

	<h2>Housing Committee</h2> <h3>27 October 2014</h3>
<p style="text-align: right;">Title</p>	<p>Draft Housing Strategy 2015 to 2025</p>
<p style="text-align: right;">Report of</p>	<p>Lead Commissioner for Housing and Environment</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1- draft strategy Appendix 2- evidence base</p>
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<h2>Summary</h2>
<p>The Council has developed a new draft Housing Strategy to take account of major changes in the housing sector and wider demographic and economic changes. The strategy addresses the challenges of a growing population, increased housing demand, and the impact of austerity, growth and regeneration on the borough. If approved by the Housing Committee, the Council will undertake a public consultation on the aims of the draft strategy with key stakeholders including housing associations, developers, tenants and residents. Housing Committee will then be asked to review the responses to the consultation and approve a final version of the Housing Strategy.</p>

<h2>Recommendations</h2>
<p>1. That Housing Committee approves the proposed draft Housing Strategy for public consultation.</p>
<p>2. That Housing Committee authorises officers to commence public consultation from 1 December 2014 to 28 February 2015 inclusive, or on other appropriate dates as soon as possible if these dates cannot be met.</p>

3. That the results of the consultation be reported back to Housing Committee on 22nd April 2015 together with officer recommendations and a revised Strategy if appropriate.

1. WHY THIS REPORT IS NEEDED

- 1.1 Barnet's last Housing Strategy was approved in 2010 and was updated in 2011 to take account of a range of national policies, including the way affordable and council housing is funded, welfare reform, the introduction of flexible tenancies and more flexibility on how housing applications are dealt with. These changes, which have provided opportunities and challenges, have now been largely implemented, and the Housing Strategy needs to be updated now that the impact of them is better understood.
- 1.2 Barnet continues to face a number of significant challenges in relation to housing, including continuing population growth, increased demand for homes and associated high housing costs, austerity measures that are set to continue for a number of years, and the delivery of significant growth particularly in the West of the borough.
- 1.3 In addition, the London Mayor has produced a new draft London Housing Strategy setting out his ambition to deliver 400,000 new homes across the Capital over the next 10 years.
- 1.4 The growth agenda provides an opportunity to provide new homes in the borough, and the reform of council housing finance has made it possible for the Council to build its first new homes for rent in more than 20 years.
- 1.5 A new draft Housing Strategy has been drafted with the following strategic objectives:
- Increasing the housing supply,
 - Delivery of homes that people can afford,
 - Sustaining the quality of the private rented sector,
 - Tackling homelessness,
 - Providing suitable housing to support vulnerable people,
 - Delivery of efficient and effective services to residents.
- 1.6 A key step in the development of the new strategy was the compiling of an evidence base of housing market data together with the latest population projections and Census 2011 data. This confirmed that Barnet is a growing and enterprising borough that is generally wealthy and successful but there are a sizeable number of households who find it increasingly difficult to meet the cost of their housing within the borough's boundaries because of the high cost of owner-occupation and private renting.
- 1.7 A stakeholder group was established to review the evidence base and comprised senior officers from partner organisations including a developer, registered provider and a board member of Barnet Homes. As well as reviewing the evidence base, the group went on a number of site visits,

including to Beaufort Park and the development at Kings Cross to understand more about successful regeneration schemes.

- 1.8 Public consultation is proposed during December 2014 to February 2015 to gain wider feedback on the draft housing strategy to ensure that it will help meet the housing challenges that the council and residents face.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The focus of the new strategy is “Quality Housing in Quality Places”. It has been designed to meet the key current housing challenges in the borough. These are how to deal with an increasing population, meeting housing supply and demand, delivering quality services for less money at a time of austerity and managing an ambitious growth and regeneration programme.
- 2.2 With 362,000 residents, Barnet is already the second most populous London Borough, and is set to see more growth, with a projected population increase of 83,000 over the next 30 years. This is a population growth equivalent to the size of Stevenage or Harlow. New homes will be required to help meet the various housing needs of a growing population.
- 2.3 The largest increases are expected among children and the elderly, and a particular challenge will be to provide appropriate housing choices that promote independence for an increasing number of older people who might otherwise be forced into expensive residential care.
- 2.4 Barnet is a popular place in which to live and has high demand for a limited supply of affordable housing. The Council has faced increasing costs of providing temporary accommodation to housing applicants.
- 2.5 There has been a shift in tenure in Barnet. Home ownership has fallen whilst private renting has increased as more people have found it difficult to buy their own home due to higher prices and reduced availability of mortgages. Rents are also rising and are increasingly beyond the reach of low income households which means that some people will need to consider living in more affordable areas outside of the borough.
- 2.6 The Council has had to make significant reductions in its expenditure, and is determined to provide services in a more cost effective way to maintain quality and improve customer satisfaction. The reform of council housing finance provides an opportunity to invest in housing in a way that reduces some of those costs.
- 2.7 Whilst Barnet is a relatively wealthy place, more than 20,000 households have been affected by the Government’s welfare reforms which are designed to help people back into work. The Council has worked in partnership with Barnet Homes and Job Centre Plus to assist households affected by the overall benefit cap move into more affordable accommodation or enter employment.

- 2.8 Housing is a key driver for the Council's growth and regeneration plans where there is the capacity for up to 27,000 new homes to be delivered. The challenge will be to ensure that the new homes are provided in way that enhances the borough by creating quality places and delivers the type of homes that residents need and not just the quantity.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council could decide to not develop a new housing strategy but this would mean that important decisions on housing investment would not be based on a robust and up-to-date evidence base. It may also be difficult to secure external funding for regeneration schemes if the borough's housing strategy does not reflect the London Mayor's housing objectives described in the new draft London Housing Strategy.

4. POST DECISION IMPLEMENTATION

- 4.1 Following on from approval from Housing Committee a public consultation will take place during December 2014 to February 2015.
- 4.2 Housing Committee will be asked to consider and approve a final version of the strategy in April 2015 which takes into account the outcomes of the consultation exercise. The strategy document contains the actions that will be delivered during implementation in order to achieve each of the objectives.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Council's Corporate Plan 2013/16 includes as a priority outcome "To maintain the right environment for a strong and diverse local economy". Barnet is a popular place in which to live and has high demand for a limited supply of council and housing association housing. The Council has faced increasing costs of providing temporary accommodation to housing applicants. A key performance measure is to reduce the number of households living in the most expensive emergency temporary accommodation to below 500. A further measure is to increase the number of private rented sector lettings available to housing applicants.
- 5.1.2 The spatial expression of the Housing Strategy is provided by the Local Plan. An updated Affordable Housing Supplementary Planning Document (SPD) is currently being drafted. This will set out the Council's approach to securing affordable housing and growth whilst ensuring that we get the right homes in the right places for sustainable vibrant mixed communities. The SPD will be considered by the Policy and Resources Committee after public consultation and will reflect the final draft of the Housing Strategy.
- 5.1.3 Following on from a public consultation, the London Mayor has submitted a

revised draft London Housing Strategy to the London Assembly for consideration. The Mayor's strategy aims to put in place the resources to deliver more than 42,000 homes a year across the Capital. The Mayor also aims to increase opportunities for home ownership, improve the private rented sector and ensure working Londoners have priority for affordable homes to rent. The Greater London Authority is currently working with boroughs to develop Framework Agreements on how new affordable housing will be delivered. Barnet's strategy will have to be in "general conformity" with the London Housing Strategy.

5.2 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 A national Housing Revenue Account (HRA) subsidy system ended in April 2012 and was replaced with self-financing. The move to self-financing in the HRA was achieved by the Council making a payment of £103m to the Treasury; the payment of negative subsidy being replaced with the cost of servicing this additional debt. The HRA settlement also included the calculation of a notional debt figure that was higher than the actual HRA debt held by Barnet, generating the capacity for additional borrowing headroom of £39m. The Council has developed an investment model to make decisions about how to spend the headroom and the housing strategy will be a key document to shape and support these decisions.

5.2.2 The HRA Business plan has already identified the following priorities for investment which are progressing:

Existing Stock - Investment of £32.5m of additional essential expenditure on the council's existing housing stock over the period 2013/14 to 2023/24 to include:

- Accelerated replacement programme for electrical mains following a fire at Upper Fosters in April 2012
- Updated assessment of rewiring requirements for housing stock
- Addition of properties at Ramsey Close into the HRA Business Plan
- Inclusion of additional works on West Hendon estate

New Homes – Investment of £7.7m to deliver an initial tranche of 41 new homes on infill sites on HRA land in the borough.

Extra Care Housing – Investment of £12.344 million to redevelop the site at Moreton Close, NW7 to provide an Extra Care Housing Scheme for the Council and to pay statutory home loss and disturbance to those residents moving from the existing scheme.

Leasehold Buybacks – Investment of £8.773 million to acquire leasehold properties for the Council on the Council's Regeneration Estates from leaseholders who wish to sell in advance of a Compulsory Purchase Order and use these properties as temporary accommodation until they are required by the development partners.

5.2.3 Consultation with Ward Members on potential development opportunities at

Broadfields, Whitings Hill, Northway/Fairway, Moxon Street and Coppetts Road has been approved and following consultation with Ward Members, further consultation with residents will be undertaken prior to the submission of a planning application.

- 5.2.4 Additional priorities are being developed including the development of Integrated Specialist Housing.
- 5.2.5 The introduction of the overall benefit cap (as part of the Government's reform of welfare) from August 2013 means that some households will not be able to afford the rents charged in Barnet and other parts of London for temporary accommodation and private rented sector homes even where these fall within local housing allowance levels. The housing strategy will have to take account of these issues in providing a fair approach in terms of procuring quality accommodation in affordable locations.
- 5.2.6 There will be a financial cost of up-to £4,000 in terms of the public consultation. This will include the services of an independent facilitator and cash incentives for residents attending focus groups. This will be met from existing council budgets.

5.3 Legal and Constitutional References

- 5.3.1 The Local Government Act 2003 makes provision for a local housing authority to have a housing strategy. The Greater London Authority Act 1999, as amended, requires a local housing authority in Greater London to ensure that any local housing strategy is in general conformity with the London Housing Strategy. The term local housing strategy includes any other statement of the local housing authority's policies or proposals relating to housing.
- 5.3.2 Annex A to the Responsibility for Functions Section of the Council's Constitution gives the Housing Committee specific responsibility in relation to the Housing Strategy (incorporating the Homelessness Strategy).

5.4 Risk Management

- 5.4.1 The existing strategy was last updated fully in 2010 and since then there has been a change in government and a number of key housing reforms. There is a risk that it does not take account of changes that have occurred in the wider housing market that has emerged since then and therefore is no longer considered to be fit for purpose and underpin other strategic housing decisions.
- 5.4.2 There is a risk that the existing strategy will not be in "general conformity" with the London Mayor's Housing strategy, which could lead to loss of support from the Mayor in respect of delivering the capital's housing objectives. This could lead to potential difficulties in obtaining funding for the borough's housing plans.

5.5 Equalities and Diversity

5.5.1 Pursuant to the Equality Act 2010 (“the Act”), the Council has a duty to have ‘due regard’ to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons with a protected characteristic and those without; and foster good relations between persons with protected characteristics and those without.

5.5.2 The ‘protected characteristics’ are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership but to a limited extent.

5.5.3 An initial high level outline equalities impact assessment has been completed and identified the need for a full equalities impacts assessment which will be completed and reported to back to the Housing Committee when the final draft of the Housing Strategy is submitted for approval.

5.6 Consultation and Engagement

5.6.1 A number of partner organisations have already been involved in the development of the strategy through the evidence base review group.

5.6.2 Following outline approval by the Housing Committee, a wider public consultation will take place during December 2014 to February 2015. This will include an online survey and independently facilitated focus groups of residents and inviting comments from partner organisations.

6. BACKGROUND PAPERS

6.1 Relevant previous decisions are indicated in the table below.

Item	Decision	Link
Cabinet 12 March 2010	Decision item 8 - approved the existing Housing Strategy	http://barnet.moderngov.co.uk/Data/Cabinet/201004121900/Agenda/Document%207.pdf
Cabinet 14 September 2011	Decision item 8 - approved Barnet's approach to social housing reform	http://barnet.moderngov.co.uk/Data/Cabinet/201109141900/Agenda/Document%204.pdf
Cabinet Resources Committee 24 June 2013	Decision Item 6 - Local Authority New Housing Programme	http://barnet.moderngov.co.uk/documents/s9244/CRC%20LA%20New%20Build%20public.pdf
Assets, Regeneration & Growth Committee 9 July 2014	Decision Item 11 - Strategic Asset Management Plan principles for consultation	http://barnet.moderngov.co.uk/documents/s16064/Strategic%20Asset%20Management%20Plan%20principles%20for%20consultation.pdf
Policy and Resources Committee 21 July 2014	Decision Item 10 - Funding for an Extra Care Housing Scheme at Moreton Close, NW7 and Advance Acquisitions of Leasehold properties on Regeneration Estates	http://barnet.moderngov.co.uk/documents/s16154/Funding%20for%20an%20Extra%20Care%20Housing%20Scheme%20at%20Moreton%20Close%20NW7%20and%20Advance%20Acquisitions%20of%20Leasehold.pdf
Assets, Regeneration & Growth Committee 8 September 2014	Decision Item 12 - Barnet Development Pipeline	http://barnet.moderngov.co.uk/documents/s17356/Development%20Pipeline%20-%20Report.pdf