

	<h2>Housing Committee</h2> <h3>19 October 2015</h3>
<p style="text-align: right;">Title</p>	<p>Housing Strategy and Housing Committee Commissioning Plan</p>
<p style="text-align: right;">Report of</p>	<p>Commissioning Director, Growth and Development</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;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key Decision</p>	<p>Yes</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix A- Final Draft Housing Strategy Appendix B- Commissioning Plan Appendix C- Commissioning Plan consultation responses Appendix D- Housing Strategy Online Survey Appendix E- Housing Strategy Written Responses Appendix F- Equalities Impacts Assessment</p>
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<h2>Summary</h2>
<p>The Council consulted on and amended the Housing Strategy which sets out in more detail the strategic housing priorities for the borough and how they will be achieved over the next ten years. The Housing Committee is now asked to approve the final drafts of the Commissioning Plan and the Housing Strategy. The Housing Commissioning Plan has been updated following a public consultation with residents as part of the Council’s Medium Term Financial Strategy engagement programme on priorities and spending. The plan sets out the Council’s housing commissioning intentions and how they will enable the priorities set out in the Housing Strategy to be achieved over the next five years.</p>

Recommendations

1. That the Committee approve the final Housing Strategy at Appendix A.

2. That the Committee approve the final Commissioning Plan at Appendix B.

1. WHY THIS REPORT IS NEEDED

1.1 The Council has developed a new Housing Strategy to meet the key current housing challenges in the borough. The Strategy contains the following six housing priorities which are reflected in the Commissioning Plan:

- Increasing the housing supply,
- Delivery of homes that people can afford,
- Sustaining the quality, particularly in the private rented sector,
- Preventing and tackling homelessness,
- Providing housing related support to vulnerable people,
- Deliver efficient and effective services to residents.

1.2 Following on from a 12 week public consultation period, the Council has made a number of changes to the Housing Strategy. The key changes have included:

- The chapter on tackling homelessness has been amended to more clearly explain the Council's strategy for early homelessness intervention and prevention and reducing the use of temporary accommodation.
- The chapter on providing housing related support to vulnerable people has been amended to ensure that it includes the most up-to-date information on the key client groups supported by Adult Social Care and Children's Services.
- A key issue that was raised in the consultation was the proposal to make use of affordable rents in order to fund the delivery of more homes. Concerns were raised by respondents about affordability, and in particular, the impact of increasing rents on existing tenants.

1.3 In his budget on 8 July 2015, the Chancellor of the Exchequer announced that social rents in England will be reduced by 1% a year for four years from April 2016. The reduction will apply to rents as they were on 8 July 2015. The policy will apply to both local authorities and housing associations and will affect existing tenants, existing homes as they become empty and are re-let, as well as affordable rents that have already been set on newly built homes and some re-lets by housing associations.

1.4 The Housing Strategy has been amended to bring the Council's approach to setting council housing rents in line with the national policy. This means that for existing council tenants, rents will reduce by 1% a year for the next 4 years, and that for new-build council homes affordable rents will be applied. These will be based on 65% average market rents, or the equivalent local housing allowance rate, whichever is lower.

- 1.5 In December 2014 the Council approved the Housing Committee Commissioning Plan for consultation as part of a wider public engagement programme with residents to inform the Council's Medium Term Financial Strategy (MTFS). The Plan outlines the commissioning intentions for the Housing Committee and how these will enable the Council to achieve its housing priorities over the next five years.
- 1.6 The Council conducted a borough wide programme of resident engagement and consultation from 17 December 2014 to 11 February 2015. The programme included a series of themed workshops examining the competing pressures facing each committee and an online survey.
- 1.7 A majority of the respondents agreed with each of the objectives set out in the Commissioning Plan. The detailed comments received related mainly to the high demand for homes, particularly affordable homes, in the borough. These issues have been prioritised in the Housing Strategy.
- 1.8 The Housing Committee Commissioning Plan has been updated to reflect the changes made to the Housing Strategy.
- 1.9 It is recommended that the Housing Committee approves the final draft of the Housing Strategy in Appendix A, and the Housing Committee Commissioning Plan in Appendix B.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The Housing Committee Commissioning Plan and Housing Strategy have been designed to meet the key current housing challenges in the borough.
- 2.2 Barnet' is now London's most populous borough. Barnet is an attractive and popular borough; with some of the best schools in the country, acres of green open space, and strong transport links. This is why people want to live in Barnet. Whilst this is something to be proud of, it also creates a significant housing challenge for the borough.
- 2.3 Barnet is expected to grow by a further 22% over the next 30 years. This is the equivalent to a town the size of Guildford. Within that, the number of children and older people will increase significantly. This means that, not only does Barnet need more housing; the type of housing required is also changing to reflect the borough's evolving demographic profile.
- 2.4 Barnet is an expensive place in which to live, both in terms of buying a home and renting a home. This means that the number of households who require help with their housing has increased.
- 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. The Council has already started to build new council homes and will continue to do this over the coming years.
- 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 and/or enter employment.

3 ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 A range of options were considered in developing the Commissioning Plan to meet the budget challenge. These were progressed through a review of the Management Agreement with Barnet Homes which was reported to Housing Committee on 29 June 2015.
- 3.2 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 London Housing Strategy.

4. POST DECISION IMPLEMENTATION

- 4.1 A number of activities will be actioned following approval of the Commissioning Plan and Housing Strategy. These include implementing a new 10 year management agreement for Barnet Homes to manage the Council's housing stock and consulting on a new Affordable Housing Supplementary Planning Document that will sit alongside the Housing Strategy.
- 4.2 Where appropriate the Housing Committee will receive further reports for decision, such as a report on Additional Licencing of Houses in Multiple Occupation which is a key part of the programme of work identified in the Commissioning Plan and Housing Strategy for sustaining quality in the private sector.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Commissioning Plan and Housing Strategy contribute to the strategic

objectives In the Council's Corporate Plan 2015 to 2020 in the following ways:

"The Council, working with local, regional and national partners, will strive to ensure that Barnet is a place:

- *"Of opportunity, where people can further their quality of life"*- by delivering on the Council's ambitious regeneration programme, creating 30,000 jobs and 20,000 new homes as well as improvements to infrastructure including new schools, health facilities and transport;
- *"Where people are helped to help themselves, recognising that prevention is better than cure"* – by enabling vulnerable people to live independently through floating support and supported living arrangements; our strategy for tackling homelessness focuses on prevention and helping people to help themselves, for example by securing their own accommodation in the private rented sector with support from the Council.
- *"Where responsibility is shared, fairly"* – by helping households affected by welfare benefit reforms to find more affordable accommodation and access to employment opportunities.
- *"Where services are delivered efficiently to get value for money for the taxpayer"* – by developing a new management agreement with Barnet Homes to provide more effective housing services for the Council and delivering more effective environmental health services through Regional Enterprise Ltd.

5.1.2 The spatial expression of the Housing Strategy is provided by the Council's Local Plan. A revised draft Affordable Housing Supplementary Planning Document (SPD) is being produced to provide further guidance in the application of planning policies. This SPD will set out the Council's approach to securing affordable housing through mechanisms including Section 106 and Community Infrastructure Levy. The draft SPD will be considered by the Policy and Resources Committee in December 2015 and be subject to public consultation.

5.1.3 The Mayor's statutory London Housing Strategy was approved by the Secretary of State in October 2014. This 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. Barnet's strategy will have to be in "general conformity" with the London Housing Strategy.

5.1.4 Barnet's Joint Strategic Needs Assessment 2015 to 2020 highlights the fact that there is a long term shift in housing tenure towards renting and away from owner occupancy (either outright or with a mortgage) reflecting a sustained reduction in housing affordability and an imbalance between housing demand and supply. The Housing Strategy aims to increase the housing supply including the provision of specialist housing for vulnerable people.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT,

Property, Sustainability)

- 5.2.1 Increasing the housing supply is primarily driven through the regeneration schemes which are delivered by the Council's partners with the Council's contributions forming part of the capital programme. The Council's plan to provide hundreds of new mixed tenure homes on its own non-housing land and other public sector sites will be funded through the sale of market housing.
- 5.2.2 The Council is working with the regulatory services to ensure that empty properties are identified to bring them back into use again. This is being managed by the joint venture organisation Re and is completed within the cost of the management fee.
- 5.2.3 Additional council housing is funded by the Housing Revenue Account which is a self-financing ring fenced account. This funding will be augmented with receipts from Right to Buy sales of council homes.
- 5.2.4 There has been an increase in the number of people presenting as homeless with the borough and this has caused a financial pressure. However, there are a number of mitigating actions to manage demand. Any budgetary pressures will be managed within the Council's existing resources.
- 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.
- 5.2.6 The Council has been working with Job Centre Plus and Barnet Homes in the Welfare Reform Taskforce to assist households affected by the cap, either by entering employment or securing more affordable accommodation elsewhere. This will continue to be important as the cap is reduced to £23,000 across London from November 2016 and many affect more council tenants than was the case previously.
- 5.2.7 The Council provides Disabled Facility Grants to allow residents in need to live in their own homes. These grants are delivered by Re through the management fee and the grants are mainly funded through government grant with the Council also providing additional resources.

5.3 Social Value

- 5.3.1 There are no specific social value considerations arising out of this report. However, the Housing Strategy sets out how the Council's housing objectives can deliver wider social, economic and environmental benefits for residents.

5.4 Legal and Constitutional References

- 5.4.1 S150 of the Localism Act 2013 makes provision for a local housing authority to have a housing strategy. S344 of the Greater London Authority Act 1999,

as amended, requires 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.

- 5.4.2 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).

5.5 Risk Management

- 5.5.1 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.

- 5.5.2 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. The Greater London Authority has been consulted on the draft Housing Strategy to mitigate this risk and no concerns were raised outside of the Council's original proposal on increasing rents. This will now not happen as the Housing Strategy has been aligned to be consistent with the Government's social rent policy.

5.6 Equalities and Diversity

- 5.6.1 Pursuant to section 149 of 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.

- 5.6.2 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.

- 5.6.3 A full Equalities Impact Assessment (Appendix F) has been completed and identified that the Commissioning Plan and Housing Strategy will have an overall positive impact on all sections of Barnet's community:

- Action to prevent homelessness and assist households affected by the Overall Benefits Cap will assist households who are generally more diverse and deprived than the population as a whole. They are more likely to be younger, from a diverse range of backgrounds, and single families with children.
- Much of the new housing, including the affordable housing to be delivered, will be in the West of the borough on the regeneration

estates where the most deprived and BAME communities are overrepresented in comparison to other areas of the borough.

- Specialist housing will be provided for vulnerable people, for example older people and other adults with long-term conditions to ensure that there is a choice of tenure and support and an ability to plan ahead for the future to avoid expensive care costs where possible.
- The associated infrastructure improvements on the regeneration estates, including new schools, health and transport facilities, as well as employment opportunities will improve the quality of life for the existing local population, including the secure tenants who will be rehoused on the estate, as well as the new residents who will move into affordable and market housing.
- New family sized council homes are being built on infill sites by Barnet Homes to increase the supply of housing that is available to housing applicants in housing need. This group is likely to be more ethnically diverse than the existing Barnet Homes tenants and younger and the commitment to new family sized accommodation reflects the needs of cultural groups.
- New housing will be built to the Lifetime Homes standard and 5% of new homes will be fully wheelchair accessible.
- Improvement programmes will identify homes in need of adaptation for disabled households through the implementation of Disability Facility Grants.
- Improving the quality of private rented housing will help to meet the housing requirements of many groups of people, especially younger people and those that do not want to buy their own home.
- Outreach Barnet will provide dedicated floating support to vulnerable people who are placed in the private rented sector. These may include young people and people with mental health conditions.

5.7 Consultation and Engagement

5.7.1 In addition to the consultation on the Commissioning Plan (Appendix C), a 12 week public consultation was undertaken between 6 January 2015 and 31 March 2015 on the Housing Strategy. The consultation included an online survey as well as presentations to the Housing Forum, Barnet Homes Performance and Advisory Group, and Barnet Landlords Forum.

5.7.2 In total 93 people responded to the online survey (Appendix D). The results indicate that there is general support for all the overall priorities that were set out in the Housing Strategy. The results are summarised in the table below.

Priorities	Agree	Disagree	Neutral	Don't know
Increase housing supply	73.11%	15.06%	5.38%	6.45 %
Deliver more homes that people can afford	70.00%	17.78%	6.67%	5.56%
Sustain the quality of the private rented sector	73.33%	15.56%	6.67%	4.44%
Tackle homelessness	69.32%	15.91%	9.09%	5.68%
Deliver housing to support	80.24%	5.82%	9.30%	4.65%

vulnerable people				
Deliver efficient and effective services to residents	76.82%	10.98%	8.54%	3.66%

5.7.3 Barnet Homes Performance and Advisory Group (PAG) was supportive of aspects of the Housing Strategy, particularly the proposals around sustaining quality in the private rented sector through increased landlord accreditation. PAG members raised concerns about the level of affordable housing being re-provided on the regeneration estates and the potential impact on homelessness of the proposal to charge higher rents. Barnet Housing Forum includes a number of housing association and support agency partners. The Forum was generally supportive of the draft Housing Strategy. A presentation was also given to the Barnet Landlords Forum which was also generally supportive.

5.7.4 The Council also facilitated a focus group of eight Citizens Panel members from the owner-occupation, social and private rented sectors. The key theme that emerged from the discussion was around the need for more affordable housing in the borough.

5.7.5 Appendix E summaries the written comments that were received as part of the consultation and the Council's response to them.

5.8 Insight

5.8.1 The evidence base for the Housing Strategy contains a range of insight data including demographic and tenure data. The Strategy also examines the housing needs and affordability of the 17 Barnet personas both in 2015 and in ten years' time. The personas are based on the CAMEO classification system which provided detailed customer analysis and segmentation.

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	http://barnet.moderngov.co.uk/documents/s16064/Strategic%20Asset%20Management%20Plan%20principles%20for%20consultation.pdf

	consultation	
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
Housing Committee, 27 October 2014	Decision Item 9- Housing Strategy	http://barnet.moderngov.co.uk/ieListDocuments.aspx?Cid=699&Mid=7936&Ver=4
Housing Committee. 27 April 2015	Decision item 10- Summary of Feedback Following Consultation on Draft Housing Strategy	http://barnet.moderngov.co.uk/ieListDocuments.aspx?Cid=699&Mid=7938&Ver=4
Housing Committee 29 June 2015	Decision item 7- Housing Strategy	http://barnet.moderngov.co.uk/documents/s24071/Housing%20Strategy.pdf
Housing Committee 29 June 2015	Decision item 8 - Commissioning and delivery of housing services and the management of the Barnet housing stock	http://barnet.moderngov.co.uk/documents/s24079/Commissioning%20and%20Delivery%20Of%20Housing%20Services%20and%20the%20Management%20of%20Barnet%20Housing%20Stock.pdf

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