

East Herts Council Report

Overview and Scrutiny Committee

Date of meeting: 20 September 2022

Report by: Councillor Peter Boylan, Executive Member for Neighbourhoods

Report title: Review of potential opportunities for delivering more homes at Social Rent levels

Ward(s) affected: All

Summary

- The East Herts Council Housing Strategy for 2022-2027 was approved by Council on 11th May 2022. The Housing Strategy contains four strategic priorities, each of which will have an associated action plan.
- The action plan for Strategic Priority 1, which focuses on the delivery of affordable homes in East Herts, has been developed first. With regard to the delivery of affordable homes, members, and in particular members of the Overview and Scrutiny Committee, have expressed considerable interest in exploring opportunities for increasing the supply of affordable homes with lower rents at or akin to a Social Rent level.
- This report gives Overview and Scrutiny Committee members sight of the first draft of the Strategic Priority 1 action plan and work carried out by Officers in consultation with various partners on potential opportunities for providing more affordable homes with lower rents. Members' views and comments are now sought to inform the Executive Member

for Neighbourhoods' consideration and approval of both documents.

RECOMMENDATIONS FOR OVERVIEW AND SCRUTINY COMMITTEE: THAT

- (A) the draft action plan to further the supply of affordable homes across all tenures; and**
- (B) the draft report of potential opportunities for providing more homes with lower rents at or akin to Social Rent levels are considered, with comments passed to the Executive Member for Neighbourhoods to take into account when finalising the documents prior to his approval.**

1.0 Proposal(s)

1.1 Members of the Overview and Scrutiny Committee are invited to consider and comment on:

- the draft strategic action plan for furthering the supply of affordable homes across all tenures – attached at Appendix 1 and
- the draft report into potential opportunities for providing more affordable housing with rents at or akin to Social Rent levels – attached at Appendix 2.

1.2 Members' comments on both documents will be considered by the Executive Member for Neighbourhoods, in consultation with Officers, prior to finalisation and his approval.

2.0 Background

2.1 In pursuance of delivery of the Housing Strategy 2022 – 2027,

Officers have drafted an action plan in support of the first priority in the strategy, that is, to deliver more affordable homes. This is attached at Appendix 1.

2.2 A key element of delivery of the action plan is work undertaken to enable more homes with Social Rent levels to come forward. To this end, Officers have drawn on the research from the independent study conducted by the Housing Quality Network (HQN), carried out further research and have consulted partners to develop a range of potential opportunities. The report at Appendix 2 gives the outcome of this work.

2.3 Of note, the report embeds the findings within the context of:

- some 75% of existing affordable homes for rent in the district let in 2021/22 had Social Rents rather than Affordable Rents
- the evidence indicates that rent levels in the range of 50% to 60% of local market rents can be considered akin to Social Rent levels.

2.4 Officers have assessed ten broad-ranging opportunities for providing further affordable housing with lower rents. Details of each of these opportunities are included in Appendix 2 and are presented in terms of practicability and deliverability.

3.0 Reason(s)

3.1 Research carried out for the new East Herts Housing Strategy 2022 to 2027, including the report *Affordable Housing Provision in East Herts* by HQN, has identified that there is an acute need to increase the supply of new homes offered which have lower rents at or akin to Social Rents. The report attached at Appendix 2 suggests routes to achieving this.

4.0 Options

4.1 To not produce a review of potential opportunities for delivery of more Social Rent Homes – NOT RECOMMENDED. The set of proposals will form a basis for future actions within Strategic Priority 1 Action Plan in the East Herts Council Housing Strategy.

5.0 Risks

5.1 The East Herts Council Housing Strategy, and its accompanying action plans, takes the form of information and guidance to its partners, rather than specific contractual obligations. Therefore, there is no risk associated with the production of this set of options.

6.0 Implications/Consultations

Community Safety

Yes. Genuinely affordable housing options will prevent households in receipt of the lowest incomes from having to resort to more insecure housing options.

Data Protection

No.

Equalities

The profile of households housing need in East Herts shows that certain Protected Characteristic groups, as defined under the Equality Act 2010, are highly represented among households who approach East Herts Council for assistance because they are in housing need are thus would positively benefit from the council's efforts to enable more affordable housing and in particular rented homes with rent at Social Rent levels. Of note, among those in housing need:

- Age – a high percentage of younger households, with a household head aged between 18 and 44
- Pregnancy and Maternity – A high percentage of households with children, especially those headed by a lone parent
- Gender – a high percentage of households headed by females
- Marriage and Civil Partnership – a high percentage of households headed by a single person and by a lone parent
- Disability and health – a comparatively high percentage of households in housing need have poor health and/or a form of disability.

Environmental Sustainability

No

Financial

Some of the potential methods to reduce Affordable Rents to Social Rent levels have financial implications that are detailed in Appendix 2. Members should balance the desire to see increases in Social Rent equivalent levels with the potential reduction in affordable housing numbers which will increase the overall cost to taxpayers by limiting potential increases in affordable housing supply. This would limit the potential reductions in the housing benefits bill that more properties at affordable rent would achieve. In addition, the reduction in the supply of affordable homes for rent can have implications for the council in terms of housing benefit administration costs; Registered Providers of housing send bulk uploads of rental amounts leading to less administration uprating claims and reduced rental verification evidence requirements compared to private sector rental properties.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No. The East Herts Council Housing Strategy, and its accompanying action plans, takes the form of information and guidance to its partners, rather than specific contractual obligations. Therefore, there are no legal obligations associated with the production of this set of options.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

Appendix 1: Strategic Priority 1 Action Plan: to deliver more affordable homes

Appendix 2: Potential opportunities to increase the amount of Social Rent housing in East Herts

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