

Review of Torbay's Housing Crisis – Report of the Overview and Scrutiny Board

Report to Cabinet on 22 March 2022

1. Background

1.1 The Panel met on 27 September, 21 October, 23 November, 12 December 2021 and 17 January 2022 to consider the issues impacting on Torbay's housing crisis and explore what action was being taken to address the following key areas:

- shortage of temporary accommodation;
- implications of short term leases;
- social and affordable housing and the work of TorVista Homes;
- empty properties;
- general housing supply; and
- the work of the Strategic Housing Board.

This linked to the following Thriving People Priority Actions:

- Deliver and update our Housing Strategy Action Plan, including working with developers to encourage sites to be brought forward, to ensure a five-year housing land supply, thereby protecting our green spaces.
- Continue to work to enable work to start on stalled development sites across Torbay.
- Develop a sufficiency strategy approach to reduce the need for temporary accommodation.
- Working with Registered Providers across Torbay, facilitate the availability of social and affordable accommodation to enable people to move on from temporary accommodation including 'next steps' accommodation.

1.2 The Review Panel comprised Councillors Barnby, Brown, Mandy Darling, Douglas-Dunbar, Foster, Johns, Kennedy and O'Dwyer and was Chaired by Councillor Foster (Councillors Dart and Dudley also took part in the review as substitutes for Councillors Johns and Mandy Darling). The following external advisors also attended the meetings and contributed towards the review:

- Alistair Allender, Independent Chairman of the Strategic Housing Board;
- Steve Barriball and Tom Godwin, Citizens Advice; and

- Stuart Bakewell, Shekinah.

Karen Jemmett a member of the public also attended the meetings and contributed to the discussions.

1.3 The background papers to the Review can be found at <https://www.torbay.gov.uk/DemocraticServices/ieListMeetings.aspx?CommitteeId=1880>.

1.4 Key documents considered by the Panel included:

- Torbay's Housing Crisis Review Scope and Timeline;
- Housing Strategy 2020-2025;
- Housing Delivery Plan 2020 Original;
- Torbay Housing Strategy Delivery Plan Update September 2021 V2;
- Strategic Housing Board Service Area Housing Need in Torbay – Housing and Economic Needs Assessment (HENA);
- Torbay Temporary Accommodation Needs Analysis 2021;
- Overview of the homelessness legislation;
- Summary of Devon Home Choice Data;
- Housing Status at time of joining the waiting list;
- Key Lines of Enquiry and Responses;
- Data on empty properties and second homes;
- Housing and care experienced young people;
- Housing Need Presentation;
- Updated Empty Homes Data;
- Breakdown of age profile of people in temporary accommodation and options for mobile solutions for food and laundry facilities to help people in temporary accommodation;
- Revised Torbay's Housing Crisis Review Scope and Timeline Updated 211021;
- Representation from member of the public, Karen Jemmett;
- Presentation on work of TorVista Homes; and
- Update on Key Lines of Enquiry – Rightsizing Project.

2. Key Findings

2.1 **The work of the Strategic Housing Board.** Alistair Allender, Independent Chairman of the Strategic Housing Board provided the background to the establishment of the Strategic Housing Board which had an overview of four priorities linked to the Housing Strategy, namely supply and delivery of new housing; availability; homelessness; and quality and environmental sustainability. The Board helped to provide leadership and challenge around housing and who owns what, what officers were doing and holding them to account to deliver the emerging action plans and helping to translate strategy into operational plans.

2.2 The Panel recognised the key role of the Strategic Housing Board in helping to address the housing crisis and work with key partners to drive forward more housing, particularly affordable and social housing in Torbay.

- 2.3 **Housing Market and Temporary Accommodation.** Torbay's Housing market comprised of 68% owner/occupier, 24% private rented sector and 8% social rented sector. There was a heavy reliance on the private rented sector for lower income households with nearly 60% of them in receipt of housing benefit. Torbay also had a higher number of empty properties compared to our statistical neighbours (as of October 2021 892 dwellings in Torbay were empty for longer than 6 months). Members discussed the need to explore ways to bring more empty properties back into use but acknowledged that it was very resource intensive and may only result in a small number of properties being brought back into use. An Empty Homes Policy and Action Plan is currently being developed and officers were requested to consider the views expressed by this Panel as part of this work. High rents and a limited supply of good quality affordable housing made finding suitable housing difficult for many individuals and households and there was a need to take action to help address this issue.
- 2.4 Members had regard to the Councils duties, powers and obligations in respect of people who were homeless or threatened to be homeless and the work and policies which supported this. The main reason for people losing settled accommodation was due to loss of rented accommodation or being asked to leave by friends and family accounting for up to 50% of cases for the last three years. The next highest reason was due to domestic abuse and then a lower number who had breakdowns in their relationships. Prior to the Covid-19 pandemic there had been a 20% increase in the number of families requiring temporary housing, in 2021 this raised to 33%.
- 2.5 The Panel heard from a resident who had been through the temporary accommodation process with her 8 year old daughter and partner, as a result of increased rent not enabling them to secure a home through the private rented sector and having to use the Devon Home Choice to find suitable accommodation. Members noted how the Devon Home Choice banding system worked and suggested that options should be explored to enable more flexibility and priority within the banding system for care leavers and to enable housing swaps so that people no longer needing larger homes could swap with someone who needed a larger home but lived in a smaller home without having to go back on the waiting list. The Council uses Devon Home Choice for its social housing with approximately 1,450 households on the waiting list with around 200 households allocated each year, leaving a large shortfall in supply.
- 2.6 The Panel noted the increase in level of un-affordability of housing due to increases in rents and more people opting to use their properties for Airbnb or holiday lets, reducing the supply available for local people to rent all year round. The Local Housing Allowance rates which people with low income were able to claim for housing in Torbay left a shortfall of between £36-£136 per calendar month for a 1 bedroom property, to between £72-£672 per calendar month for a 4 bedroom property. The rates were set by the Government and Local Valuation Office but do not consider the high rents in Torbay
- 2.7 The Panel welcomed the new contract procurement timetable for temporary accommodation and were satisfied that this would help bring down costs and alleviate pressure to rely on bed and breakfast and hotels to provide the

emergency temporary accommodation required by some of our residents. This would need to be kept under review and consideration may need to be given in the future to the Council buying and owning their own temporary accommodation units. However, more permanent accommodation was required to enable people to move on quicker from temporary accommodation into suitable permanent accommodation.

- 2.8 Members also discussed in detail the housing needs and current provision for care leavers, young people, older people and those who required additional support through the Care Act and the lack of appropriate accommodation available to support them, where possible to live independently. They felt that this could be addressed by building or procuring more varied types of accommodation, extra care, supported living, sheltered accommodation, etc. with a mix of tenure to help develop a sense of community and support each other, as well as appropriate on-site support where necessary. Care would also need to be taken to ensure that vulnerable adults and young people were protected and safeguarded from any potential harm. A joined up and partnership approach was required to make it easier for people to access the right level of support to help them secure the accommodation that best meets their needs and to help them to remain in that accommodation.
- 2.9 The Council had a statutory duty as Corporate Parents to support care leavers and the Panel and the Children and Young People's Overview and Scrutiny Board were concerned about the lack of suitable available accommodation for care leavers. They welcomed exploring opportunities such as the guarantor scheme for care leavers, support around deposits for care leavers, working with their foster families for special guardianship which offered greater permanence for the young people, giving care leavers higher priority for accessing rented accommodation and developments brought forward by TorVista Homes.
- 2.10 **Housing Supply and Future Need.** Members received a presentation which provided an overview of the issues in Torbay in respect of housing and land supply. There were different methods used to calculate the requirements and targets expected by the Government. On 18 February 2021 the Cabinet recognised that the standard methodology was the Government's expected approach to calculating housing need, although they also noted concerns about this method. This meant that Torbay needed around 560-600 new homes a year, this included affordable homes. The Council's Policy required 30% affordable housing on larger developments to be affordable homes or a Section 106 contribution towards the provision of affordable housing to be built off-site. This was in the context of house prices increasing by 32% over the last 10 years and many households being on low wages and therefore the need for many more affordable homes.
- 2.11 The Local Plan and its sub-policies identified areas for housing development across Torbay. The Council consulted on the following five different options for areas for housing growth to inform an update of the Local Plan between 10 January and 28 February 2022 (the Panel noted that the initial feedback from this consultation would be considered at the Overview and Scrutiny Board on 9 March 2022):

Option 1: No further greenfield allocation beyond already allocated or approved sites. This was estimated to provide between 190-250 dwellings a year.

Option 2: Limited further greenfield development. As per option 1 plus a limited number of greenfield sites deemed as having relatively minor constraints. This was estimated to provide between 250/300 dwellings a year.

Option 3: One or two further urban extensions. As per option 2 plus one or two further urban extensions. Several possible “sub-options” for the location of the potential urban extension exist. However, further expansion at the west of Paignton appears to be the most likely area. This option was estimated to provide between 320/380 dwellings a year.

Option 4: All sites that have not been ruled out in principle. This includes sites which have significant environmental constraints. This option could provide between 470/500 dwellings a year.

Option 5: Meeting full needs (as required by Government). To achieve a growth rate of around 600 dwellings per year, all sites including many rejected by the HELAA as unsuitable for development would need to be allocated.

- 2.12 Members acknowledged the need for large numbers of new housing, particularly affordable housing and suggested the merit of enabling more development on brown field sites and maximising density on brown field sites and greenfield sites to reduce the need to develop on other greenfield sites to ensure their protection and help the environment. Members also supported the development of good quality sustainable development to reduce carbon emissions but acknowledged the additional costs involved.
- 2.13 The Panel was concerned about the standards of some of the private rented accommodation and that some people were using their properties for holiday accommodation rather than residential use and these properties were not always registered as commercial premises, whereby different rates and waste collection rules applied. The Council had designated tourism areas with many of the premises no longer being commercially viable, options could be explored to review the Principal Holiday Accommodation Areas to see if it would be appropriate to allow some bed and breakfast or hotel accommodation to be converted back to residential use to increase the supply. Members noted that the Government intended in future to require homeowners of holiday accommodation to prove that they were available to rent for at least 70 days per year. Whilst the change to Business Rates and Council Tax would not come into force until April 2023, it does require properties to have been available for let for short periods totalling at least 140 days and actually let for at least 70 days during the previous 12 months. Members noted the lack of resource available to investigate such issues across the Council and felt that this should be explored further.
- 2.14 Members had regard to the new South Devon Highway and how this had provided more opportunity for people to live in Torbay and work outside and vice-versa, which meant that the Council should also be looking at areas along the South Devon Highway as potential areas to help meet our housing

need. The Council had a statutory duty to work with Neighbouring Authorities and Members encouraged more work to be done in this regard.

2.15 The Panel also encouraged more exploration of innovative housing solutions such as the housing pods that had been used to provide quick affordable units of accommodation and how the Council could potentially utilise some of its own land for this type of initiative.

2.16 **TorVista Homes and Social Housing Providers.** TorVista Homes was set up by the Council as a Registered Provider to help meet the strategic housing needs facing Torbay. It received Register Provider and Investment Partner status in March 2021 and proposed to deliver 300 homes over the next 4 to 5 years. Projects delivered so far included the delivery of 14 units of accommodation through the Next Steps Accommodation Programme (NSAP) to deliver homes for rough sleepers and investment in an additional 9 for general needs. The following projects were also being progressed:

- 90 units of predominately 1 bed extra care accommodation on the site of the Crossways shopping centre for social rent;
- 2 bed units for affordable rent at the junction of Tweenaway Cross;
- 23 units (mostly 1 bed) for affordable rent in Brixham with priority going to households downsizing from larger affordable stock in Brixham;
- 75 - 1 and 2 bed units of extra care housing for social rent at Torre Marine;
- 7 units for affordable rent on the site of 51-53 Totnes Road;
- Preston Down Road development; and
- Affordable housing allocated as part of the Collaton St Mary development proposals.

2.17 Members welcomed the work and ambitions of TorVista Homes but noted that most of the developments would not be delivered in the next 6 to 12 months which still left a need for other options to be pursued at pace to bring forward more new affordable homes such as the Rightsizing Project currently being explored as one way to help people to downsize to smaller properties when they no longer required a larger property, working with developers to build properties with planning permission and trying to bring more empty homes back into use.

3. Conclusion

3.1 The Panel reflected and debated the information provided to them, both in writing and orally and concluded that whilst a lot of work was being done to bring forward new housing across the Council, through TorVista Homes, with registered providers and addressing the shortage of temporary accommodation through the new contract being procured in early 2022, more partnership working, resource and pace was needed to help our residents in the short to medium term as well as longer term planning to ensure that we meet Torbay's future housing needs, especially in light of the high costs of accommodation and increase in household costs as a result of large increases in energy and other costs. Greater communication was also required to let residents know what was happening both in their areas and

across the whole of Torbay and what support there was to help them with their housing needs.

3.2 The Panel thanked the external advisors and member of the public for their valued contribution towards the review.

3.3 The Panel formed the following recommendations to the Cabinet, which was approved by the Overview and Scrutiny Board on 9 March 2022. On being put to the vote, the motion was declared carried unanimously.

4. Recommendations:

That the Cabinet be recommended:

1. to request officers to lobby the Government and Valuation Office in-year providing the evidence base to demonstrate the huge increase in cost of rent in order to request that the Local Housing Allowance is increased in-year and going forward (consideration to be given if other areas having a similar position to us and joining up with them);
2. to consider paying private landlords more than the standard one month deposit (normally the equivalent to one month's rent) to encourage them to rent properties to care experienced young people to give them more confidence they will not be left out of pocket once the young person has moved on;
3. to request that officers progress the Rightsizing Project as a priority to explore appropriate incentives and support to make it easier and encourage people living in accommodation that is too large for their need to downsize to free up the accommodation for larger families, working across all Registered Housing Providers and Devon Home Choice to maximise the use of suitable housing stock within Torbay;
4. to request that provision of new accommodation for care experienced young people should be a priority for TorVista Homes and other registered housing providers;
5. to explore options to enable more care experienced young people to remain longer term with their foster carers;
6. to explore options for Banding in Devon Home Choice to see if care experienced young people can be given a higher priority and what processes are in place;
7. that a dedicated resource should be appointed to carry out appropriate enforcement on poor standards of accommodation and to bring empty properties back into use and an additional resource should be appointed to chase developers to progress sites which are not coming forward but have received planning permission; this is all linked to the establishment of the housing enabling role in-house (**Note: this recommendation has been included as one of the recommendations from the Priorities & Resources Panel review of the Revenue and Capital Budget 2022/2023.**);

8. to explore how the Council will resource the investigative work required from April 2022 to confirm the availability and actual short-term letting of residential properties (holiday lets/Airbnb) linked to the changes in Council Tax and Business Rates coming into force from April 2023 which requires proof over the previous 12 months to ensure that the appropriate taxes are collected from the owners of these properties;
9. to request that officers provide more regular communication to raise awareness of what the Council is doing to address the housing crisis and to highlight the options and support available to local residents and improve engagement and support to community housing groups;
10. to request that officers look at good practice from other local authorities when refreshing the Affordable Housing Supplementary Planning Document (SPD) to see how we can encourage the development of more larger family homes, single units, units for care experienced young people or units to assist adults with a disability to live independently;
11. to request that officers be encouraged to be more creative to make best use of sites to ensure that they are maximised, including considering greater density and higher developments and to review relevant Policies, where necessary, to enable this to be acceptable within our Policies; and to undertake a structured review of policies which have an impact on housing delivery to ensure that there are (a) no irrelevant/old policies, (b) no elements of policy which conflict with each other e.g. not several top priorities, (c) no policies which are too detailed and indirectly make development stagnate, and (d) whether policies encourage development;
12. to request officers to be more robust in challenging developers to ensure that they are maximising the development potential of the site and providing sufficient affordable housing either within the development or via Section 106 contributions and to use experienced professionals to challenge developers assumptions and to follow up on outcomes with clawback mechanisms; and
13. to identify a named person to take forward the actions arising from the recommendations of the Board.

That the Overview and Scrutiny Board be recommended:

1. That the Torbay's Housing Crisis Review Panel reconvenes six months after the Cabinet has considered this report and reviews the implementation of the Cabinet's response to the recommendations of the review.