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Meeting	Business Management Overview & Scrutiny Committee
Date	6 January 2014
<b>Subject</b>	<b>Updating of Barnet Housing Strategy</b>
Report of	Cabinet Member for Housing
Summary of Report	This report provides details on the preparation of a new housing strategy for the borough with a view to implementing a final strategy in September 2014.

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Officer Contributors	Pam Wharfe, Director for Place Declan Hoare, Lead Commissioner (Housing and Environment) Paul Shipway, Head of Strategy and Performance, Regional Enterprise Ltd
Status (public or exempt)	Public
Wards Affected	All
Key Decision	N/A
Reason for urgency / exemption from call-in	N/A
Function of	Business Management Overview & Scrutiny Committee
Enclosures	Appendix 1- draft evidence base for housing strategy
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## **1. RECOMMENDATION**

- 1.1 That the Committee notes and comments on plans for developing a new Housing Strategy.**

## **2. RELEVANT PREVIOUS DECISIONS**

- 2.1 Cabinet approved the existing Housing Strategy on 12 April 2010, Agenda Item 8.
- 2.3 Cabinet approved Barnet's approach to social housing reforms and how they relate to the existing Housing Strategy on 14 September 2011, Agenda Item 6.

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The Housing Strategy supports the Corporate Plan 2013 to 2016 priority "To maintain the right environment for a strong and diverse local economy" and the strategic objective under this priority is to sustain Barnet by "promoting growth, development and success across the borough. This will be done through the delivery of seven major regeneration schemes across the borough, which will create more than 3,000 new homes over the next 5 years. It will ensure that the borough is best placed to address the housing needs and aspirations of all residents, for example through reducing the length of time households spend in emergency accommodation.
- 3.2 The spatial expression of the Housing Strategy is provided by the Local Plan which sets out our approach to securing affordable housing and growth whilst ensuring that we get the right homes in the right places for sustainable vibrant mixed communities
- 3.3 The Housing Strategy will have to be in "general conformity" with the London Housing Strategy. A draft revised London Housing Strategy is currently subject to a public consultation until 28 February 2014. The council will have the opportunity to inform the final iteration of the London strategy at the same time as developing the Barnet strategy.

## **4. RISK MANAGEMENT ISSUES**

- 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 and additional evidence that has emerged since then and therefore could not be fit for purpose and underpin other strategic housing decisions.
- 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 boroughs housing plans.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 Pursuant to the Equality Act 2010 (“the Act”), the council has a legislative 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 those with a protected characteristic and those without; and promoting good relations between those with protracted characteristics and those without. The ‘protected characteristics’ are ages, race, disability, gender reassignment, pregnancy and maternity, religion or belief and sexual orientation. The ‘protected characteristics’ also include marriage and civil partnership, with regard to eliminating discrimination.
- 5.2 A full equalities impacts assessment will be produced as part of the development of the new strategy and will be reported to Committee.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 There are no direct resources implications in terms of the development of the housing strategy as this will be contained within existing budgets.
- 6.2 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, which generated 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.
- 6.3 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.

## **7. LEGAL ISSUES**

- 7.1 The council, as a local housing authority, is required by section 87 of the Local Government Act 2003 to have a strategy in respect of such matters relating to housing. A requirement to consider the housing needs of gypsies and travellers was added in 2004.
- 7.2 The Greater London Authority Act 2002, section 28, requires borough housing (and related) strategies to be in general conformity to the London Housing Strategy.

7.3 The new housing strategy will incorporate the council's statutory Homelessness Strategy.

## **8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)**

8.1 Council Constitution, Part 3, Responsibility for Functions – Section 3.6 details the functions of the Cabinet Resources Committee.

8.2 The Terms of Reference of the Overview and Scrutiny Committees are set out in the Overview and Scrutiny Procedure Rules (Part 4 of the Constitution).

8.3 Item 8 of the Business Management Overview and Scrutiny Committee Terms of Reference states that its role is:

“To have responsibility for the review of the policy framework and development of policy and strategy not within the remit of other overview and scrutiny committees”.

## **9. BACKGROUND INFORMATION**

### **Existing housing strategy**

9.1 The council's existing housing strategy was agreed by Cabinet in April 2010 with the following key housing objectives:

- Increasing housing supply to improve the range of housing choices and opportunities available to residents
- Improving the condition and sustainability of the existing housing stock
- Promoting mixed communities
- Maximising opportunities available for those wishing to own their home
- Providing housing related support options that maximise the independence of residents
- Providing excellent value services that exceed residents' expectations.

9.2 The strategy was reviewed in September 2011 in response to changes in national housing policy, including housing revenue account self-financing, welfare reform, flexible tenancies and housing allocations reform. The council has taken a proactive approach on many of these issues. For example, in July 2012 the council introduced flexible 2 and 5 year tenancies for new council tenants as permitted under the Localism Act 2011.

9.3 The council has also implemented major reforms to housing allocations to ensure that a limited supply of housing is used to assist households in the highest housing need who are contributing to the community by working, volunteering, training, foster caring or as former service personnel.

### **Changes in the housing sector**

9.4 There have been further significant changes in the housing sector since this time and it is now necessary to review the entire housing strategy. Key issues that a new housing strategy will need to take account of include:

- Investment decisions in the housing revenue account in terms of delivering new housing growth, supporting regeneration and achieving general fund savings
- The increasing difficulty in procuring affordable accommodation in the borough and the need to access a supply of homes in more affordable areas
- Changes in the housing market including the increasing role of the private rented sector and a reduction in homeownership
- The latest census information including data on population growth and diversity and the impact of this on the future housing needs of the borough
- Progress with improving the thermal efficiency of homes.

### **Evidence base for new housing strategy**

9.5 A key step in developing a new housing strategy is to develop an evidence base of key data that gives a picture of the housing market in Barnet set within the context of the local economy and demographic. Work has already commenced on preparing this evidence base and a draft is attached at appendix 1. Key points emerging from this include:

- The population has increased by 55,000 since 2001 and has become more diverse with increasing numbers of older people and children. Further growth of 46,000 is expected by 2022
- The borough is relatively prosperous with a high percentage of self-employed residents; in common with the rest of the country median incomes fell in 2012
- Private renting has increased significantly since 2001, largely at the expense of owner occupation which has decreased
- House prices have recovered since 2008, but sales volumes remain low
- Private rented sector rents have risen faster than elsewhere and are now the highest in Outer London
- The supply of private rented homes available to working people on lower incomes has reduced significantly
- Homeless applications have increased along with acceptances and admissions to temporary accommodation
- 2289 households could have their housing benefit reduced as a consequence of welfare reforms
- Barnet experienced the largest increase in Local Housing Allowance claims between 2011 and 2012 compared to other London boroughs
- Barnet has a higher number of vacant dwellings compared to other London boroughs
- Barnet has a higher capacity for new homes <sup>1</sup>than other north London boroughs.

9.6 An evidence base review group has been established to review the evidence base and assist the development of the wider strategy. The group consists of senior officers of the council, Barnet Homes, registered housing providers as well as a board member of Barnet Homes. The evidence base review group has met twice already, including a site visit to Beaufort Park to focus on regeneration and a session dedicated to reviewing the data in appendix 1. Further meetings are planned for January 2014.

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<sup>1</sup> 26,000 new homes by 2025/6

9.7 Following on from the review group a final draft housing strategy will be developed to be considered by the Greater London Authority for comments on general conformity. The draft strategy will then be subject to a wide public consultation to include focus groups and an online survey before being submitted to Committee for final approval and implementation in autumn 2014.

### **Draft timetable**

9.8 A summary of the timetable is shown below.

<b>Date</b>	<b>Activity</b>
January 2014	Evidence base review group to include visit to Kings Cross and Pocket Homes development
February 2014	Production of first draft housing strategy
March 2014	Evidence base review group review of draft housing strategy
April 2014	Consultation with Greater London Authority
May 2014	Equalities impact assessment
July to September 2014	Public consultation with residents and other stakeholders
Autumn 2014	Committee approval

## **10. LIST OF BACKGROUND PAPERS**

10.1 None

<b>Cleared by Finance (Officer's initials)</b>	<b>JH</b>
<b>Cleared by Legal (Officer's initials)</b>	<b>BH</b>