

Appendix C

MINUTE EXTRACT

SCRUTINY COMMITTEE

16 November 2023

4. Review of the Provision of Social Housing in East Suffolk

The Cabinet Member with responsibility for Housing introduced report ES/1735 which it was suggested should be read in conjunction with the Planning Affordable Housing Requirements report considered by the Committee at the last meeting. It was noted that, when East Suffolk Council was created in 2019, it acquired 4404 properties from Waveney District Council, its predecessor authority. The other predecessor authority, Suffolk Coastal District Council had divested its housing stock many years ago to a registered provider now known as Newtide, part of the Flagship Housing Group.

The Chair thanked the Cabinet Member for his introduction and invited questions from Committee members.

Councillor Plummer arrived at 6.36pm and declared a non-registerable interest in this item as she was a member of the Planning Committee.

In response to a question from Councillor Thompson, the Cabinet Member explained the Government's formula for setting rents for social housing which was capped and, in his view, a very confusing and antiquated system but it provided rent that people could afford and was linked to local earnings - officially it was 60% compared to market rents. He added that there were two broad market areas in East Suffolk for setting Local Housing rents and allowances, one was Lowestoft and Great Yarmouth which also, in his view, strangely included Southwold, and the other was Ipswich. The Council also employed Financial Inclusion Officers to support tenants who were impacted by the cost of living crisis even though social housing remained the cheapest form of accommodation.

Councillor Lynch queried what happened to anyone who did not comply with their tenancy agreement and the Head of Housing responded that notice could be given or a tenancy extended to see if they improved with support being given by the Safe Renters Scheme and if necessary Social Services to try to help them maintain the tenancy. In rare cases, eviction was necessary and individuals would then be supported by the Housing Needs Team. The point was made that, for some people, Council housing was a last resort so if they could not maintain a tenancy with the Council then they were likely to struggle with other providers.

Councillor Jepson queried how the Council was supporting those on the Gateway to Homechoice Scheme in Bands B and C to get housed more quickly if it was not possible for the Council to build enough houses. The Cabinet Member explained that the rise in interest rates and building materials had impacted on all social housing providers who wished to build but if interest rates were lower and rents slightly higher this would enable more to be built. He stated that the demands for temporary accommodation had risen considerably and it was a desperate situation, but a 30 year business plan was currently being developed with options for building more housing. The Head of Housing added that there was a finite amount of money in the HRA which was why other options were being considered. She explained that the Council had a build programme over the next 4/5 years, houses could be purchased as long as they met the Housing Acquisitions Policy criteria and the Council was encouraging Registered Providers to bring more houses forward. She pointed out that a loan for building more housing had to be serviced and the rent levels would not cover the costs of the loan due to the current interest rates.

Councillor Byatt queried if the new administration would revisit Passivehaus builds or similar, how they were encouraging tenants to downsize to free up family homes and if the Council had any legacy interest in the Housing Associations that had acquired Suffolk Coastal's housing stock. The Cabinet Member stated that he was still looking at Passivhaus builds as an option but they were at a very early stage of development and, in the meantime, he wanted to find a way to provide net zero housing as the cost for retrofitting was astronomical. He explained that tenants not wanting to downsize was an issue so the use of modular builds that could be moved might help persuade them as they could stay in their communities. He also expressed concern at Flagship selling off stock and the Head of Housing explained that they had met with Flagship to understand their disposal process but as the stock transfer took place 32 years ago, the Council had no control over them. Flagship had approximately 30,000 properties and wanted to dispose of 0.5% of their stock per year, usually those that were expensive to maintain, but would build 2.5% annually eg 19 properties had been disposed of this year and 34 last year but they would provide 600 new homes in East Suffolk up to 2026 using the sale receipts. She added that they were discussing the location of the new housing as they did not necessarily want them to be built in the same village as the ones sold. She also explained that those tenants wishing to downsize were prioritised as usually it released a large family home and the Council was looking at ways to incentivise them to move eg offering money to redecorate or re-carpet.

Councillor Byatt referred to Mr Aust's comments at the last meeting in relation to the provision of 100% affordable housing and the Policy, Delivery and Specialist Services Planning Manager explained that both Local Plans supported in principle the development of 100% affordable housing on sites where housing would not normally be supported, where there was not the value in the land to deliver market housing this could provide a motivation from a landowner to bring forward affordable housing. Some of those developments did come forward, although the majority of affordable housing delivered through planning was by the percentage of affordable housing required through residential developments coming forward, but those policies were in place to support the proposals.

Councillor Reeves asked if there was anything that could be done to level up provision of Council stock between the north and the south of the district. The Head of Housing explained that the stock transfer to a housing association in the south did not mean there was no stock it just meant that the Council had no control over it. She added that there were other providers in the south and in Felixstowe, for example, the Council was building new housing and was looking to buy suitable

properties when they came up for sale. She cautioned, however, that the Council did not have infinite funding so would never be able to provide the same level of housing in the south as the 4,500 stock in the north but they continued to work with the Registered Providers through the Gateway to Homechoice Scheme. Councillor Beavan added that not having Council stock in the south caused problems with providing temporary accommodation but they were looking at solutions for this.

In response to Councillor Reeves' query about how many properties the Council had purchased since 2019 and if any of them were still empty, the Head of Housing stated that she was not aware that any were empty but would investigate and report back to the Committee.

Councillor Packard queried what the Council did regarding homeless people and the Head of Housing reported that it was the landowners responsibility to deal with as the Council could not enforce anything, however, support was provided for those that wanted it, unfortunately, some people did not want any. The Cabinet Member explained that the Council in conjunction with other partners was targeting support for a group of rough sleepers.

Councillor Gooch asked how the Council ensured people understood the perils of becoming intentionally homeless even though they might think they were making the right decision at the time. The Head of Housing stated that it was complicated but the legislation was very clear on eligibility to determine if someone was actually homeless and the Council could provide advice and guidance if they asked for it. She added that, if someone was deemed to have made themselves intentionally homeless, the Council never evicted them immediately but would work with them for 28 days by supporting them to find alternative accommodation and, if necessary, involving Social Services. Also, if a review request was received, the Council could refer cases to an external specialist legal team and they could uphold the Council's decision or say it needed to be changed which was then binding. She stressed that demand was so high the Council had to make sure those given properties had a legal right to one. She concluded that all things were taken into consideration but stressed that the Council had to follow the legal test to check eligibility. The Cabinet Member added that the advice was not to leave a property but to speak to the team straight away. The Head of Housing echoed the Cabinet Member's comment that the sooner people came to the Council the better and Officers would provide support including liaising with the landlord to see if they could remain in their home. She stressed that people had a legal right to remain until the landlord received a Court order to evict them.

In response to Councillor Back's query regarding supporting St Peter's Court tenants to be rehomed to allow for the building to be demolished, the Head of Housing stated that all the tenants were being actively worked with to find alternative accommodation and it was hoped that the property would be empty by October 2024. It was noted that five tenants had already accepted offers and another three were waiting to view properties. A Liaison Officer was on site to work with the tenants and the Council was working with other Registered Providers to provide housing. The Cabinet Member stated that he had committed to getting all the tenants re-homed in the Lowestoft area.

Councillor Clery referred to a Community Land Trust in Bawdsey and asked if there was more opportunity to work with community led groups to increase the social and affordable housing stock. The Cabinet Member stated that he was very keen on Community Land Trusts and Community Action Suffolk was bidding for new Government funding to encourage people to set them up. He explained that it was positive that they were not subject to Right to Buy but the Trust

did have to put something in and buildings needed to be maintained. He hoped these might be part of the solution especially for rural areas. The Head of Housing added that there was a lot of information on the Council's website regarding community led housing and funding was available for community groups to help them deliver housing.

Councillor Lynch referred to page 16 of the report which stated that the biggest need in East Suffolk was for one bed properties and he queried if a HMO had been considered. The Cabinet Member stated that Southwold Town Council had a house that might be able to be let for three people. He acknowledged that HMOs could work especially for single or older people and it could reduce isolation for people to live together in a shared space.

In response to Councillor Jepson's query, the Head of Housing confirmed that it could be complicated if the person was homeless but if a tenant was evicted with rent arrears and they applied to go back on the Housing Register the Council would try to recover the arrears with a structured payment plan.

The Head of Housing responded to Councillor Gooch's queries by explaining that, whilst it was rare, Deliberate Deprivation of Assets did happen, and generally applicants were housed in the location they wanted because they bid for the properties but if they repeatedly turned down offers and wasted time then action could be taken against them. The Cabinet Member added that generally the applicants on the list the longest were also the highest.

In response to Councillor Byatt's question, the Head of Housing confirmed that no housing stock had been lost to provide accommodation for refugees but there was one property that was used and external organisations were looking to purchase others. The Cabinet Member pointed out that this was funded by the General Fund not the HRA.

The Chair queried the number of people on the Register and the Head of Housing responded that there were 4591 at the beginning of the month although over 2500 of these were in Band E so were adequately housed. The Cabinet Member acknowledged that a lot of people did not apply and it was clear from the Housing Needs Survey that there was more need.

The Chair also referred to 2.26 of the report which asked if there were any guidelines on the amount of social housing needed and the response that referred to affordable housing. The Planning Manager (Policy, Delivery and Specialist Services) explained that, other than where Neighbourhood Plans set alternative policies, the Local Plan Policies did not differentiate between every different town or village in terms of the need for affordable housing and also did not differentiate between the need for social and affordable rent but they did set out the proportion of rented properties that would be required as part of a development coming forward.

The Chair thanked the Cabinet Member for Housing and Head of Housing for their contribution to the review and asked Councillor Yule, Cabinet Member with responsibility for Planning and Coastal Management, if she wished to add anything.

The Cabinet Member explained that there were policies in the Council's two Local Plans to secure affordable housing on residential developments. The policies were informed by evidence including both the Strategic Housing Market Assessment, which set out the needs for affordable housing including for different tenures, and also Whole Plan Viability Assessments. The site size thresholds above which affordable housing could be sought were informed by national policy. In principle,

developments with a greater percentage of affordable housing, or even 100%, could come forward, such as sites which might be put forward by the Council itself. However, the Council could not require a greater amount than was set out in the policies. The Local Plans also contained 'exception site' policies under which affordable housing could come forward in certain circumstances as an exception to planning policies for housing. The East Suffolk Affordable Housing Supplementary Planning Document was adopted in May 2022 and set out detailed guidance to support the delivery of the policies. The Housing and Planning teams worked closely to secure the right affordable housing - the Housing team was consulted by the Planning team on the affordable housing required for individual planning applications. A local connections cascade was applied to prioritise allocation of affordable housing secured as part of a planning application to those with a local connection to the location of the new development. The report to Scrutiny Committee in October showed that the Local Plan policies were delivering affordable housing, and paragraph 2.36 of the report before Scrutiny Committee today set out that 949 new affordable houses had been completed between April 2018 and March 2023 (around a quarter of all new houses). Although provision of new social rented properties was low, provision of new affordable rented properties was much more sizeable, with for example 166 completed in 2021/22. Applicants for planning permission could put forward a case to claim that sites were not viable for affordable housing, however such claims would be very carefully scrutinised. The policies of both Local Plans would only allow the amount of affordable housing to be varied in exceptional circumstances. As set out in the report to October Scrutiny Committee, there had been eight applications in the past two years which sought to reduce the amount of affordable housing (in four a reduction or loss was agreed, four were still under consideration). Through the planning process, commuted sums were also collected in some circumstances in lieu of provision on site, now usually limited to instances where otherwise a fraction of an affordable house would be required. The sums collected could be spent by the Council or by a Registered Provider on the provision of additional affordable housing. The planning system could not meet all needs for affordable housing in the district – in particular in the Waveney area to meet all of the needs identified in the SHMA would not have been viable, and trying to do so would likely stifle housing development coming forward. In addition to the Local Plan policies and the Supplementary Planning Document, through planning the Council could further support and encourage affordable housing development through for example Neighbourhood Plans. These might for example plan for additional housing growth including affordable housing. Guidance for Neighbourhood Planning groups on this topic was currently being prepared.

Councillor Plummer asked if there was a cross over between affordable housing and social housing bearing in mind the former had a noticeably higher rent. The Head of Housing explained that affordable housing came into a number of categories eg shared ownership, rental tenure eg affordable rent, intermediate or social rent which was the cheapest. Affordable rents were normally 80% of a market rent but a large number of Registered Providers, including the Council, capped their rents at Local Housing Allowance (LHA) rent which was significantly less than market rent. Social rent was not built that much these days and sometimes Homes England would say it had to be built at affordable rent. East Suffolk had a large proportion of social rents and a small number of affordables and there were only two Registered Providers that did not cap their rents at LHA level so it made it affordable including for anyone on benefits.

Councillor Lynch referred to Mr Aust's comment at the last meeting that affordable and social housing was more expensive to build because they were built at a higher standard and he queried why they were not built at the same levels as private housing to bring build costs down and provide more housing. The Head of Housing stated that she was not sure it was more expensive to

build but perhaps it was more that it would not generate the same level of return eg if building for open market sale you would get a large capital receipt and S106 but if you were a registered social landlord based on the level of rent charged they would not get the same return which impacted on the number of units that could be built. She added that Registered Providers were now trying to build to the highest possible energy efficiency level to avoid retrofitting in future. The Planning Development Manager explained that Mr Aust had commented at the last meeting that the expectations of Registered Providers, who purchased S106 properties from developers, could be quite high in terms of the standard of build and the way they were fitted out. They were buying properties in a finished form ready to let out to tenants so there was a certain level of durability and standard of construction that was expected which had a cost. He clarified that he did not think this affected the number of S106 properties being built in developments and pointed out that making properties cheaper in construction could end up costing more in the long run. The Cabinet Member added that the Council also had to comply with the Government's Decent Homes Standard. The Head of Housing explained that Social Housing Regulations Act would be implemented in April and consultation had just finished on the proposed new consumer standard. The Government was also doing a fundamental review of the Decent Homes Standard which was likely to be very different from the current Standard and the cost implications of that were unknown at this stage. It was noted that the Renters Reform Bill, which mainly covered the private sector, was also likely to require properties to meet the Decent Homes Standard.

There being no further questions, the Chair thanked the Cabinet Members and Officers for their attendance and clarified that the Committee was deliberating on recommendations for the Review of Social Housing and also on the Review of Planning Affordable Housing Requirements which was undertaken at the last meeting. He also reminded Members of their comments made during the debate at the last meeting as detailed in the minutes. Members debated and made the following points:

- There was a need to investigate innovative ways to increase the social housing provision within East Suffolk including revisiting modular housing.
- The banding of existing tenants and applicants could be reviewed to ensure they were in the right sized properties and to get them to a Band A more quickly.
- There should be more exploration at design stage of ways to create flexible dwellings that enable occupants to downsize but stay within the same community.
- More single occupancy dwellings within communities were needed either at an early design stage within new developments or utilise flats above shops.
- Scrutiny Committee might wish to scrutinise the Gateway to Homechoice Scheme in the future.
- Cabinet and Senior Officers should stake every opportunity to encourage and support Housing Associations to build in East Suffolk.

On the proposition of Councillor Grey, seconded by Councillor Plummer, it was

RESOLVED

1. That Cabinet
 - (a) explore innovative and creative ways to provide more affordable, efficient and environmentally friendly housing within East Suffolk.

- (b) review the Strategic Housing Market Assessment and Local Plan documents in relation to affordable housing supply sooner rather than later and include environmental sustainability.
- (c) increase the target for providing Council housing stock from 50 to 100 units per annum.
- (d) lobby Government on changing the Right to Buy Scheme so that a higher percentage of the receipts can be made available to supply more housing stock.

2. That Officers provide a response to the following queries raised by the Committee at this and the last meeting:

- (a) how many properties had been purchased by the Council since 2019 and how many remained empty?
- (b) the options, challenges and risks for providing 100% affordable housing developments in the district?