



4 September 2018

HOUSING COMMITTEE

A meeting of **Housing Committee** will be held on

Wednesday, 12 September 2018

commencing at **2.00 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,
Torquay, TQ1 3DR

Members of the Committee

Councillor Thomas (D) (Chairman)

Councillor Darling (S)

Councillor Robson

Councillor O'Dwyer

Councillor Stocks

Councillor Parrott

Councillor Tyerman

A prosperous and healthy Torbay

For information relating to this meeting or to request a copy in another format or language please contact:

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HOUSING COMMITTEE AGENDA

1. **Apologies for Absence**
To receive apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Minutes** (Pages 4 - 6)
To confirm as a correct record the Minutes of the meeting of this Committee held on 25 June 2018.
3. **Declarations of Interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda

For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda

For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
4. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
5. **Housing First** (To Follow)
To consider a report on the above.
6. **Housing Strategy Action Plan** (To Follow)
To note the report on the above.
7. **Housing Performance** (To Follow)
To note the submitted report.
8. **Housing Policy Update** (Pages 7 - 11)
To consider a report that provides an update on the most recent changes to Government policy.

9. Affordable Housing and Rent to Own Products
To consider a report on the above.

(Pages 12 - 14)



Minutes of the Housing Committee

25 June 2018

-: Present :-

Councillor Thomas (D) (Chairman)

Councillors Parrott, Robson, Stocks, Tyerman and Thomas (J)

(Also in attendance: Councillors Brooks and Bye)

37. Election of Chairman/woman

Councillor Thomas (D) was elected Chairman for the 2018/2019 Municipal Year.

38. Appointment of Vice-Chairman/woman

Councillor Tyerman was appointed Vice-Chairman for the 2018/2019 Municipal Year.

39. Apologies for Absence

An apology for absence was received from Councillor Darling (S).

It was reported that, in accordance with the wishes of the Conservative Group, the membership of the Committee had been amended for this meeting by including Councillor Thomas (J) instead of Councillor O'Dwyer.

40. Minutes

The Minutes of the meeting of the Housing Rental Company Committee held on 23 April 2018 were confirmed as a correct record and signed by the Chairman.

41. Housing Policy and Funding Update

Members considered a report that provided an update on the most recent changes to Government policy and funding that may impact on the delivery of the Council's Housing Strategy. Members were pleased to note that the Council had been successful in securing £278,785 for further work to tackle rough sleeping and a further £1 million in partnership with the Clinical Commissioning Group to deliver an autism-friendly housing scheme.

(Note 1: Councillor Thomas (J) declared a non-pecuniary interest as a trustee of Shekinah)

42. Update on Five Year Land Supply of Housing

Members considered a report on the five year land supply which is a key element of effective spatial planning and development management in Torbay. Accordingly the five year land supply is identified as a key performance indicator in the Housing Strategy Monitoring Framework. The report provided an overview of the issues and includes references and signposts the evidence used to inform the Council's position in relation to its five year housing land supply.

Members felt that the debate needed to move from whether the figures were correct to a debate of how to address the problem for the future. Members noted the role of the Housing Committee was to provide oversight of the Housing Strategy and requested that the Executive Lead for Housing raise the issue with the Mayor's Executive Group and provide an update at the next Housing Committee.

43. Progress Report Emergency Accommodation - Family Unit

Members noted a report that provided an update on the current status of the design and purchase of a property for the purpose of discharging the local authority's responsibilities in relation to the Housing Act 1996.

44. Exclusion of the Press and Public

Prior to consideration of the item in Minute 45 and 46 the press and public were formally excluded from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)

45. Housing First Update

Members considered an exempt report that set out the Council's response to the Housing First Feasibility Study. Members noted that such a system change required a long term view to be taken and to be successful it was essential to have strong project management across agencies, in conjunction with strong leadership from the Council.

Resolved:

- i) that Members noted that the Crisis report 'Housing First Feasibility Study' makes recommendations to improve our overall approach to homelessness and rough sleeping. Housing First is just one element of this. The report recommends a package of measures; the Council can choose to implement none, some or all of these;
- ii) that Members recommend the Director of Adult Services and Housing in consultation with the Executive Lead for Housing progress Option 3 – the introduction of the full Housing First proposal including a fully dispersed accommodation model and relocation of hostel service, subject to:

- Multi agency support
- Securing funding from central government and/or external sources, in addition to resources from earmarked ASC reserves;
- Due diligence on financial modelling

This option to include a business case to relocate hostel services and move to a dispersed accommodation model; and

iii) that in the case that funding cannot be secured, Members approve Option 2 which includes:

- Preparing a business case for a Social Lettings Agency
- Implementing a team to support people with the most complex lives integrated with other social care pathways. This additional resource, subject to business case approval, to be resourced from earmarked Adult Social Care Reserves.

46. Housing Company Sites Update

Members received updates on Redwell Lane and Totnes Road. Member's views were sought on a proposal to transfer St Kilda's, former residential care home to Torbay Council's Housing Company. Members were supportive of such transfer and supported Torbay Council's Chief Executive undertaking feasibility studies in order to obtain detailed planning permission.

Resolved:

That the recommendation in the exempt report circulated at the meeting be approved.

Chairman/woman



Meeting: Housing Committee

Date: 12 September 2018

Wards Affected: All

Report Title: Housing Policy and Funding Update

Is the decision a key decision? No

When does the decision need to be implemented?

Executive Lead Contact Details: Cindy Stocks, Executive Lead for Housing,
Cindy.Stocks@torbay.gov.uk

Supporting Officer Contact Details: Bryony Stevens, Community Housing Strategy and Delivery Manager, 01803 208128 rachel.danemann@torbay.gov.uk

1. Proposal and Introduction

1 Government has recently made several significant announcements regarding additional grant funding and borrowing arrangements for affordable housing, funding for Supported Housing, the National Planning Policy Framework (NPPF), a Rough Sleeping Strategy and Social Housing Green Paper. This report outlines the key features and applicability to Torbay Council. It also includes information on Ministerial changes and recent funding applications.

2 Proposed Decision

2.1 That the Director of Adult Services and Housing ensure that actions to respond to these opportunities are progressed and incorporated into the refreshed Housing Strategy Action Plan 18-19, the Homelessness Strategy and the work programme of the Torbay Housing Company.

3. Reason for Decision

3.1 To ensure the Council makes best of use of resources to meet its ambition and objectives and is able to respond efficiently and effectively to newly identified opportunities and policy context.

4. Supporting Information

4.1 Additional Housing Revenue Account Borrowing Programme (2019/20, 2020/21, and 2021/22)

Government has announced opportunities for Councils with Housing Revenue Accounts (HRA) to bid to increase their borrowing capacity to deliver new Council homes and replace those sold under the Right to Buy scheme. Since the introduction of the self-financing settlement in April 2012, local authorities have been able to develop new homes within their

HRA. Limits were placed on the amount of borrowing that each local authority could undertake for housing expenditure. Some local authorities, with constrained borrowing headroom found it difficult to finance the building of new council housing or replacement of homes sold through Right to Buy. Consequently, the Programme enables local authorities to bid to increase their borrowing headroom so that they can finance the delivery of new council housing in their area. However, only local authorities with a HRA and in high affordability pressure areas of England can apply

Implications/actions for Torbay Council

Torbay does not currently hold a Housing Revenue Account. Government has issued a list of high affordability pressure authorities and Torbay is not included, therefore this does not create additional opportunities for Torbay. See **Appendix A**.

4.2 Additional SOAHP funding

On June 26th Government announced further funding for the Shared Ownership and Affordable Housing Programme (SOAHP). The available funding includes £1.3 billion which was not allocated at the initial bid round and a share of £1.4 billion announced at the Autumn Statement for new affordable homes outside London. Homes England is reopening bidding for this funding through a continuous market engagement (CME). The usual requirements for those bidding for funds apply – e.g. to be a Homes England Investment Partner (IP) or in consortium with an IP.

Implications/actions for Torbay Council

For Torbay this could mean additional funding opportunities for local Registered Providers of affordable housing – if they can access sites on which to deliver the housing. It may mean a more favourable context for the Housing Company to bid in tandem with its IP/RP applications (currently being progressed). One mechanism by which this could assist in delivery of affordable housing could be in negotiation of additional affordable housing (i.e. more than that required by S106) on sites developed by private sector developers and identification of stalled privately owned sites that could be brought forward for affordable housing with grant funding. However the bids do have to demonstrate value for money.

4.3 Affordable Housing Investment deal

Government announced that around 23,000 new affordable homes will be delivered through a £1.67 billion government investment deal in which Homes England will work in partnership with specific RPs to accelerate delivery of affordable housing. This will include at least 12,500 social rent homes in high cost areas. Liverty/Sovereign are both involved in this joint initiative.

Implications/actions for Torbay Council

As noted above, Torbay is not considered a high affordability pressure area. A discussion with Liverty and Sovereign as to how/if this may impact their activities in Torbay, neighbouring Districts and Heart of the SW Housing initiative and identification of sites where additional affordable housing may be provided is proposed.

4.4 Community Housing Fund

On July 2nd Government announced that it is making £163 million available across England up to 2020 to 2021 through the Community Housing Fund (CHF). The Fund “aims to support an increase in housing supply in England by increasing the number of additional homes delivered by the community-led housing sector; to provide housing that is affordable at local income levels and remains so in perpetuity”

Funding is being allocated by Homes England across 2 phases. Under phase 1 of the Fund, Homes England is making available grants to eligible organisations to support:

- Applications for revenue funding for capacity building and predevelopment costs, including revenue grants to local authorities to support community groups.
- Capital bids for associated infrastructure costs which will support community housing development.

The bidding will be through a process of continuous market engagement up to December 2019. Capital funding to support the costs of building new community-led housing schemes will be offered under a second phase to be launched later in the year. Bids that are innovative in design and make use of MMCs are encouraged. Bids for conversion or refurbishment of existing buildings can be considered. It is not a requirement for organisations bidding under Phase One to be a Registered Provider, however, organisations who intend to be the landlord of completed properties funded through future phases of the CHF must be - or intend to be – Registered Providers of social housing before completion of any developments funded through those programmes and any payment of funding. For applications for revenue funding groups should contribute at least 10% of the estimated pre-development costs of the community housing proposal. Applicants must demonstrate that the project is genuinely community-led and bids will be assessed on the level of community engagement and support shown throughout the development process.

4.5 Local Authority bids to CHF

Funding will be available through the CHF to local authorities who wish to support community groups looking to develop community-led housing proposals in their areas; for example, to employ staff to provide advisory services, information and support to groups. Where a local authority is applying for funding and has previously received funding from the CHF through the one-off allocation in 2016, Homes England will take account of the use of the previous CHF allocation.

Implications/actions for Torbay Council

A report on the expenditure of the current CHF allocation for Torbay has been submitted to MHCLG. A strategic approach to bidding for further funding to the CHF is required that considers how/if local community groups can be supported to make bids themselves and how the projects to be supported by CHF bids relate to other Housing Strategy objectives/activities such as Housing First, Housing Company; empty homes and stalled sites. Consideration should be given to making a bid to extend the Community Housing Strategy Manager posts, currently funded for two years though the previous CHF award.

5. Ministerial changes

A new Housing Minister MP Kit Malthouse has been appointed after the previous Minister Dominic Raab was announced as the new Brexit secretary. Matt Hancock MP replaces Jeremy Hunt as Health Minister.

6. Local Government Association (LGA) Housing Advisers Programme

An application to the LGA Housing Advisers programme for funding to assist with carrying out research into the demand/aspirations of older people for housing in later life and extra care housing has been successful. This work will inform the development of a cross-tenure Extra Care Housing Strategy and related planning policies and will support Officers work in securing development of additional extra care housing provision in the Borough.

7. Announcement on funding for Supported Housing

Government has published its response to the two consultations on future funding for Supported Housing. It has concluded that the proposals to fund short term supported housing through a grant from local authorities will not go ahead. Instead

Supported Housing will continue to be funded through Housing Benefit. This includes long term and short term supported accommodation, extra care housing and sheltered housing. Government will work with providers, local authorities, membership bodies and resident representatives to put together a robust oversight regime that will build upon the draft National Statement of Expectation, published October 2017. Government will also undertake a review of the relationship between support and eligible service charges.

8. NPPF

The new NPPF was published on July 24th. It sets out a range of revisions to the NPPF and implements around 85 of the reforms previously announced through the Housing White Paper, the planning for the right homes in the right places consultation and the draft revised National Planning Policy Framework consultation.

Alongside the NPPF a new standardised method for calculating housing need has been introduced and a delivery test will be brought in from November 2018. This is set out in the Housing Delivery Test measurement rulebook.

The definition of Affordable Housing has been changed to “housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers);” and includes Starter Homes, Discounted Market Sale units with at least 20% discount that are available at such discount to future eligible households and Rent to Buy products.

Updated planning practice guidance on viability has also been published. This seeks to ensure any viability information is transparent and land values reflect only policy compliant developments taking into account affordable housing requirements. This is intended to front load viability considerations to the place-making stages of any development and put an end to arguments around overpayment of land being used to drive down affordable housing and other planning contributions.

9. Rough Sleeping Strategy

Government published a new Rough Sleeping Strategy (August 2018). The document sets out 61 Commitments in a wide ranging document themed around the key principles of Prevention, Intervention and Recovery. Of these the following are of particular relevance to Torbay:

- £3.2 million per year for two years for a new range of pilots to help people leaving prison find stable accommodation and for intensive support for care leavers with complex needs;
- Up to £45m to continue the work of the Rough Sleeping Initiative;
- Somewhere Safe to Stay pilots - up to £17m to rapidly assess the needs of people at risk of sleeping rough and support them to get help;
- Up to £2m in health funding to enable access to health and support services for people who are sleeping rough;
- New training for front line staff to deal with effects of Spice, domestic abuse, modern slavery and respond to the needs of homeless LGBT people;
- New funding for improved Streetlink – supporting the general public to engage positively with people who sleep rough;
- Dormant Assets funding to be used to support innovative financing for homes for people who sleep rough;
- Up to £3m to fund new supply of move-on accommodation – allocated by Homes England;
- Up to £19m of new funding to provide support in homes provided for people with a history of rough sleeping;
- Funding to help local areas develop Local Lettings Agencies to support vulnerable people into accommodation;

- Young Futures Fund - a Social Impact Bond to support young people not in education, employment or training.

Government is committed to reviewing the Strategy yearly and that it should be fully implemented by 2027. Officers will be seeking further detail regarding the funding/support offers and applicability for Torbay in order to develop specific proposals/bids.

10. Social Housing Green Paper

On 14th August Government published a Green paper and consultation on social housing. In the wake of Grenfell Tower there is a renewed emphasis on ensuring effective regulation and greater accountability of social landlords and tackling the stigma associated with social housing. The paper is based around 5 key principles: 1. ensuring homes are safe and decent; 2. Swift and effective resolution of complaints; 3. Empowering residents; 4. Tackling stigma and celebrating thriving communities; building more social homes and ensuring they can act as a springboard to home ownership.

It includes a commitment to ensure that the regulatory framework not only focusses on governance and financial viability, but also on how residents are treated. It includes commitments **not to** implement the requirement that local authorities make a payment in respect of their vacant higher value council homes, or to make fixed term tenancies mandatory for local authorities. It commits government to explore new flexibilities over how councils spend Right to Buy receipts. It announces the intention to publish a Call for Evidence seeking views on how the current regulatory framework is operating to inform what regulatory changes are required to deliver regulation that is fit for purpose.

Implications/actions for Torbay Council

The Green paper suggests a strengthened role for regulation of RPs and may provide scope for greater influence by the local authority regarding the services and standards of local housing providers. Torbay should respond to the consultation and consider how this may present an opportunity to work more effectively with local RPs to ensure high quality and safe social housing locally and a stronger voice for social housing residents.

Background Documents

Community Housing Fund Prospectus

<https://www.gov.uk/government/collections/community-housing-fund>

Revised NPPF

<https://www.gov.uk/government/collections/revised-national-planning-policy-framework>

Rough Sleeping Strategy

<https://www.gov.uk/government/news/rough-sleeping-strategy-prevention-intervention-recovery>

Social Housing Green paper

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733605/A_new_deal_for_social_housing_web_accessible.pdf



Meeting: Housing Committee

Date: 12 Sept Aug 2018

Wards Affected: All

Report Title: Affordable Housing and Rent to Own Products

Is the decision a key decision? No

When does the decision need to be implemented?

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Cindy.Stocks@torbay.gov.uk

Supporting Officer Contact Details: Rachel Danemann, Community Housing Strategy
and Delivery Manager, 01803 208128 rachel.danemann@torbay.gov.uk

1. Proposal and Introduction

- 1.1 The new National Planning Policy Framework (NPPF) was published in July 2018. It changes the definition of Affordable Housing to include affordable route to home ownership including rent to buy products (see Appendix One). This is where housing is allocated to tenants to rent at an affordable rent for an initial period of time, and then the household has the opportunity to purchase the housing. This product is targeted at a people who aspire to homeownership and could realistically achieve it in the medium to longer term. This is often a different group from those helped by social and affordable rented housing. It has been particularly popular with working households who could secure a mortgage but do not have a sufficient deposit to buy, and households who need to improve there poor credit history, before being in a position to buy.
- 1.2 There are several examples of completed rent to buy developments in the South West which have been delivered by RentPlus. Under the RentPlus rent to buy product tenants have 5 year renewable tenancies, pay 80% of market rent or LHA whichever is lower and have an opportunity to buy their home at 5,10,15 or 20 years. They are also given 10% of the open market value their home as a gifted deposit when they purchase. Institutional investment is used to replace units as sold. The idea has proved very popular and RentPlus is now working nationwide, partnering with local housing associations to manage the housing stock during the rental period.
- 1.3 When initially considering the opportunity of rent to buy products, although Torbay was supportive of the idea, there were reservations if it was seen as an alternative to, and at the expense of more traditional forms of affordable housing. Now this

forward thinking, people orientated, adaptable - always with integrity.

kind of product has been recognised as affordable housing there is a need to consider if and when this form of affordable housing may be appropriate.

- 1.4 Experience from elsewhere found the inclusion of rent to buy units on some schemes has assisted with viability when the traditional form of AH resulted in a much reduced percentage of affordable housing. Evaluations of some rent to buy schemes in the South West have found that the model also enabled existing affordable housing tenants to be prioritised freeing up traditional affordable housing for priority needs applicants. Now that these kind of models fall under the planning definition of affordable housing, in advance of the new Local Plan in 2020, there is a need to consider under what circumstances rent to buy housing may be appropriate in Torbay.
- 1.5 Rent to buy products may work particularly well in town centre locations due to their ability to improve scheme viability and the target households for the products as the future house purchasers will be investing in the area. Essentially the households are signing up to buy a house, and renting at an affordable level whilst they save up to be able to do so.
- 1.6 There is clear government support for rent to buy products and in encouraging institutional investment in housing. There may be opportunity to apply the rent to buy model to other groups in need of help with housing, such as developing a model for shared ownership employment units, and a shared equity/ rent to buy product for older people looking to downsize.

2 Recommendation:

- 2.1 That officers pursue sites for delivery of RentPlus as part of Torbay's Housing Strategy to support delivery of affordable housing in light of the change to the NPPF definition.

3. Reason for Decision

- 3.1 Officers believe that RentPlus can help meet a gap in the market for affordable housing products and will assist in the delivery of affordable housing targets as part of Torbay's Housing Strategy. Rent to buy products are now classified as affordable housing. How the Council responds to this change as planning authority, and in its landowning/developer capacity will be important. There is the potential for these products to help unlock stalled sites esp. in the town centres and/or where there are viability issues.

Appendix One: New NPPF definition of Affordable Housing

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).
- b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.
- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.