



Briefing Note

Committee **POLICY AND SCRUTINY COMMITTEE FOR NEIGHBOURHOODS & REGENERATION**

Date **TUESDAY 4 JULY 2019**

Title **HOUSING UPDATE**

The Policy and Scrutiny Committee has requested an update on three housing related areas. These are:

1. The latest performance outcomes and a summary of any actions being taken to address areas where these are below target.
2. A summary of any actions taken on the task and finish group recommendations.
3. An update on progress with actions required as the result of the Cabinet decision on housing delivery.

This briefing paper will address these three areas and provide the relevant updates as requested.

RECOMMENDATION

1. That the Committee notes the contents of this briefing paper.

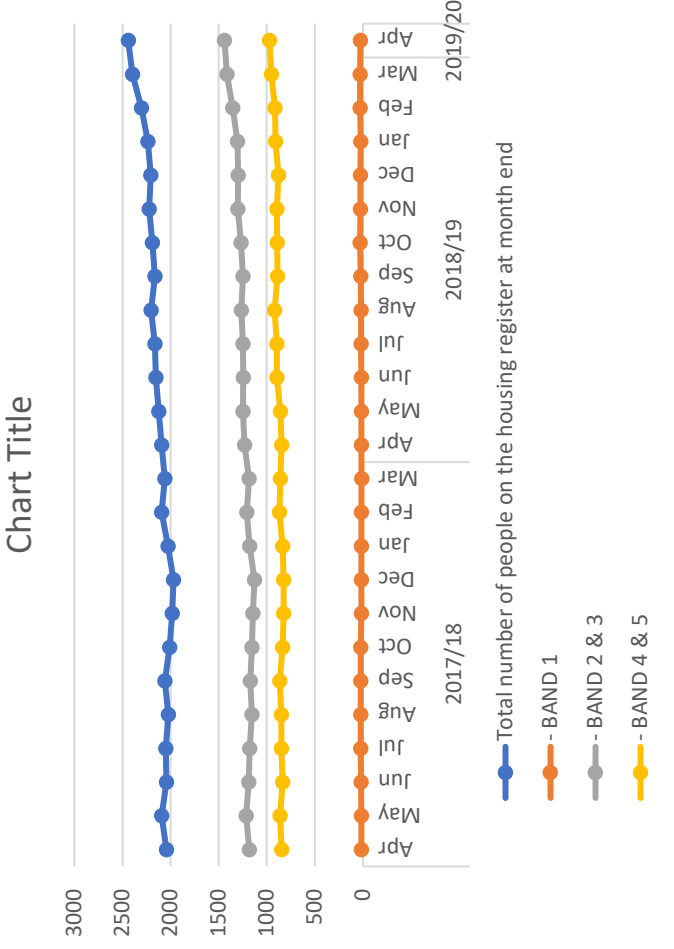
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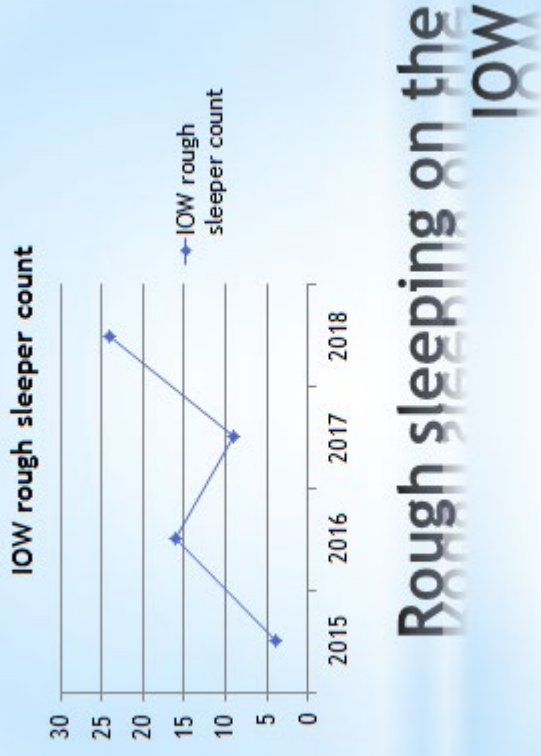
1. Table of performance measures and actions to improve:

Performance Measure	Baseline 2017 data	End April 2019 data	Update / actions
Number of households in temporary accommodation	176	181	<p>Chart Title</p> <p>800 600 400 200 0</p> <p>2017/18 2018/19 2019/20</p> <p>Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr</p> <p>— No. of children — No. of families with children — Total Number of households in temporary accommodation at month end (All Household types and types of accommodation including R&B)</p> <p>Action:</p> <ol style="list-style-type: none"> Review and develop the suite of interventions and accommodation options under the umbrella of the supporting people programme, with a proposed go live date of April 2020. Maximise the use of existing PRS and Housing Association leasing schemes and seek innovative/ new options to improve the service offer.
Number of families with children	136	130	
Number of children	255	275	

			<p>3. Embed the Homelessness Reduction Act 2017 and ensure services are focused on prevention and personalised to households needs.</p> <p>4. Continue to embed the TAM (Temporary Accommodation Meeting) to provide the operational oversight necessary to ensure that the Council fully meets its statutory duties in reducing homelessness, responding to rough sleepers and minimising any child living in bed and breakfast accommodation.</p>
<p>Number of households in Bed and Breakfast</p> <p>Number of families with children</p> <p>Number of children</p> <p>Number of families over 6 weeks</p>	<p>17</p> <p>8</p> <p>4</p> <p>0</p>	<p>24</p> <p>9</p> <p>17</p> <p>2</p>	<p>Chart Title</p> <p>Legend:</p> <ul style="list-style-type: none"> Households in B&B - Families with Children over 6 weeks Households in B&B - Number of children Households in B&B - Families with Children Households in B&B at month end
Action:			<p>1. Utilise s106 funds to purchase properties to be used in place of B and B for families.</p>

			<p>Update:</p> <p>On December 19th 2018 the IOW Housing Needs Service undertook an internal review of our families in Bed and Breakfast accommodation. This highlighted that we were accommodating households in B&B beyond 6 weeks, which is outside of the law and can lead to a high Ombudsman fine.</p> <p>At this time we had approximately 14 out of a total cohort of 19 families that had exceeded the 6 week measure in B and B. In terms of context, our government contact advised the number of families on the Isle of Wight in B&B for over 6 weeks is currently higher than all but one of 9 London boroughs he was working with and the highest of those councils he is working with in the South East outside of London which includes several cities and towns.</p> <p>There were 25 councils in the whole of England in June 2018 had been accommodating families in B&B for over 6 weeks. Isle of Wight's figure of 14 families would have placed it as the 10th highest out of 326 councils in England</p> <p>By May 2019 we have managed to reduce this figure to zero.</p>
Number of Extra Care Units available on Island	0	0	2020 will see the delivery of 150 new affordable Island Independent Living (IIL) units from Southern Housing Group. Discussions are ongoing with a range of potential suppliers of IIL housing, including 80-82 units expected on Sandham Middle School in 2021/22

Number of people on the housing register at month end	2093	2440	 <p>Chart Title</p> <p>Total number of people on the housing register at month end</p> <p>Legend:</p> <ul style="list-style-type: none"> Total number of people on the housing register at month end (Blue line with circles) BAND 1 (Orange line with circles) BAND 2 & 3 (Grey line with circles) BAND 4 & 5 (Yellow line with circles) <p>Time Period: 2017/18, 2018/19, 2019/20</p>
Number of people on Band 1 of the housing register at month end	16	28	<p>Action: Review the Allocation Policy</p> <p>Update: Banding criteria's will be considered further during the review of the allocation policy which is currently ongoing</p>
Number of rough sleepers	9 (Nov 2017)	24 (Nov 2018)	



Rough sleeping on the IOW

Action:

1. Develop an assessment hub provision to cater for single complex individuals that are rough sleeping on the IOW.
2. Launch a 12-month Housing First pilot in July 2019.
3. Embed The Homelessness MARM taskforce as a mechanism to gather intelligence in relation to rough sleeping and as a tool to ensure services are working together to minimise the risks posed to individuals.
4. Utilise successful grant bids (RSI £175k and RRH £104k) to improve service offer to rough sleepers.

Consider and implement the outcomes of the business case for the provision of extra care housing and seek the funding for its delivery

The first Extra Care scheme is due for completion in March 2020 and will be followed by a second in October 2020. This will deliver 150 affordable 1 bed flats and 2 bed shared ownership properties. The schemes have been funded by Funding Affordable Homes and the Council has taken a 50% risk share in covering the costs of the well-being charge associated with void properties until first let. This is in recognition of the fact that the well-being service is required from day 1, even if the scheme is not full.

The Council is currently seeking alternative routes to market to bring forward Sandham Middle School for Extra Care (80-85 units) and is progressing conversations with other providers who have interest in delivering units on the Island.

Work with partners and key stakeholders to identify and deliver appropriate schemes to meet local housing needs through a housing delivery plan

Work has been undertaken to formalise our approach to working with key stakeholders and this has resulted in a new governance approach being developed to provide a clear and open process for engagement, leading to measurable outcomes.

The lead group for the new approach is the Housing Partnership Board which is a dynamic forum of key public and private players interested in making a difference to the housing situation on the Isle of Wight. They are brought together primarily to encourage sharing best practice, identifying areas for joint working and agreeing positive objectives for housing. As a collective they also aim to:

- Provide strategic leadership – shaping and setting the housing agenda;
- Build relationships and influence decisions for the benefit of the Isle of Wight;
- Draw in resources from both traditional and alternative sources.
- Work together to improve the supply and quality of affordable homes.
- Create sustainable communities on the Isle of Wight.
- Contribute and lead on the delivery of the new housing strategy

The Housing Partnership Board will operate through a range of forum and meetings to oversee and provide guidance for the wider membership, therefore to engage with the widest group of partners to support the work of the partnership board the following will be put in place

Engagement route	Purpose	Frequency
Housing Conversation	<ul style="list-style-type: none"> • Open forum sessions for all partners • Opportunity to review housing related matters to get widest views 	Quarterly
Registered Providers	<ul style="list-style-type: none"> • As a key deliverer of housing a meeting will be held with all RPs working on the Island or wishing to work on the Island • The Isle of Wight Council will take a coordinated approach so that there is one meeting covering all key housing related issues 	Quarterly
Developers	<ul style="list-style-type: none"> • As a key deliverer of housing a meeting will be held with all RPs working on the Island • The meetings will be led by the Regeneration Team and engage planning, etc as appropriate 	Quarterly

The first Housing Conversation meeting was held in April 2019 and this was attended by over 40 people. There was extremely positive feedback from the session and since then meetings have been taking place with RPs and developers.

The HPB membership is currently being established with the first meeting to take place in late July/August.

A new housing strategy is currently in draft and will be accompanied by a housing action plan. This is due for sign-off autumn 2020.

Work with partners and key stakeholders to review the Island Plan such that it is consistent with the aspirations of the council through area-based regeneration plans

Consultation has been undertaken on a draft Island Planning Strategy, with 3,736 comments being received from 1,795 respondents. The Planning Policy team have inputted these into consultation management software and are now working on summarising the responses and identifying potential changes to be made to the draft document. The majority of the responses related to housing and raised issues around the overall number proposed and whether there was the need, along with comments on proposed allocations.

2. Recommendations of the affordable housing task and finish group and update on activity:

Recommendation	Update – June 2019
<p>The council should consider ways in which it can incentivise developers in the delivery of large schemes including making it easier to compulsory purchase land where homes remain un-built and to charge developers full council tax for every un-built development from the point that the original planning permission expires.</p>	<p>Liability for Council Tax is provided by legislation including but not limited to the General Rate Act 1967, the Local Government Finance Act 1988, the Local Government Finance Act 1992, the Rating (Caravans and Boats) Act 1996, the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, the Council Tax (Situation and Valuation of Dwellings) Regulations SI 1992, the Council Tax (Chargeable Dwellings) Order 1992, and the Non Domestic Rating and Council Tax (Definition of Domestic Property and Dwelling) (England) Order 2013</p> <p>Ultimately the liability does not arise until such time as the building is completed and, for Council Tax purposes and, is entered into the Valuation List.</p> <p>The compulsory purchase regime is also extensively covered by legislation and statutory guidance. Powers remain available to the council to acquire land under s.17 of the Housing Act 1985, and s.226 of the Town and Country Planning Act 1990.</p>
<p>The Isle of Wight Council should consider a policy of early pre-application consultation with residents, heritage groups, Town and Parish Council's and ward councillors to allow issues of concern to the local community to be addressed and encourage the local community to be part of the delivery of the affordable homes that these communities require.</p>	<p>The Local Planning Authority (LPA) offers a paid for pre-application advice service to applicants and through this strongly recommends that they engage with the local parish/ town council about their proposals before submitting their application. This, however, is not mandatory and the LPA cannot make applicants do this. However, the importance of this issue is recognised, and officers are investigating whether introducing a requirement for such consultation is possible.</p>
<p>It is recommended that a standalone arm's-length property company dedicated to building specialist and affordable housing for Island</p>	<ul style="list-style-type: none"> - The Isle of Wight Council, in partnership with PSP Ltd has created iWight Developments as a limited liability partnership to deliver a mix of market

<p>families be created. It was encouraging to hear Sajid Javid (then Secretary of State for Housing, Communities and Local Government) in his speech of 5th March 2018 confirm the government's commitment to promoting 'Build to Rent'.</p>	<p>rent, market sale and affordable rent homes on the Island. The first scheme on Medina Avenue is due to complete in spring 2020.</p> <ul style="list-style-type: none"> - There are over 200 homes in the pipeline for delivery by iWight Developments across 4 key sites, with further sites being added to the pipeline - The Council generates a return from on lending capital and also a rental stream from the units - This company will predominantly utilise modular off-site construction to build 2/3 bed homes.
<p>If the Isle of Wight Council were to set up a housing delivery company any homes delivered by this company should have some protection from 'Right to Buy' unless councils are allowed to access 100% of 'Right to Buy, receipts to replace properties sold under that scheme.</p>	<ul style="list-style-type: none"> - In November 2018, Cabinet agreed to establish a wholly owned Housing Company to deliver affordable and specialist housing units (as well as market housing to ensure scheme viability) - In May 2019, the future structure of the Company was agreed by the Regeneration Member's Board and a project delivery team has been established. External expertise will be required to ensure the company is set up appropriately and initial costs for this support have been obtained. A budget of £200k has been set up to support the establishment of the Housing Development Company - In May 2019, the Regeneration Member's Board also agreed that the Council is not in a position to establish a Housing Revenue Account at this stage but will keep this option under review. At present, homes built in Housing Development Companies are NOT subject to right to buy, however, Government has been clear this is under review and IWC will need to be clear that establishing a Housing Development Company is not a way of avoiding RTB issues.
<p>The Isle of Wight Council should wherever possible look to work in partnership with current providers of specialist and affordable housing to help with delivery through de-risking sites and releasing unused council land for development.</p>	<ul style="list-style-type: none"> - A new regime of meetings with registered providers and Island developers has been established. This will establish development pipelines, improve communication and enable IWC to better influence and facilitate the development of affordable and specialist housing

	<ul style="list-style-type: none"> - A regular quarterly 'Housing Conversation' has been established to bring all parties together to discuss how best to work together and tackle key issues - Understanding how IWC can best support / enable RPs to increase delivery is a key aspect of these conversations
<p>The Isle of Wight council should explore the possible viability of having a factory to produce high quality pre-fabricated homes on the Island once the SHLAA has been completed and an appropriate volume of sites identified.</p>	<ul style="list-style-type: none"> - This option has been discussed with a number of potential providers. There is appetite and early discussions with developers may lead to certainty of pipeline to enable a factory to be viable. - iWight Developments is bringing in modular housing which will provide a good test bed to gauge Islander's reaction to off site manufacture.
<p>The Council should avoid any new affordable housing developments for sale that are tied to 'Leaseholds' to ensure that new home buyers can have the protection, security and knowledge of future costs that 'Freeholds' offer.</p>	<p>At present the council has little enforceable control to resolve this issue but this is something being discussed at a national level by the Law Commission who have made a series of recommendations which may lead to leasehold reform legislation, a copy of that report is available <u>here</u>:-</p> <p><u>https://s3-eu-west-2.amazonaws.com/lawcom-prod-storage-11jxou24uy7q/uploads/2018/07/Solutions-for-Leasehold-Houses.pdf</u></p>
<p>With the pending role out of fibre to the home across the Island that the new investment through Wight Fibre will offer, the council should do what it can to reduce future disruption to the road network and service delivery by facilitating fibre to homes for new build. Therefore it is recommended that fibre</p>	<ul style="list-style-type: none"> - This will continue to be a key consideration in all new residential and commercial developments

<p>to the home should form an integral part of any housing development over 10 units that is within 200 metres of a fibre enabled cabinet.</p>	<p>the Isle of Wight Council should support the following proposals to change current legislation:</p> <p>Councils should be allowed to keep 100% of the receipts from homes sold under the 'Right to Buy' scheme to reinvest in the replacement of specialist and affordable housing.</p> <p>The Treasury Select Committee's view that the government should abolish the housing revenue borrowing cap to boost council house building.</p>		<ul style="list-style-type: none"> - The Housing Revenue Borrowing cap was abolished in October 2018 although this has no impact on the Isle of Wight Council as we have no housing revenue account - If the IWC decides at a future date to open a Housing Revenue Account (or if legislation pertaining to RTB for Housing Delivery Vehicles changes), the Council will lobby to keep 100% of RTB receipts.
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3. Progress with actions required as the result of the Cabinet decision on housing delivery:

<p>Options recommended to take forward</p> <p>Develop existing council sites using Special Purpose Vehicles and the acquisition of existing property to meet affordable housing needs, based on a full site cost appraisal, to be approved in each case by the Director of Finance, Director of Regeneration and Cabinet member for Resources.</p>	<p>Update – June 2019</p> <ul style="list-style-type: none"> - Work is currently ongoing to bring forward Sandown Town Hall for redevelopment into residential units and retain the hall for commercial / community use. Plans are expected to be submitted summer 2019 - Legal has been instructed to look at an appropriate legal structure / SPV to bring the scheme forward if the Housing Development Company has not been established. - Sandown Middle School is still being progressed as an Extra Care Scheme. Work has stalled due some procurement issues however, this is
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<ul style="list-style-type: none"> - Delegate authority to the S.151 Officer to lend monies to any Special Purpose Vehicle or Local Housing Company, within the limits of the council's Treasury Management Strategy on the basis of the appraisals undertaken as set out above. 	<p>due to be resolved in early June with a clear approach for taking the site forward expected thereafter.</p> <ul style="list-style-type: none"> - A housing and regeneration prioritisation framework has been established by the S.151 officer to aid in the decision-making process for capital investment and borrowing
<p>Set up a local housing company to enable long-term delivery of housing to meet local needs including the ability to develop housing for sale at market value on existing council owned sites and sites acquired from third parties.</p> <ul style="list-style-type: none"> - Delegate authority to the Assistant Director of Corporate Services and Monitoring officer, in consultation with the S.151 Officer to develop all of the necessary documentation to establish all legal entities as required for the delivery of affordable and market housing for rent or sale. - Delegate authority to the Assistant Director of Corporate Services and Monitoring Officer, in consultation with the Cabinet Member for Resources and the Cabinet Member for Housing and Planning, to determine the governance arrangements for any Special Purpose Vehicle and Local Housing Company 	<ul style="list-style-type: none"> - A 3 month period was dedicated to researching best practice in terms of types of companies and governance structures from the sector - The research led to a recommendation on a proposed company structure and governance approach which was agreed by the Regeneration Members board in May 2019. - Budget has been identified to support this piece of work and the brief to procure in the expertise (legal / financial / tax) required to ensure the Development Company is set up appropriately is currently being drafted and it is expected to be agreed in June 2019 - It is anticipated that the Housing Development Company will be established by December 2019

<p>Continue to investigate the merits of opening a Housing Revenue Account</p>	<ul style="list-style-type: none"> - This piece of work was done as part of the research phase to support the development of the Housing Development Company. - The recommendation to the Regeneration Member's Board in May 2019 was that at present the Council does not own enough residential units to make opening a Housing Revenue Account viable and that there are little to no benefits of opening an HRA over setting up a Housing Development Company - This position will continue to be reviewed as the number of units owned by the Council increases and in line with changing Government legislation
<p>Develop a housing and estate management partnership to provide a housing management function on behalf of the council until the Local Housing company set up and Housing revenue account investigations have been completed</p>	<ul style="list-style-type: none"> - A full procurement exercise will be done to have the strategic management partner in place this financial year - The Council entered into a strategic management partnership with Southern Housing to manage the 12 Brooklime flats on Pan Estate and this relationship is working well. This is a two year contract at present.
<p>To review the council's current arrangements for nominations and allocations</p>	<ul style="list-style-type: none"> - This is currently under review with provider meetings set for late May / early June to discuss the future changes required to improve the system and processes.