



Committee	Cabinet
Date	05/03/2024
Subject	Scrutiny Committee Review of Affordable Housing Planning Requirements and Review of the Provision of Social Housing in East Suffolk
Cabinet Members	<p>Councillor Kay Yule Cabinet Member with responsibility for Planning and Coastal Management</p> <p>Councillor David Beavan Deputy Leader and Cabinet Member with responsibility for Housing</p>
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Key Decision?	No
Is the report Open or Exempt?	OPEN

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable.
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Purpose/Summary

This report asks Cabinet to consider the recommendations made at the Scrutiny Committee meeting on 16 November 2023 in relation to the Review of the Provision of Social Housing in East Suffolk, as well as the Review of Affordable Housing Planning Requirements which took place on 19 October 2023.

Recommendation(s)

That Cabinet:

1. Explore innovative and creative ways to provide more affordable, efficient and environmentally friendly housing within East Suffolk.
2. Review the Strategic Housing Market Assessment and Local Plan documents in relation to affordable housing supply sooner rather than later and include environmental sustainability.
3. Increase the target for providing Council housing stock from 50 to 100 units per annum.
4. 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.

Strategic plan

How does this proposal support Our Direction 2028?

Environmental Impact	If implemented, the recommendations would help provide more efficient and environmentally friendly housing.
Sustainable Housing	If implemented, the recommendations would help provide more sustainable housing for our residents.
Tackling Inequalities	Having more housing available helps to tackle inequalities especially in terms of Council housing stock in the south of the district and locations with particular needs.
Thriving Economy	Building more housing would support the local economy.
Our Foundations / governance of the organisation	The Overview and Scrutiny Committee, through its reviews, makes suggestions to decisions makers on ways to improve Council policies and services.

Justification for recommendations

1. Background

- 1.1. The Scrutiny Committee had concerns that, particularly in light of the current cost of living crisis, some residents were finding it difficult to access affordable housing.
- 1.2. The Committee decided, therefore, to review both the affordable housing planning requirements as well as the provision of social housing across the district to see if there was anything they could recommend to increase the supply of affordable housing for those residents that needed it.
- 1.3. As part of the review of affordable housing planning requirements, the Committee sought the views of several local developers on the Council's processes for deciding the requirements; any challenges they faced in meeting those requirements; if there were any specific challenges to building in East Suffolk in particular; as well as any suggested improvements that would help to provide more affordable housing for our residents.
- 1.4. Three responses were received from developers who expressed a range of comments (see appendix A). Particular challenges identified were around land values, site viability, rising costs and squeezed developer margins. None of the respondents proposed any changes to the planning requirements for affordable housing as they felt that doing so would affect development viability even further.
- 1.5. One of the respondents stated that another issue was that Registered Providers were only willing to acquire stock in certain areas of the district. He had suggested that the Council, as a stock holding authority could be more proactive in assisting developers with their viability appraisals of developments and in bringing sites forward.
- 1.6. Another respondent stated that the SHMA was adopted in 2017 which meant it was now 6 years out of date. He recommended, therefore, that, in the absence of a more up to date evidence base, until a new SHMA was adopted, there should be more flexibility in planning decisions relating to the affordable housing mix. He also pointed out that the Local Plans had been adopted in 2019 prior to the pandemic, the cost of living crisis and the Ukraine War which had all impacted on the viability of schemes. He urged more flexibility in agreeing affordable housing requirements in each application.
- 1.7. Mr Aust, a planning consultant for a local Housing Association, had also provided written comments on behalf of his client as well as attending the meeting to give further evidence and answer the Committee's questions.
- 1.8. Mr Aust stated that it was difficult to see how a greater proportion of affordable housing could be secured through S106 agreements by housebuilders without viability being impacted in a way that would cause developments to simply not come forward.
- 1.9. Mr Aust suggested that more dialogue was needed with Housing Associations and that consideration should be given to some sites being 100% affordable housing which would

offer a robust solution to increasing the supply of affordable housing in East Suffolk. The Scrutiny Committee were extremely interested in this idea and requested a Briefing Note on the options, challenges and risks of it which they noted at their meeting on 22 February 2024.

2. Introduction

- 2.1. Having heard evidence from the Cabinet Members, Officers and developers at their meetings on 19 October 2023 (Appendix B) and 16 November 2023 (Appendix C), the Scrutiny Committee determined that there were a number of challenges to providing more affordable housing, many of which were outside of the Council's control.
- 2.2. It was clear, however, that there were some recommendations they could make to Cabinet that together would help to increase the availability of affordable housing in East Suffolk.

3. Proposal

- 3.1. The Committee acknowledged that providing affordable housing was a very complex issue requiring a number of different approaches.
- 3.2. Firstly, exploring every opportunity to increase the availability of affordable housing including working with developers on what they had identified would help them, as well as working more closely with Registered Providers.
- 3.3. Given the changes to the world's economy over the last few years, reviewing the SHMA and Local Plans as soon as possible might help alleviate some of the pressures on developers and ensure that the right type of housing was provide in the right location to an environmentally sustainable standard.
- 3.4. Whilst it was acknowledged that there were considerable costs associated with providing new Council housing, increasing the target from 50 to 100 per annum would emphasise that housing was a Council priority and deliver for residents.
- 3.5. It was also acknowledged that, whilst the Right to Buy scheme was beneficial for residents, it did not help local authorities maintain their stock levels, however, one way to do this would be to increase the receipts retained by the Council.

4. Financial Implications

- 4.1. If implemented, there will be financial implications, particularly the recommendation to increase the target for building more homes from 50 to 100 per annum.

5. Legal Implications

- 5.1. Not applicable.

6. Risk Implications

- 6.1. Not applicable.

7. Options

7.1. No other options were considered by the Scrutiny Committee.

8. Recommendations

That Cabinet

1. explore innovative and creative ways to provide more affordable, efficient and environmentally friendly housing within East Suffolk.
2. review the Strategic Housing Market Assessment and Local Plan documents in relation to affordable housing supply sooner rather than later and include environmental sustainability.
3. increase the target for providing Council housing stock from 50 to 100 units per annum.
4. 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.

9. Reasons for Recommendations

9.1. Having considered the report and evidence gathered from both reviews, the Scrutiny Committee felt that making these recommendations would support the Cabinet Member with responsibility for Housing who gave the Committee assurances that providing affordable housing across the district was a priority both for him and the Council.

10. Conclusions/Next Steps

10.1. Cabinet is asked to consider the Committee's recommendations as each would help to provide more affordable housing across the district.

Areas of consideration comments

Section 151 Officer comments:

As noted in Section 4, increasing the Council's housing stock via the Council's Housing Revenue Account (HRA) would have financial implication for the HRA if this exceeded the current HRA development programme as set out in the capital programme. Funding options would need to be explored as part of the business case.

Monitoring Officer comments:

The Constitution provides that Overview and Scrutiny Committee will prepare a formal report with its recommendations for consideration by the Cabinet. If the proposals are consistent with the existing budgetary and/or policy framework the Cabinet may make a decision on any recommendations. If any recommendation would require a departure from, or change to, the existing Budget and Policy Framework then that recommendation must be referred by the Cabinet to Full Council with or without a further recommendation from the Cabinet. Any report of the Overview and Scrutiny Committee referred to Cabinet shall be considered (and if possible, a decision made) within two months of the Overview and Scrutiny Committee completing their report and making any relevant recommendations.

Equality, Diversity and Inclusion/EQIA:

Not applicable.

Safeguarding:

Not applicable.

Crime and Disorder:

Not applicable.

Corporate Services implications:

(i.e., Legal, Finance, Procurement, Human Resources, Digital, Customer Services, Asset Management)

Not applicable.

Residents and Businesses consultation/consideration:

Several companies that build houses locally were consulted and their comments considered as part of the reviews.

Appendices:

Appendix A Summary of Developer responses to Scrutiny Review Consultation

Appendix B Scrutiny Committee Minute Extract – 19 October 2023

Appendix C Scrutiny Committee Minute Extract – 16 November 2023

Background reference papers:

Date	Type	Available From
19 October 2023	Cabinet Member with responsibility for Planning and Coastal Management's report considered at the Scrutiny Committee meeting on 19 October 2023	Document.ashx (cmis.uk.com)
16 November 2023	Cabinet Member with responsibility for Housing's report considered at the Scrutiny Committee meeting on 16 November 2023	Document.ashx (cmis.uk.com)