

## ***Torbay Housing Company – Update and Business Objectives***

***Caroline Taylor***

### ***October 2017***

On 22 September 2016, Council agreed the principle of setting up a new wholly owned housing company to develop and own homes with the overarching aim of maximising income back to the Council as well as supporting objectives set out in the Council's Housing Strategy.

Following the decision taken in September 2016 a number of options were explored, and proposals evolved (including a decision taken at Council in February 2017 to approve the establishment of the Housing Rental Company (and also the Housing Development Company and a Holding Company)) At the Council meeting in July 2017 a revised Policy Framework document was approved establishing a Housing Rental Company (RentCo).

Since July 2017 the following key activities have been completed:

#### ***July:***

- 20 July – Council approval to establish a Housing Rental Company with £50k allocation from the Transformation Fund to enable an overarching business plan and individual business cases to be prepared
- Project Team created to support the work to establish the Housing Rental Company (Caroline Taylor, Anne-Marie Bond, Martin Phillips, Liam Montgomery and Lisa Chittenden)
- Housing Company Committee established

#### ***August:***

- Initial scoping meeting held to begin to understand the detail required for the Housing Rental Company Business Plan
- Initial data request sent to begin gathering information for the Housing Rental Company Business Plan (including requesting updates to the Torbay Housing Needs Assessment)
- Company Directors approved at SLT, namely Caroline Taylor, Anne-Marie Bond and Martin Phillips

#### ***September:***

- First Housing Company Directors meeting held - 4th September 2017
- Housing Rental Company application placed and company legally registered
- Report prepared for 19 September Council & approval of the following recommendations:
  - That the terms of reference for the Housing Rental Company Committee be amended to include oversight of the delivery of the Council's Housing Strategy.
  - That the governance arrangements of the Housing Rental Company Committee be changed so that the Executive Lead with responsibility for Housing is a member of the Housing Rental Company Committee.
  - That the Chief Executive, in consultation with the Housing Rental Company Committee, be given delegated authority to allocate parts of the Affordable Housing Capital Budget to the Housing Rental Company to facilitate the delivery of affordable housing while ensuring that any funding conditions/obligations associated with the Affordable Housing Capital Budgets are met - with any final decisions on the spend

of the Affordable Housing Capital Budget to be presented to the most appropriate decision maker.

*October:*

- Second Housing Company Directors meeting held on the 9<sup>th</sup> October
- Tax/VAT advice being sought re tax efficient company structure
- Torbay Housing Needs Assessment update completed to support the development of the Housing Company Business Plan
- 30 October – First Housing Rental Company Committee meeting to be held

**Business Objectives:**

The principal objective of RentCo will be to support the objectives of the Council to enable ambitious and progressive delivery of the Council's Housing Strategy.

The principal objective of RentCo will be to support the objectives of the Council to enable the ambitious and progressive delivery of the Council's housing strategy which may include:

- (i) Increasing the number of affordable homes delivered;
- (ii) Increasing standards in the private rented sector;
- (iii) Providing greater flexibility when dealing with housing needs for local people;
- (iv) Increasing the level of adapted accommodation to allow more people with care and support needs to live in specialist housing;
- (v) Unlocking stalled sites in and around the town centre to assist with regeneration and increase footfall in the areas town centres; and
- (vi) Assisting with regenerating areas of deprivation;
- (vii) Provide a private sector leasing option for private landlords.

Whilst there is the potential for RentCo to provide revenue income to the Council in the future, it is not the main objective of the policy framework. It is however important to set out that any decisions will be cost neutral to the Council over the lifetime of that home or group of homes (i.e. over a maximum of 25 years).

The Council wants to raise the bar on delivery and ensure that it supports the housing needs of local people, through a variety of tenures and house types to enable the provision of and choice of homes, where people can thrive.

The Council will use its own stock where appropriate to provide a greater flexibility in meeting its strategic housing needs and statutory obligations.

To support the business objectives outlined as above the following action was approved at the Council meeting in July 2017:

“That Council allocate up to £50,000 from the Transformation Budget to enable an overarching business plan and individual business cases for the Housing Rental Company to be prepared”

Since the beginning of August 2017 the Council has started to gather information to help it develop its Business Plan, and more recently has started to undertake discussions with external companies that may be able to support the Council in the progression of its Business Plan.

As such, the Council has been updating its existing Housing Needs Assessment to support the development of its business plan – the updated position can be found at appendix one.

**Background Documents:**

Report to Council – Transformation Project – Generating Income through Housing dated 20 July 2017:

<http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=163&MIId=7448&Ver=4>

Report to Council – Transformation Project – Generating Income through Housing dated 23 February 2017:

<http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=163&MIId=6622&Ver=4>)

Report to Council – Transformation Project – Generating Income through Housing dated 22 September 2016:

<http://www.torbay.gov.uk/DemocraticServices/ieListDocuments.aspx?CId=163&MIId=6615&Ver=4>

## Appendix One:

---

### HOUSING NEEDS ASSESSMENT UPDATE AND REFRESHED HOUSING STRATEGY ACTION PLAN

#### BACKGROUND

Our Vision is;

“We want to enable the provision and choice of homes where people can thrive, this helps our economy by offering security and settled homes for longer, promoting health and wellbeing and reduces the impact on the environment. We want to help our communities to recognise and tackle the inequality faced by families and the vulnerable.”

Torbay Councils' current Housing Strategy 2015 to 2020 and the accompanying Needs Assessments can be found here <http://www.torbay.gov.uk/council/policies/housing-strategy/>

#### SUMMARY OF NEED FROM NEEDS ASSESSMENTS THAT SHAPED THE HOUSING STRATEGY ACTION PLAN

The Housing Strategy needs assessment information can be found in the [Torbay Housing Strategy 2015 to 2020](#), the [Specialist Housing Needs Assessment](#) and the [Housing and Health Needs Assessment](#). To develop the strategy information was also used from the [JSNA](#), demand market modelling work we completed for our Market Management Strategy for adult social care, and our Adult Social Care [Market Position Statement](#).

Key points from these needs assessments which impact on levels of need for housing are

- Numbers of homeless people is increasing. (See detailed statistics below.)
- Levels of deprivation in Torbay are increasing. The Indices of Multiple Deprivation, 2015, ranks every small area in England and every local authority. Torbay is identified as the most deprived district local authority in the South West. The number of Torbay residents living in the top 20% most deprived areas in England number approximately 42,000 in 2015, compared to approximately 18,150 in 2004.
- Numbers of older people are projected to increase and because of this numbers of frail older people and people with dementia are expected to increase. By 2030, it is estimated that one in three (32%) of Torbay's population will be aged 65 years and over (44,700), compared to 22.4% across England. (Source ONS 2014 based population projections Torbay Market Position Statement.)
- Locally there has been a general rise in the number of patients with a learning disability known to their GP. The rate of patients known to have an LD per 10,000 registered patients is higher across Torbay compared to England. (Source Market Position Statement). This could suggest higher levels of recognition within primary care in Torbay however, there are still estimated to be people with an LD not known

to primary care. The picture across age ranges for this group is more complex because the increases projected are largely in the older age groups over 65, with reductions projected in most under 65 age groups. Source [www.pansi.org.uk](http://www.pansi.org.uk)

- The numbers of people with multiple complex conditions and chronic conditions is increasing.
- Torbay has one of the highest incidents of reported domestic abuse in Devon and Cornwall. Despite local investment in domestic abuse support services, there continues to be a high prevalence of domestic abuse in Torbay. Rate of domestic abuse per 1,000 residents across South Devon and Torbay, 2013/14 (Source: 2014/15 JSNA)
- There are high numbers of people on benefit in Torbay (claimants of JSA/UC: 1.8% of population aged 16-64, compared to 1.9% in England at September 2017, (Source [www.nomisweb.co.uk](http://www.nomisweb.co.uk), using mid-2015 resident population), as well as lower levels of income for people who are in work in Torbay. In 2015, the average (median) earnings of Torbay residents who are full time workers were around £5,450 p.a. less than the figure for England as a whole at £22,380. (Source Annual survey of hours and earnings, [www.nomisweb.co.uk](http://www.nomisweb.co.uk), Figures are gross annual pay.)
- Comparatively high numbers of young people are in care in Torbay and therefore require housing when they leave care. Wider risk factors include poor education and employment prospects, poor housing, peer pressure, drug and alcohol abuse. Young people leaving care are three times more likely to become young parents (Public Health England 2016).
- The private rented sector “is playing an increasing role in accommodating those who might otherwise be housed in the social rented sector as an answer to ever-growing waiting lists and problems of accommodating homeless households. In recent years the sector has increased its role as a provider of housing for young people and low-income households” (Source 2014/15 JSNA). This is where most young people will live due to the limited availability of social housing and supported accommodation, however the impact of welfare reforms makes the private sector an unaffordable option for young people who are unemployed or in low paid work. Social housing as an option for young people will be severely limited as a result of welfare policy changes and the proposed rent caps in social housing. Private sector landlords are already reluctant to accept young people with no references, tenancy history or support. In addition, some landlords refuse the bond scheme run by the Council and young people are unable to raise the deposits and rent in advance required.
- Housing is less affordable in Torbay than other areas in the country. In 2014, 7.7 times the average (median) annual salary is needed to buy the average priced house in Torbay, higher than the equivalent across England, meaning housing is less affordable in Torbay compared with England. (Source Ratio of median house price to lower quartile earnings, Land Registry and the Annual Survey of Hours and Earnings, Table 577, earnings relate to the respondents place of work rather than place of

residence).

- Some of the housing stock in Torbay is not fit for purpose for the future, especially if the higher levels of disability expected locally are taken into account. See Torbay Housing Condition Survey work done in 2011. Nearly a third of the people on the Torbay housing register identify themselves as having a physical disability. (See Housing and Health Needs Assessment. Data is from 9 January 2015, source, Devon Home Choice.)

## HOMELESSNESS STATISTICS FOR TORBAY

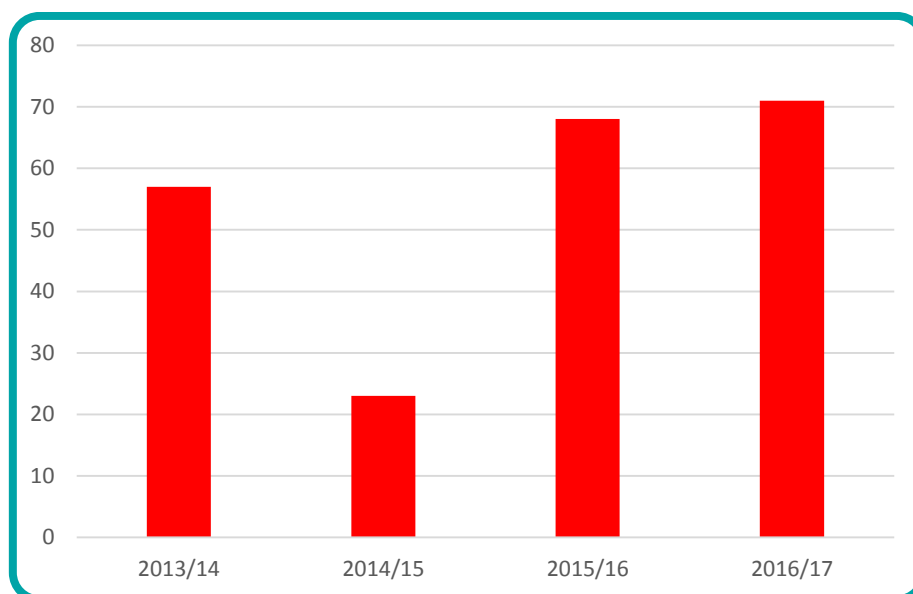
The number of people in temporary accommodation in Torbay has been rising. See graphs and tables below.

### Total households in temporary accommodation as on 31 March

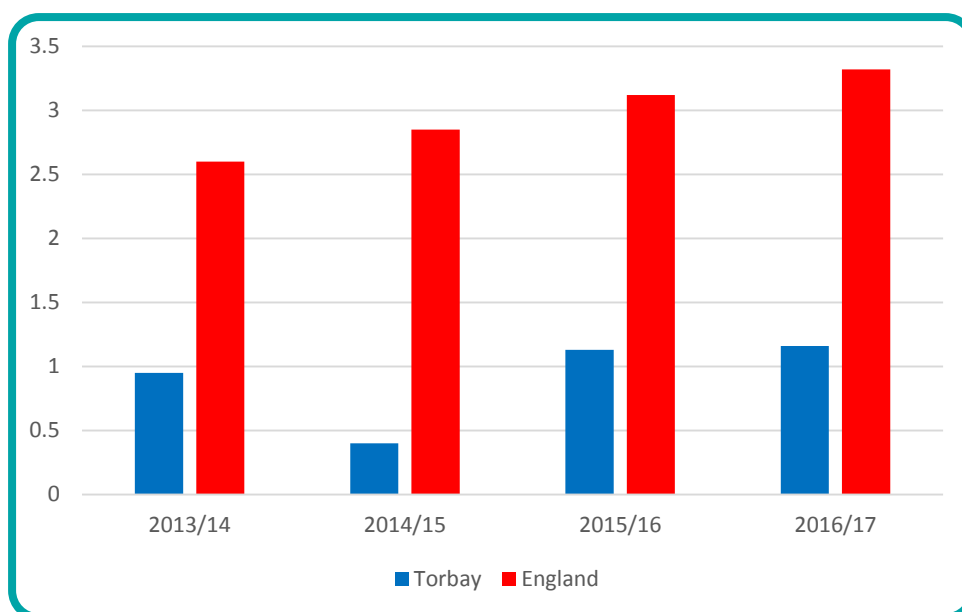
2013/14	2014/15	2015/16	2016/17
57	23	68	71

### Households accommodated by the authority

	2013/14	2014/15	2015/16	2016/17
Torbay	0.95	0.4	1.13	1.16
England	2.6	2.85	3.12	3.32



**Total households in temporary accommodation as on 31 March of each year.**  
**Source Table 784, Department for Communities and Local Government,**  
[www.gov.uk](http://www.gov.uk)



**Total households in temporary accommodation, per 1000 households, as on 31 March Source Table 784, Department for Communities and Local Government, [www.gov.uk](http://www.gov.uk), using household projections**

### Street counts and estimates of rough sleeping, 2010-2016

Rough sleeping in Torbay is increasing. See table below.

Rough sleeping rate (per 1000 households, using 2014 based household projections):

England- 0.18, Torbay 0.33

2010	2011	2012	2013	2014	2015	2016
6	3	6	5	17	21	20

Torbay rough sleeping count/estimate 2010-2016 Source Street counts and estimates of rough sleeping [www.gov.uk](http://www.gov.uk)

Grey denotes the years that Torbay conducted a street count. The Autumn rough sleeping counts and estimates were carried out between 1 October and 30 November.

### KEY CHANGES TO LEGISLATION

#### The [Homelessness Reduction Act 2017](#)

The Homelessness Reduction Act 2017 (the Act) sets out new duties on English local authorities with the aim of preventing homelessness.

- The Act significantly extends the duties of the council to provide housing advice and homeless prevention advice and specifically states that the service must be designed to meet the needs of the following groups:
- People released from prison or youth detention accommodation
- Care Leavers
- Former members of the regular armed forces
- Victims of domestic abuse
- Person's leaving hospital
- Person's suffering from a mental illness or impairment and
- Any other group that the authority identifies as being at particular risk of homelessness in the district

## **UPDATE ON PROGRESS AND HIGHLIGHTS THIS YEAR**

In order to tackle some of the challenges above and meet the Council's statutory responsibilities in relation to housing and the prevention of homelessness the Council agreed to establish its own housing company and work with partners to maximise the benefit of this company through more pro-active intervention in the housing market to improve outcomes for local people.

The Council works with partners in the independent sector to ensure Torbay has the right quality of care homes and specialist provision to support the variety of needs individuals have. The Council intends to maximise external funding and investment opportunities to meet the needs of its population, this includes a bid to the Department for Communities and Local Government to pilot new initiatives to tackle homelessness. We will continue our "End Street Homeless" campaign and work with central government on reducing the vulnerability of those individuals who live chaotic lives in our community. The Council has a small number of other social care contracts which provide accommodation based and outreach support for vulnerable young people and families, those experiencing domestic abuse, people with complex needs, single vulnerable homeless people and rough sleepers.

It is important to note that housing and community safety are key elements in an integrated health and social care system so we cannot achieve our housing targets without the help of key partners.

## **New Housing Development and action to Tackle Homelessness**

1. We aim to build 400 houses each year up to 2017 and 495 per year up to 2020. 326 homes were completed in 2016/17. Local planning authorities (LPAs) are required to maintain 5 years supply of deliverable housing land (National Planning Policy Framework (NPPF) paragraph 47). There is an undersupply of 222 dwellings against the requirement (1778 dwellings were completed against a requirement for 2,000). From April 2017, the Local Plan 5 year supply requirement will be for 2,739 dwellings. (495 per year), plus 5% or 20%, plus an allowance to meet backlog of undersupply.
2. We aim to build 75 affordable houses a year. Recently we have achieved around 40



affordable houses a year.

3. We were successful in a bid to the DCLG for £400,000 to tackle street homelessness. This funding aims to allow 550 people will receive an intervention within 24 hours and ongoing support and provide immediate accommodation for 234 individuals over the three year lifetime of the project.

### **Tackling housing and care needs**

We have an emerging target to replace 75% of our long term care home beds with short term bed usage. This equates to 1,736 beds (Source CQC Sept. 2017) for the whole market of beds in Torbay, if self-funders and other local authority placements are taken into account. If the figure for only the beds purchased by Torbay statutory authorities is used this equates to approximately 75% of 836 beds i.e. 627 beds (April 2017 Source Torbay and South Devon NHS Foundation Trust). This suggests that we may need at least 627 specialist housing beds for the delivery of housing and care per year as an alternative to long term residential care for people referred home from a short term care home placement.

Further modelling needs to be carried out to take account of the higher through-put of short term placements in care homes, which is likely to mean that the number of units needed could be higher. We have recently been successful in bidding for funding from the Local Government Association and we have appointed Oxford Brookes University Institute of Public Care consultants to assist us in working on the detail of our Market Management Strategy for adult social care.

At the moment we have a target to build one new extra care scheme with 64 flats. This year we have been working to progress plans for the Hatchcombe site despite a difficult funding environment associated with new Extra Care developments.

A feasibility study on the St Kilda and Jewson's site in Brixham to assess whether the development of 20 x1 bedroomed properties with wheelchair access, a communal room and office space to accommodate adults with a learning disability and physical disability can be delivered. Out of the three towns the housing needs assessment shows that Brixham has the highest proportion of applicants on the housing register with mobility needs at 35%.

### **Improving our information about needs and tackling gaps in data**

A new Market Assessment will be commissioned in 2018 to replace the existing work commissioned in 2006. The Torbay JSNA is also being refreshed.

In October 2017 a housing needs assessment was commissioned from the Housing Learning & Improvement Network as part of the Transforming Care Programme and this will be completed by the end of the year. Torbay and partners have decided to broaden this work to not only cover the Transforming Care cohort of people, but also to look at the needs of all people across Devon with learning disability, autism and mental health issues. This will help us refine and finalise delivery plans and to engage with potential housing delivery partners. The Housing LIN's work is commissioned by NHS England (NHSE) in relation to the national TCP programme. The NHSE requires TCPs to develop local housing strategies to:

- Develop and provide a choice of housing for people with learning disabilities and autism who display behaviour that challenges.
- To provide clarity and certainty about future housing commissioning plans.
- To stimulate local housing markets to develop housing solutions.

These housing strategies should identify:

- Evidence to support projections of future mainstream and specialist housing needs and requirements.
- Supply issues and suitability of existing stock; and requirements for additional housing.
- Delivery approach to securing the required housing.
- Funding streams and how to access capital grant (including affordable housing grant, NHS capital, other capital receipts and existing assets).

## **TORBAY HOUSING INFORMATION UPDATE**

As of 17<sup>th</sup> October 2017 there are 1023 households on the Devon Home Choice waiting list in need of social rent and affordable rent accommodation in Torbay (there is a separate waiting list for those people who are interested in Shared Ownership). The graph below shows the bedroom need for those on the list.

### **Devon Home Choice households**

<b>Bedroom need</b>							
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>Total</b>
Band A	0	1	3	0	0	0	<b>4</b>
Band B	109	60	13	17	10	1	<b>210</b>
Band C	64	91	102	37	7	0	<b>301</b>
Band D	345	117	40	4	1	0	<b>507</b>
Band E	1	0	0	0	0	0	<b>1</b>
<b>Total</b>	<b>519</b>	<b>269</b>	<b>158</b>	<b>58</b>	<b>18</b>	<b>1</b>	<b>1023</b>

Below shows the average number of days (from Band start date to Date set to Housed) it has taken for Torbay applicants to be housed since June 2014

	<b>No. of Bedrooms</b>					<b>Total</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
Band A	329	195	158	291	n/a	<b>261</b>
Band B	626	456	404	608	n/a	<b>533</b>
Band C	596	389	609	1190	1147	<b>541</b>
Band D	430	263	801	827	777	<b>414</b>
Band E	570	539	419	1311	n/a	<b>575</b>
<b>Total</b>	<b>565</b>	<b>407</b>	<b>510</b>	<b>752</b>	<b>962</b>	<b>512</b>

### Number of Torbay applicants housed since June 2014 by Band and Bedroom need

	No of bedrooms					
	1	2	3	4	5	Total
Band A	9	6	3	3		21
Band B	250	171	91	21		533
Band C	74	99	87	7	1	268
Band D	115	46	9	3	1	174
Band E	31	10	6	2		49
<b>Total</b>	<b>479</b>	<b>332</b>	<b>196</b>	<b>36</b>	<b>2</b>	<b>1045</b>

### Wheelchair or part wheelchair homes let since June 2014

Mobility category	Bedrooms	Type	No of bids	Landlord
Wheelchair Accessible	3	House	13	Westward
Part Wheelchair	2	Ground Floor Flat	7	Westward
Wheelchair Accessible	2	Ground Floor Flat	25	Sovereign
Wheelchair Accessible	1	Ground Floor Flat	78	DCH
Part Wheelchair	2	House	56	Westward
Part Wheelchair	2	Bungalow	9	Sanctuary HA
Wheelchair Accessible	1	Maisonette	1	DCH

### Affordable housing completions year on year

Year	Target	Achieved
<b>13/14</b>	100	195
<b>14/15</b>	100	113
<b>15/16</b>	100	46
<b>16/17</b>	100	42
<b>17/18</b>	75	Expected 40