

Subject:	Housing Strategy 2015		
Date of Meeting:	12 November 2014:		
Report of:	Executive Director Environment, Development & Housing		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The city's current Housing Strategy expires in 2014. This report summarises the development of the new Housing Strategy 2015 and presents the Review Draft of the strategy for Member approval prior to the final strategy being submitted early in the New Year.
- 1.2 The draft strategy identifies the key housing needs that matter to local people and action to be taken that will make a real difference and have a positive impact on their lives. The Housing Strategy is also a fundamental piece of evidence to support the City Plan, the Local Housing Investment Plan, other related funding opportunities and in support of collaborative working with Adult Social Care, Children's Services and Health to meet a range of shared City-wide priorities.
- 1.3 Further work is proposed to financially appraise the draft actions and investment options presented in the strategy to ensure the submitted final strategy is financially robust and achievable within resources.

2. RECOMMENDATIONS

- 2.1 That Housing Committee notes the city's housing challenges, our response, and how this has shaped the development of the new strategy (summarised in section 3).
- 2.2 That Housing Committee approves the Review Draft of the Housing Strategy 2015 (Appendix 1).
- 2.3 That Housing Committee approves the review timetable (summarised in 3.29) for finalising and adopting the Housing Strategy 2015.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The current Housing Strategy and sub-strategies are due to expire in 2014.
- 3.2 During the lifetime of the current strategy, we have been successful in:

- Providing additional affordable housing across the city, including building the first new council homes in a generation and successfully bidding for funding for new extra care housing;
- Improving the quality of homes both in the private and social sector, with our council homes brought up to 100% decency;
- Introducing additional licensing which is improving housing conditions for residents living in smaller Houses of Multiple Occupation;
- Becoming one of the best performing councils in preventing homeless, helping many households sustain their home or find alternative housing;
- Enabling independent living through major and minor adaptations assessed and delivered across all tenures via the integrated housing adaptations team;
- Bringing long term empty private sector properties back into use;
- Generating a capital receipt for the HRA through leasing up to 499 homes for refurbishment and rent to households to whom we owe a housing duty to Brighton & Hove Seaside Community Homes;
- Generating savings through procurement of long term partnering arrangement with Mears for maintenance of Council homes.

3.3 The current funding challenges faced by the council, wider public sector and third sector need to be met by making the best use of the resources available. This new strategy comes at a time where the council has to save £102m over the period 2015/16 to 2019/20, around 30% of our net budget. Around £62m of this saving is as a result of reducing government grant and the remaining £40m comes from increases in the cost and demand for services, particularly a pressure on social care services arising from an expanding older population.

3.4 Our growing population includes a significant increase in the number of older people with a support need leading to additional demand for long term care services with a significant projected impact on the Community Care Budget. In our Housing Strategy we are committed work collaboratively with Adult Social Care, Children's Services and Health to reduce long term social care cost pressures, including through supporting housing options that enable people to remain living independently at home for longer in support of corporate and budget priorities.

3.5 We will need to ensure that our housing provision is based on good research and intelligence to enable us to meet the needs of the city's diverse population within the limited resources available. Housing services are critical in supporting independence to limit the need for more costly health and care interventions that often come with a reduced quality of life.

The city's housing market

3.6 Our city is a place of contrast, with areas of extreme affluence and areas of deprivation where residents can experience significant inequality compared to the rest of the city in terms of access to suitable housing, employment, health and life expectancy.

3.7 Brighton & Hove is a growing city with high housing prices, low incomes, an ageing population and a significant proportion of households with support needs. There are over 19,000 households on our joint housing register, 1,800 households in temporary accommodation and rising homelessness. Social

Housing makes up only a small proportion of the overall housing in the City with 9.8% of homes owned by the local authority and 5.1% by housing associations.

- 3.8 One of the key emerging themes arising from the City-wide Housing Strategy consultation is the acute shortage affordable homes and in particular family housing, in the City. This is often set against concerns around the significant growth of houses in multiple occupation (HMO) in the expanding private rented sector, in particular where these arise from conversion of smaller family homes.
- 3.9 Private renting has increased by 45.7% (an extra 10,691 homes), and now stands at 34,081 homes or 28% of all housing stock. This growth is in contrast to the declining owner occupied sector, now making up 54% (65,835) of housing stock in the City (Census 2011). The private rented sector includes a very high level of converted family homes or shared houses, with a significant proliferation of smaller HMOs along the Lewes Road corridor being identified in our Student Housing Strategy. Of the 3,075 HMOs licenced across the City, the council has received 2035 license applications for smaller HMOs in the 5 Lewes Road wards since commencement of our additional licensing designation following concerns over the management and standards of these dwellings.
- 3.10 The continued growth in the private rented sector in the City is seeing landlords in direct competition with first time buyers and others wanting to move up the housing ladder. This is affecting both the existing residential stock and new housing developments. This is compounding the pressures we are already seeing from a reduction in affordable housing delivered on new developments. In particular, in areas already identified as having a proliferation of multi-occupied homes which offer investors a higher rental yield. This in turn may increase pressure on the Housing Register or result in families seeking accommodation outside the City.
- 3.11 Much of the private rented sector provides decent, flexible well managed accommodation, playing a key role in meeting housing requirements of a third of the households in the City not wishing or not able to consider home ownership, or for whom social housing is not available. It has a range of benefits including: Catering for a highly mobile population; Supporting university growth to the benefit of the local economy, labour market and cultural offer; Helping to address housing need in the city; Supporting investment in improving city housing stock; Supporting direct and indirect employment, including in local trades and businesses.
- 3.12 However, renting in the private sector is expensive with a one bedroom flat costing around £843 per month needing an income of £44,000 per annum and a three bedroom house around £1,550 per month needing an income of £82,000 to be affordable. Over the last 5 years, our monitoring has shown that private rents have risen faster than the rate of inflation. With half of all residents earning less than £28,240 per annum, the city's private sector housing is unaffordable for the majority of our population and one reason we have an increasing number of households on our Housing Register.

- 3.13 Overall the City remains an expensive place to live. The Council's Assessment of Affordable Housing Need Report 2012¹ that identified almost 88,000 Brighton & Hove households (72%) can not afford market housing without spending a disproportionate level of their income on housing or some form of subsidy.
- 3.14 Pressures from an increasing population, high property and rental prices, poor quality housing with a third of the city's housing stock non-decent, limited opportunities for new development and the effects of welfare reform are impacting on many families, particularly our most vulnerable residents. Over the past few years we have seen an increase in the number of households accepted as homeless and in priority need, placed in temporary accommodation and on our Joint Housing Register.

Responding to the city's housing challenges

- 3.15 The last few years have seen significant changes to the funding available to deliver our strategy which means we have to look at new ways of working to support local people. These changes include the removal of private sector renewal funding that helped owners and landlords improve the quality of their homes, a reduction in public subsidy for new affordable housing which, where affordable homes are provided has seen a shift to Affordable Rent and in particular shared ownership homes and away from social rented housing. There have also been a range of welfare reforms affecting housing benefit and other support.
- 3.16 In addition, current government policy is to integrate health, mental health and social care within local authority area. With the current four year Supporting People programme coming to an end in the spring of 2015 there is an opportunity to align and integrate supporting people services to meet the objectives of the 'Better Care' fund. To enable a more integrated, outcome-focussed approach, Policy & Resources Committee have agreed to proposals that the housing related support function is shared between the Executive Director of Adult Social Care (who will act as the overall Lead Director responsible for co-ordinated commissioning and management of associated funds) and the Executive Director for Environment, Development & Housing who will have concurrent delegated powers so as to be able to discharge parts of the housing related support function which are better delivered as part of Housing. The Executive Director of Children's Services has been given delegated function to deal with housing related support to children. These Officers, together with the Director of Public Health, will exercise their housing related support functions in accordance with any instructions of the Chief Executive given from time to time.
- 3.17 In order to address strategic housing priorities, in particular the priority of improving housing supply in the City, the Council will continue to seek to stimulate new housing building in Brighton & Hove through existing routes including the City Plan and housing enabling work with a range of partners including Homes & Communities Agency and Registered Providers.
- 3.18 In addition the Council will continue to respond to freedoms and flexibilities, including those arising from the Localism Act and HRA self financing, to review all opportunities for local authority intervention in the housing market to stimulate

¹ Assessment of Affordable Housing Need Report 2012: http://www.brighton-hove.gov.uk/sites/brighton-hove.gov.uk/files/downloads/ldf/Assessment_of_Affordable_Housing_Need.pdf

the delivery new homes to meet our identified housing needs. This will inform our Local Housing Investment Strategy that will underpin delivery of key aspects of the Housing Strategy. Local authority interventions include:

- Creation of Brighton & Hove Seaside Community Homes;
- Estate Regeneration, New Homes for Neighbourhoods programme to build further new council homes;
- Best use of our own portfolio of land and housing, in particular through on-going review of HRA assets;
- Opportunities arising from HRA self-financing capacity to generate revenue surpluses to finance capital investment;
- Using Right to Buy and other receipts to provide subsidy for affordable homes;
- General Fund borrowing;
- The local authority as a potential purchaser/lessee of new accommodation, exploring ways in which we can secure additional housing being brought forward on sites in the City.

3.19 In recognition of the limitations of seeking to meet the City's housing pressures within our administrative boundaries, and in line with the Duty to Co-operate for local planning authorities to work together with their neighbouring authorities and other organisations in the development of strategic planning policies, we have also developed our sub-regional working.

3.20 We will continue to work in partnership, engaging with our neighbouring coastal local authorities through the Coastal West Sussex and Greater Brighton Strategic Planning Board area, taking forward joint objectives that meet existing and future needs of the residents and workforce in the area. In addition, Greater Brighton City Deal with Government and the establishment of the Greater Brighton Economic Board will act as the investment decision-making body for the Greater Brighton city region, advising on how national funding streams, such as the Regional Growth Fund should be prioritised, as well as providing a vehicle for joint housing investment decisions.

Measuring progress – key performance indicators

3.21 A set of headline housing performance measures are regularly reported both corporately and to the Strategic Housing Partnership to help monitor progress in delivering our Housing Strategy. These measures combine information that supports the Sustainable Community Strategy partnership (City Performance Plan) and also the council's Corporate Plan. As at the end of March 2014:

Good performance was reported in:

- Preventing homelessness
- People supported to live independently
- Council housing meeting the Decent Homes Standard
- Empty private sector properties brought back into use

Concerns were raised about:

- Low completions of new affordable housing
- Increasing homelessness presentations
- Increasing rough sleeping

Performance Indicator	Unit	Target	Result	Status	Direction of Travel
CPP 5.4 Number of affordable homes delivered per year – new build and conversions	No.	To be set	164 (13/14)	 AMBER	↓
CPP 5.1 - % council homes that meet the Decent Homes Standard	%	100	100	 GREEN	↑
CPP 5.2 - Private sector vacant dwellings returned into occupation or demolished	No.	153	169	 GREEN	↑
Reduction in CO2 emissions from housing	kt	483 kt (2011)	484 kt (2011)		↓
CP 1.2.2 People using housing-related support services to help them to live more independently	%	68.0	76.0	 GREEN	↓
CP 1.3.6: The number of households where homelessness was prevented due to casework by the council and funded partners	No.	2,200	2,810	 GREEN	↑
Number of rough sleepers from street count (Single Homelessness)	No.	10	50	 RED	↑
Homelessness presentations: people approaching the council for help with homelessness	No.	Not set	1,444 apps 512 accepts		↑
<i>Direction of Travel Key</i> ↑ - increasing → - static ↓ - declining					

3.22 A revised set of performance measures are being developed for the final draft of the new Housing Strategy.

Our new strategy

3.23 The new Housing Strategy supersedes the previous strategy and will be a stand alone chapter of the Community Strategy. It is a fundamental piece of evidence to support the City Plan, our Local Housing Investment Plan, and other key housing related funding opportunities. The strategy brings benefits to the city by levering in funding for the authority and its partners.

3.24 The strategy is for everyone living in the city as housing has a fundamental effect on our lives whether we are an owner-occupier, living in a social rented home or living in the private rented sector. Our draft strategic vision is:

We want Brighton & Hove to be an inclusive city with affordable, high quality, housing that supports a thriving economy by offering security, promoting health and wellbeing and reduces its impact on the environment. We want to help bring about integrated communities in a

society that values everyone to recognise and tackle the inequality faced by families, the poor and the vulnerable.

- 3.25 We have listened to local people to identify the housing needs that matter most and set out a plan for action that will make a real difference to their lives and have a positive impact on the city. Our draft strategy also supports the council's priorities and other policies where housing impacts on their success.
- 3.26 This draft strategy is presented as an aspirational plan with clear commitments to improving the issues identified through consultation and research, as well as building on the successes of the previous housing strategy. We will be financially appraising the draft actions presented in this strategy to ensure the submitted final strategy is financially robust and achievable within resources.
- 3.27 Delivery of the new Housing Strategy and Action Plan will make sure that services internal and external to the council are able to adapt to and address the city's housing needs.
- 3.28 The draft strategy has 3 overarching priorities that reflect the fundamental housing needs of the city. Within these, there are a number of themes detailing areas of need which have been highlighted by local people during the consultation as those areas that matter the most and will make the most impact:
- Priority 1: Improving Housing Supply
 - New Affordable Housing
 - Family Housing
 - Community land trust and co-operatives
 - Student Housing
 - Priority 2: Improving Housing Quality
 - Decent Warm Homes
 - Private Rented Sector
 - HMO Licencing
 - Priority 3: Improving Housing Support
 - Housing Related Support
 - Supporting Older People
 - Supporting our BME Communities
 - Supporting our LGBT Communities
- 3.29 Once the draft strategy has been reviewed and financially appraised, a final draft will be submitted to Housing Committee for approval prior to Full Council adoption and ultimate endorsement by Brighton & Hove Connected to ensure it is incorporated within the city's Community Strategy:

Stage	When
Housing Investment Workshop: Strategic Housing Partnership	11 Nov 2014
Housing Investment Workshop: Housing Committee	13-27 Nov*
Housing Investment Workshop: Adult Social Care	13-27 Nov*
Strategic Housing Partnership (update)	9 Dec
Brighton & Hove Connected (update)	16 Dec

Housing Committee (approval)	14 Jan 2015
Strategic Housing Partnership (approval)	Jan*
Full Council (adoption)	29 Jan
Brighton & Hove Connected (adoption)	Mar*
<i>* actual date to be confirmed</i>	

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 A full analysis of the city's housing needs is contained in the supporting documents available on the Council's website at www.brighton.hove.gov.uk/housingstrategy:
- Housing Strategy 2015: Supporting Data Analysis;
 - Housing Strategy 2015: Family Housing Supporting Data Analysis.
- 4.2 With property prices and rental costs rising faster than wages, population growth, increasing homelessness and rough sleeping, high levels of overcrowding and pockets of poor quality housing, doing nothing in response to the needs of local people has not been considered as a viable option.
- 4.3 The draft City Plan demonstrates that Brighton & Hove does not have the capacity for the scale of new housing development to meet demand, relieve the backlog of need and bring housing costs in line with incomes, a simple housing growth agenda has not been considered as a viable option.
- 4.4 The draft Housing Strategy, its priorities, themes and actions, operate within our resources and those of our partners to maximise our impact on the needs of local people which have been identified through extensive consultation.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The strategy, the themes and priority actions have been developed through extensive consultation with commissioners, service providers, community groups and residents over 2014.
- 5.2 In addition to attending a wide range of individual meetings and partnership meetings, three key events were held, a main stakeholder event with 130 attendees, a BME community event hosted by BMECP and an event for those with disabilities hosted by the Fed Centre for Independent Living. There was also an open online consultation questionnaire which received 168 responses. Our events and engagement routes were promoted via social media using the council's Twitter account and Facebook page.
- 5.3 The main findings are summarised in the consultation report as part of our evidence base available on the Council's website at www.brighton.hove.gov.uk/housingstrategy

6. CONCLUSION

- 6.1 Resolution of many of the city's housing needs is very much in the hands of national government policy and the economy.

- 6.2 The draft Housing Strategy takes a pragmatic approach within our resources and the capacity of our partners to help mitigate the impact the city's housing needs has on local people by promoting development where viable, taking steps to improve housing quality, and by offering support to those in need.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Housing Revenue Account (HRA) revenue budget for 2014/15 includes expenditure of £28.1m for housing management services and repairs to approximately 11,800 council tenants and 2600 leaseholder properties. This expenditure includes the management of 23 Sheltered schemes within the City as well as a financial inclusion team and a money advice service to tenants. The HRA capital programme 2014-17 includes £16.5 m for improving housing supply (building of 89 new homes); £23.275 m for improving quality of council homes including new lifts, damp works and roofing works; as well as £25.275 m for sustainability and carbon reduction measures to provide decent warm homes. Under Priority 3 of the Strategy, the HRA capital programme also includes £3.45m to pay for aids and adaptations to homes for older people or those with disabilities. The capital Investment programme for the HRA 2015-18 will be reported to Housing Committee in January 2015 and will highlight further areas of proposed investment and how they link to the strategy.
- 7.2 The Housing General Fund 2014/15 direct net revenue budget is £14.787m. Based on these 2014/15 budgets, the indicative allocation across the main priorities identified through the strategy are Improving Housing Supply £1.934m, Improving Housing Quality £0.900m and Improving Housing Support £11.953m.
- 7.3 The Housing General Fund 2014/15 capital budget is £2.034m. Based on these 2014/15 budgets, the indicative allocation across the main priorities identified through this strategy are Improving Housing Supply £0.476m and Improving Housing Quality £1.558m. The approved 3 year capital investment programme agreed at council in March 2014 identifies a further £1.370m for 2015/16 and £1.215 for 2016/17. The indicative allocation across the main priorities for the 2015/16 and 2016/17 budgets are Improving Housing Supply £1.121mm and Improving Housing Quality £1.464mm. In addition, there is £2.1m in reserves which is a contribution from Adult Services to fund the development of extra care scheme, which would fall under the Improving Housing Supply priority.
- 7.4 The Disabled Facilities Grant (DFG) will form part of the Better Care Funding with effect from 01st April 2015, as detailed in the General Fund Budget Report, 13th February 2014. Indicative allocations for the Better Care Fund include £0.911m which would fall under the Improving Housing Quality priority.
- 7.5 The financial implications arising from this strategy will need to form part of the budgeting setting processes and managed within budget constraints. In addition, this strategy may have budgetary impact on other service areas across the council which have not yet been quantified.

Finance Officer Consulted: Monica Brooks, Neil Smith

Date: 31/10/14

Legal Implications:

- 7.6 Under Part 3 of the council's constitution, adoption of the Housing Strategy is reserved to full council as part of the Policy Framework.

Lawyer Consulted:

Name Liz Woodley

Date: 20/10/14

Equalities Implications:

- 7.7 An Equality Impact Assessment accompanies this Strategy (available on the Council's website at www.brighton.hove.gov.uk/housingstrategy) and has been used to help inform the proposed actions and priorities. In recognition that some communities within Brighton & Hove face additional needs, often related to protected characteristics or deprivation, specific themes in the strategy propose actions to help mitigate this with a focus on family housing needs, supporting older people, supporting our BME communities and supporting our LGBT communities.

Sustainability Implications:

- 7.8 Housing is one of the largest contributors to the city's CO₂ emissions. In addition, around a third of all housing in the city is non-decent and around 1 in 8 households are in fuel poverty. The draft Housing Strategy proposes actions to ensure that new housing maintains a high standard of design to minimise its impact on the environment and reduce fuel costs, that we make best use and improve the existing housing stock, and that a carbon reduction target is set for the city's housing.

Crime & Disorder Implications:

- 7.9 The actions proposed in the strategy to extend additional licensing and tackle empty properties are aimed at supporting local communities in overcoming the nuisance which can sometimes be associated with these homes. In addition, actions in the strategy reinforce the continued need for housing related support services to focus on supporting rough sleepers and those experiencing domestic violence, and, on improving joint working with the Community Safety Team to ensure issues of harassment and hate crime are tackled effectively.

Risk and Opportunity Management Implications:

- 7.10 The Housing Strategy and supporting evidence are material papers used to support the inward investment of capital funding into the city to develop new homes, improve existing homes and to support residents. In helping to tackle the city's housing needs, the housing strategy also seeks to help residents sustain their independence and minimise the need for residents to require more costly interventions such as residential or health care.

Public Health Implications:

- 7.11 Poor quality, unaffordable, inappropriate or lack of housing has a direct impact on the ability of residents to maintain their health, wellbeing and independence – this has implications for social care, education and Health services.

Corporate / Citywide Implications:

- 7.12 Housing is a fundamental aspect of people's wellbeing affecting the daily lives of 275,000 residents in Brighton & Hove. As well as the impact of poor housing on health detailed earlier, a lack of affordable housing impacts on the attractiveness of the city to business wishing to locate to the city, limiting new employment opportunities and the city's potential to meet the needs of residents.

SUPPORTING DOCUMENTATION

Appendices:

1. Housing Strategy 2015

Documents in Members' Rooms

None

Background Documents

1. Housing Strategy 2015 supporting evidence:
 - a) Supporting Data Analysis
 - b) Family Housing Supporting Data Analysis
 - c) Consultation Report
 - d) Equality Impact Assessment (draft)These documents are available at www.brighton.hove.gov.uk/housingstrategy
2. Housing Strategy Update, Housing Committee, 10 September 2014
3. Housing Strategy Update: Housing Committee, 20 April 2014