

Additional papers 1



Overview and Scrutiny Committee

Thu 22 Oct
2020
6.30 pm

Virtual Meeting, Skype

REDDITCH BOROUGH COUNCIL

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Overview and Scrutiny

Thursday, 22nd October, 2020

6.30 pm

Virtual Meeting - Skype -
Virtual

Agenda

Membership:

Cllrs:

Joe Baker (Chair)
Salman Akbar
Michael Chalk
Peter Fleming
Pattie Hill

Andrew Fry
Ann Isherwood
Mark Shurmer
Jennifer Wheeler

6. Pre-Scrutiny - Housing Strategy (Pages 1 - 16)

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Executive Committee

27th October 2020

Redditch Borough Council Housing and Homelessness Strategy 2020-2024

Relevant Portfolio Holder	Cllr Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Judith Willis
Wards Affected	All
Ward Councillor Consulted	N/A
Key Decision	No

1. SUMMARY OF PROPOSALS

- 1.1 The Council has a statutory duty to have a homelessness strategy and it is now becoming standard practice for local authorities to combine this with an overview of their wider strategic aims in the local housing market, thereby creating a synergised Housing and Homelessness Strategy.
- 1.2 The new draft Redditch Borough Council Housing and Homelessness Strategy adopts this synergised approach. It looks at some of the main challenges in the national and Worcestershire housing markets and sets out the local position in Redditch, together with the actions the Council intends to take to achieve its strategic purpose of 'Finding somewhere to live.'
- 1.3 The draft strategy also explains how the Council's local housing priorities connect to the wider Worcestershire Strategic Housing Partnership Plan, a high-level housing plan for the county, which steers the general direction of the travel for all the councils in housing terms. It also makes links with the council's recovery plan in relation to the covid19 pandemic.

2. RECOMMENDATIONS

- 2.1 **The Executive Committee is asked to approve the draft RBC Housing and Homelessness Strategy 2020-2024 for a period of public consultation for four weeks**
- 2.2 **Agree that a final version of the Housing Strategy, having considered any relevant consultation responses, will be brought back to Executive for approval**

3. KEY ISSUES

Financial Implications

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- 3.1 There are no direct financial implications associated with adopting this draft strategy.

Legal Implications

- 3.2 Under the Homelessness Reduction Act 2017, the Council has a statutory duty to have a homelessness strategy, and this is contained within the Worcestershire Strategic Housing Partnership Plan, which the Council endorsed in 2017.

Service / Operational Implications

- 3.3 The strategy sets out some of the main challenges in the national housing market, and looks at the role of stock-holding local authorities within this. The document also locates the Redditch market within the county-wide context and considers the specifics around home ownership, private renting, social housing, homelessness, planning and growth. The document contains a summary of the main challenges facing the council locally, and sets out a number of actions to tackle these issues, including those relating to the council's housing growth programme. The strategy will be reviewed annually to ensure that it remains relevant and that these actions are having a positive impact on the borough, and to explore any blocks to progress. The draft strategy will be the subject of a four week public consultation prior to formal adoption.

Customer / Equalities and Diversity Implications

- 3.4 These were covered in the Equality Impact Assessment carried out for the original Housing Partnership Plan. This will be reviewed to consider any additional impacts as a result of the strategy. The provision of good quality, affordable housing should help tackle inequality and support diversity.

4. RISK MANAGEMENT

Failing to influence the housing market in a strategic way could lead to a rise in homelessness locally, and impact upon the delivery of affordable housing. There are also risks to housing posed by the coronavirus pandemic so this strategy links closely with the council's Recovery and Restoration Plan 2020.

5. APPENDICES and BACKGROUND PAPERS

Appendix A – Draft Redditch Borough Council Housing and Homelessness Strategy 2020-2024
Worcestershire Strategic Housing Partnership Plan

Executive Committee

27th October 2020

Strategic purpose of 'Finding somewhere to live.'
Redditch Borough Council Recovery and Restoration Plan 2020

6. KEY

None.

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Redditch Borough Council Housing and Homelessness Strategy 2020-2024**Contents**

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The Worcestershire context and the Worcestershire Strategic Housing Partnership Plan 2017

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Planning and future growth

Appendices

- Worcestershire Strategic Housing Partnership Plan
- Strategic Purpose 'Finding somewhere to live'
- Redditch District Council Recovery and Restoration Plan

Introduction

Redditch Borough Council has six strategic purposes, one of which is 'Finding somewhere to live' so the organisation has an important role to play in making sure that the local housing market provides a supply of good quality, affordable accommodation for local residents. This document sets out the council's strategic approach to helping finding somewhere to live, together with a series of actions designed to enable local people to be well-housed. Getting this approach right should make Redditch safer, healthier and more prosperous, because housing is central to the wellbeing of individuals, families and the wider community as a whole. Housing also plays a role in helping to meet the Council's other strategic purposes particularly around business, leisure, and financial independence.

This housing strategy sets out an approach to meeting the housing challenges facing the borough, with a focus on improving standards in the private rented sector increasing the supply of homes that local people can afford, promoting independence and ensuring that homes are safe and secure. It's important to recognise that this strategy was put together in advance of the outbreak of Covid19 and it remains to be seen what impact the crisis has on local residents and their housing situations. As a council we have put together a recovery plan to try and

reduce the likelihood of homelessness and I will be monitoring this area of work closely to ensure we do everything we can to help Redditch residents stay safely housed during and after the pandemic.

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Councillor Craig Warhurst (Portfolio Holder for Housing)

The National Housing Context

In recent years, the national housing market has changed considerably, which in turn poses significant challenges for local authorities, who undertake a wide range of statutory housing functions in their area.

The latest MHCLG English Housing Survey 2016-17 reports the key trends. Home ownership remains central to the market, but with prices rising, home ownership is becoming increasingly difficult for young families. In the meantime, 4.7 million households are now renting privately in England, a figure which has doubled since the mid-1990's. Finally, 3.9 million households are living in the social sector, making it a smaller provider than the private rented sector.

Nationally it is widely recognised that there is an acute shortage of housing particularly social and affordable housing and the government itself has described the market as 'broken.' As private rents and house prices continue to increase many households are facing severe affordability issues, with young people and families on low to middle incomes especially affected by the difficulty of affording to buy or rent a decent home.

The government's response to these changing dynamics in the English housing market has been to try to boost the number of new homes being built nationwide, and to speed up the rate at which these units are delivered. To encourage development there have been changes introduced to streamline planning, new building funds launched, and a suite of options designed for households wishing to get on the housing ladder. The Social Housing Green Paper has also tabled a whole series of changes that may need to be implemented by housing providers in the near future, some of which focus on the delivery of new homes while a new White Paper 'Planning for the Future' indicates other major changes lie ahead for housing and planning with central government exerting more influence at a local level.

Nevertheless, despite these efforts at a national level, housing development is still falling short of demand, According to current projections an average of 210,000 new households will form in England each year between 2014 and 2039. In 2016/17 the total housing stock in England increased by around 217,000 dwellings: 15% higher

than the previous year's increase but short of the 240-250,000 new homes needed to keep pace with household formation.

With home ownership increasingly out of reach for many, and the private sector becoming more and more competitive, so the pressure has risen on local authorities to provide help to local residents in housing need.

There has also been considerable debate about the impact of changes made to the welfare benefit system in the last five years, and how these are leading to increased pressure on all housing providers. Broadly speaking the welfare changes introduced have decreased and capped the level of benefits available to low-income households at a time when the overall cost of living has risen.

This pressure this has generated is certainly being felt by housing providers with tenants on Universal Credit, which is currently being phased in across the country. In February 2018, the BBC reported that 70% of 13,650 council tenants in London receiving Universal Credit were in rent arrears locally.

Local councils are expected to play an increasingly important role in regulating standards and conditions in their private rented sector, while the implementation of the Homelessness Reduction Act in 2018 places new statutory responsibilities on councils to prevent and relieve homelessness in their areas. Homelessness and temporary accommodation placements have risen nationally in recent years, with MHCLG reporting that rough sleeping is up 169% in the last seven years.

For councils who have retained their housing stock, the pressure doesn't stop there. The changes implemented by government to the Housing Revenue Account in 2012 have made further borrowing difficult for most councils at the same time as rental income is falling as a result of the 1% per year reduction introduced in 2016-17. Right to buy continues to be popular amongst social housing tenants, but its impact is being felt by councils struggling to replace a depleted stock base at the pace and scale required to meet incoming demand for housing from aspiring tenants.

From a health and safety perspective, the tragic events at Grenfell Tower in June 2017 have brought the role of housing providers as guardians of wellbeing and place-making sharply to the fore, and it's likely that further actions will be required in due course to protect tenants in light of the ongoing public enquiry.

All these national challenges and issues have combined to impact on councils on two fronts. As local landlords, councils need to be able to respond to the needs of the community efficiently and effectively which proves increasingly difficult with reduced finances and fewer homes to rent out. As a stock holder Redditch Borough Council is in a position of strength to influence the local market. Operationally the councils are also responding to an increase in demand for help through its housing options service – this is hard to resolve when stock levels and turnover are low, and

private rents are high, especially in comparison with limited help available via the Local Housing Allowance.

In short, in the current housing market, most councils are dealing with significant housing-related pressures at the moment, both in terms of a rising demand for help with housing options, and as the result of the mounting financial pressures that have been building up for some years now for councils and residents alike.

The Worcestershire Context

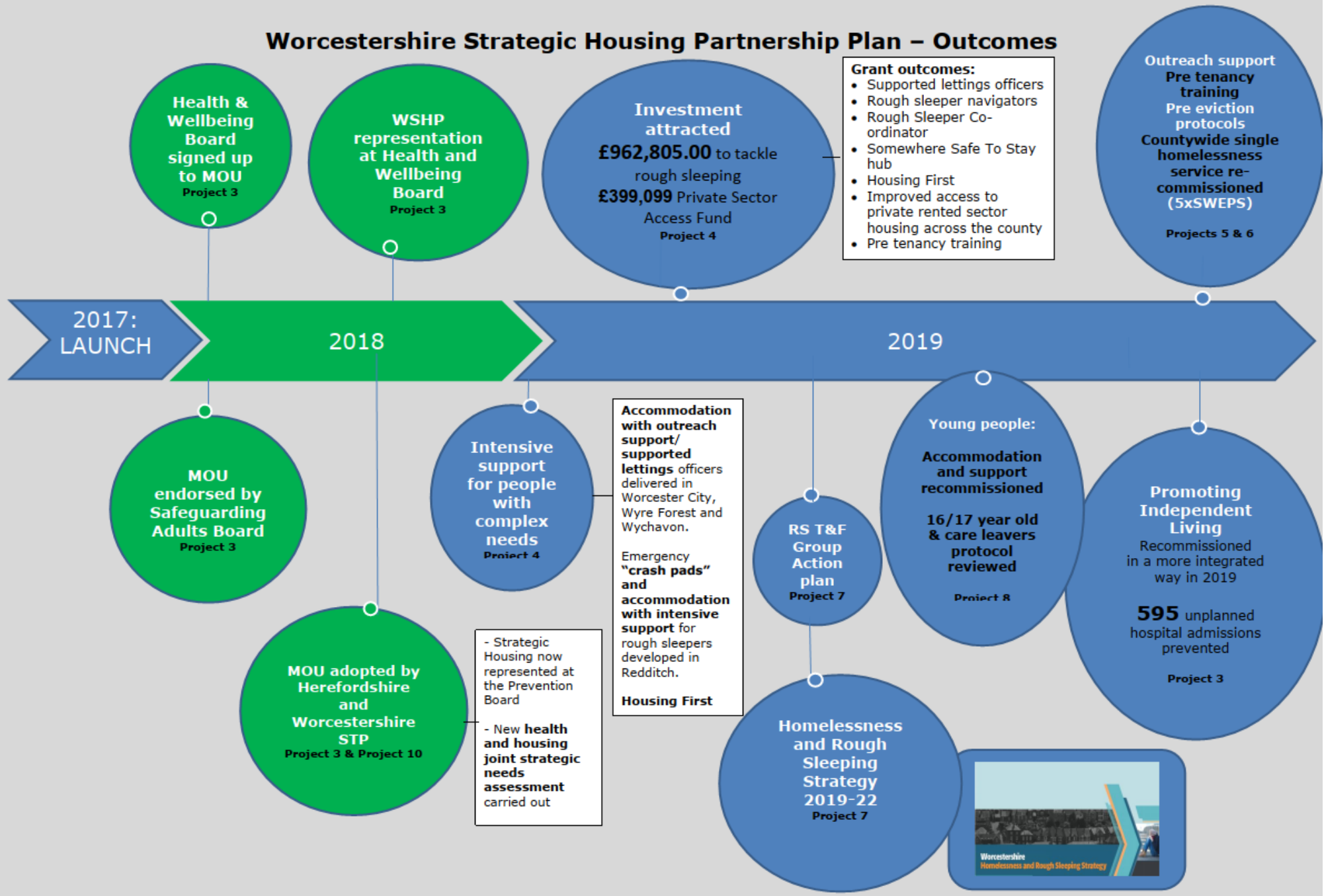
The Council works in partnership with the other local authorities in the county, primarily around influencing change, working up housing-related funding bids to central government, and the delivery of aids and adaptations in the private residential sector via the county-wide Home Improvement Agency. Most of this joint work is co-ordinated by the Worcestershire Strategic Housing Partnership, which comprises of the main housing providers around the county and those key organisations associated with housing, including health, adult social care, childrens services, the Department for Work and Pensions and criminal justice agencies. The Worcestershire Strategic Housing Partnership has developed a county-wide homelessness strategy, which has been formally adopted by Redditch Borough Council, in order to meet its statutory duty to have such a policy in place locally. The Strategic Partnership has also developed a high-level housing plan for the county and this steers the general direction of the travel for all the councils in housing terms (Appendix 1). The six key themes in the 2017 high-level plan are:

- **Maximise the delivery of good quality housing** *of the right type and tenure* by co-ordinating the activities of housing developers, providers and support agencies to meet existing and future housing need in a sustainable way.
 - Build new homes
 - Investigate alternative models of affordable housing delivery to meet the housing and support needs of specific groups and sectors of the housing market
 - Attract funding opportunities to support delivery of identified housing development priorities
- **Improve existing homes** to tackle the personal, social, economic, mental and physical health, and community impacts of poor quality and inaccessible housing (and cold homes) across the private sector.
- **Improve collaboration, coordination and integration of healthcare and housing** in the planning, commissioning and delivery of homes and also services that focus on early intervention.
- **Develop an integrated approach to enable people with multiple and complex needs** to receive the services they need (not limited by existing practice or legislation) to change and support them to achieve resilience, health and well-being and independence within their communities in Worcestershire.

- **Create a simpler and more accessible pathway for *all* matters relating to disability and vulnerability**, empowering people to make the right choices to enable them to live independently.
- **Promote the strategic and operational impact of the housing sector** and ensure it influences key business planning processes in Worcestershire.

The high-level plan is accompanied by a number of actions to be undertaken by councils in relation to their local housing markets. The Partnership has also achieved a number of outcomes since its launch in 2017.

Worcestershire Strategic Housing Partnership Plan – Outcomes



Given that each council also has its challenges locally, and that delivery models vary across the districts, the authorities go on to determine their own specific priorities and this strategic document sets these out and how they will be progressed. The themes of the strategic purpose 'Finding somewhere to live' (Appendix 2) are:

- **Support the development and delivery of appropriate housing in the Borough**
- **Raise housing standards via delivery of a Strategic Improvement Plan**
- **Intervention in the private housing market**
- **Involve tenants and residents in service reform**
- **Support the prevention of homelessness**

The Redditch Context

The borough of Redditch is in Worcestershire, approximately 15 miles south of Birmingham. It has a population of 84,500, and the highest rate of young people aged 0-15 in the county. Four areas of the borough are within the top 10% most deprived in England. In housing terms Redditch Borough Council is the only council in Worcestershire to have retained its housing stock, and rents on these 5900 homes are lower than anywhere else in the county. Other Registered providers in the area provide in the region of 1900 homes. Redditch has a competitive and expensive private rented sector – around 4000 households rent privately and the borough also has 90 licensable Houses in Multiple Occupation. Home ownership is also an important part of the local housing market – there are around 23,000 privately-owned homes in Redditch, and the total number of properties is 34,800. The Council is also focussed on ensuring that careful consideration is given to the environment so green/Eco Home themes form part of its green thread thinking going forwards.

Home Ownership in Redditch

Currently home ownership levels are relatively stable in Redditch. Feedback from local mortgage providers indicates that the local economy is considered to be buoyant at the moment and there is a steady and ongoing demand from households seeking to purchase their own home in the area which is being catered for by lenders.

The Private Rented Sector in Redditch

The private rented sector in Redditch is experiencing similar pressures to other parts of the country. It provides a home to some 4000 households locally but it is becoming an increasingly expensive housing option for local residents. Local rents are significantly higher than the Local Housing Allowance and in some instances rents for properties in the town centre are more expensive than some in Birmingham city centre.

The financial pressures faced by local people living in the private rented sector, particularly on low incomes, are being felt in other parts of the housing system especially in terms of homelessness - loss of an assured shorthold tenancy is now the biggest cause of homelessness in Redditch.

Analysis of the local sector shows that most landlords are 'incidental' landlords, rather than larger-scale portfolio landlords. The number of Lettings Agents is also high – there are in the region of 15 agents operating across the borough. Standards and conditions fluctuate and the council's Private Sector Housing Team receives over 100 complaints a year from tenants who are dissatisfied with either the behaviour of their landlord or the condition of their property. It is also the case that there are a number of ex-Right-to-Buy properties being rented out privately, and analysis suggests these properties are over-represented in presentations for help under the homelessness legislation.

The Social Housing Sector in Redditch

The Council has a big influence on the local housing market – outside of home ownership, the authority is the largest provider of homes in the borough, and its rents are also the cheapest in the area. Customer feedback demonstrates that local people wishing to be housed by the council value the security, cost and speed of repairs offered by council housing.

Redditch is a popular place for social housing providers who operate across the area, providing around 1900 homes locally and the Council has strong relationships and works closely with all Registered Providers in the district.

Given the financial pressures and competitive nature of the private rented sector, demand for social housing is high in the borough and the housing waiting list has a minimum of 1000 households on it at any time.

The Council faces an ongoing challenge over the Right-to-Buy given that it is difficult to replace the stock at the speed it diminishes – on average the Council sells around 50 properties a year through Right-to-Buy. This, coupled with the reduction in rents introduced by the government in 2016, and the introduction of Universal Credit, has put a pressure on the Council's Housing Revenue Account, which requires action to ensure ongoing financial stability. As a result of these dynamics voids are also an issue the council is focussing on as returning properties back into the stock in a timely way is essential in the current financial climate.

As part of its response to these issues the council has launched a Housing Growth Programme which is designed to increase the number of affordable homes for local people by creating council properties on council-owned land. The Executive agreed a three year Council Housing Growth Programme in January 2017 and a budget of £12.5m was set aside for this, and the Council are working in partnership with private

sector property company Baily Garner on the potential to build council housing on 10 sites across the borough.

The Council has signed up to an agreement with the Government to retain Right to Buy receipts for the provision of additional affordable housing known as 1-4-1. This has a requirement that the receipts are spent within 3 years or they have to be returned to Central Government with interest. This agreement also makes it difficult for the Council to access other housing funding streams.

In order to spend the required 1-4-1 receipts in the required timeframe a programme of purchasing properties from the open market was undertaken in 2017. The Council has purchased a number of properties since the launch of the growth programme and the receipts must be used to replace the sales with either new build, buy back of properties or purchase on the open market (new stock). No more than 30% of the RTB receipt can be used in the cost of a new property.

In order to achieve the increase in stock officers completed a strategic response and identified a number of options that members agreed for officers to undertake. These are as follows:

- Commissioning the construction of new HRA stock
- Purchase properties
- Purchase from developers through s.106 bidding
- Purchase properties 'off plan' on developments
- Regeneration of existing stock
- Purchase stock from other Registered Providers
- Buy backs and Mortgage Rescue scheme

Homelessness

During the last couple of years a small number of individuals have had a high street profile in the town centre. The council has worked extensively with these individuals and with various partner agencies in order to secure housing for them where necessary. The sorts of issues faced by this group are covered in the recently published Worcestershire County Council JSNA profile on Health and Housing.

More broadly, the Housing Options Team continue to receive enquiries from potentially homeless households in Redditch. Loss of private sector tenancy has now become the primary cause of homelessness in the borough, ahead of parents/relatives refusing to accommodate and incidents of domestic violence.

Planning and future growth

The Council has a duty, through its Local Plan, to ensure that sufficient land is available to meet its housing need over any given Plan period. The Borough of Redditch Local Plan No.3 (BORLP3) period ran from 1996 to 2011. The current Borough of Redditch Local Plan No.4 (BORLP4) Plan period runs from 2011 to 2030.

Completions in the latter years of the BORLP3 Plan period were affected by the economic downturn. However, over the whole of the Plan period, the housing provision of 4504 dwellings was met. The housing requirement for the BORLP4 Plan period is 6400 dwellings, which equates to an average of 337 completions per annum. The annual average is on track with a total of 396 dwellings completed this monitoring year (1st April 2018 to 31st March 2019). A number of large sites across the Borough are currently being built out and therefore the trend is expected to remain slightly above the average for the plan period for the next few years until these sites are completed. In Redditch there is a need for homes that support economic growth, which includes increasing the availability of higher-value homes in the borough. The number of affordable homes delivered in Redditch in recent years is as follows:

Year	Affordable homes delivered
2018-19	123
2017-18	81
2016-17	73
2015-16	55
2014-15	168
2013-14	70

There are currently a total of 31 sites under construction this monitoring year, with 18 sites which have been completed. A further 51 development sites within the Borough benefit from planning permission but have not yet started.

Work is also taking place at a senior level to explore creating a new county-wide housing delivery plan, and consideration is also being given to the use of local authority assets within the 'One Public Estate' approach.

Summary of the key strategic housing challenges facing Redditch Borough Council and the actions to be taken to influence the local housing market

Home ownership	Action to be taken
Ensuring home ownership levels underpinning local market are maintained and developed	Joint approach from Strategic Housing and planning officers to incoming applications for housing development in the borough taking account of themes within 'Planning for the Future'. Review funding streams for growth, build and development and working with partners contribute to creating county-wide housing delivery plan Explore use of assets under One Public Estate approach
Ensuring government-sponsored products are available locally	Strategic Housing and planning staff to review current range of products being delivered and offered locally

Being alert to any Brexit-related impacts on local housing market	Discuss potential for increase in incoming demand from home owners with other council teams and monitor via relevant council measures
Potential for interest rate rises in the future	Strategic Housing to monitor on an ongoing basis
Social Housing	
Size of the housing waiting list	Review list as part of introducing new housing allocations policy
Impact of Right-to-Buy on stock levels	Review RTB processes and opportunities for tenants to streamline and reduce 'wasted work'
Increasing level of involvement of tenants and enhance tenant experience	Actions as set out in Strategic Improvement Plan – also focus on Management, structures and supervision Productivity and performance around contractor management, stores, voids and implementation of new IT system
Potential to introduce affordable rents, alternative accommodation and alternative asset management vehicle – for example a Housing Company	Council officers and members to consider value of this approach as part of wider Housing Growth Programme/assessment of use of council assets and submit report to Executive and Council outlining conclusions Focus on 30 year business plan Explore potential for council-generated HMOs and creating more temporary accommodation of higher quality as a means of ending use of bed and breakfast in Redditch
Private rental sector	
Variable standards and conditions	Private Sector Team to review current practice and explore options to expand influence within current resource constraints
High number of landlords and agents combined with increased focus on regulation	As above – explore Accreditation/incentive schemes for increasing partnerships with landlords and reducing non-compliance
Lack of security for tenants	Ensure any government changes to tenant security are implemented across the borough
Rising rents/affordability issues	Research efforts to tackle high rents in other parts of the country
Homelessness	
Lack of housing resources to resolve homelessness	Housing Options team to review provision of temporary accommodation and operational effectiveness and efficiency now new legislation has bedded in

Addressing rough sleeping/begging in town centre	Trial Housing First approach being adopted in Redditch as a new means of tackling rough sleeping
Cost and amount of temporary accommodation being accessed	Examine as part of wider review of temporary accommodation as above
Increased duties and expectations of Homelessness Reduction Act including Duty to Cooperate	Ensure team fully staffed and that financial resources required to tackle homelessness remain available
Utilising new government resources to maximum effect and maintaining existing support services	Strategic Housing staff to work with colleagues county-wide on securing additional resources available nationally
Recruitment and retention in relevant council service areas	Management team to take steps required to ensure services are fully staffed
Risks to housing created by Covid19	Implement local recovery plan and continue to work with county colleagues on Worcestershire-wide recovery themes