

## Rother District Council

**Report to:** Cabinet

**Date:** 27 February 2023

**Title:** Review of the Housing, Homelessness and Rough Sleeping Strategy 2019-2024 (Part A)

**Report of:** Joe Powell – Head of Housing and Community

**Cabinet Member:** Councillor Byrne

**Ward(s):** All

**Purpose of Report:** To consider the recommendations arising from the Overview and Scrutiny Committee meeting held on 23 January 2023, regarding Review of the Housing, Homelessness and Rough Sleeping Strategy 2019-2024 (Part A). The report and recommendations arising are reproduced below and the Minutes of that meeting (Appendix A) should be read in conjunction with this report.

(The Appendices to the original report have not been reproduced here and can be accessed on the Overview and Scrutiny Committee Agenda).

**Decision Type:** Key

### Overview and Scrutiny

**Recommendation(s):** It be **RESOLVED:** That:

- 1) the 'targets achieved' as listed in Appendix B to the report be removed from the Improvement Delivery Plan and replaced with the amended targets proposed at Appendix A to the report, with the following amendment:

Priority Objective 3.2 – 10 homes a year be improved due to licensing or statutory notices being served; and

- 2) the progress made against the Housing, Homelessness and Rough Sleeping Strategy included in the Improvement Delivery Plan (Appendix A to the report) be noted.

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### Introduction

1. A request from the Overview and Scrutiny Committee to separate the Housing element of the Housing, Homelessness and Rough Sleeping Strategy (The Strategy) from the Homelessness and Rough Sleeping element has been noted and this report will update Members on progress made towards achieving the Strategy's Priorities 1 and 3 only: Homelessness and Rough Sleeping. Priority 2 of the Strategy will be reported separately.

2. The Strategy and its action plan were developed in 2019 following an extensive research and consultation exercise, with key stakeholders and the public. Recommendations from a Member 'Task and Finish Group' were also used to shape three key priorities of the final Strategy, including the need to increase housing supply while improving measures to address homelessness and the quality of accommodation. The Council will continue to monitor the progress of the Strategy's action plan through annual consultation with its strategic partners from across Housing, Health, Social Care and voluntary sectors.
3. An annual review of the Strategy action plan is completed by officers and reported to Members annually, so that progress against the Strategy objectives can be monitored and key actions reviewed and updated for the year ahead. The outcome of the full review of Priorities 1 and 3 of the Housing Development and Housing Quality element of the Strategy can be found in the updated Improvement Delivery Plan (Appendix A). A summary of all actions achieved since the Strategy's inception in 2019 is included in Appendix B below. The remainder of this report will summarise key highlights from the Improvement Delivery Plan achieved since the last report to this Committee in November 2021.

## **PRIORITY 1: Increasing the Supply of Housing**

### **Affordable Housing Delivery**

4. We continue to seek to broaden the range and number of Registered Providers that are active in the district. We have benefitted greatly in terms of affordable housing provision from the delivery of wholly affordable housing sites across Rother in 2021/22. These will continue into 2022/23.
5. We continue to rely heavily on Optivo (now Southern Housing Association) to deliver the majority of the affordable housing that is completed across the district. Like all registered providers and housing developers, Southern are operating in a challenging business environment. It is essential therefore that the Council continues to ensure that Rother is an area that Southern can work well in and allow us to continue to see strong levels of affordable housing delivery.
6. The Council relies on the activities of partners such as Southern to deliver affordable housing. It is therefore essential that a strong pipeline of sites being built out is maintained. The Housing team are aware of a current slow-down in the number of new sites starting on site and is actively working with its registered provider partners to address this.
7. Much of this slow down can be attributed to macro-economic factors outside of the Council's control and influence, including the costs of materials, energy and labour. These very high inflationary pressures combined with increased finance rates makes residential development less profitable. A predicted levelling off and potential slight fall in house prices also appears to be affecting developer appetite to start new schemes.
8. We have seen a good rate of new housing development on schemes that are already on site, notably the larger schemes in Bexhill at Rosewood Park and Worsham Farm. Further completions in Battle at Tollgates and Lily Bank have

helped to ensure strong delivery of affordable housing in the town. A further scheme is nearing completion to the south of North Trade Road, Battle and another due to start on site to the north of North Trade Road. Both of these schemes will provide on-site affordable housing.

9. However, there have been affordable housing schemes that have not been taken forward this year. The ongoing development at Goddens Gill, Northiam will not deliver any affordable rented or affordable homeownership housing, meaning local residents will continue to have to compete with those from outside the area to afford housing in Northiam. The viability challenges on other sites mean this situation is likely to be replicated elsewhere. The Housing Delivery Team is working closely with developers and the planning service to challenge viability appraisals that show provision of affordable housing is not viable; unfortunately, due to high finance and inflationary pressures coupled with materials price increases, the delivery of affordable housing on smaller sites continue to be very challenging.

### **Community Led Housing**

10. The housing service were very pleased to see the completion of the first Community Land Trust led scheme in East Sussex in 2022. The 15-unit scheme at Orchard Close, Ickelsham is now fully occupied. The scheme provided 12 homes for social rent, together with a further three homes for affordable home ownership for local people.
11. The scheme came to fruition thanks to the Icklesham Parish Community Land Trust (IPCLT) supported by the work of the Sussex Community Housing Hub (SCHH) which the Council funds in part. Having delivered this scheme, IPCLT are again working with the SCHH to identify a second site in the parish to bring forward for community led housing.
12. The SCHH are also supporting Bexhill Community Land Trust (BCLT) with the acquisition and redevelopment of Cemetery Lodge, Turkey Road to provide affordable housing for local people. Alongside this, the SCHH are engaged in early stage activities in Burwash; Beckley; Rye; Pett, Guestling and Fairlight (Marsham CLT). These activities are supported by the housing team and early stage funding for housing needs surveys and other initial works provided through the Council's Community Housing Fund (CHF).
13. The CHF is now almost spent. To complement this work, the Housing service recently sought and obtained Member approval to use s106 obligation funds to pay for community led housing related costs, namely at Cemetery Lodge. It is the intention of the housing service to continue to use this pot to support revenue bids for CLH schemes across the district.
14. The housing service are seeing an increasing number of viability challenges to providing on-site affordable housing. This can necessitate an increase in accepting financial contributions towards off-site provision. Having a strong pipeline of CLH projects is a good way of utilising these funds to provide affordable housing.

## **Rother Housing Company**

15. The Rother DC Housing Company Ltd Business Plan (2022 to 2025) was adopted in February 2022 and commits to deliver 1,000 newbuild homes over 15 years. Blackfriars forms the first site of the housing company development programme. This 200 dwelling scheme demonstrates significant progress towards achieving the 1,000 home target. This totals 20% of the total target required to be delivered by 2037. Priorities for the housing company during 2023/24 will be to continue to deliver the Blackfriars scheme and deliver the wider aims and objectives of its approved business plan.
16. The company takes an annual review and refresh of its business plan to Cabinet for approval. In 2022/23, it will take the opportunity to implement the various recommendations provided by Counties & Capital Consultancy following a review of the company. The Company will continue to build a pipeline of schemes to achieve the remaining housing target by 2037.

## **Planning policy**

17. The Policy team is continuing to progress the collation of evidence to inform the new Local Plan. In relation to planning for new housing supply, the Housing and Economic Land Availability Assessment (HELAA) is being completed in-house and consultants have been engaged to research and advise upon housing and economic development need and development viability. It is anticipated that consultation (Regulation 18) on a draft new Local Plan will take place later this year.
18. In addition, a Technical Advice Note (TAN), which explains the Council's adopted policy approach to 100% Affordable Housing has been prepared and agreed by full Council.

## **PRIORITY 3: IMPROVING THE QUALITY AND SUITABILITY OF EXISTING HOUSING AND NEWBUILD HOUSING**

### **Improving the quality of housing in the private rented sector**

19. In 2021/22, 94 inspections were completed (including 32 temporary accommodation dwellings). From 1 April 2022 to December 2022, there were 13 further inspections. These inspections have included three temporary accommodation dwellings.
20. The Warm Home Check service provides energy efficiency advice and financial advice around heating. The scheme is run by East Sussex County Council and households are encouraged to self-refer to the scheme. This scheme is promoted and discussed during the HHSRS inspections. Numbers of households that self-refer are difficult to be certain of but are believed to be around 99 for 2020/21.
21. Officers across the Housing and Special Projects team are continuing to explore delivering residential schemes using Modern Methods of Construction (MMC) techniques. To date, a viable opportunity to deliver a Council-led scheme on this basis has not been identified. Work in this area will continue into 2023/24.

## Conclusion

22. Rother has continued to see strong delivery of affordable housing in 2021/22 and is on course for delivery of over 100 units again in 2022/23. As an authority that is not currently able to develop its own stock, this is testament to strong partnership working and good stakeholder engagement. However, there is a concern that the pipeline of new affordable housing development coming forward beyond 2022/23 is reduced and this will add to the rise in homelessness and associated temporary accommodation costs.
23. The Housing, Homelessness and Rough Sleeping Strategy (2019-2024) is now entering the last full year of its life. With this in mind, officers are now beginning to meet and discuss priorities together with the remit and scope for a successor strategy.

<b>Other Implications</b>	<b>Applies?</b>	<b>Other Implications</b>	<b>Applies?</b>
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	External Consultation	No
Environmental	No	Access to Information	No
Risk Management	No	Exempt from publication	No
Chief Executive:	Malcolm Johnston		
Report Contact Officer:	Joe Powell		
e-mail address:	Joe.powell@rother.gov.uk		
Appendices:	A - Housing, Homelessness and Rough Sleeper Strategy, Priority 1 & Priority 3: Improvement Delivery Plan B - Summary of Targets Achieved		
Relevant previous Minutes:	Minute CB22/18		
Background Papers:	Housing, Homelessness and Rough Sleeping Strategy 2019-2024  <a href="#">Housing-Homelessness-and-Rough-Sleeping-Strategy.pdf (rother.gov.uk)</a>		
Reference Documents:	None		

**Minutes of the Overview and Scrutiny Meeting – 23 January 2023****OSC22/47. REVIEW OF THE HOUSING, HOMELESSNESS AND ROUGH SLEEPING STRATEGY 2019-2024 (PART A)**  
(7)

Consideration was given to the report of the Head of Housing and Community which updated Members on progress of the Improvement Delivery Plan of Priority 1 and Priority 3 of the Housing, Homelessness and Rough Sleeping Strategy 2019-2024 (Part A). An updated Improvement Delivery Plan and a summary of all the actions achieved since the Strategy's inception was attached to the report at Appendices A and B respectively. Members' attention was drawn to some of the key highlights, as follows:

**PRIORITY 1: Increasing the Supply of Housing**

The Council was actively seeking to broaden the range of Registered Providers (RP) of affordable housing operating in Rother and had benefitted from the delivery of wholly affordable housing sites across the district in 2021/22 and 2022/23. The Council's primary RP was Southern Housing Association (formerly Optivo) and it was essential that sites were progressed for RPs to deliver affordable housing provision. At present there was a slow-down in new sites and the Housing Team was actively working with RPs to address this.

Members were advised that schemes had progressed at Rosewood Park and Worsham Farm in Bexhill and Tollgates and Lily Bank in Battle. A further scheme was scheduled to be completed and started to the south and north of North Trade Road, Battle respectively. The Council was actively challenging viability appraisals on sites that no longer provided affordable housing.

A 15-unit scheme had been completed in Icklesham led by the Icklesham Parish Community Land Trust with support from the Sussex Community Housing Hub (SCHH); 12 homes for social rent and three affordable housing ownership homes for local people. A second site was being identified. The SCHH was also supporting the Bexhill Community Land Trust with the acquisition and redevelopment of the site at Cemetery Lodge. Additional sites were also being considered in Beckley, Burwash, Fairlight, Guestling, Pett and Rye, and funded from the Council's Community Housing Fund. Section 106 obligations were also being obtained to support these projects.

The Rother DC Housing Company Ltd Business Plan (2022 to 2025) sought to deliver 1,000 new build homes over 15 years. Priorities for 2023/24 were to continue to deliver the 200 dwelling Blackfriars scheme, as well as the wider aims and objectives identified within the plan.

Progress on the new local plan was ongoing and in relation to planning for new housing supply, the Housing and Economic Land Availability Assessment was being completed in-house with assistance from relevant consultants. In addition, a Technical Advice Note for 100% Affordable Housing had been formally approved by full Council.

### **PRIORITY 3: Improving the quality and suitability of existing housing and new build housing**

During 2021/22 and up to December 2022, a total of 107 inspections were completed (including 35 temporary accommodation dwellings). The Warm Home Check service, run by East Sussex County Council, was promoted and discussed during the inspections, and provided energy efficiency advice and financial advice around heating. Work to identify residential schemes using Modern Methods of Construction was ongoing and would continue throughout 2023/24.

During the discussion the following salient points were noted:

- it was disappointing to note that the development at Goddens Gill, Northiam would not deliver any affordable housing due to viability issues;
- it was apparent in some areas where the private rented sector costs had increased, multi-generational living was becoming more common and affordable housing becoming scarcer;
- social housing, the lack thereof and quality was an issue for many residents;
- the issue of developers promising an element of affordable housing in schemes at planning permission stage only to be ruled out later down the line due to viability issues, needed to be addressed;
- it was hoped that the current Department for Levelling Up, Housing and Communities' current consultation on reforms to national planning policy would address the issues of viability;
- an aspirational, long term project to create a new village within the Rother district could accommodate more housing;
- short term, the use of pre-fabricated building techniques over land in Rother District Council ownership, such as car parks, could be considered; the Council could also look to work with small builders and provide the capital for building projects; and
- under Priority Objective 3.2, could the number of homes a year be improved due to licensing or statutory notices being served be increased from a minimum of five to 10.

The suggestions and ideas discussed would be brought to the attention of the Council's Housing Company via the Head of Housing and Community.

**RESOLVED:** That:

- 1) Cabinet be requested to agree that the 'targets achieved' as listed in Appendix B to the report be removed from the Improvement Delivery Plan and replaced with the amended targets proposed at Appendix A to the report, with the following amendment:

Priority Objective 3.2 – 10 homes a year be improved due to licensing or statutory notices being served; and

- 2) the progress made against the Housing, Homelessness and Rough Sleeping Strategy included in the Improvement Delivery Plan (Appendix A to the report) be noted.

(When it first became apparent, Councillors Clark and Courtel each declared a Personal Interest in this matter as Directors of Rother District Council Housing Company Ltd and in accordance with the Members' Code of Conduct remained in the meeting during the consideration thereof).