



Purpose: For Decision

Committee report

Committee	CABINET
Date	8 OCTOBER 2020
Title	ADOPTION OF THE HOUSING STRATEGY 2020-2015
Report of	CABINET MEMBER FOR PLANNING AND HOUSING

EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval from Cabinet to formally adopt a new Island Housing Strategy 2020-2025. The strategy been developed to reflect on emerging national and local priorities to align the delivery of housing for the next five years to the [Corporate Plan 2019-22](#). The report sets out the requirement for the housing strategy, the process that has been involved in developing the strategy and identifies the key priorities that will drive the housing agenda up to 2025.
2. This strategy has been developed to set the framework for how the council will address the housing challenges it will face in the coming years and give direction to our partners involved in delivering housing and services across all tenures. The aim is to provide the right homes and support where needed across the Island. It details how the council will enable the delivery of these services, and the background to the strategy's production.
3. The adoption of the strategy is required to demonstrate the transparency of the council's intent to engage and support the housing market. This is to build market confidence to re-start development, generate more 'affordable housing', help vulnerable households and to achieve better economic stability for our communities in the longer term. This was the direction of travel before the Covid-19 pandemic due to the identified systemic housing challenges on the Island. The production and agreement of a detailed strategy or plan to address these now is probably more important than any time in the recent past.

BACKGROUND

4. The proposed Housing Strategy 2020-25 is effectively a new document as the previous housing strategy from 2012 has expired and has not been updated. There is also the need for a new Island Plan to direct for future planning policy, which in turn is going through its own process towards adoption. Producing a new housing strategy with a relevant up to date evidence base helps ensure the linkages are there from the start.

5. The strategy aligns with the government's White Paper 2017 'Fixing Our Broken Housing Market' which concludes the housing market in England is broken, and the simple cause is that for far too long enough new homes have not been built since the 1970s. It also promotes balancing housing supply across the full economic range of current and future residents. This is especially relevant to the Island given the need to attract, keep, and sustain a skilled and sustainable work force, accommodate younger people in the housing market, and address the urgent need for 'affordable' homes of all tenures.
6. The strategy promotes delivery of a range of homes that will include more expensive homes as well as standard and affordable housing of all types including keyworker housing and to tackle homelessness. This broad market approach appears difficult for many residents to understand, albeit the vast majority of homes have always been provided from the private sector reacting to market demand. However, the delivery of affordable homes is a key driver for the housing strategy as we have an increasing number of local households experiencing housing challenges and increased vulnerability to homelessness. Not least due to the pandemic accelerating the wider negative social and economic impacts of the lack of affordable housing. This strategy also highlights the systemic challenges in delivering a sufficient supply of affordable housing to meet the needs of Island residents.
7. The strategy also promotes the critical messages that social housing or 'affordable housing' is allocated to Island residents in need and the council will be using its own resources to deliver affordable homes for Island people where possible. This will mostly likely be in partnership with housing associations and other 'affordable' housing providers. It proposes that council should take a more active role in the direct delivery of affordable housing, initially across its own selected sites, through the use of special purpose vehicles (SPVs) where appropriate, and ultimately through its own wholly owned local housing company, as agreed by Cabinet in November 2018.
8. The council has committed to intervene in the housing market where necessary to stimulate better delivery in the private and social housing sectors, which have failed to deliver enough new affordable homes over the last ten years. This broader approach also accepts that there is also a need for wider range of homes as provided by the private sector to promote economic growth and recovery from the Covid-19 pandemic.

STRATEGIC CONTEXT

9. The strategy has been developed based upon:
 - a comprehensive review and consideration of the national and local context;
 - achievements and progress of the regeneration policy, 'Inspiration Island';
 - wide consultation with stakeholders and the public;
 - needs analysis including the strategic housing economic needs assessment.
10. This approach fits with our latest [Corporate Plan 2019-22](#) which cuts across the 12 corporate priorities to one degree or another, but specifically to develop a unique case for funding housing development and delivering affordable housing across the Island. The premise is the underlying impact that housing has on a wide range of corporate and service priorities which are critical to the council and meeting the objectives of its wider partnerships including social care, crime, health and education;

accepting that access to a safe and secure home underpins everything else for our residents.

11. The strategy recognises that its objectives will only be delivered in partnership. This includes with a range of internal Isle of Wight Council partners and external stakeholders including housing associations, Homes England, private developers, landlords and local organisations whose work focuses on housing services and issues.
12. The other strategic plans that relate specifically to the recommendations within the report. include, but not limited to:
 - a regeneration strategy 'Inspiration Island' 2019–30;
 - the Homeless and Rough Sleepers Strategy 2019-24;
 - the Health and Wellbeing Strategy for the Isle of Wight 2018-21;
 - the Extra Care housing strategy 'Independent Island' 2017-32;
 - the Health and Wellbeing Strategy 2018-20;
 - Community Safety Partnership Strategic Plan 2018-20.

REGENERATION/HOUSING DELIVERY

13. The delivery of new homes on the Island has been placed in broader context of regeneration, both strategically and operationally, as it relates specifically to new housing units added to the Island's housing stock or bringing older and run-down housing stock back into use.
14. The main objectives of joining up housing in this way is:
 - re-balancing our population to ensure we can sustain our public services;
 - caring for our most vulnerable people and helping everyone to "age well";
 - reducing deprivation levels in affected areas of the Island;
 - changing perceptions of the Island and its future among those who live here and those who might want to relocate, invest and visit.
15. Overall, the service is working to gain the economic benefits that new development brings in both the private and social markets generating new jobs, growth and income to sustain council services including building enough homes to ensure for example that the numbers of local families in temporary accommodation is reduced.

CONSULTATION

16. This strategy has been widely consulted upon widely with stakeholders and the public and the first drafts of the strategy were originally designed around four overarching themes:
 - People
 - Properties
 - Place
 - Partnerships
17. Following feedback from a wide range of stakeholders and housing partners at four housing conversation events held last year, and two more this year, the last one being

in July 2020. It has been decided to further break down the overarching themes into six cross-cutting strategic priorities. This is for clarity given the breath and length of the themes and the challenging expectations of so many stakeholders and communities.

This has enabled more focused outcomes in the action plan to prioritise key actions and expected outcomes:

- **Strategic priority 1: New housing supply** – Ensuring the right supply and mix of new homes and increasing affordable housing delivery through the efficient use of land and capital resources including those the council owns or has control of.
- **Strategic priority 2: Housing affordability** – Defining “affordability” on the Island through detailed and on-going research of both incomes and housing costs to inform both planning and housing policy going forward.
- **Strategic priority 3: Private sector housing** – Ensuring that the private housing sector provides enough good quality market housing through support for developers and landlords and, where necessary, robust quality control and regulation.
- **Strategic priority 4: Partnerships** – Enabling housing associations and our other partners to build more new affordable homes for Island residents while maintaining their current homes to a high standard.
- **Strategic priority 5: Homelessness and housing need** – Reducing homelessness and rough sleeping through effective prevention work and building a new homeless pathway through property solutions and wrap-around services.
- **Strategic priority 6: Special housing needs and vulnerable people** – Ensuring that specialist accommodation is available for vulnerable people including primarily extra-care housing for older people and people with disabilities.

18. While there is no legal duty to consult on a housing strategy, the Cabinet member for planning and housing via a delegated member decision recommended that the draft housing strategy 2020-2025 was publicly consulted upon.
19. The public consultation ended at the end of March just before the Covid-19 pandemic lockdown. The consultation exercise itself required completion of a detailed questionnaire and comments to drill down into the reasoning and evidence base of what the public were saying and thinking about housing delivery on the Island and its links to regeneration initiatives.
20. Most respondents showed agreement with several of the Isle of Wight Council’s approaches contained within the housing strategy. With a positive response between agree and strongly agree, 31 per cent and 27 per cent respectively, with the approach of developing infrastructure alongside growing communities. Respondents also positively agreed with the Isle of Wight Council partnership approach to providing new housing. Furthermore, respondents felt that the council’s approach to providing housing for children, young people, including fostered children is the correct one;

along with positive agreement that 'Island Independent Living' or providing extra-care accommodation for older people is much needed.

21. Respondents clearly agreed with the Isle of Wight Council's approach to addressing and reducing homelessness and wanted to see the council directly provide 'affordable housing', as opposed to leaving this to private sector and housing associations alone. Conversely, there was not a definite correlation as to whether the Isle of Wight is viewed to have a housing shortage, with 29 per cent agreeing there is, against 21 per cent disagreeing and 21 per cent strongly disagreeing, this is reflected in respondents feeling strongly the Isle of Wight Council should target empty properties (60 per cent) as a priority.
22. Finally, although agreeing with the council's partnership approach, 73 per cent of respondents are not involved, and are not considering being involved in local partnership work.
23. The outcomes were discussed at the Regeneration Members' Board in May 2020, and the response indicating there is still much further to go for the housing campaign. However, the public consultation did not take account of post Covid-19 public sentiment towards increasing the number of new homes due to its timing, and it is intended to revisit this issue at the annual review following adoption of the draft housing strategy to see if public perceptions have changed once we have reached the economic recovery phase from the pandemic.
24. There is undoubtedly a new and changing landscape for the draft housing strategy since the public consultation ended in terms of six-fold increase in homelessness presentations, existing housing developments had mostly paused and slowly re-started, and housing organisations are discussing their future ambitions and role on the Island and there is uncertainty on the number of new homes that will be built this year, though it is likely to be lower than in previous years.
25. This strategy is placed in the context of a range of the council's key strategic documents as outlined previously. It covers a broad range of housing issues and services, though of particular relevance in terms of timing and topics is the adopted Homelessness and Rough Sleepers' Strategy 2019-24.
26. This strategy highlights the challenges in delivering a sufficient supply of affordable housing to meet the needs of residents of the Isle of Wight. It proposes that council should take a more active role in the direct delivery of affordable housing, initially across its own selected sites, through the use of special purpose vehicles (SPVs) where appropriate and ultimately through its own wholly owned local housing company, as agreed by Cabinet in November 2018.

FINANCIAL / BUDGET IMPLICATIONS

27. The housing strategy refers to matters which are already reflected in approved budgets, and where additional resources are required to deliver the housing priorities set out in the strategy, the financial implications of these will be evaluated and reported once plans have been developed. It does however aim to attract major investment in house building from the private and registered sectors to complement and deliver the step-change required in house building to meet the council's strategic objectives as outlined.

CARBON EMISSIONS

28. The council has declared a climate emergency and aim for the Island to become carbon neutral by 2030. With the key aim of the strategy being to build more new 'affordable' homes it is accepted that their construction does ultimately put more carbon into the atmosphere which will have to be offset. The strategy also promotes the use of new construction technologies to create high quality, net-zero carbon and environmentally resilient homes to offset carbon emissions in the longer term to meet the council's 2030 zero carbon target and the Government's 2050 legal requirement.
29. Newly constructed homes are also likely to be affected by changes to the Building Regulations resulting from the Future Homes Standard which is due to be introduced in 2025. The strategy 2020-25 has also considered the council's Carbon Management Plan which aims to reduce council carbon emissions by six per cent per year through making best use of home insulation schemes in both private and social homes. These include carbon emissions resulting from energy use in buildings, street lighting, fleet vehicles, business travel, water use, waste disposal, air conditioning and contractors' services.

LEGAL IMPLICATIONS

30. There is no legal requirement to have a housing strategy as the Deregulation Act 2015 abolished the statutory requirement for English authorities to produce a housing strategy as previously required by section 87 of the Local Government Act 2003. It does, however, serve as an essential policy document setting out the council's approach to housing and allows councillors to scrutinise delivery. There is a legal requirement to have a homelessness strategy and allocation policies which are interdependent.

EQUALITY AND DIVERSITY

31. While not a legal requirement, it is still considered best practice to undertake an equality impact assessment which has been carried out in the production timeline of the housing strategy.

PROPERTY IMPLICATIONS

32. The strategic asset management and property implications of this strategy will be mainly around the use and sale of the council's own land and property to deliver or facilitate the delivery of new homes as part of the regeneration programme. This is currently under a governance system which includes the prioritisation of wider regeneration loan funding, with a full business case being required by the council on each individual project basis before commencement. Each one will be progressed with full input from Legal, Finance, and sign-off by the section 151 officer and Cabinet at the relevant stages.

SECTION 17 CRIME AND DISORDER ACT 1998

33. The Local Development Framework provides the local policy context within which decisions on planning applications are made and their crime and disorder implications considered by our Planning Department.

OPTIONS

34. The following options available to the Cabinet:

- a) To adopt the housing strategy as at Appendix A
- b) To propose amendments to the housing strategy.
- c) Not to adopt the housing strategy and carry on business as usual without a new strategy in place.

Option A is the preferred option because this will allow us to proceed with publishing and implementing an up to date strategy and action plan.

It is recommended that the housing strategy is endorsed for adoption as it has been developed based upon a comprehensive review of evidence and consideration of the national and local context, achievements and progress of a range of council strategies as outlines, and detailed consultation with stakeholders over time. Adoption of the strategy will allow resources to be spent on strengthening the housing partnership across the sector and help the focus on housing delivery.

RISK MANAGEMENT

35. The following table considers the significant risks arising from this report:

Risk	Description	Action to avoid or mitigate risk	Risk level
That the actions required by the strategy are not carried out.	There are detailed action plans covering outputs which will need to be achieved to meet the outcomes required by the strategy.	Monitoring of progress against the action plan will be carried out regularly through the Housing Partnership Board and annually by a report to Cabinet.	High
That agencies do not work in a coordinated fashion to achieve the aims of the strategy.	Actions detailed to fulfil the aims of the strategy will need the input of statutory and voluntary partners.	Officers will ensure that governance meetings are timetabled to progress strategic objectives.	Medium
That the decision is made not to adopt the 2020-25 Housing Strategy, leaving the council open to challenge as not having a current strategy at a	The strategy has been written to consider recent legislative changes (e.g. the Homelessness Reduction Act and the 2016 benefit cap) and the evolving needs of Island residents including the challenges of affordability and housing stress. The underlying focus remains on developing more	The direction outlined in the strategy is a shared vision across strategic housing and partner agencies. Should the strategy not be agreed, the work areas would continue under the various workstreams of stakeholders, but possibly remain ineffective.	Low

time of having to respond and recover from a national emergency to attract new funding and market engagement from house builders.	homes of all tenures and bringing new infrastructure investment to the Island.		
The Covid-19 crisis prevents the council and its partners effectively responding to the recovery in terms of housing.	That the sector is unable to step-up to the housing challenges and goes into decline, further economically disadvantaging the Island in the regional context in regard to bidding for infrastructure funding to unlock new homes delivery.	There are a number of plans for recovery at a government, regional and council level and new national funding to build new homes at all levels and tackle long-standing infrastructure constraints. The actions from these will be monitored through the Housing Partnership Board.	Medium
That the document does not remain current and up to date.	That changes occur within the life of the document which significantly impact the accuracy of the strategy.	As part of the continual monitoring process, the strategy will be reviewed in light of additional information e.g. changes in the demographics of Island residents and emergent housing needs.	Medium

EVALUATION

36. The Isle of Wight needs an adopted housing strategy to bring together the full range of strategic thinking and possible housing interventions to give confidence to both local residents, and the wider economy including investors and the UK government to deliver more and better housing on the Island.
37. In this way the Housing Strategy 2020-2025 will directly contribute to delivering the overarching partnership themes:
- a) People – to be able to live well and fulfil their aspirations.
 - b) Properties – to ensure all types of housing are safe, warm and comfortable including new homes.
 - c) Place – to adapt and be attractive, vibrant, and prosperous places on our high streets and wider communities while ensuring the environment remains current for future generations.

- d) Partnerships – to be empowered, connected and able to build upon their strengths in relation to providing homes and services for residents.

RECOMMENDATION

38. Option A - To adopt the Housing Strategy with the current content as at Appendix A.

APPENDICES ATTACHED

Appendix A - Draft Housing Strategy 2020-25.

BACKGROUND PAPERS

Isle of Wight Council Homeless and Rough Sleeping Strategy 2019-2024

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