

Affordable housing and housing need in Herefordshire
(with presentation notes)

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Introduction

This is not a new policy but a governance structure around how we already procure B&B / Hotel accommodation for use as Temporary Accommodation.

An overview

- What is affordable housing
- Where are we now
- What have we got
- What do we need

What is affordable housing?

Affordable housing includes homes for sale or rent and is for people whose needs are not met by the private market.

There is often confusion in the council between social housing and affordable housing.

The term social housing has been legally broadened to include homes many people cannot afford, such as affordable rent and even low-cost ownership products. Often 'affordable' and 'social' housing are used interchangeably, but traditionally social housing is social rented homes. The cheapest form of accommodation available that is truly affordable.

Social rent is always the tenure that housing negotiate first as our greatest need.

Affordable housing tenures

- Rented
 - Social rent
 - Affordable rent
 - Rent to buy
 - Intermediate Rent
- Home ownership
 - Shared ownership
 - Low cost market/ discounted market
 - First Homes

[Affordable housing – Herefordshire Council](#)

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The link (<https://www.herefordshire.gov.uk/housing-3/affordable-housing/2>) is to the council website and covers all of the tenures in detail.

Rent to buy is a tenure whereby the tenant signs up for a tenancy for 5 years and in that time saves the deposit to then purchase the property as a shared ownership property.

LCM (low cost market) is the council's tenure that is truly affordable and discounted in line with the incomes in the county. DM (discounted market) is the government's version of LCM but discounted by a minimum of 20%. First Homes is a new discounted tenure that the government have introduced on S106 developments intended for first time buyers.

Current housing situation in the County

- There is a shortage of affordable homes and a cost of living crisis
- The council have all the statutory duties but no powers
- 1957 households on the waiting list for general needs affordable housing
- 67 households on the accessible registered for wheelchair accessible accommodation
- Additional need for learning disabilities, mental health, G&T's, older persons, children's services
- 120 households in a form of Temporary Accommodation arranged by the local authority, a 100% increase on pre pandemic levels
- 23/24 temporary accommodation cost the council approx. £3.5m with an overspend of £1.3m
- There are currently 18 individuals who are street homeless and provided with support

The use of B&B / Hotel accommodation is an important tool in the suite of Temporary Accommodation provision as it allows greater flexibility, especially whilst the Council investigates and assesses a household's application.

It is however costly (circa £90.00 - £130.00 per night) and a politically sensitive issue. Due to the high level of demand for Temporary Accommodation, the Council are heavily reliant upon this form of accommodation to supplement existing supply.

Expenditure against B&B / hotel costs could be offset by securing Housing Benefit payments and use of Homelessness Prevention Grant and Discretionary Housing payments against these costs.

HB average of £97.81 PW We receive £450k in HPG DHP – applied for locally

Applying for Housing Benefit against B&B / Hotel accommodation (and in general against all accommodation, especially supported accommodation) is very difficult, time consuming for officers, and not recoverable to Housing Solution budgets, instead being paid to corporate accounts.

TA is provided as a statutory duty by the local authority and complements a range of other accommodation offers. TA is offered to people / families who have been assessed as homeless and needing housing support or an investigation is taking place to establish that need. This is part of our statutory duty to accommodate people who are homeless under the Housing Act.

The Council offers a range of Temporary Accommodation solutions. These include:

- Homes owned and managed by registered providers of social housing allocated specifically for Temporary Accommodation;
- Properties leased from private landlords managed directly by the Temporary Accommodation Team;
- Properties owned by Herefordshire Council; and
- B&B / Hotel accommodation purchased on a nightly / weekly basis.

Who delivers housing/ services in Herefordshire

- Housing Solutions – the operational team responsible for homelessness, temporary accommodation and outreach support
- Home Point – the social housing register which is a choice based lettings system in Herefordshire
- Strategic Housing – negotiate and deliver affordable housing, write and publish the housing related strategies and bid for grant funding
- Registered Providers - own and deliver affordable housing
- Charities/ private sector – own accommodation and provide support services

How do we deliver additional housing in the County?

- As a local authority we do not hold stock and therefore we are reliant on our registered provider partners and private developers to build the appropriate housing that meets the councils needs.
- We must have a strong evidence base and a good understanding of what housing we need and where we require the housing to be situated.
- We need to be proactive and understand our future needs. That way we can plan for future developments.
- Through the planning system. However, it takes a long time to bring a new housing development to start on site and there are usually several processes.
 - Pre-app advice.
 - Outline/Full.
 - Reserved Matters
 - Start on Site
 - Practical Completion. Units delivered
- Grant funding received from DLUHC for specific projects to purchase units off the open market.
- Working with and supporting private landlords and charities.
- Bring empty properties back in to use.

Delivery figures 2019-2024

- From April 2019 – March 2024 Strategic Housing have supported and enabled the delivery of 1447 affordable dwellings. Delivery has been through various means such as S106 delivery, 100% RP affordable sites and property acquisitions by the council. The council have also brought 149 empty properties back into use through advice and assistance.

Year	How many affordable units delivered	Yearly Target
2018/19	203	200
2019/20	213	210
2020/21	228	220
2021/22	248	220
2022/23	287	230
2023 Year to date	268	250
Total	1447	

- 3 year pipeline – 1475 additional affordable housing properties negotiated

The 3 year pipeline records all developments that have a negotiation of affordable housing either with planning secured or application submitted.

Broken down as:

Hereford City and Market Towns - 1227

Rural areas - 248

Variety of completed scheme

- Veterans Self Build, Leominster, 20 dwellings of which 9 are for veterans
- ~~Conversion~~ Conversion of a council property to create 6 self contained apartments for homelessness, 2 further properties are in the process of conversion
- Purchase of 12 x 1 beds for dispersed homelessness accommodation, funding to purchase a further 9
- Purchase of a chalet for a traveller family with a terminally ill family member
- Purchase and refurbish of a property to provide 4 self contained apartments and a crisis pad for children services
- A new extension and refurbishment of the homeless night shelter including siting of 2 pods
- Long term leases with private landlords for temporary accommodation

Setting the context

Did you know:

- Herefordshire is 841.7 sq miles with a population of almost 190,000.
- The median age in Herefordshire is 44 which is higher than any other area in the West Midlands and the rest of England both at 40.
- Average (median) gross salary £29,900 compared to £33,176 nationally
- Average house price £294k compared to £310k in England, £217k in Wales and £185k in Scotland
- North and South county divide £310,000 - £248,000
- House price affordability ratio is 9.8 compared with 8.3 nationally and 7.2 for the West Midlands, we are the worst out of the 14 West Midland authorities

Information from the Office for National Statistics or Census data 2021

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Setting the context

Did you know:

- Average private rental is £967 for a 3 bedroom property
- Approx. 12,500 affordable properties in the County
- 1 in every 7 households lives in social rented accommodation (13.7% of the population) compared to 18.8% living in private rented accommodation.
- One of the highest proportions of detached dwellings in the country
- One of the highest rates of households without central heating in the country

Information from the Office for National Statistics or Census data 2021

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Now the scene has been set, add in that we are in a housing crisis, we don't own our own housing stock, numbers of people becoming homeless are increasing and government funding is due to cease in March 2025.

What are we doing about it?

- Strategies setting out the strategic vision
- Delivery Programme of additional accommodation
- A single Framework for suppliers of TA & B&B
- Prevention – a strong focus on prevention and early contact with people at risk
- Developing a multi agency approach – a member of the national Making Every Adult Matter (MEAM) network
- Developing a Trauma Informed approach to working with the client group
- Developing a pool of experts by experience to support our strategic direction
- Prevention!

The following processes to purchase Temporary Accommodation were considered and discounted:

- Mini competitions would add an administrative burden and would not be quick enough to respond to the emergency nature of the service.
- Dynamic Purchasing Systems were considered, but were deemed to be too labour intensive for the Temporary Accommodation Team to administer on top of their existing duties.

An open invitation will be sent to all RPs (registered providers) for the provision of housing for Temporary Accommodation. In recent years, attempts to make arrangements with other RPs have not worked. There is no legal requirement to procure housing from RPs for temporary accommodation, as there is no direct cost for this service.

Likewise Strategic Housing are constantly working to secure new private landlords to reduce the costs of B&B / Hotels usage.

RISKS – some suppliers when consulted about this policy / process expressed concern about the ‘paperwork’ involved – but the TA Team and Commercial Services Teams are able to help with the process – which is once per four years with an annual refresh of policies and licenses.

The framework is reviewable once per annum.

It is able to be re-opened at this time for new suppliers, or at our discretion as required to admit new suppliers.

All households placed in TA (including B&B / Hotel) have a named case officer who works with them to develop a Personal Housing Plan, register for Homepoint and bid to secure a permanent tenancy.

What do we need

- Access to accommodation where we have full control and can manage, this will enable us to meet our statutory functions, deliver accommodation to the most vulnerable and reduce the spend on temporary accommodation in the private sector.

Thank You.

Questions?

housing.enquiry@herefordshire.gov.uk
housingdevelopment@herefordshire.gov.uk

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