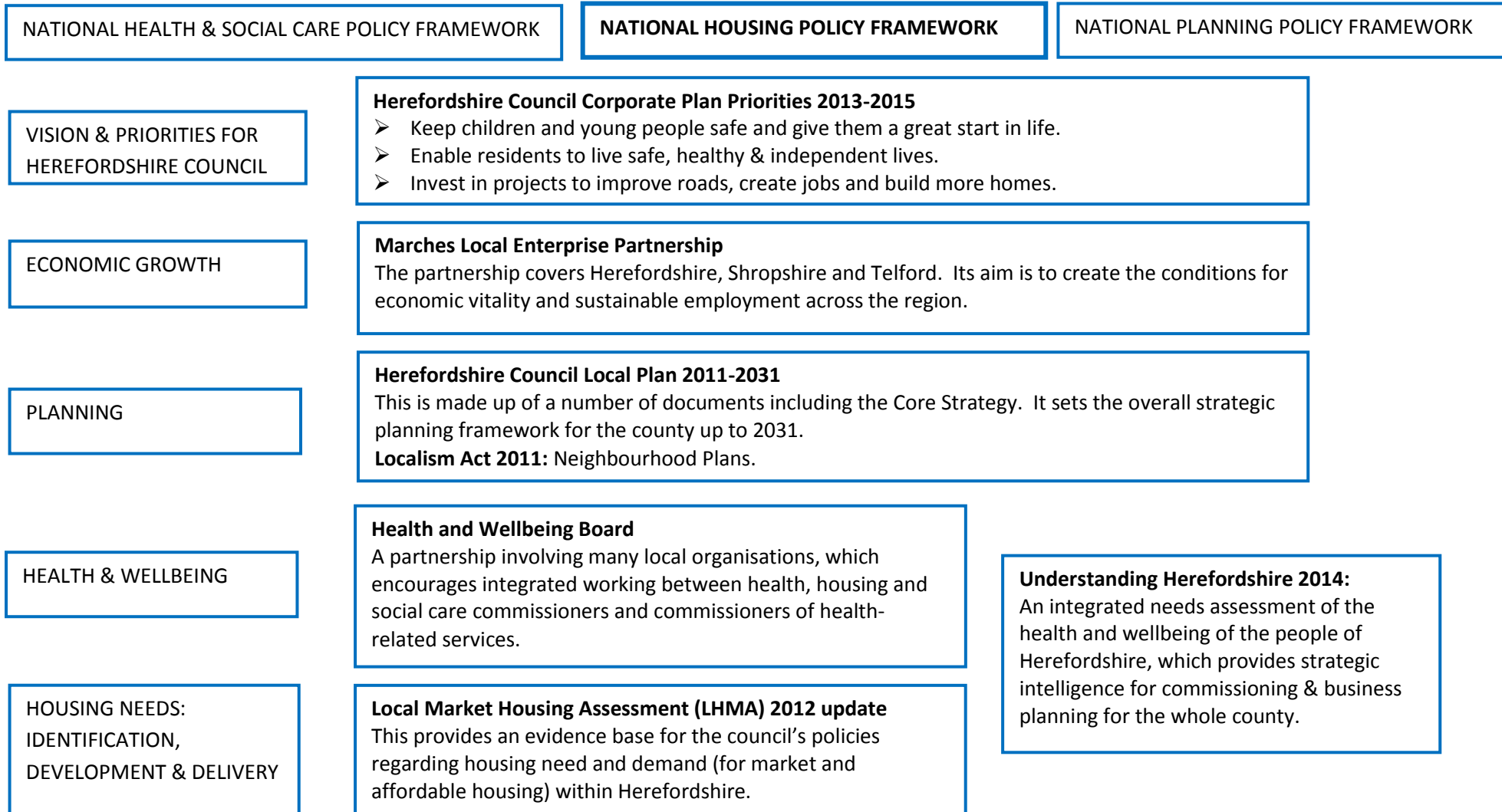
7.3 Herefordshire's Housing Strategy

The Housing Strategy for 2016 to 2020 will capture the key themes and challenges facing the council and its partners and address strategies and actions which will have the optimum impact in improving housing availability, quality and affordability. In particular, it will make links and connections between the other key strategic documents and highlight issues which do not feature in them. Key issues are likely to include;

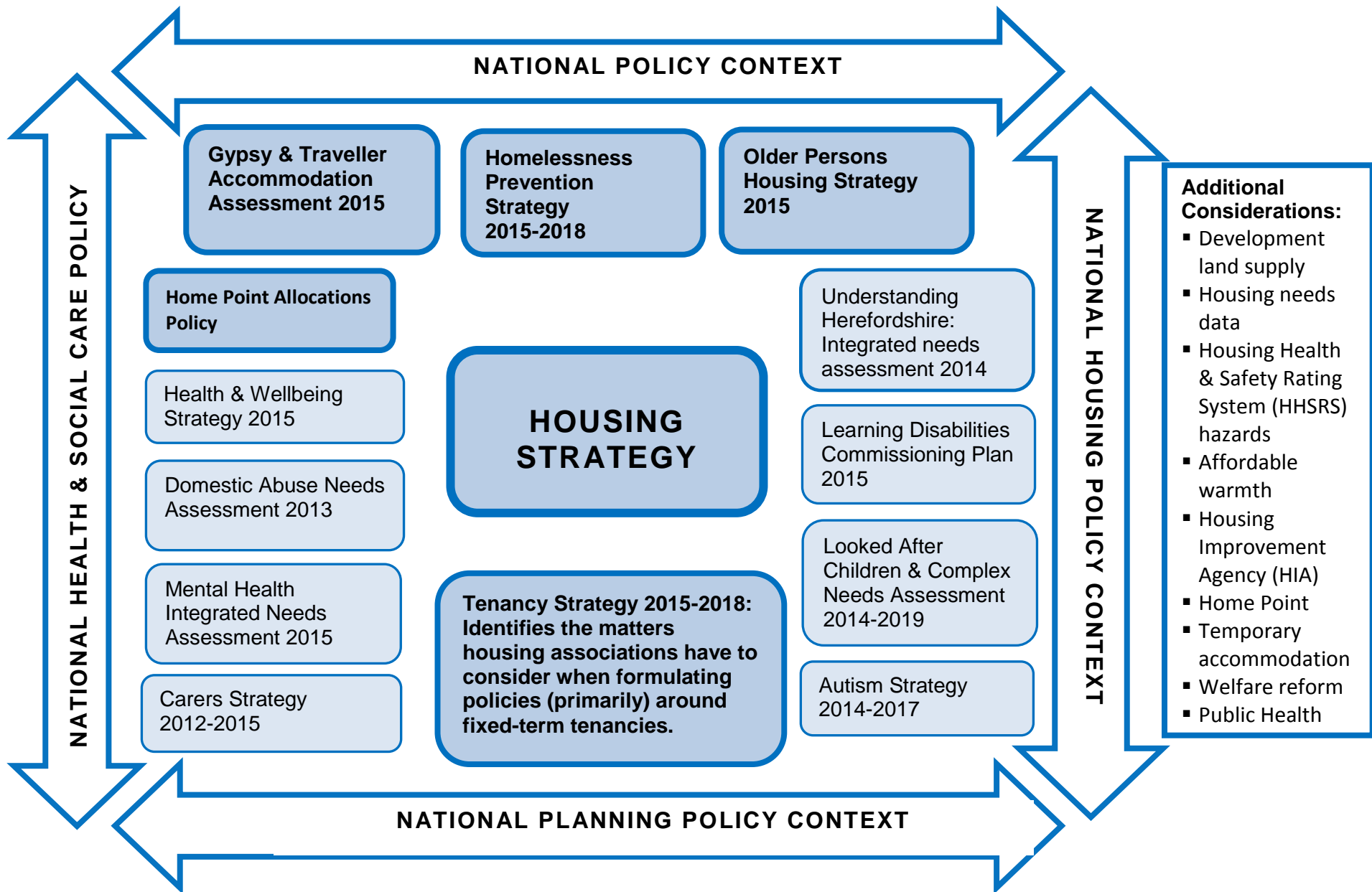
- The role of housing in promoting health and wellbeing including focus on housing quality and affordable warmth.
- Tackling fuel poverty and the safety and quality of social and private sector housing
- Flexible and comprehensive support for tenants who are vulnerable and/or represent a risk to landlords.
- New forms of partnership with developers, both as part of wider corporate growth initiatives and on a smaller scale promoting social and specialist housing
- A mixed economy of housing choices for older people, including market based, affordable and social housing.
- A fair and consistent approach to balancing the needs of tenants and landlords.

- A range of flexible and deliverable options for housing with care for learning disabled people.
- New and revised partnerships for addressing the housing needs of specific population groups, including young people leaving care and people with mental health needs.
- Exploration of community land trusts, self-build and other developments.
- Continued year on year development of affordable housing units
- Strategic response to the challenges and opportunities in ensuring housing for students of the new Hereford University.
- A partnership based and flexible response to crisis related housing needs and the needs of migrating or refugee populations.

OVERARCHING STRATEGIC FRAMEWORK FOR HOUSING AND HOUSING DEVELOPMENT



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