

Body:	Cabinet
Date:	May 29th, 2013
Subject:	Housing Strategy 'At Home in Eastbourne' and Housing Futures Review
Report Of:	Senior Head of Community
Ward(s):	All Wards
Purpose:	To request adoption of the Council's new Housing Strategy – 'At Home in Eastbourne' and to commence a review of the Council's future role as a landlord
Decision Type:	Key Decision
Recommendation:	Cabinet is recommended to: 1. delegate to the Senior Head of Community in consultation with the Portfolio Holder for Community final approval of the strategy 2. approve the establishment of a Project Board to oversee the Housing Futures review and the drawing down of funds from the Housing Revenue Account of up to and not exceeding £20,000 to support this work.
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1.0 Introduction

- 1.1 The Council's housing team have, since last autumn, been developing the new housing strategy for the borough: 'At Home in Eastbourne'.
- 1.2 This report updates Members on the progress to date in developing 'At Home in Eastbourne', including a summary of the priorities identified in as a result of the research and consultation undertaken to inform the strategy's development. It also sets out the 'At Home in Eastbourne' Action Plan. The report requests approval from the Cabinet for the adoption of 'At Home in Eastbourne' as the borough's housing strategy for the period 2013 through 2020.
- 1.3 One of the tasks arising from the development of At Home in Eastbourne is a need to consider the future of the Council's role as a landlord. The Council is responsible for the homes of nearly one in ten of Eastbourne's households. The current management agreement with Eastbourne Homes Ltd is due to end in March 2015. The Council has also now completed its

first year of being a landlord within the parameters of the Self Financing Housing Revenue Account (HRA) system. It is therefore an appropriate time to review the role of the Council as a landlord.

2.0 At Home in Eastbourne

2.1 Background to At Home in Eastbourne

2.1.1 Eastbourne continues to face a number of challenges that will need to be tackled effectively if people are to be able to find, keep and enjoy a home in the town. These include:

- Encouraging equitable and sustainable economic growth
- Managing the housing demand arising from population and household growth that exceeds the increase in additional homes available
- The changes over time in the proportion of the population made up by both younger and older people
- Helping people to manage the impact of current and proposed changes to the social security system and incomes for the majority of households that are rising at a rate lower than inflation
- Mitigating the difficulties and barriers imposed by the financial sector on potential home owners
- Increases in rents for private sector accommodation that outstrip growth in household income
- Maintaining reasonable and acceptable standards by private landlords of housing and property management
- Reduced public sector capital resources for direct investment in new and existing homes

2.1.2 The purpose of the housing strategy is to provide a framework for the Council to be able to support Eastbourne's communities, housing providers and investors to effectively address those challenges.

2.2 Progress to date on At Home in Eastbourne

2.2.1 A considerable amount of work has taken place over the past year to provide a sound evidence base upon which to develop 'At Home in Eastbourne'. The earlier stages of this work were reported to Cabinet last autumn (Minute 54, Cabinet October 24th2012). This work has since then been supplemented by further research, consultation and consolidation of the findings into a final housing strategy for Eastbourne. This has included:

- An 'At Home in Eastbourne' Open Day on November 1st, 2012 – open to the public as well as agencies and organisations directly involved in the provision and management of homes
- An update of the Strategic Housing Market Assessment to take account of the latest releases of data collected as part of 'Census 2011'.
- Preparation of two versions of 'At Home in Eastbourne', aimed at different audiences. These documents have been circulated to all Members of the Council.
- A seven year Action Plan drafted to guide the future work of the Council in helping people to be at home in Eastbourne
- The final stage of public consultation, a three month process due to

complete early June 2013.

2.3 *Priorities for 'At Home in Eastbourne'*

2.3.1 At Home in Eastbourne has identified four themes that capture that way people set out to find, keep, maintain and enjoy a home. These themes have been used to form the structure for the Council's housing strategy because they relate not to the way organisations work but to the way people make use of services, businesses and the market place. In this respect, 'At Home in Eastbourne' is in line with the 'Customer First' philosophy underpinning the Council's Future Model for the future shaping and delivery of services.

2.3.2 The four elements of housing that are recognised by everyone who needs somewhere to live have been identified as:

- i) Providing homes that support prosperity and choice
- ii) Finding and keeping a home
- iii) Improving the quality of homes
- iv) Enjoying homes and neighbourhoods

2.3.3 The priority actions within each element, which have been determined by reference to the intelligence and information learned by the Council over the past year, are summarised below.

i) Providing homes that support prosperity and choice

The primary actions here are focused on encouraging developers and investors to provide more homes but with particular attention being paid to making sure those homes provide stability and security to households, at costs that allow people to participate fully in the wider economy of the town. This includes supporting the development of affordable homes to rent and buy by the Council itself and other investors and providers and working closely with new investors to make the most of development and housing opportunities arising in the town from the economic development of areas such as the Town Centre.

ii) Finding and keeping a home

The primary actions here are focused around helping people to identify the most appropriate housing options for their household, by understanding their aspirations and circumstances, and then guiding and supporting them in finding a home that they can sustain. This will embrace helping people secure the finance they need to buy a home, the support they may need to rent a home in the private sector and encouraging all types of landlord to offer high levels of tenure security. It also includes helping people who face losing their home either keep it or find one they can keep in the future. As part of this strand of 'At Home in Eastbourne', the Council will by March 2014 have introduced a new Homelessness Strategy that will meet the Gold Standard set by the Government for local authority homelessness and housing options services. Particular attention will be paid to meeting the needs of rough sleepers, disabled people and those faced with the problems arising from domestic violence.

iii) Improving the Quality of Homes

The primary actions here are to encourage property owners to invest in homes, with a particular emphasis on improving energy efficiency and reducing fuel poverty. It also includes encouraging the design and development of new homes that have low maintenance requirements so that they can be efficiently kept in useable condition for future generations. A robust and pro-active approach to enforcing standards amongst the private rented sector and maintaining the Decent Homes Standard (DHS) in the Council's own homes will help set high standards for the town as a whole.

iv) Enjoying homes and neighbourhoods

The primary actions here are to help people enjoy where they live by allowing them to fully enjoy the building in which they live and to be able to go out into the community without fear or distress and to be able to take part in community life. This work will extend deep into the community and across many different services and agencies. The role of the Council's new Neighbourhood First team will be critical to the success of this element of At Home in Eastbourne alongside strong and practical links with agencies such as the Police. Similarly, East Sussex Supporting People services for disadvantaged and vulnerable members of the community will be integral to helping people enjoy where they live. The Council's own Disabled Facilities Grants services, which plays a major part in helping disabled households enjoy their home, is an essential contributor towards making sure that Council can deliver this outcome for 'At Home in Eastbourne'.

2.4 *Resource implications for taking forward 'At Home in Eastbourne'*

2.4.1 The Housing Services team currently has the lead responsibility for taking forward the activity to deliver the 'At Home in Eastbourne's' outcomes. This is a wide ranging area of work, embracing the development of new Council-owned homes, close working with housing associations, developers and landlords to encourage investment in new and existing homes, overseeing the management and maintenance of the Council's own housing stock, delivering statutory services to those who are homeless, vulnerable and disabled and maintaining robust and evidenced housing policy and market intelligence so that the Council is able to use its planning, housing and economic development responsibilities to influence and shape investment in the town.

2.5 *Next Steps for 'At Home in Eastbourne'*

2.5.1 Final drafts of 'At Home in Eastbourne' – in both full and summary versions – have been circulated to all Members and to a wide variety of people and agencies across the town, embracing commercial and public sectors, organisations and individuals. Internet links to the documents are provided at the end of this report. The formal consultation remains open until early June 2013. Responses so far have been positive.

- 2.5.2 The Action Plan arising from 'At Home in Eastbourne' is to be finalised when the consultation formally ends. An internet link to the draft is provided at the end of this report. The Action Plan is used on a daily basis to manage the work of the Housing Services team, with outcomes and progress on specific performance indicators and projects being reported quarterly captured through the Council's Covalent Performance Management system.
- 2.5.3 Because the formal consultation period has not yet concluded, it is possible that some further changes may need to be made to 'At Home in Eastbourne'. However due to the extensive consultation and research that took place before the final drafts were circulated, the Council's Housing Team does not expect any such changes to be fundamental or to radically alter the outcomes and priorities set out in the documents.
- 2.5.4 Cabinet is therefore asked to approve, subject to a review of the final consultation comments, the delegation to the Senior Head of Community in consultation with the Portfolio Holder for Community, to approve 'At Home in Eastbourne' as the Borough's housing strategy for the period 2013 through 2020.

(A copy of the strategy can be found on the Council's web site [Eastbourne Borough Council - Housing Strategy and Development](#))

3.0 Housing Futures Project

3.1 Background to the Housing Futures Project

- 3.1.1 It is timely in the context of launching a new housing strategy for Eastbourne to consider the future of the Council's role as a social landlord. Such a review – the Housing Futures Review - will need to consider how best the Council's landlord role can contribute towards delivering the outcomes of 'At Home in Eastbourne' and to make the best of the opportunities created by the introduction of the Self Financing HRA, the introduction of the Future Model for the development and delivery of the Council's services and the establishment of an Eastbourne-wide Housing and Economic Development Project.

3.2 The current status of the Council as a housing landlord

- 3.2.2 The Council currently owns a mixed portfolio of 3,713 residential properties with a programme to add a further 23 properties to that total in 2013-2015. All Council-owned homes will by the middle of 2013 meet the DHS and within current projected rent income can be kept to the standard over the next thirty years. This means that there is no need for the Council to secure additional income over and above that which it currently earns from its landlord role if it wishes to maintain the current position.
- 3.2.3 The current debt assigned to the Council's housing stock is £37,039,000 which equates to £9,976 per property. It is this amount that the Council would need to generate from any large scale stock transfer if it were to consider bringing to an end its role as a direct provider of social housing.

- 3.2.4 The Council currently has £5,921,000 of unassigned borrowing capacity in the HRA. This means that it has capacity for a small but significant programme of additional investment over and above that needed to maintain the current stock to a decent standard. This additional investment could, for example, provide additional properties to over time to increase the number of homes provided by the Council or increase the standard of properties over and above that set out in the DHS.
- 3.2.5 Demand for all types of Council-owned homes is extremely strong, far in excess of the 220 or so lettings the Council makes each year. Future housing market projections suggest that demand for affordable, secure rented accommodation, of the type provided by the Council, will remain strong for the foreseeable future. This means that Council has a viable product in a strong market.
- 3.2.6 The Council's housing stock is currently managed under an agreement with an Arm's Length Management Organisation (ALMO), Eastbourne Homes Limited (EHL). The ALMO concept emerged from the Government's white paper on housing published in 2000 which imposed the obligation of improving all social rented homes to the DHS by 2010, a deadline extended by subsequent governments. Access to additional government provided funds for decent homes investment were only available to councils which did not opt for a transfer of their housing stock or the use of a Private Finance Initiative (PFI) vehicle if they created an ALMO. The decision to establish in 2005 EHL was made to both improve services and to access additional government funding to improve the condition of the Council's stock both of which have been successfully achieved since EHL's inception in 2005.
- 3.2.7 EHL will receive a management fee from the Council of £6,804,000 in 2013-2014 for managing and under taking day-to-day and cyclical repairs to the housing stock.
- 3.3 *Future proofing the role of the Council as landlord*
- 3.3.1 Providing homes for nearly a tenth of Eastbourne's households is a serious responsibility for the Council. In determining the future of this role, a number of external factors will need to be considered. These include:
- The requirement to have an ALMO to access Decent Homes Funding has now been removed.
 - The Council is embarking on a fundamental restructuring of the way it delivers services and focus on efficiency and improved customer journeys.
 - The Council's current arrangements with EHL to manage the housing stock end in March 2015 with the current repairs and maintenance contract, with Mears, for day-to-day repairs ending a year later in March 2016. Any changes that the Council may wish to introduce to both these elements of maintaining the social landlord service will need to be agreed by March 2014 at the latest to allow sufficient time for implementation.
 - The Council has recently agreed to EHL overseeing on behalf of the Council a Housing and Economic Development Project (HEDP) to develop projects and proposals to make positive use of housing investment as

part of developing Eastbourne's wider economy.

3.4 *Undertaking the Housing Futures Review*

3.4.1 There is no single set process for a local authority to undertake a review of its role as a social landlord.

3.4.2 As the owner of current stock, the Council has a duty to secure the best option for the management and maintenance of those homes and their tenants. The Council is accountable to both tenants and the wider community for the future of its role as a social landlord.

3.5 *Housing Futures Review Process*

3.5.1 As a first step, the Housing team will establish a Project Board to oversee the overall review. Membership of the Project Board will need to include a high level of housing knowledge and expertise, clear political authority and democratic accountability to the wider community, organisational independence and a clear role for tenants in determining the future of their homes. It is therefore recommended that membership of the Project Board is as follows:

- Portfolio Holder for Community (Chair)
- Portfolio Holder for Finance
- Shadow Portfolio holder for Housing
- Tenant's Representatives
- Senior Head of Community
- The Council's Chief Finance Officer

Knowledge and expertise from Eastbourne Homes Ltd will be fully used to input and contribute to the review process.

3.5.2 Cabinet are asked to approve the setting up of a Project Board as the first step in establishing the best way forward for the Council's role as a landlord.

3.6 *Resource Implications of the Housing Futures Review*

3.6.1 Undertaking the Housing Futures Review will require research, management and consultation.

Additional funds will be needed for the specialist financial and/or consultation work arising from the review. It is not yet possible to quantify this as the end cost will be dependent on the direction of the review but is not expected to exceed £20,000. These funds are available within the HRA reserves.

3.6.2 Cabinet is therefore asked to approve the draw down of funds up to and not exceeding £20,000 to support the Housing Futures review, subject to the approval of the Project Board.

4.0 Other Implications – Environmental, Human Rights, Community Safety

4.1 The development of 'At Home in Eastbourne' and the completion of the Housing Futures Review will give the Council greater scope to deliver its wider role of community well being. Better homes help to reduce crime, improve the environment and contribute towards human rights by helping people secure a safe and secure home.

5.0 Youth and Anti-Poverty

5.1 Housing problems faced by young people, including those who want to rent accommodation or buy a home, are becoming increasingly clear to the Council as we progress the research to inform 'At Home in Eastbourne'. Delivering 'At Home in Eastbourne' will help to improve the housing options and choices available to young people.

Lead officer name: Andy Thompson

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Background Papers:

The Background Papers used in compiling this report were as follows:

'At Home in Eastbourne' Summary
'At Home in Eastbourne' Full Version

To inspect or obtain copies of background papers please refer to the contact officer listed above.