

HEALTH AND WELLBEING BOARD

14 MARCH 2017

HOUSING (DEMAND, SUPPLY AND AFFORDABILITY) TASK GROUP: PROGRESS REPORT

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Summary

In May 2016, following a far reaching and extensive review, the Housing (Demand, Supply and Affordability) Task Group made a number of recommendations to help manage demand and improve the supply and affordability of housing in Medway. The Task group considered three key issues of enquiry and heard evidence from a number of sources and those working in the field.

This report and attached action plan (Appendix 1) summarises progress against each recommendation.

There are significant personal well-being issues for residents connected with both the quality and availability of housing; for health care organisations in terms of discharging patients to suitable accommodation; and issues for staff in a number of local organisations being able to access affordable housing. Board Member comment and support is sought.

1. Budget and Policy Framework

1.1 Under Chapter 4 of the Constitution (Part 5 – Overview and Scrutiny Rules - paragraph 21.1 (xvii), each overview and scrutiny committee has the responsibility to appoint time limited Task Groups to undertake in-depth reviews within the overall programme of reviews agreed each year by the Business Support Overview and Scrutiny Committee and to make recommendations to the Council and Leader and Cabinet as appropriate. This Task Group covered housing strategy and services (within the remit of the Business Support O&S Committee) and also strategic planning issues associated with housing such as the Local Plan and affordable housing targets (which fall within the scope of the Regeneration, Culture and Environment O&S Committee).

1.2 The recommendations arising from the original Task Group are consistent with the Council's Policy Framework and, as they can be met from within the budget, were a matter for Cabinet discussion and approval.

2. Background

- 2.1 In June 2011, the Business Support O&S Committee agreed to exercise a more pro-active role than previously in prioritising the programme of in-depth scrutiny review work. This followed a Council decision that a maximum of three reviews or themed meetings can be undertaken annually across all four Overview and Scrutiny Committees in light of shrinking capacity across the organisation – representing a shift from the previous position of multiple Task Groups with no fixed timelines running at any one time.
- 2.2 In line with best practice, the Committee also decided to adopt a more systematic approach to the selection of topics with nominations submitted by each Committee, taking into account suggestions and advice from Directors and Deputy/Assistant Directors.
- 2.3 In June 2015 the Committee agreed a timetable and process for the selection of topics for the next round of in-depth scrutiny reviews and also agreed a Task Group on housing: demand, supply and affordability in Medway. The Committee agreed this Group should be the first to commence and its first meeting took place on 21 September 2015. The membership of this Group was Cllrs Wildey (Chairman), Etheridge, Freshwater, Griffiths and Saroy, drawn from the Business Support and the former Regeneration, Community and Culture O&S Committees.
- 2.4 The findings of the Task Group were first reported to the Overview and Scrutiny Committee's for Business Support and Regeneration, Community and Culture with a report to the Cabinet meeting in May 2016 at which all the recommendations were accepted.
- 2.5 The attached Action Plan (Appendix 1) provides an update on the progress made against the recommendations of the review thus far.

3. Key Findings and Analysis

- 3.1 The key themes which emerged from the evidence gathering sessions the Group conducted were:
 - *In terms of building more homes, a lack of money, shortage of skills and materials and issues around the speed by which homes could be built came across consistently and strongly. Furthermore, there are significant developments happening in the area (such as London Paramount) which could well mean there will be even less skilled labour available to work in Medway.*
 - *It will not be possible to meet the Government's targets for building homes by relying solely on private developers*
 - *Given the importance of building enough homes to meet the need for housing, there seemed to be a case for a tax on undeveloped land, with the proceeds from the tax distributed locally*
 - *The need to speed up the process for archaeology and ecology studies before developments can proceed (possibly getting developers to pay up front for these services)*
 - *The Council should explore with its partners the use of different construction methods to those traditionally used in the housebuilding industry, in order to help address the problems identified in terms of an*

insufficient supply of homes and also the skills shortage in the construction industry.

- *Whether the Council could legally borrow money to loan to housing associations to build homes for market rent, with a commercial return for the Council. And, if so, what the effect would be on the Council's prudential borrowing.*
- *The lack of quality homes in any sector to enable people to downsize and free up larger properties*
- *The serious predicament facing low paid workers who were unable to secure social housing and also unable to pay market rent.*
- *How best to forge links between Education Provider such as the University Technical College and developers (including sub contractors)*
- *Whether the Council could do more to prevent people threatened with homelessness through the use of home bonds etc. merited further investigation.*

3.2 The key conclusions of the Task Group are:

- *a recognition that the problems around the availability, affordability, and to some extent, the quality of housing are the result of a supply / demand imbalance, which results in pressures felt more acutely in London and the South East than other parts of the country. Whilst the Council will no doubt wish to continue to play its part in addressing these issues, along with other local authorities in the region, the Task Group acknowledge that the Council cannot hope to solve these issues on its own, and;*
- *an endorsement by the Task Group of the Strategic Housing and Economic Needs Assessment and the implications this has for new housing numbers and spatial impact as the Council develops its Local Plan.*
- *a failure to address the issues around the supply, demand and affordability of housing will mean:*
 - *house prices will continue to rise in the long-term*
 - *housing will become more expensive as a percentage of income*
 - *first time buyers will find it increasingly difficult to get on the housing ladder*
 - *the likely growth of the private rented sector will continue together with an upward pressure on rental prices and a higher housing benefit bill and increased demand on temporary accommodation. The Group would suggest that Cabinet should recognise this likelihood and put in place measures to make the Council's situation more resilient and find more cost effective ways of meeting demand*
 - *more people being housed in hostels and bedsit accommodation or houses in multiple accommodation (HMOs)*
 - *employers will find it difficult to recruit workers, particularly for vacancies on lower wages with a knock on impact on economic performance*
 - *a growth in wealth inequality*
- *to ensure that the Council progresses its Local Plan following Government Guidance on procedures and timescales; to ensure that local people are involved, that the Council delivers in terms of meeting its objectively assessed needs in a positive manner and to the benefit of Medway in terms of realising its potential; and to ensure that the Government does*

not see fit to intervene in the process which would impact on local involvement in plan making

4. Regeneration, Culture and Environment O&S Committee

- 4.1 The Regeneration, Culture and Environment Overview and Scrutiny Committee considered this update report at its meeting on 17 January and Members' comments are set out below.

Discussion:

- 4.2 The Committee was reminded that in May 2016 the Housing (Demand, Supply and Affordability) Task Group had made a number of recommendations to help manage demand and improve the supply and affordability of housing in Medway.
- 4.3 The Committee received a report and action plan summarising progress against each of the recommendations of the Task Group. The Head of Planning outlined the progress against each of the recommendations and advised that those shaded grey fell within the remit of the Business Support Overview and Scrutiny Committee.
- 4.4 A Member suggested that it would be helpful for future update reports to include information on the benefits to local people of increased house building programmes from employment opportunities.
- 4.5 In response to a question as to the benefits in increasing the level of communication with developers, the Head of Planning outlined the various liaison events that currently took place between the Council and developers.
- 4.6 He drew attention to the benefits of the developer planning presentation to Members at the pre-application stage, which enabled developers to hear views of their proposed applications and in some cases enabled them to adapt applications prior to submission to the Planning Committee. Developers had confirmed that they were appreciative of Medway's system as this was not offered by all local authorities.
- 4.7 The Head of Planning also drew attention to work being undertaken to assist small and medium sized enterprise (SME) builders to enter the housebuilding market in Medway through the pre-application and planning processes to make it easier, smoother and quicker for applicants.

4.8 Decision:

The Committee:

- a) noted the progress made against the Task Group recommendations.
- b) noted that future reports will include information as to the benefits of housebuilding programmes for local employment opportunities and the assistance given to small and medium sized enterprises (SME) builders to enter the housebuilding market in Medway.

5. Business Support O&S Committee

- 5.1 The Business Support Overview and Scrutiny Committee considered this update report at its meeting on 31 January and Members' comments are set out below.

Discussion

- 5.2 Members considered a report and action plan setting out progress against the recommendations from the Housing (Demand, Supply and Affordability) Task Group which had been approved by the Cabinet in May 2016. A discussion took place on the following recommendations:

- 5.3 ***In order to free up much needed social housing, Cabinet is asked to review, in relation to its housing stock, the incentives that are available to residents aimed at encouraging them to move into more suitable forms of affordable housing.***

In response to a question about location, Officers commented that location and the right size accommodation were key issues for people to make this scheme work. The Council did have reciprocal arrangements with other authorities but this tended to be used in cases such as domestic violence.

- 5.4 ***Cabinet is asked to review the scope to extend the use of home bonds to help tenants find alternative accommodation and work with the private rented sector to encourage landlords to let properties to residents in housing need and to those in receipt of Housing Benefit.***

A Member asked whether there was a private tenants' forum and, if not, whether one could be set up. Officers advised that client feedback was sought but there was not a formal structure for liaising with tenants. This was something which could be looked at.

- 5.5 ***Subject to this being financially viable, Cabinet is asked to consider the potential of options to generate extra finance, for example prudentially borrowing and use the funds to build and operate housing across all tenures either by working in partnership with a local housing provider or by alternative means.***

The Committee was advised that a number of housing model options were currently being considered. Given what was considered to be a severe housing crisis, a Member urged that action be taken now with regard to this key recommendation as opposed to discussions and explorations. Officers advised that proposals were being developed and members would be informed of the details relatively shortly.

- 5.6 ***Cabinet is asked to ensure that there are appropriate resources in place to ensure that tenants in the private rented sector have sufficient protection with regard to minimum standards of accommodation, repair and good management.***

A Member asked if the team had sufficient capacity to deal with issues such as private tenants' fears of revenge evictions should complaints be made. Officers replied that making sure tenants were aware of their rights could be a

challenge. The tenant accreditation scheme had been successful and the team would look at how to make sure tenants received information. In response a Member suggested the Council look at bite size learning as an effective and cost effective way to get the message across.

5.7 Decision:

The Committee agreed to note the progress made against the Task Group recommendations.

6. Risk management

6.1 The impact of the recommendations in this report are focused on helping to manage the demand for housing along with increasing its supply and assisting with its affordability and, as such, no risks are identified to delivery.

7. Consultation

7.1 No specific consultation has been undertaken for the preparation of this update report. However, Planning and Housing Services continue to engage with key stakeholders including those seeking advice and assistance in meeting their housing need, providers of housing, developers and other stakeholders and interested groups and this will continue as the Task Group's recommendations are progressed further.

8. Financial implications

8.1 There are no direct financial implications arising from this update report.

9. Legal implications

9.1 There are no legal implications arising from this update report.

10. Recommendation

10.1 Health and Wellbeing Board Members are asked to comment on this report in the context of both their clients/patients and their current and future staff. Individual organisational commitment to support the report's recommendations is sought.

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Appendices

Appendix 1 – Housing (Demand, Supply and Affordability) Task Group Action Plan

Background papers:

None