

Report to	-	Cabinet
Date	-	30 July 2018
Report of the	-	Executive Director
Subject	-	Final Recommendations of the Housing Issues Task and Finish Group

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## Foreword

This matter is being considered by the Overview and Scrutiny Committee (OSC) on 23 July, after the publication of this Agenda.

The report being considered by the OSC is reproduced in its entirety as follows for Cabinet's consideration. The OSC's deliberations and resulting minute will be reported to Cabinet at its meeting.

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**Recommendations:** It be **RESOLVED:** That Cabinet be requested to approve that:

- 1) **Recommendation 1:** A Housing and Homelessness Strategy be developed which includes the following actions in respect of reducing homelessness:
  - a. Consider establishing a regular local multi partner homelessness forum to develop and deliver the homelessness strategy.
  - b. Engage with partners to reduce costs by preventing duplication of services.
  - c. Establish protocols and procedures with social landlords and letting agents operating in Rother.
  - d. Consult on options for additional homelessness prevention measures, to include setting up and managing a social lettings agency and securing access to more private rented properties through closer partnerships with local landlords.
  - e. Work with the voluntary sector to explore options for creating a street homelessness centre/hub in Bexhill, with outreach available to rural areas of Rother.
  - f. Update the criteria for Discretionary Housing Payment by April 2019 to better reflect the needs of households affected by welfare reforms.
  - g. Develop a communications plan, to include training, to ensure front line officers, partners and Members are aware of the support available.
- 2) **Recommendation 2:** A Housing and Homelessness Strategy be developed, as per recommendation 1, which includes the following actions in respect of affordable housing delivery:

- a. Create a delivery vehicle or vehicles such as a Local Housing Company or public/private partnership with the following objectives:
    - To acquire emergency and temporary accommodation through the purchase of accommodation for conversion, or delivering new build temporary accommodation; and
    - purchasing accommodation for those in housing need – ‘street purchases’ for market or to meet temporary accommodation needs.
  - b. Purchasing and developing ‘stalled’ sites that are vital to the delivery of affordable housing through negotiation or Compulsory Purchase Orders where other options have failed (see also recommendation 3e below).
  - c. Strengthen partnership working with Registered Providers by expanding the number of preferred partners to work with and developing a joint framework/protocol agreement incorporating streamlined planning processes with realistic timeframes and clear guidance notes.
  - d. Working with Registered Providers to explore the opportunity of introducing affordable warmth methods and modern and innovative methods of construction, for example timber framed kits, for all affordable housing developments.
  - e. Continue supporting and working with Action in Rural Sussex, Parish and Town Councils and community groups in identifying suitable sites and delivering community led housing.
- 3) **Recommendation 3:** Measures to ensure a sufficient, continuous supply of housing land be promoted, which includes the following actions:
- a. Giving priority to completing the Development and Site Allocations Plan and the production of Neighbourhood Plans, taking account of revised National Planning Policy Framework.
  - b. An early review of the Local Plan (Core Strategy) be prioritised, taking account of revised National Planning Policy Framework especially given Government’s likely expectation of substantially more housing.
  - c. Consideration be given to allowing exception site planning policy to allow for an element of market housing to cross subsidise where viability is an issue, taking account of revised National Planning Policy Framework.
  - d. Identification of more “small site” development opportunities, including for custom and self-build housing, possibly working with smaller developers within a public/private partnership.
  - e. ‘Unblocking’ of sites where physical infrastructure and/or ownership factors present a major constraint to development including by:
    - working to find strategic drainage, utilities and digital broadband solutions to support major developments, working with utility companies and respective developers;
    - seeking financial support from Homes England and other Central Government growth funds;

- working proactively to bring forward development on sites where the Council has a landholding interest;
  - proactively negotiating with developers and landowners to bring forward key development sites; and
  - consideration, as a last resort, of pursuing Compulsory Purchase Orders, being mindful of local sensitivities.
- f. Continuing to invest in strategically important infrastructure projects that boost the market attractiveness of places where growth is planned, potentially including, for example, the development of GP surgeries.
  - g. Promoting higher water efficiency standards through the Local Plan as well as exploring the opportunity of introducing ‘recycled water’ within planning applications, subject to consistency with national requirements and viability considerations.
  - h. Introduce and deliver a Landowners Forum, to take place once every two years, to encourage communication and promote housing development.
  - i. Prepare a housing delivery “Action Plan” in response to the new Housing Delivery Test and taking full account of the above, in light of revised National Planning Policy Framework.

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## Introduction

1. Following a presentation in November 2017 by Opinion Research Services on findings from Rother’s Strategic Housing Research Project and a Housing Overview report, the Overview and Scrutiny Committee (OSC) agreed that a Housing Task and Finish Group (HT&FG) be set up (Minute OSC17/34 refers). It was agreed that the HT&FG would consider the following subject areas:
  - land supply issues / development options;
  - affordable and social housing delivery;
  - homelessness; and
  - managing the impact of welfare reforms.
2. The purpose of this report is to present to the OSC the final recommendations arising from the HIT&FG meetings which took place as follows:
  - a) Homelessness – 28 March 2018
  - b) Land Supply Issues/Development Options – 25 April 2018
  - c) Managing the Impact of Welfare Reform – 9 May 2018
  - d) Affordable and Social Housing Delivery – 16 May 2018
3. Members of the HT&FG received reports relating to the issues for each of the meetings above. These reports are available to all Members on-line and can be read in context to provide a more detailed picture of the issues discussed by the HT&FG as well as a clearer picture of the decision making process relating to the proposed recommendations and actions.
4. The HT&FG received and considered reports and presentations which detailed the issues and provided scope for discussion before agreement was

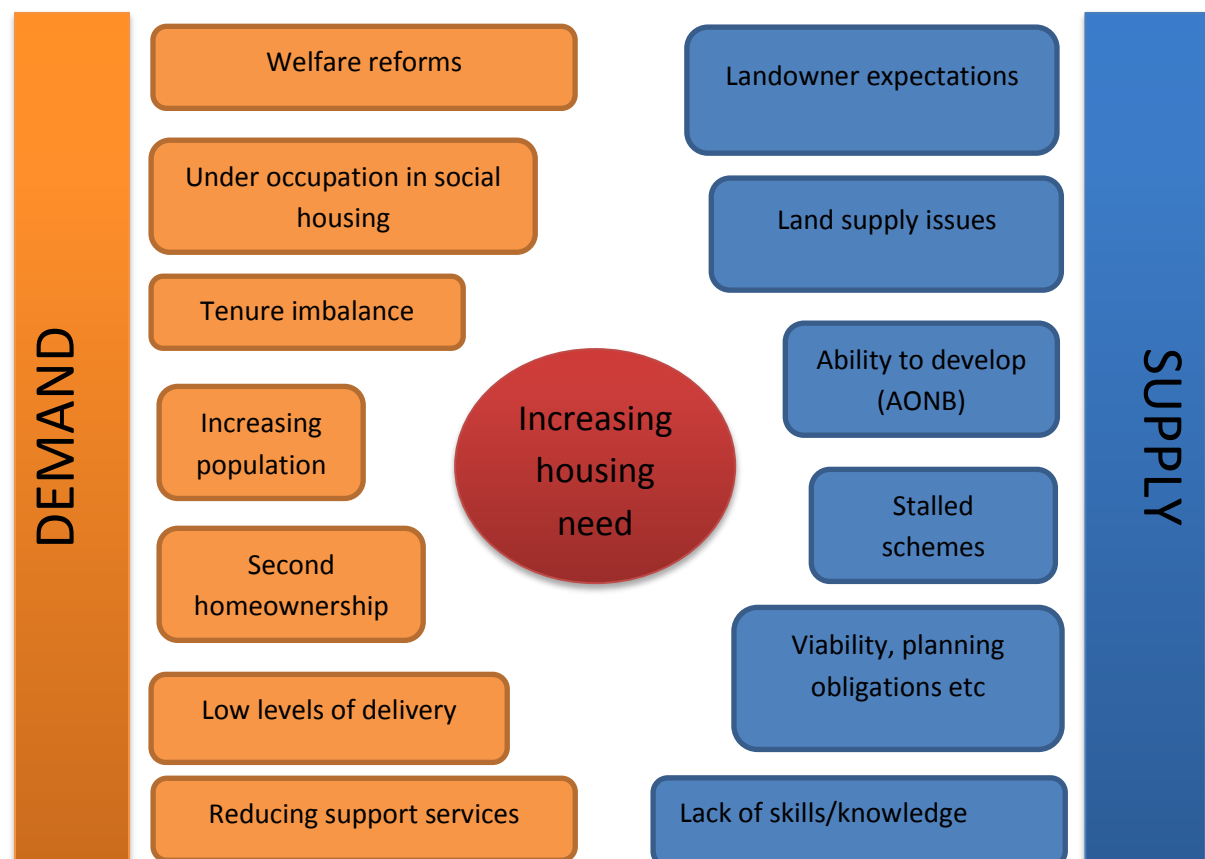
reached in terms of recommendations going forward. As well as officer reports, Members heard presentations from external organisations including:

- Department of Work & Pensions – Provision of support
- Hastings Advice & Representation Centre (HARC) – Universal Credit
- Optivo – Benefit Changes and how residents are being supported
- Homelessness Unity Group (HUG) – supporting Bexhill’s rough sleepers
- Brighton Housing Trust (BHT) – Impact of the Homelessness Reduction Act
- Ministry of Housing, Communities and Local Government (MHCLG) – Implementation of the Homelessness Reduction Act
- Developers East Sussex – Private Developer’s Perspective
- Action in Rural Sussex (AiRS) – Community Led Housing
- Optivo – Challenges to Delivery of Affordable Housing
- Eastbourne Borough Council (EBC) – Local Housing Companies
- Homes England – Funding Opportunities

5. The recommendations listed at the start of this report are those that have arisen from each meeting having been consolidated, taking account of where there is some overlap, and ordering them in terms of strategy, delivery and priority, for ease of reference. The full set of original recommendations from each meeting is set out at Appendix 1.

## Issues

6. The circumstances which have led to the housing issues we are seeing can be summarised in terms of high demand (for housing and housing services) and low supply (lack of suitable and affordable housing). The conditions which have led to this are set out in the diagram (below):



7. Members were presented with data and case studies detailing the impact of welfare reform for Rother residents. This included the following information:
  - at present, 48 families in Rother are affected by the benefit cap;
  - 84% of households from the private sector are paying rents above Local Housing Allowance rate; and
  - 215 working age households in Rother are subject to an under occupancy penalty (bedroom tax).

Members were advised that the main reason for homelessness is landlord eviction. Other reasons include fleeing domestic violence, rent arrears, and more complex issues relating to mental health, alcohol and drug abuse, as well as parental/family/friend evictions. By the end of March 2018, 145 cases of homeless or threatened with homelessness were accepted by the Council. Numbers of homelessness are expected to rise further.
8. Members identified several types of homelessness:
  - Involuntary rough sleepers;
  - Rough sleepers who are unable or unwilling to engage with support services or access available housing solutions.
  - Those made homeless through eviction (sometimes through no fault of their own); and
  - Hidden homeless – those the Council are not always aware of who are ‘sofa-surfing’, or grown up children living at home, unable to access housing of their own.
9. Information was presented regarding the increased use of temporary accommodation and concern was noted regarding the lack of access to temporary accommodation within the Rother area.
10. Having in place clear and early communication procedures with social landlord partners was highlighted as an important factor in determining where households may be at risk of homelessness.
11. The issues around growing numbers of rough sleepers, particularly in Bexhill, was highlighted along with concerns that support services for vulnerable people are likely to see significant cuts.
12. Land supply issues were discussed; Members were informed that the Council is unable to demonstrate a 5-year land supply of deliverable housing sites. Information was also provided regarding progress of completion timescales, particularly for large sites, reasons for slippage and non-completion which included a range of infrastructure issues, as well as landowner expectations in relation to land values.
13. Members were presented with information relating to housing tenure; in Rother, levels of affordable housing are at only 10.4% of total stock. Nationally, affordable housing stands at 17.6% of total stock, demonstrating that comparatively, Rother has low levels of affordable housing.
14. Although affordable housing completions have been increasing, averaging 85 units per year over the last five years, this clearly does not meet the

outstanding housing needs within Rother, with approximately only 17% of Housing register applicant needs being met annually.

## **Findings of the Housing Task & Finish Group**

15. Three areas of work are proposed, with each setting out a number of actions leading to the recommendations.

## **Proposed Actions Leading to Recommendation 1**

16. The first recommendation is that a Housing and Homelessness Strategy be developed, for consultation during 2018-19, which includes a number of actions in respect of reducing homelessness.
17. Members felt it important that the Council's statutory partners, as well as the voluntary sector, are fully involved in the development, delivery and monitoring of a strategy and to this end a multi-partner forum should be set up. It is clear that issues relating to and leading to homelessness can be complex and include, for example, lack of affordability, changes in circumstances, mental health, drug and/or alcohol issues (compounded by reducing support services), and fleeing violence. The Homelessness Reduction Act places a duty on agencies to refer households at risk of homelessness to local housing authorities; strengthened partnerships are required to ensure that all agencies are aware of this duty and that we are all involved in ensuring that each referral comes with a clear action plan where further support (particularly where this is the responsibility of the referring agency) is required. A Homelessness Forum may have the added benefits of reviewing the network of services around homeless households; developing protocols and procedures to ensure that referral processes are effective and benefit the client, as well as provide opportunities to reduce costs of service provision by preventing duplication of services.
18. The Homelessness Reduction Act places a duty on local authorities to provide assistance to households at risk of homelessness at an earlier stage than previously. It was felt that a protocol with social landlords which included joint working to resolve tenancy issues and preventing revolving door homelessness would be beneficial to ensure early identification of households who may be experiencing difficulties which could lead to their homelessness. A protocol could also set out joint working arrangements with regard to incentivising residents to downsize, freeing up more family sized accommodation and put in place procedures for reviewing existing policies, for example tenancy policies to ensure alignment with the Council's policies.
19. Members agreed that, subject to constraints / approvals under GDPR that the Council should explore with letting agencies early warning systems for tenants who had 2 weeks or more rent arrears, and that a protocol, similar to that mentioned above, might assist with identifying tenants experiencing difficulties.
20. It was agreed that the Council should explore opportunities to improve access to suitable housing solutions for those in housing need. Currently the Council largely relies on access to the private rented sector to alleviate homelessness; however, it is becoming increasingly difficult to access this type of accommodation – the reasons for this are varied such as private landlords leaving the market due to government tax measures. A stronger offer to

private sector landlords and housing providers is required, for example guaranteed rent or support to bring into use empty homes in exchange for leasing arrangements. These are some of the options which could be delivered through a social lettings agency. Social lettings agencies have worked successfully in many local authorities as a way of increasing access to the private rented sector and improving the quality of accommodation alongside support for tenants by working with landlords who may not wish to manage the property themselves. This could work particularly effectively in Rother where we have many 'accidental' landlords who may want to see a regular income from their property without the difficulty of managing it themselves. Members are keen to ensure that safeguards are in place for landlords who agree to work with the Council which may attract more to come forward.

21. Concerns were raised regarding a visible increase in the number of rough sleepers, particularly in Bexhill. Members heard from HUG which the Council has been working with in an attempt to find solutions for those living on the streets. It was acknowledged that some rough sleepers are unwilling or unable to access the services offered to them; nonetheless, there is still a commitment to provide support, and accommodation during periods of severe weather – the latter being a best practice recommendation from Government. Members felt strongly that this work should continue with a recommendation to work with the voluntary sector to explore options for creating a street homelessness hub in Bexhill. There was agreement that support should also be available for rough sleepers in other/rural areas of the district but acceptance that a similar level was not required and this might therefore be provided through outreach services.
22. The Council's Discretionary Housing Payment (DHP) Scheme is designed to help people who need additional financial help with their housing costs. It is extra money provided by the Department for Work and Pensions that local authorities can pay on top of the claimant's normal Housing Benefit / Housing Element of Universal Credit, if extra help is required.
23. The overall aim is to provide help to vulnerable residents that will enable them to maintain/secure stable and affordable housing solutions, however the Council does not always allocate all the available funds. Therefore, it was felt important that the scheme's criteria be reviewed and updated, if necessary, to make sure that it is effectively distributed to those with a housing need to better meet the needs of our vulnerable residents.
24. As well as DHP, there are other forms of support and assistance available such as the Discretionary East Sussex Support Scheme which can provide help to households and form part of a plan to prevent homelessness. Members will note that this budget is under threat as part of East Sussex County Council (ESCC) budget reduction plans.
25. It is important that front line officers, partner agencies and Members are aware of all forms of support and assistance available to ensure any advice given is up-to-date, accurate and useful and therefore it was agreed that a communications plan should be developed to ensure all those who provide advice are aware of what is available and who to contact.
26. Members are mindful that significant budget cuts being faced by ESCC might impact on vulnerable residents, particularly those who require

accommodation-based housing support services. The Council remains committed to supporting ESCC, partner agencies and housing providers to sustain and improve the supply of accommodation-based support services which meet the needs of our most vulnerable residents.

## **Proposed Actions Leading to Recommendation 2**

27. The second recommendation relates to the affordable housing delivery which will also form part of a revised Housing and Homelessness Strategy. In terms of the increasing supply of affordable housing, it was explained about the importance to consider the need for more affordable housing in a range of tenures (rented and intermediate housing, including shared ownership/shared equity and discounted market rent), increased access to private rented housing, as well as increased levels of temporary accommodation. The actions set out for this recommendation cover all of these. Members felt that the highest priority action was the creation of a vehicle for housing delivery such as a local housing company or a public/private partnership. There is the possibility for a number of objectives for this and further work is required to ensure that the Council is clear on what it would like to achieve, and what is viable through this vehicle. Other local authorities have set up local housing companies with one or more objectives, including:
- provision of sub-market rented or temporary accommodation to meet housing need;
  - development of market housing with a focus on income generation, using surplus to support the provision of council services; and
  - regeneration objectives; these may include bringing empty homes back into use, focusing on increasing economic activity, or regenerating areas of deprivation.
28. Members heard from Eastbourne Borough Council where a local housing company has been set up and a number of schemes have been taken forward as a result. These include the development of market and sub-market rent (market sales ensuring the schemes are viable and off-setting costs) and the purchase of individual homes for use as temporary accommodation.
29. Of particular concern to Members was the issue of stalled sites – sites which have been granted planning permission but have not been delivered. It was felt a more proactive approach was required by the Council to work with land owners and developers to bring these sites forward, with the option to use compulsory purchase orders as a last resort where necessary. Officers would be required to have exhausted all options and would need to be aware of local sensitivities before proposing such action.
30. The importance of the role of Registered Providers (RP) in the provision of affordable housing was highlighted to Members and it was felt that there are opportunities to build on and improve the way in which we work with our RP partners. Currently, only two of our partners are actively developing in the district; an exercise in expanding the partnership to include more RPs could see an increase in schemes coming forward. It was noted that this would introduce an element of competition, which could lead to positive outcomes, but could also introduce an added layer of cost, making schemes less affordable in the long run. Any review of the RP partner list would need to include the development of a partnership protocol to ensure that affordable housing schemes are brought forward in a collaborative way which will ensure



that costs are kept to a minimum and schemes remain viable. A partnership protocol could also set out ways of working in terms of streamlined planning processes with realistic timeframes and include legal timeframes relating to setting up agreements such as section 106 agreements.

31. Further opportunities were identified which may positively impact on the way in which we work with RP partners, these included considering the sharing of resources or joint funding of posts. This would require some investment although not necessarily cash investment unless a suitable return could be identified.
32. Another area of concern to Members is fuel poverty, particularly in rural areas; affordable warmth methods of construction such as Passivhaus provides a means to reduce the need for space heating by increasing the insulation and airtightness of the property, reducing future heating bills for residents and there is potential to consider this for future affordable housing provision.
33. Another area Members wish to consider, particularly in light of skills shortages, is the opportunities for Registered Providers to accelerate development through the use of off-site and modular construction. It is felt important that these should fit in with the setting, with methods such as timber framed kits.
34. The final action for recommendation 2 relates to the delivery of community led housing. In 2016/17, the Council was allocated £748,899 of Community Housing Fund to support delivery of community led housing projects in Rother. In July 2017, Members agreed to grant £100,000 of the allocation over a four year period to AiRS towards the development and expansion of a Sussex Community Housing Hub. Members heard an update from AiRS where information regarding progress in Rother was given.
35. The Government is keen to support community led housing schemes and further funding will be made available directly to support communities to deliver housing to meet their local needs. Members agreed that the Council should continue to support AiRS and community groups to increase this type of housing delivery and that this should be reinforced through inclusion within the Council's Housing Strategy.

### **Proposed Actions Leading to Recommendation 3**

36. The third recommendation relates to ensuring a sufficient, continuous supply of housing land.
37. Housing delivery is a key theme of the current National Planning Policy Framework (NPPF), while proposed revisions to it, due to be introduced at the end of July, place further emphasis on maintaining up-to-date local plans, updating assessments of housing need and meeting that need, with neighbouring authorities where necessary. There is also a new 'housing delivery test' to supplement the existing '5-year housing land supply' test, with a need to prepare an 'action plan' if construction falls below a certain level.
38. Members noted that some of the recommendations would need to take account of the changes expected within the anticipated NPPF. In particular, this relates to completing the Development and Site Allocations Local Plan,

supporting the continued production of Neighbourhood Plans and an early review of the Local Plan (Core Strategy).

39. In particular, Members appreciated the prospect of the revised NPPF expecting substantial increases in housing numbers across the country and locally. Whilst expressing serious concerns about both the environmental and infrastructure capacity to deliver a large increase in the rate of house building (it is proving difficult enough to meet present housing targets), they believe that this prospect gives added urgency to the Local Plan review. It is also considered important for local communities to work together to identify and agree sites for development, including through Neighbourhood Plans, so that development is controlled and in preferred locations rather than being imposed on communities.
40. Although the Exception Site project has seen some success in recent years, Members were advised that there has been some difficulty in accessing suitable sites and, in some cases, scheme viability. Members were interested in potential changes which could be made to the Exception Site Policy which will enable market housing to cross subsidise affordable housing on a scheme – ensuring a schemes viability and encouraging landowners to come forward with sites. Again, any changes would need to be in line with the revised NPPF.
41. There was some discussion about custom and self-build projects. Members were updated on data from the Council's Register which shows very little interest in building this type of housing in affordable tenures. However, there is the potential to work with smaller developers to bring forward small sites, particularly in rural areas, for this type of development which might not otherwise be considered for housing. As mentioned previously in this report, this could be delivered as part of a public/private partnership and provide opportunities to provide innovative schemes, such as using wooden frame structures or modern methods of construction such as modular housing where the resultant design and appearance is appropriate to its setting. In addition, this could provide training and apprenticeship opportunities for Small/Medium Enterprises in the district.
42. Members had concerns about stalled sites where physical infrastructure, delays in utilities, and ownership factors are presenting major constraints to development, particularly for larger sites. Members worked through a number of options for more proactive working which included earlier engagement during the planning process with utilities companies and compulsory purchase orders as a tool of last resort.
43. The capacity of GP surgeries as well as the "fitness for purpose" of some surgery buildings was identified as a frequent public issue when new housing is proposed, with specific reference to Bexhill. Hence, it is incumbent on planning officers to liaise closely with the Clinical Commissioning Group in drawing up development plans and considering large housing schemes.
44. There was some discussion about the use of recycled water methods on new build schemes, potentially as a way of combating issues with utility companies but also as a solution to other issues such as frequently experienced water shortages, prevalent in the south east of England. The proposed action here is to explore the opportunity of introducing these methods within planning applications, again subject to national requirements as well as viability

considerations. In addition, officers highlighted that there was the opportunity to require higher water efficiency standards through the Local Plan, which was widely supported.

45. The issue of landowner expectation in terms of values was discussed and seen as a major barrier to bringing forward schemes which already have planning permission in place. It was also felt that in some cases landowners may be unaware of the opportunities to develop. An action was proposed to put in place a Landowners' Forum, to take place once every two years to provide information to landowners and to take forward opportunities for proactive discussion with landowners.
46. Given the low level of housing completions relative to the Core Strategy annualised target, it is expected that the revised NPPF will require that an 'action plan' be prepared to seek to increase delivery. This is regarded as an appropriate approach, aside from the NPPF provisions, and should be prepared as soon as practicable, drawing on the actions being put forward under recommendation 3.
47. Members heard an update on the Government's current independent review (Oliver Letwin Review) into the gap between the number of planning permissions being granted and those built in areas of high demand. Details of the preliminary findings are set out at Appendix 2.

## **Conclusion**

48. A final set of proposed recommendations has been produced; these have been set out in-line with existing Strategies – Housing and Homelessness Strategy and the Local Plan (Core Strategy) and consideration given to the changes in terms of the National Planning Policy Framework. The Affordable Housing and Homelessness Strategy is due for review and therefore the recommendations from the HT&FG which relate to demand for services, including welfare benefits, and the provision of affordable housing naturally align and it is suggested should form the action plan for a revised strategy which will be ready for consultation later this year.

Dr Anthony Leonard  
Executive Director

## **Risk Assessment Statement**

If the Council were to take no action in relation to the issues outlined by the HT&FG, there is a high risk that homelessness levels will continue to rise and the Council may come under challenge for not meeting its statutory and social obligations.

The maintenance of a robust housing land supply position statement on a twice yearly basis is vital for the Council to closely monitor progress against adopted housing targets. It is correspondingly important to consider how delivery can be increased to ensure that the Local Plan housing requirements will be met. The preparation of a housing delivery "Action Plan" in response to the new Housing Delivery Test will help ensure that barriers to housing delivery are recognised and ways to unblock them are identified. There however remains a risk that landowners and house-builders may not bring sites forward as expected.

## **RECOMMENDATIONS OF THE HOUSING ISSUES TASK & FINISH GROUP**

### **Meeting: Homelessness**

- 1) the Council explore the opportunity of acquiring properties for redevelopment to provide temporary accommodation / affordable housing;
- 2) options for securing additional rental properties be explored;
- 3) pre-action procedures / protocol be established with social and private sector landlords operating in Rother;
- 4) work be undertaken in conjunction with local social landlords to review the impact of and solutions to under occupancy in social housing;
- 5) work with the voluntary sector and explore options of creating a homeless centre in Bexhill;
- 6) to engage with East Sussex County Council, Hastings Borough Council and Homeworks to explore reducing costs and preventing duplication of services;
- 7) additional preventative measures to be incorporated in the Council's Homelessness Strategy;
- 8) explore incentives to encourage residents to either downsize or rent spare rooms; and
- 9) consider establishing a local Homelessness Forum as part of the Council's Homelessness Strategy.
- 10) information relating to the Discretionary East Sussex Support Scheme be made available to front line officers and Members;
- 11) the Discretionary Housing Payment Scheme criteria be revised to better reflect support households affected by the welfare reforms needed;
- 12) the Council develops a communication plan for the Discretionary Housing Payment Scheme to increase take up by low income households and relevant advice agencies;
- 13) investigate the potential to establish additional community hubs in the rural areas of the district; and
- 14) the Council pro-actively engage with Rother Association of Local Councils (Parish and Town Councils) by signposting welfare/benefits services.

### **Meeting: Land Supply Issues**

- 15) a housing delivery "action plan" be prepared in response to the new Housing Delivery Test and taking full account of the conclusions of this Scrutiny process and seeking to be proactive;

- 16) as part of the plan at (15) above, actions be identified in relation to key factors highlighted through this Review notably regarding multiple ownerships, landowner expectations, market activity and infrastructure costs, including:
- a) continuing to work to find strategic drainage solutions to support major development at North-east and North Bexhill, working with Southern Water and respective developers;
  - b) working with relevant parties to “unblock” sites where physical infrastructure and/or ownership factors present a major constraint to development, including by:
    - continuing to seek financial support from Homes England and other Central Government growth funds;
    - acting proactively to bring forward development on sites where the Council has a landholding interest, notably the Blackfriars site at Battle; and
    - consideration, where necessary, of pursuing Compulsory Purchase Orders.
- 17) information on the build-out programmes of developments be obtained, reviewed and regard to when considering both Local Plan allocations and in the determination of planning applications;
- 18) priority be given to:
- a) completing the preparation of the Development and Site Allocations Local Plan;
  - b) continuing to support the production of Neighbourhood Plans, notably in undertaking the processes post submission to this council as expeditiously as possible; and
  - c) beginning an early review of the Local Plan (Core Strategy).
- 19) opportunities to strengthen and broaden the local housing market be vigorously pursued, notably in respect of:
- a) continuing work with established partnerships, to promote infrastructure improvements to the strategic transport road and rail networks (A21, A27/A259 and High Speed Rail) including digital broadband and 4G technology;
  - b) continuing to invest in strategically important infrastructure projects that boost the market attractiveness of places where growth is planned; and
  - c) identifying more small site, including custom and self-build and community-led housing opportunities.
- 20) the Planning Advisory Service be invited to undertake a review of Development Management/Planning Committee approaches, processes and timescales for major applications;
- 21) explore the opportunity of creating a Housing Company in partnership to bring forward sites and build new homes;

- 22) explore the progression of exception sites; and
- 23) explore the opportunity of introducing and encouraging developers to include “grey water” methods within planning applications.

#### **Meeting: Impact of Welfare Reforms**

- 24) information relating to the Discretionary East Sussex Support Scheme be made available to front line officers and Members;
- 25) the Discretionary Housing Payment Scheme criteria be revised to better reflect support households affected by the welfare reforms needed;
- 26) the Council develops a communication plan for the Discretionary Housing Payment Scheme to increase take up by low income households and relevant advice agencies;
- 27) investigate the potential to establish additional community hubs in the rural areas of the district; and
- 28) the Council pro-actively engage with Rother Association of Local Councils (Parish and Town Councils) by signposting welfare/benefits services.

#### **Meeting: Affordable and Social Housing Delivery**

- 29) partnership working with Registered Providers is strengthened, by:
  - a) reviewing the list of preferred partners; consider expanding to work with more providers;
  - b) encouraging closer partnership working with preferred partners through investing resources in partnership activity and sharing resources, for example sharing viability assessment skills, research on market affordability, or joint funding of enabling posts; and
  - c) develop a joint framework/protocol agreement incorporating streamlined planning processes with realistic timeframes and clear guidance notes.
- 30) options for increased delivery of Affordable Housing:
  - a) review through the forthcoming Local Plan Review whether there is a case for allowing exception site planning policy to allow for cross subsidy where viability is an issue;
  - b) work with rural landowners and communities to identify sites for cross subsidised housing schemes, replicating the South Hams Village Housing Initiative, including via a potential Landowners Conference;
  - c) become more active in assembling housing sites and commissioning masterplans;
  - d) consider the use of Compulsory Purchase Order powers in bringing forward stalled sites; and

- e) continue supporting and working with Action in Rural Sussex and Community groups in delivering community led housing, strengthened through housing policy and use of Community Housing Funds, as well as liaison via Rother Association of Local Councils.
- 31) emergency and temporary accommodation be increased by:
- a) considering the delivery and financial viability of conversions of existing property or new build homes for temporary accommodation, possibly using modern methods of construction such as modular housing; and
  - b) identify resources available to purchase and refurbish accommodation for use as temporary accommodation.
- 32) facilitate the actions set out in recommendations 2), and 3) above, through the setting up of a Local Housing Company (either stand alone or as a joint venture), drawing on Eastbourne Borough Council's experience, to, for example:
- a) manage the development of new homes on stalled sites (after the Compulsory Purchase Order process);
  - b) manage the conversion of existing property and development of new build property for temporary accommodation; and
  - c) manage and maintain temporary accommodation, whether acquired or new build.

## INDEPENDENT REVIEW OF BUILD-OUT RATES

### Summary of the 'Draft Analysis' by Rt Hon Sir Oliver Letwin

- 1) The government has commissioned Sir Oliver Letwin to undertake an independent review to explain a significant gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand, and make recommendations for closing it.
- 2) He has recently published his 'Draft Analysis'. While it should be emphasised that his focus has been on large sites, the assessment can be seen as more widely relevant.
- 3) In line with his initial understanding of the main issue (as advised in an earlier letter to the Chancellor and the Secretary of State in March this year), he remains of view that the fundamental driver of build-out rates is what he terms the 'absorption rate'; that is, the rate at which newly constructed homes can be sold into the local market without materially disturbing the market price.
- 4) He does not believe that it is possible to force housebuilders to reduce prices at which they sell homes, given the mechanism for determining land value, as set out by the Royal Institute of Chartered Surveyors. Nevertheless, he comments that their products are relatively homogenous and that there is scope to accelerate build-out rates by varying the type and tenure mix, and some extent the environment, of new housing schemes.
- 5) Interestingly, he does subscribe to the view that housing allocations should focus primarily on smaller sites, as they would not generate the demand, or value, sufficient to support the major new infrastructure often needed to support significant growth. Also, he considered that there are more risks in the delivery of a multitude of small sites, which may lead to long-term under delivery.
- 6) In terms of tenure mix, he found that the need for social rented housing is "far from exhausted", also finding that the private rented sector is essentially a separate market, as is the shared ownership market, as well as those for specialised housing and custom in self-build homes.
- 7) Hence, whilst the extent of these markets, some of which are still in their infancy, is uncertain, he concludes that broadening the housing mix, including the range of available tenures, would increase build-out rates.
- 8) In delivering this wider mix of housing, he believes that SME housebuilders could play more of a part, as they, typically, have a different market in mind.
- 9) Whilst the Review only considers progress once an implementable permission had been granted, it is clear to the Panel that there was a need to resolve major infrastructure issues as quickly as possible in order to open sites up. Accordingly, Letwin urges Ministers to ensure that the construction of major infrastructure is driven by the need to release large allocated sites for development.



- 10) In the face of the low delivery of utility infrastructure also being repeated raised as an issue by housebuilders, but denied by utility providers, Letwin regards “this rather messy scene” to be important enough to warrant urging Ministers to address the issue.
- 11) In terms of types of site, while brownfield sites may be less valuable due to remediation requirements, there was no difference between the build-out rates of brown field and greenfield sites once construction could commence.
- 12) Contrary to initial assumptions, Letwin found no inherent constraint in terms of build-out rates by their sheer size of large sites. Rather, developers and major housebuilders have all the capabilities and motivation required to work on different parts of large sites simultaneously to deliver the scale of housing that they believe market can absorb. Neither was the availability of finance found to be an issue, although this may not necessarily be the case for SME builders, who rely more on project financing.
- 13) The supply of building materials was not found to be an issue, although the limited availability bricklayers was identified and has led to a strong recommendation for a “flash” programme of on-the-job training for bricklayers.
- 14) Finally, Letwin did not find any evidence of the alleged intentional land banking on the part of major housebuilders, nor does he believe that there financial model gives them any financial incentive to do so. At the same time, he acknowledges the sensible approach of housebuilders to maintain a stock of land in order to maintain a flow of building work.
- 15) However, perhaps more pertinent to the local situation, he noted evidence of landowners land banking, effectively speculating on land by obtaining outline permission well ahead of any commitment to develop it.
- 16) The final report, which will include recommendations on policy levers to increase the variety and differentiation of what is on offer at housing sites, is due to be submitted by the time of the budget in the Autumn.