

REPORT TO: **STRATEGY & RESOURCES COMMITTEE**

Date: 7th October, 2019

TOPIC: **A VISION FOR THE DEVELOPMENT OF A NDC HOUSING COMPANY**

REPORT BY: **HEAD OF ENVIRONMENTAL HEALTH & HOUSING**

SERVICE LEAD AFFORDABLE HOUSING

1. INTRODUCTION

- 1.1 NDC commissioned Altair, through a successful bid to the LGA's Housing Advisers' Programme in 2018, to identify a new delivery mechanism for supporting a client group who, in the Council's view, are being disadvantaged in their ability to access social housing.
- 1.2 Altair's final report was subsequently received in June 2019, refer to Appendix A.
- 1.3 This paper sets out some initial thinking on a development programme which could result from the findings/recommendations.

2. RECOMMENDATIONS

- 2.1 That Members note the contents of the Altair housing supply report and the accompanying presentation delivered by the consultants at Committee (in part B – not for publication/confidential).
- 2.2 That Members support the principle of setting up a Local Housing Company to ultimately increase the supply of affordable housing.
- 2.3 That Members endorse the principle of any delivery model including the proactive use of Council's enforcement powers to bring empty homes back into use.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To meet the housing and wider support needs of low income and vulnerable families whilst supporting improvements in the private rented sector and improving the quality of existing housing.

- 3.2 A Local Housing Company needs to be supported by Councillors and its work need to be both a corporate and political priority.
- 3.3 The Council's role is as responsible guardians to the vulnerable and the homeless.
- 3.4 To increase housing supply - the delivery model provides an alternative source of supply to existing developers and Registered Providers; rather than distorting the market.
- 3.5 The LGA Housing Adviser's Programme is offering further funding to facilitate and enhance the role and capacity of councils to meet local housing need.

4. REPORT

- 4.1 The report from Altair recognises that the delivery of affordable housing across North Devon has been strong in recent years (*there were 160 AH completions in 18/19*). The report supports the direct intervention by the Council to provide much needed houses for people in acute need, even if this was at a relatively modest level of additional supply. The report states that developing and managing new affordable homes would help the Council alleviate the current issues faced by people with restricted access to current affordable housing provision and help mitigate against future risk of the current challenges deteriorating further. It also suggests that direct intervention is a more effective and timelier response than, for example, relying on a new provider to enter the local market.
- 4.2 The 2017 Housing White Paper entitled, "Fixing our Broken Market", and LGA Corporate Peer Challenge, encouraged NDC to instigate alternative ways of delivering social housing. Many Councils have now sought new mechanisms for housing market interventions, and Altair is suggesting that it would be appropriate for NDC to establish a Wholly Owned Company (WOC) with a limited number of key strategic aims to support this work.
- 4.3 There are two ways for a NDC WOC to establish its stock of housing; essentially to 'build' or 'purchase'.
- 4.4 Returning empty properties into use may provide an opportunity to get the WOC established which has:
 - 4.4.1 Lower entry costs.
 - 4.4.2 Lower levels of business risk.
 - 4.4.3 The opportunity to build on the organisational skills/competencies which have been developed through the Temporary Accommodation (TA) project.

- 4.5 There are also additional corporate financial benefits, as any empty homes brought back into use would qualify for New Homes' Bonus under the current scheme.
- 4.6 The need to bring empty private sector dwellings back into use is a key government objective that is part of a wider strategy to tackle affordability. NDC's new administration has also expressed its desire to tackle empty homes. The latest available information for North Devon and the upward trend in both vacant properties (representing about 3-3.5% of the stock) and long-term vacancies is shown in the table below.

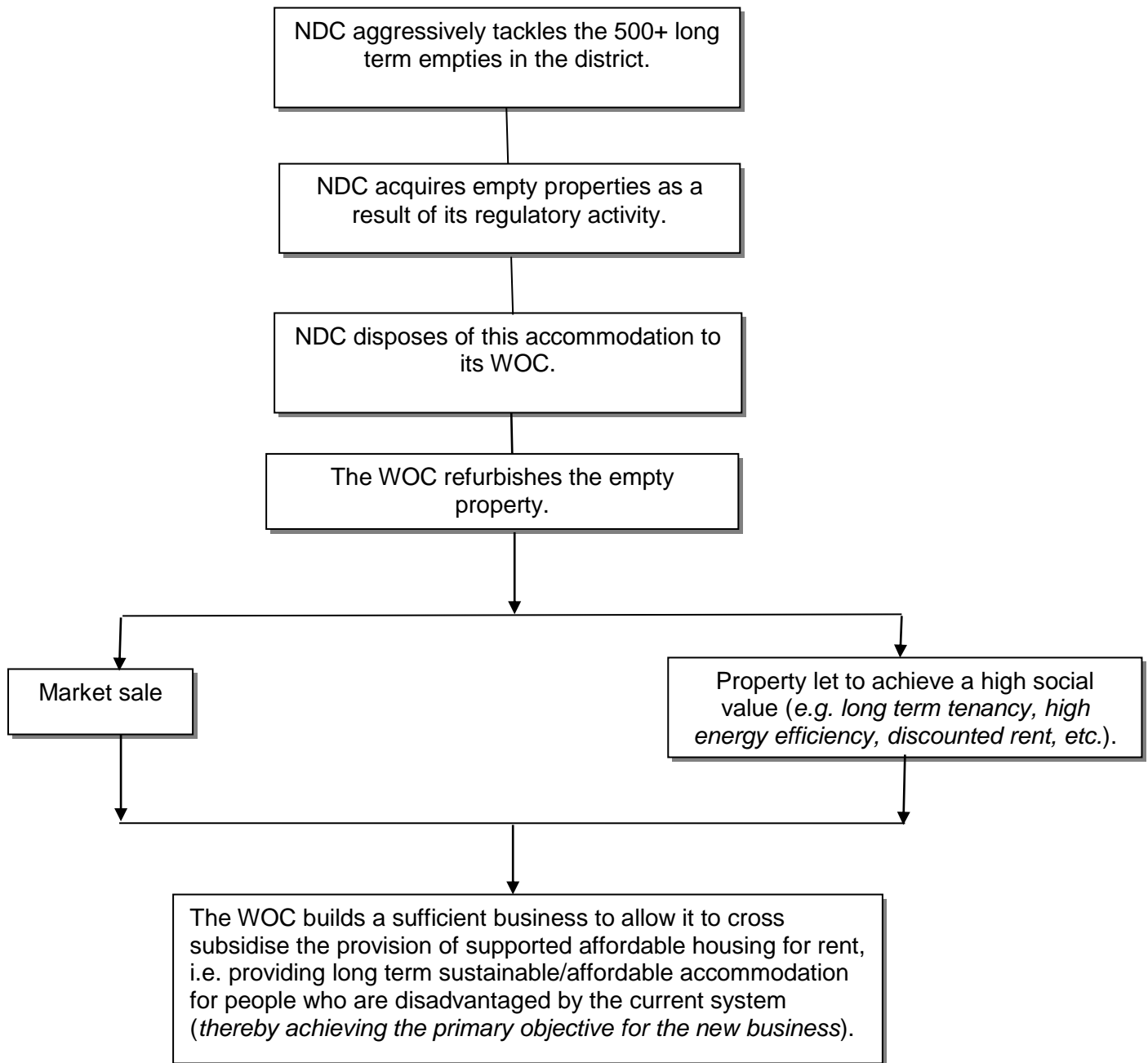
	2016	2017	2018
Vacant dwellings across all tenures	1,456	1,511	1,603
Long-term vacant (6 months or more)	538	550	600

Source: MHCLG Table 615 All vacant dwellings by local authority district, England

- 4.7 A number of Councils across the country have now adopted successful empty home policies. These commonly set out a series of escalating enforcement actions which will be issued against the owner of the empty property. Enforcement options will include the use of Empty Dwelling Management Orders, enforced sales, and compulsory purchase orders. A useful reference is available at:
http://www.htlc.co.uk/wpcontent/uploads/2015/09/empty_homes-agency-new-guide-cure-of-empty-homes.pdf.
- 4.8 A recent BBC documentary entitled, '*Empty Housing Scandal*' has showcased some of the good work being undertaken by Councils and this is available on BBC iPlayer.

4.9

The following diagram shows a potential model of delivery for NDC.



4.10 The LGA Housing Adviser's Programme is offering further funding in 2019/20 to facilitate and enhance the role and capacity of councils to meet local housing need. Due to the short timescales; Housing Enabling have submitted a further bid for additional consultancy work into formulating strategic objectives further, drafting business plans and more detailed development assumptions such as programme size, delivery method, tenure and unit type mixes and target areas for development. This will be brought back to the Strategy and Resource Committee.

5. RESOURCE IMPLICATIONS

5.1 The Affordable Housing Service Lead is managing the LGA bid process and the work with the consultants.

5.2 Future resource requirements will be ascertained from further consultancy work if NDC's bid to the LGA Housing Adviser's Programme 2019/20 is successful.

6. EQUALITIES ASSESSMENT

6.1 No equalities implications anticipated as a result of this report.

7. CONSTITUTIONAL CONTEXT

Article or Appendix and paragraph	Referred or delegated power?
Part 3, Annexe 1.1	Delegated Power

8. STATEMENT OF CONFIDENTIALITY

8.1 This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

8.2 Please note that the separate research report and presentation is to be presented under Part B as it contains confidential information or exempt information under the provisions of Schedule 12A of the 1972 Local Government Act Paragraph 3 – commercially sensitive (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

9. BACKGROUND PAPERS

9.1 The following background papers were used in the preparation of this report:

Affordable Housing Supply – Altair, June 2019 (Part B not for publication)

The background papers are available for inspection and kept by the author of the report.

10. STATEMENT OF INTERNAL ADVICE

10.1 The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

Author: Jeremy Mann; Head of Environmental Health & Housing and
Jaimie Jeyes; Service Lead Affordable Housing

Date: 4th September, 2019

Reference: Strategy & Resources 7th Oct 2019 Development of a NDC
Housing Company UPDATED

APPENDIX A

North Devon Council

Affordable Housing Supply – Altair, June 2019

Report – separate and in Part B (not for publication/confidential).