

**Chief Executives' Group – North Yorkshire and York
8 November 2018**

Housing - A Strategic Priority - Update

<p>1 Purpose of the Report</p> <p>To provide an update on the York, North Yorkshire and East Riding Housing Strategy.</p>

2 Background

2.1 This update has been prompted by a request from the Chief Executives Group for an update - housing as a strategic priority, including affordability and homelessness.

3 York, North Yorkshire and East Riding Housing Strategy

3.1 An overview of the above strategy is the starting point in providing an update.

3.2 The Strategy was launched in 2015 and will be reviewed in 2021. It contains 9 key priorities. The York, North Yorkshire and East Riding Housing Board oversees progress in meeting these strategic priorities and makes associated decisions.

3.3 For the purpose of this report, and in line with the brief provided, emphasis is placed on those priorities which focus specifically on affordability and homelessness:

- *Work with partners to increase the supply of good quality housing – all tenures and locations*
- *Ensure new homes are of high design and environmental quality*
- *Continue to reduce homelessness*

4 Increasing Housing Supply

4.1 Clearly, increasing housing supply is a key priority within the strategy as increasing supply of housing will drive down prices generally as well as meeting the needs of our communities. The key challenge is to increase supply in the right places and of the right quality.

4.2 To this end the Housing Strategy and the LEP Local Growth Deal set out two key and challenging targets:

- To increase housing supply overall to 5000 units per year (all tenures)
- Within the target above increase (treble) the supply of affordable housing to 1600 units per year.

- 4.3 Affordability is a significant issue within our Housing Strategy area, with house prices far outstripping typical earnings in most places making most housing unaffordable and increasing the need for more affordable housing. For example, in many parts of our area house prices are between 8x and 11x typical earnings – home ownership is simply not an option for many people. This impact is also felt in the rented sector with private sector rents being beyond the reach of many households.
- 4.4 The Housing Partnership has been successful in meeting the overall housing supply target – 5,076 new homes delivered during 2016/17, 5,673 delivered during 2017/18 and we are on target to exceed 5000 during 2018/19. This positive performance is mirrored by an increase in residential planning permissions – 9,471 permissions granted in 2016/17 and 10,810 granted during 2017/18.
- 4.5 However, the Housing Partnership has struggled to achieve the same level of performance for affordable housing, falling well below the 1600 per year target to date. 915 affordable homes were delivered during 2016/17 and this dropped to 855 during 2017/18. There are various reasons why the target has proved particularly challenging:
- Government funding was solely focused on home ownership products during the Cameron administration with very little direct funding for affordable housing
 - Changes to the rent regime for Housing Associations and uncertainty around future funding
 - Insufficient development viability to deliver sufficient affordable homes via Section 106 Agreements
 - Changes to planning policy e.g. sites of less than 10 units not being required to deliver affordable housing
- 4.6 Despite these challenges on the affordable housing side of the equation, there have been successes such as the Rural Housing Enabler Programme, funded via a partnership between local Housing Associations and Local Authorities. This programme delivered an impressive 175 affordable homes in rural areas during 2017/18, against a target of 100, with greater numbers anticipated during 2018/19.
- 4.7 Working closely with the Directors of Development Group and LEP colleagues the Housing Partnership continues to strive to boost performance further, both in terms of overall housing supply and affordable housing supply specifically. These initiatives are summarised in the following section – “*Moving Forward*”.

5 Housing Supply and Affordability – Moving Forward

- 5.1 A series of initiatives have been implemented or planned in order to boost housing supply further, including boosting affordable housing output, and these are summarised in the following paragraphs. Individual, significant housing schemes in the area have also attracted significant capital funding from the Local Growth Fund via the LEP and Accelerated Construction and

Housing Infrastructure Funding via Homes England to support and accelerate delivery.

- 5.2 **Understanding unimplemented planning permissions** – work commissioned by the Directors of Development Group was prompted by the fact that we have over 24,000 units of unimplemented planning permissions across the partnership area. Consultants GVA were appointed to “get behind” the reasons for this failure to translate permissions into homes delivered. A selection of sites – varying in size, geography and housing market area, including stalled sites - were investigated in detail and the results reported back to the Group (also to be reported to the Housing Board) in order to inform what future work is required to move these sites forward and prevent future high numbers of unimplemented permissions.
- 5.3 **A “Housing Deal” with Homes England** – this work was prompted by a meeting with Nick Walkley, Homes England Chief Executive, who encouraged the partnership to develop our own narrative, clearly outlining our unique needs, what we could deliver in terms of housing numbers and the resources and flexibilities we would need from Homes England to deliver. The “deal” is at the advanced draft stage and has been positively received to date by Homes England colleagues.
- 5.4 **Design Quality Fund** – a bid by LEP colleagues as part of the Government’s Planning Delivery Fund has been successful, providing £285,000 to assist with master planning to move 5 key strategic housing sites forward, promote off site manufactured homes to speed up housing supply, implement initiatives to improve housing design quality (e.g. the development of core design principles for new homes and community / estate design) and move forward elements of the Housing Deal referred to above. The funding will also be used to appoint an officer on secondment to coordinate and performance manage these work strands via the LEP.
- 5.5 **Community Led Housing** – the majority of Local Authorities in the partnership area received allocations from the Community Housing Fund, attracting £6.2 million to support community led housing. The Housing Board subsequently agreed that each Local Authority would make a contribution to a central “pot” equating to 3% of their allocation. This approach resulted in a Housing Partnership “pot” of £186,000 to fund a Community Led Housing Hub which community groups can access for support in bringing forward housing schemes throughout the partnership area. The Hub, with its own dedicated “REACH” website gives advice and offers services such as architects, project planners, community development workers and housing finance. One community led housing scheme has already been delivered with around 25 schemes currently in the pipeline.
- 5.6 **Working with Registered Providers (RPs)** – In response to the need to understand the issues and increase delivery of new affordable housing, we are now working closely with a group of key Registered Providers developing homes in our area to understand their development capacity and appetite, to deliver new homes through Section 106 agreements more effectively and to

work together to do this and consider future strategic partnerships with Homes England.

6 Homelessness Update

- 6.1 Homelessness continues to present challenges within the partnership area but the picture tends to be a mixed one, differing significantly across our patch. The York, North Yorkshire and East Riding Homelessness Group, a sub group of the Chief Housing Officers Group, continue to work hard to improve services and the associated outcomes for the homeless or those threatened with homelessness.
- 6.2 Generally, looking at 2016/17 and 2017/18, there has been a 8% reduction in the number of households accepted as homelessness , rough sleeping has risen for the 3rd consecutive year , homeless prevention has decreased as well as the number of people accessing Housing Options Services. This can be attributable to the channel shift options given to customers through improved websites and accessing information at first point of contact, therefore avoiding accessing the service direct. At the same time, the use of unsuitable temporary accommodation for the most vulnerable is largely being avoided across the area.
- 6.3 The introduction of the Homelessness Reduction Act on the 1 April 2018 and the associated changes needed in approach has provided a further challenge to dealing with this complex issue. The introduction of the Act has also made monitoring and trend analysis very difficult as new measurements of performance differ from traditional measures. Across the area we are working with IT providers in order to produce the reports required for meaningful statistical analysis going forward.
- 6.4 The focus of Housing Options Teams continues to be the prevention of homelessness rather than reactive services and the avoidance of unsuitable temporary accommodation for particularly homeless groups. The Homelessness Reduction Act has put extreme pressure on local services with statutory prevention duties how attributable to all customers who are homeless or threatened with homelessness.
- 6.5 The Homeless Group are currently developing new performance measures to enable to accurate and consistent tracking of homelessness.

7 Homelessness – Moving Forward

- 7.1 The Homelessness Group continues to work hard to improve outcomes for the homeless and those threatened with homelessness with the following achieved or planned :
- 7.2 **Homeless Strategies in place** – each Local Authority has a strategy in place outlining how local services will be developed further and this is reviewed on an annual basis in consultation with stakeholders and local agencies.

- 7.3 **Improving standards** – each Local Authority has been working via a prescribed methodology to improve service standards with a number achieving “gold” or “silver” accreditation. Three Local Authorities across the area, City Of York, Hambleton and Ryedale were successful in achieving the Gold Standard. The Government has now moved focus from this programme to the implementation of the Homelessness Reduction Act.
- 7.4 **Homeless Reduction Act preparation** – all Local Authorities have prepared or the implementation of the Act with training provided across the partnership area to ensure consistency of provision. This work continues as the operational implications of the Act continue to emerge.
- 7.5 Local Authorities have been working closely with Partner Public Service organisations on the implementation of the **Duty to Refer** (clients either homeless or threatened with homelessness) which came into effect on the 1 October 2018. Procedures have been put in place across the area to ensure a smooth transition and make the process efficient and effective for those other organisations needing to refer into the LAs.
- 7.6 Across North Yorkshire the LAs continue to work closely with NYCC and providers on the **Young Person’s Pathway**. During 2017/18 there were 1264 enquiries into the Pathway Hubs, with an 89% pathway prevention rate.
- 7.7 **Transformational change** – a work programme will commence shortly between district and county colleagues to look at how homeless prevention services, formerly funded via the Supporting People regime, can be transformed in order to achieve efficiencies and bring related services together. This is extremely important to the Borough/District Councils who rely heavily on these services in order to prevent homelessness and provide on-going support to the most vulnerable.

7 Recommendations

- 7.1 Chief Executives note the contents of the report

Colin Dales, Richmondshire District Council

Date 30/10/18