

CABINET

20 NOVEMBER 2018

HOUSING STRATEGY 2018-22

Portfolio Holder	Councillor Howard Doe, Deputy Leader and Portfolio Holder for Housing and Community Services
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Summary

This report introduces the Housing Strategy 2018-22, which replaces the 2015-18 Housing Strategy approved by Cabinet in 2014. The Housing Strategy sets out Medway's strategic approach for housing services and details how the Council will enable the delivery of these services. This paper sets out the background to Medway Council's Housing Strategy 2018-22, the consultation process, and the refinement of the Strategy based on feedback received to date.

This report was considered by the Business Support Overview and Scrutiny Committee on 25 October 2018 and its comments are reported in section 5 of the report.

1. Budget and Policy Framework

- 1.1 The Housing Strategy 2018-22 has been developed in line with the Council Plan and sets out the Council's contribution to meeting the aims of the Council Plan with respect to Housing. The approval of a Housing Strategy is a matter for Cabinet.

2. Background

- 2.1 Medway Council's current Housing Strategy was agreed in 2014. As the Strategy ran up to 2018, it was recognised that an updated Strategy was required to reflect the changes in local demand and national legislative changes. The Housing Strategy 2018-22 details the Council's planned response in meeting the housing needs of Medway's residents. To ensure that we captured a broad spectrum of views on the local picture, with its pressures and opportunities, a stakeholder event was undertaken in October

2017. This recognised the impact housing has on a wide range of areas including social care, crime, health, and education. This input has allowed us to better understand these interrelationships and look to agree how best to work together around future service development. Further input was sought during the process and an iterative process was used to develop the draft version and the accompanying action plan. This allowed us to progress to completion of a final draft which was then ready for consultation.

- 2.2 The Strategy was drafted between December 2017 and June 2018 and was published for consultation in July 2018. The draft Strategy was uploaded to the Council website with a consultation period running up until 6 September 2018. The website link to the consultation document and questionnaire was widely publicised to elected members, statutory partners, housing associations, voluntary sector agencies, all people on the housing waiting list and members of the public via our website and social media (Facebook and Twitter).
- 2.3 The responses to the Strategy are summarised in the consultation section and diversity characteristics of respondents reflected in the DIA appendix two.
- 2.4 The Housing Strategy 2018-22 is attached as appendix one to this report.

3. Options

- 3.1 The options available are:
 - a) To adopt the Housing Strategy with the current format and content.
 - b) To propose amendments to the Housing Strategy.
 - c) Not to adopt the Housing Strategy and carry on business as usual without a new Strategy in place.
- 3.2 Option A is the preferred option because this will allow us to proceed with publish and implement an up to date strategy and action plan.

4. Advice and analysis

- 4.1 The Strategy has been developed based upon a comprehensive review and consideration of:
 - The national and local context.
 - Achievements and progress of the 2015-18 Housing Strategy.
 - Consultation with stakeholders.
 - Needs analysis including the Strategic Housing Economic Needs Assessment 2015.
- 4.2 The Strategy is designed around three Strategic Priorities:
 - Deliver homes that meet the identified needs of Medway Residents.
 - Improve the quality of homes and lives.

- Ensure people can access housing and services to keep them independent.
- 4.3 The Housing Strategy will be delivered in partnership with a range of internal Medway Council partners and external stakeholders including Housing Associations, Homes England, private landlords and local organisations whose work focuses on housing issues. Each of the priorities is accompanied by an action plan which details time limited activities which will be carried out to achieve the stated aims within agreed timeframes. This has been developed in agreement with partners and stakeholders. Throughout the lifetime of the Strategy, the Strategic Housing service will work with partners to take advantage of new opportunities for funding and with stakeholders to take advantage of resources not available to the Council.
- 4.4 Changes from the previous housing Strategy are summarised in paragraphs 4.5 to 4.8 below.
- 4.5 The draft Housing Strategy 2018-22 has been designed to build on and refresh the Housing Strategy 2015-18. The previous housing Strategy had four aims
- Increase the supply of suitable and affordable homes.
 - Improve the quality of homes, environment and people’s lives.
 - Promote sustainability by supporting people within their community.
 - Improve the flexibility of accommodation.
- 4.5.1 Following feedback at the community safety partnership event on 7 October 2017, and the consultation day on 30 October 2017, it was decided to streamline the strategic priorities and also make the language used easier to understand. This resulted in the priorities listed in 4.2 above.
- 4.6 **Strategic Priority 1- Deliver homes that meet the identified needs of Medway Residents.**
- 4.6.1 The key reasons for updating this section were: to take into account the increase in population predicted by 2037 and the changing picture of affordability e.g. increased rental costs, the 2016 Benefit Cap and the reduction in Discretionary Housing Grant. This also includes updated information from our 2015 Strategic Housing and Economic Needs Assessment particularly with reference to our ageing population. There is a ten point action plan to support this strategic aim.

Deliver at least 204 additional affordable homes per annum.
 Secure at least 25% of newly built homes as affordable on any site meeting the Council’s size threshold.
 Work with Registered Providers and Homes England to secure an annual investment in affordable housing of £20m.

Achieve a balanced mix of affordable housing unit sizes (1,2,3,4,5 bed properties) to meet the needs of Medway’s population.

Achieve a balanced approach with regards to tenure with 60% Affordable Rented homes and 40% Shared Ownership.
Support and develop a delivery programme for Extra Care Specialist and Sheltered Housing to meet demand.
Spend monies received as commuted affordable housing sums effectively to deliver additional affordable homes.
Provide new residential developments, to support the regeneration of Medway's urban areas.
Develop a new local plan for Medway.
Seek funding to provide road, rail and social infrastructure to support housing growth. New developments to contribute to roads, schools, etc.
Review of our allocations policy.
Develop proposals to diversify the existing temporary accommodation offer, incorporating potential demand for accommodation needed by Local Care Teams, including outcomes for those with no recourse to public funding and those found to be intentionally homeless.

4.7 Strategic Priority 2- Improve the quality of homes and people's lives.

- 4.7.1 The key reasons for updating this section included: to reflect the changes in legislation affecting Houses in Multiple Occupation from October 2018, to reflect the impact of our homelessness reduction Strategy 2017-19, to highlight the handypersons scheme to allow cost effective repairs for homeowners, to ensure our enforcement policy is in line with the 2016 Housing and Planning Act. There is a nine point action plan to support this strategic aim.

The Home Improvement Agency to promote its specification, quotation and inspection service for able to pay owner occupiers.
Promote the Handypersons service to help vulnerable people get minor works done.
Develop proposals for a Home Improvement Loan Scheme that provides repayable loans for low income vulnerable owner occupying households to pay essential maintenance works via revolving pot of money.
Requests for service regarding poor housing conditions investigated and appropriate actions taken.
Promote Kent wide Warm Homes scheme that provides subsidised home insulation via landlords' forum and social media.
Monitor progress against actions in the Homelessness Prevention Strategy 2017-19.

Ensure collaborative working agreement between Public Health, Social Care and Housing is reviewed and kept up to date.
Ensure all licensable houses in multiple occupation (HMOs) are identified and appropriate actions taken to ensure licences are in place.
Review enforcement policy in line with the Government's Enforcement Concordat and with regard to the Housing and Planning Act 2016.

4.8 **Strategic Priority 3- Ensure people can access housing and services to keep them independent.**

4.8.1 The key reasons for updating this section included: reflection of the Homelessness Reduction Act 2017, a review of our existing commissioned Housing Related Support services making sure we account for the housing needs of care leavers in conjunction with children's services and changes to the way supported housing is funded.

4.8.2 The Government has now decided to leave supported housing within the housing benefit system, so there are minor changes to the version which went out to consultation (i.e. removal of reference to changes in supported housing funding). The Strategy and action plan has been revised prior to progression to Business Support Overview and Scrutiny Committee and Cabinet. There is an eleven point action plan to support this strategic aim.

Increase GP practice awareness of housing services including referring suitable patients to Occupational Therapy service, floating support, housing options, etc.
Develop proposals around further housing initiatives to make best use of existing resources. Explore what has been successful in other local authorities, particularly solutions which we do not currently have in Medway. Examples of this would be the Home Share initiative, modular homes, etc.
Map out existing provision commissioned and non-commissioned services. Combine this data with projected demographic changes and mapped need partners in social care, Community Rehabilitation Company, public health etc. to derive an overall needs map for Medway.
Take part in relevant working groups, data collection / pilot exercise to allow input of our concerns around coverage and practicalities of the new system. Disseminate this amongst partners and stakeholders.
Work closely with colleagues in adult social care and partnership commissioning around identifying housing options available for individuals with complex needs mapped by the services working towards the aims of e.g. the Transforming Care Partnership.
Revise our move on from supported housing pathways to match the realities of the housing market in Medway and ensure our resources are used effectively.

<p>Ensure that expectations are understood and are managed in line with the availability of social housing and private housing options. Communicate this to referrers, supported housing providers, applicants and the general public. Work with our communications department on a wider messaging strategy around options for housing.</p>
<p>Review the way Medway provides Disabled Facilities Grants to enable people with disabilities to access their home and essential facilities within it.</p>
<p>Provide a Sanctuary Scheme to install security measures in the homes of domestic abuse survivors</p>
<p>Review our current provision of Housing Related Support Services (supported housing and floating support). Explore models of support provision and outcomes framework through stakeholder, service user and market engagement.</p>
<p>Monitor the level of out of area placements into Medway</p>
<p>Review pathways and understand the ongoing housing requirements for care leavers.</p>

4.9 A Diversity Impact Assessment for the Housing Strategy has been carried out and this is attached as appendix two of this report.

4.10 This report was considered by the Business Support Overview and Scrutiny Committee on 25 October 2018 and its comments are reported in section 5 of the report, below.

5. Business Support Overview and Scrutiny Committee – 25 October 2018

5.1 Members considered a report regarding the Housing Strategy 2018-22, which would replace the 2015-18 Housing Strategy approved by Cabinet in 2014. The Housing Strategy set out Medway’s strategic approach for housing services and detailed how the Council would enable the delivery of these services.

5.2 In considering the draft Strategy the following points and queries were made:

5.2.1 Given the changing housing market and the increasing need for affordable housing, a Member expressed concern that the targets in the revised Strategy had not changed. The target to build 204 units per year was not ambitious enough. The Council’s aim that 25% of homes on large developments should be affordable was too low and often not met. Developers should be held to account and be compelled to publish their viability statements, as should Medway Development Company (MDC). Officers advised that the 25% target was a planning policy issue and dependent on the performance of the sector as a whole. Officers were confident the target of building 204 units per year would be met. The suggestion about viability statements would be discussed with the Head of Planning but for MDC it would be a matter for the Board.

- 5.2.2 There should be more emphasis in the Strategy on MDC's plans to build housing, as the Council should be leading by example. In response the Head of Strategic Housing considered the Strategy captured the key objective of MDC to deliver 600 homes.
- 5.2.3 The Strategy should reference the recent decision to lift the HRA borrowing cap.
- 5.2.4 The robustness of the Landlord and Tenant Accreditation Schemes was queried. Officers advised the numbers of people who were part of these schemes was not known but feedback had been very positive.
- 5.2.5 The steady rise in private sector rents was a factor in causing homelessness as people often struggled to make rent payments. The Council should write to the Government asking for the private rented sector to be urgently reviewed.
- 5.2.6 Regarding a query how much social housing would be delivered, officers advised that as this term covered a variety of types of affordable housing the Strategy would be amended to include details of the number of social rented units.
- 5.2.7 Given the over representation amongst the homeless of armed forces veterans, the Strategy should refer to the Armed Forces Covenant.
- 5.2.8 HMOs were an increasing source of problems in parts of Medway and the Strategy should include reference to that. The Head of Strategic Housing accepted HMOs were an increasing challenge. The Strategy would address what actions the Council could take and how to report concerns. It was confirmed HMOs could be licensed retrospectively but the sector was diverse and not everyone was prepared to cooperate with the Council.
- 5.2.9 The figure of 1% of people living rent free was felt to be low. Officers explained this figure was derived from census data and it was accepted there would be young people living at home who were struggling to access accommodation.
- 5.2.10 Out of area placements were a significant problem and this was affecting parts of Medway. As there was not a requirement for other Councils to notify Medway in all cases, it was suggested the Government be lobbied to change the rules so there was a duty on councils to notify host authorities in all cases of out of area placements. The Head of Strategic Housing commented this was a complex area and the issue raised had been discussed with the Government.
- 5.2.11 The current focus for MDC was finding sites in urban areas but the company should also look at opportunities when sites became available in rural areas. The Chief Legal Officer acknowledged the present focus was on urban sites but if rural sites came forward then options would be kept open.
- 5.2.12 Where MDC came forward with a development and wanted to locate the affordable housing it was required to provide on a different site then, in those circumstances, it should provide additional affordable housing. Officers advised that this would have to be dealt with on a case by case basis. A

Member asked that this issue be raised with the Chairman of the Planning Committee and the Opposition Spokesperson.

5.2.13 In response to a query whether there was sufficient capacity across the Council to deliver the Strategy, officers were confident the resources were available to deliver the strategy.

5.2.14 There was insufficient reference to the importance of infrastructure. The Head of Strategic Housing recognised the importance of infrastructure, which was reflected in the Strategy, but did not consider there was a need to include more details as this issue was dealt with more fully in other Council plans.

5.3 Members agreed to note the draft Housing Strategy 2018-2022 and forward the following recommendations to Cabinet:

a) that the Government be requested to consider changing the rules on out of area placements to require Councils to notify host authorities in all cases of out of area placements.

b) that the Strategy should include reference to the Armed Forces Covenant and also the lifting of the HRA borrowing cap, and;

c) that the Housing Minister be requested to review the private rental sector market including the possibility of tightening the regulations governing this sector, given its impact on the overall housing market.

6. Director Regeneration, Culture, Environment and Transformation and Deputy Chief Executive Comments

6.1 The Director noted that the Business Support Overview and Scrutiny Committee raised a number of interesting points.

6.2 Subject to Cabinet's views, representation could be made to government regarding the pressures that out of area placements put on Medway Council and require Councils to notify host authorities in all cases of out of area placements.

6.3 The strategy has now been amended in line with comments from O&S with particular reference to the Armed Forces Covenant, these are set out as tracked changes. This reflects that Officers will continue to monitor the numbers of ex-service personnel who approach the Council for assistance with housing and will give priority to meeting their housing and support needs.

6.4 The strategy has now been amended in line with comments from O&S with particular reference to the lifting of the Housing Revenue Account cap announced in the autumn budget 2018. Officers will review the potential benefits this offers to Medway Council and will make use of this opportunity to increase affordable house building under the HRA.

6.5 Subject to Cabinet's views, representation could be made to the Housing Minister asking for the private rented sector to be urgently reviewed given the affordability issues currently being experienced and resulting pressures this creates.

7. Consultation

7.1 Consultation on the draft Strategy ran from 9 August to 6 September 2018.

7.2 The responses were collated via:

- An online survey tool designed by officers from Strategic Housing and Housing Services with input from Communications colleagues.
- Direct email/letter responses.

7.3 Common themes from the consultation to date are summarised in the table below.

Number of survey responses received – 23

Priority area	Agree/disagree	Main areas covered in responses
1 Delivering homes to meet the needs of Medway Residents	17 responses supported this priority, 4 disagreed, 2 blank.	Support for more housing for people from Medway. Provide temporary accommodation for rough sleepers. Shared Ownership is key to provision. Private sector needs to be more tightly regulated. Committed sums should be used by Registered Providers to provide more affordable homes. Infrastructure needs to be a priority. Focus should be firmly on building on brownfield sites.
2 Improve the quality of homes and people's lives	21 responses supported this priority, 2 blank	Private sector properties must meet health and safety standards. Private sector rents should be capped at council property levels. Licensing should be introduced for private landlords. Housing needs to be provided for people on low incomes.
3 People can access housing and services to keep them independent	21 responses supported this priority, 2 blank	Keeping people independent gives them a better quality of life. Housing resources should supplement social care, not replace it. The begging issue needs to be addressed. There needs to be a range of options for vulnerable people.

8. Risk management

8.1 Risk management is an integral part of good governance. The Council has a responsibility to identify and manage threats and risks to achieve its strategic objectives and enhance the value of services it provides to the community. Using the following table this section should therefore consider any significant risks arising from your report.

Risk	Description	Action to avoid or mitigate risk	Risk rating
That the actions required by the Strategy are not carried out.	There is a detailed action plan, covering outputs which will need to be achieved to meet the outcomes required by the Strategy.	Monitoring of progress against the action plan will be carried out by the Senior Housing Strategy and Partnerships Officer and verified by the Head of Strategic Housing. Overall progress by individual officers will be managed under the PDR process across the Housing Strategy service. An annual progress report will be submitted to Cabinet in December 2019 and yearly thereafter.	E III
That agencies do not work in a coordinated fashion to achieve the aims of the Strategy.	Actions detailed to fulfil the aims of the Strategy will need the input of statutory and voluntary partners.	Officers will ensure that meetings are timetabled to progress specific elements of the Strategy and that all agencies. Any shortfall will be picked up in quarterly monitoring meetings.	E II
That the decision is made not to update the 2015/18 Housing Strategy to this version, leaving the Council open to challenge as not having a current Strategy.	The Strategy has been written to take into account recent legislative changes (e.g. the Homelessness Reduction Act and the benefit cap in 2016) and the evolving needs of Medway's residents.	The direction outlined in the Strategy is a shared vision across strategic housing and partner agencies. Should the Strategy not be agreed, the work areas would continue under the aims of the previous Strategy.	D IV
That the document does not remain current and up to date.	That changes occur within the life of the document which significantly impact of the accuracy of the Strategy.	As part of the continual monitoring process, the Strategy will be reviewed in light of additional information – e.g. changes in the demographics of Medway residents.	E IV

9. Financial implications

- 9.1 The Housing Strategy 2018-22, and related action plan, does not include any budgetary commitments over and above those already planned for.

10. Legal implications

- 10.1 There is no legal requirement to have a Housing Strategy (although there is to have a Tenancy Strategy, Allocations Strategy and Homelessness Strategy). It does, however serve as a useful policy document setting out the Council's approach to housing and allows Members to scrutinise delivery. There are no other legal implications.

11. Recommendations

- 11.1 The Cabinet is asked to note the comments set out in section 5 of the report and agree the recommendations of the Business Support Overview and Scrutiny Committee, as follows:
- (i) That the Government be requested to consider changing the rules on out of area placements to require Councils to notify host authorities in all cases of out of area placements.
 - (ii) That the Housing Minister be requested to review the private rental sector market including the possibility of tightening the regulations governing this sector, given its impact on the overall housing market.
- 11.2 The Cabinet is asked to approve the Housing Strategy 2018-2022, as set out in Appendix 1 to the report.

12. Suggested reasons for decisions

- 12.1 The reason to approve is to ensure that there is a shared and up to date understanding of Medway's housing market and how gaps in housing and/or in housing related support services can be addressed.

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Appendices

Appendix 1 - Housing Strategy 2018-2022
Appendix 2 - Diversity Impact Assessment

Background papers

North Kent Strategic Housing Market Assessment

https://www.medway.gov.uk/downloads/file/633/strategic_housing_market_assessment_shma