

EAST HERTS COUNCIL

EXECUTIVE – 4 SEPTEMBER 2012

REPORT BY EXECUTIVE MEMBER FOR HEALTH, HOUSING AND
COMMUNITY SUPPORT

THE EAST HERTS HOUSING STRATEGY 2012-2015

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To present to Executive, for consideration and comment and recommend for adoption, the Council's new Housing Strategy 2012 -15 and associated action plan.

<u>RECOMMENDATIONS FOR COUNCIL:</u> That:	
(A)	the comments of the Community Scrutiny Committee be received;
(B)	the Housing Strategy 2012-2015 be adopted; and
(C)	an annual report to monitor progress of the action plan be submitted to Community Scrutiny Committee.

1.0 Background

1.1 The Housing Strategy for East Herts is the high level strategic document that sets the direction for housing within the district from 2012-15 whilst having regard to longer term housing challenges and wider housing agendas.

1.2 The Strategic Housing Service, with the assistance of Planning Policy and Private Sector Housing, has drafted a Housing Strategy for the period from 2012 to 2015. This document was considered by Community Scrutiny on 28 February 2012 and has been subject to consultation by our external partners and stakeholders.

2.0 Report

- 2.1 The current Housing Strategy 2008-2011 was adopted by the Council on 1 October 2008. The aims and objectives of the Strategy were delivered by officers of the Council, along with our partner agencies. Progress on the action plan was reviewed annually by Community Scrutiny.
- 2.2 The Strategic Housing Service with assistance from Planning Policy and Private Sector Housing has drafted the next Housing Strategy for the period 2012-2015 for East Hertfordshire. The Strategy is for a three year period but will be reviewed annually. The annual review will be an opportunity to measure progress being made on the actions and new targets or actions can be identified and included for following years.
- 2.3 The Coalition Government has developed, consulted and put into law a number of changes to housing and social housing. The most significant documents are, the Localism Act, the governments Housing Strategy for England 'Laying the Foundations (2011) and the Welfare Reform Act. Not all of the changes in these documents are directly relevant to East Herts, however those that are will have a significant impact on the way housing is developed, allocated and managed in East Herts. The draft Housing Strategy references the key changes which will be subject to further consultation and discussion as they come into force.
- 2.4 The Localism Act gives local authorities greater freedom to set their own policies about who should qualify to go on the Housing Register for social housing in their area. This means that Councils can, if they wish, develop their own policies regarding who is eligible to join the Housing Register. Authorities are still obliged to ensure that social homes go to the most vulnerable in society and those who need them most. Under Homeless Legislation Councils have a duty to house people who are eligible, in priority need and unintentionally homeless; and this duty will remain in place. The Localism Act lets local authorities meet their homelessness duty by providing good quality private rented homes, which under previous rules they were able to refuse.
- 2.5 The Localism Act has also introduced a number of changes to the planning system including at the national level replacing Planning Policy Statements (PPS) with a single and shortened National

Planning Policy Framework (NPPF) and removing the regional tier of planning by abolishing regional spatial strategies such as the East of England Plan. At the local level, whilst the principles of the Local Development Framework (LDF) are being retained, it is being rebranded as the District Plan.

- 2.6 With the reductions in spending by central Government the grant available for developing new affordable housing for the period 2011-15 is about 50% less than during the previous four year period. With the aim of continuing the development of new affordable homes, the government has developed a new rented product, known as 'Affordable Rent', whereby social housing providers charge higher rents, at up to 80% of local market levels, and use the increased rental income to support additional borrowing to compensate for reduced grant.
- 2.7 In addition to being able to charge higher rents registered providers with homes in East Herts are able to offer Fixed Term Tenancies to applicants from the Council's Housing Register for five years, with tenancies of between two and five years only allocated in "exceptional circumstances". These tenancies are reviewed by the registered provider at the end of the fixed term and can be renewed and another fixed term offered if it is decided, within the registered provider's policies, that a household still requires an affordable rent home.
- 2.8 To encourage delivery of additional housing the Government has also introduced an incentive scheme called the New Homes Bonus. The Government will match the council tax raised for each new home for the first six years after that home is built. An additional amount is payable for every additional affordable home.
- 2.9 Welfare reforms have reduced the Housing Benefit awards available to private sector tenants, by changing the way the maximum amount of Housing Benefit payable is calculated and setting further caps on these amounts that affect high rent areas.
- 2.10 The Council agreed with the Homes and Communities Agency (HCA) a Local Investment Plan (LIP) in 2011. The East Herts Local Investment plan (LIP) is intended to provide a framework that will be used to seek future HCA funding for primarily affordable housing in East Herts.
- 2.11 The LIP identifies the strategic context for investment and summarises the evidence base that will be used to direct

investment from us and our partners including the HCA. The LIP was developed around four overarching 'Challenges'.

2.12 The challenges are:

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| Challenge 1. | Maximise the delivery of a range of new affordable homes, whilst ensuring the best use of existing housing |
| Challenge 2. | Meeting the needs of a growing elderly population |
| Challenge 3. | Meeting the needs of vulnerable people and stronger communities |
| Challenge 4. | Economic Development, Employment and Skills |

2.13 It was agreed at the Community Scrutiny on 25 January 2011 to use one, two and three of the four strategic challenges identified in the LIP in the development Housing Strategy and associated action plan to enable there to be a clear link between these strategic documents.

2.14 The Housing Strategy was discussed at Community Scrutiny on 28 February 2012. Members were asked to consider and comment on the draft Housing Strategy prior to officers consulting on the document with external partners and stakeholders. The process of external consultation with partners and stakeholders began with a Housing Forum event on 7 March 2012 which was chaired by Councillor Haysey. Following this the document was put onto the Council's website for wider consultation for 6 weeks.

2.15 A copy of all the consultation responses received are at **Essential Reference Paper C** and include comments from the Council that will be published on the Council's website alongside the adopted Housing Strategy. The Strategy has been updated following the consultation responses and a copy of the Housing Strategy 2012-15 is at **Essential Reference Paper B**.

2.16 An action plan has been developed and agreed with Housing, Planning Policy and Private Sector Housing to enable the Council to monitor progress on the agreed key priorities identified under each of the three strategic priorities. This will be published at the same time as the Housing Strategy and is also included as Appendix 6 in the **Essential Reference Paper B** documents.

3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Community Scrutiny 28 February 2012.

Contact Member: Councillor Linda Haysey, Executive Member for Health Housing and Community Support
linda.haysey@eastherts.gov.uk

Contact Officer: Simon Drinkwater, Director of Neighbourhood Services - Ext No 1405
simon.drinkwater@eastherts.gov.uk

Claire Bennett, Manager Housing Services – Ext No 1603
claire.bennett@eastherts.gov.uk

Report Author: Claire Bennett, Manager Housing Services – Ext No 1603
claire.bennett@eastherts.gov.uk