

# **Adur and Worthing Councils**

***Housing Matters***

**Strategy 2017- 2020**

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# Introduction

Our vision is for everyone to have a place they can call home, whether it is owned, shared or rented. Having a secure and safe home, not just a place to sleep, is one of the most important factors in making communities ambitious, prosperous and resilient.

We want to support our communities to be the best they can. As part of our strategic vision for places, the Councils of Adur & Worthing want to build platforms from which people, communities, businesses and ideas can develop and thrive.

This strategy is written against a backdrop of increasing demand for Local Authorities to provide services for the homeless and most vulnerable, but it is deliberately not a homelessness strategy. This is a Housing Strategy that seeks to address: how we prevent homelessness; drive a significant increase in supply of homes of all tenures; use our housing stock effectively; and recognise the needs of those who have homes, but whose lives and circumstances are changing. Our aim is to support the inward investment needed to increase growth and continued community resilience.

The Councils cannot solve these issues alone. The challenges are shared by our many stakeholders across the public, private and third sectors. Adur & Worthing Councils are committed to working with partners which have skills, abilities and knowledge that complement and strengthen our offer. This strategy reflects the collective thinking of the wider partnership and takes a system-wide approach to addressing these issues. While this is a joint strategy, there may well be distinct differences in how it is delivered across Adur & Worthing, given different community need and demography, as well as differing types of asset ownership and control.

This initial strategy sets out a direction for 2017-2020 and signposts our significant ambition in the future.

# Our Vision

Our vision is a Housing Strategy that:

- delivers secure and appropriate housing for the people of Adur & Worthing
- supports aspiration, individual and community resilience and economic growth
- enables all sectors within our communities to live healthy, secure and purposeful lives
- is delivered in partnership with businesses, people, and statutory and voluntary sector agencies.

## Strategic Context

The Councils published a five year strategy in 2012 that is now coming to an end. Across the country, and especially in the South-East, the housing market has changed:

- House prices have continued to rise.
- The number of first time buyers is lower.
- The number of younger house buyers is lower.
- The private rented sector has increased in size and importance.
- The private rented sector has become more expensive.
- Larger deposits are needed to get on the housing ladder

High rental housing costs mean an estimated 3.8 million workers - one in eight - are in poverty, according to the Joseph Rowntree Foundation (JRF). Its research shows that 55% of those in poverty are in working families. Many housing associations have become more commercially minded and so less social housing is being built.

The emergence of 'generation rent' has resulted in a changed policy agenda. The government has developed ambitious initiatives to make home ownership a reality for more people, especially younger and first time buyers. Starter homes, shared ownership and rent to buy are examples of this, as are changes to the tax regime for buy to let landlords.

For those Councils that still own council housing stock (like Adur Council), there have been changes to ensure best use is made of the stock and that the welfare bill is reduced. These have included a 1% per annum rent reduction across the social rented sector, spread over four years, and the introduction of policies such as the spare room subsidy.

A significant programme of welfare reform has been introduced. These reforms are intended to encourage those who can to get back into work and to reduce the overall welfare bill. New changes include the benefit cap, universal credit, and reducing the amount of housing benefit those under 35 can claim.

The Housing and Planning Act 2016 introduced the concept of a fixed term social tenancy, rather than a tenancy for life. Currently a voluntary scheme, the government is working with pilot councils to see what this may look like in practice. It marks a significant shift in the concept of social housing. Rather than being a destination, social housing becomes part of a life journey. This change could result in a very different approach to housing management - one where, in addition to landlord duties, councils support tenants to find work, improve their lives, and move on.

The government's Autumn Statement highlighted further commitment to the provision of new affordable homes:

- A new £2.3 billion Housing Infrastructure Fund to deliver infrastructure for up to 100,000 new homes in areas of high demand;
- £1.4 billion to deliver 40,000 additional affordable homes;
- Relaxing restrictions on government grants to allow a wider range of housing types;
- Large-scale regional pilot of Right to Buy for Housing Association tenants; and
- Continued support for homeownership through the Help to Buy, Equity Loan scheme, and the Help to Buy ISA.

The recently released White Paper on Housing aims to further increase the supply of both rented and owned properties, recognising that home ownership is not the solution for everyone. The Paper recommends new responsibilities for councils. These include a common approach to assessing housing need and new measures to check that councils use their powers to ensure new housing is actually delivered.

Making the housing market more efficient is the cornerstone in building resilient communities and thriving economies. However, there will always be some people that need more help, or for whom owning their own property is an unrealistic ambition. People's circumstances can change and local authorities need to support people to remain in their homes for longer. Councils will continue to have a role in providing a safety net for the most vulnerable.

Homelessness is the most extreme expression of housing need and is increasing nationally. Nationally, three quarters of those accepted as statutorily homeless were families with children, or those expecting a child.

The prevention of homelessness is an increasingly important feature of the government's housing response and is reflected in this Strategy.

## Local Context

Adur and Worthing, in many respects, can be seen as affluent areas that have benefited from the focus on home ownership over many years. The following table shows the breakdown of homes by tenure, demonstrating higher than average homeownership rates and lower than average rates of socially rented properties when compared to national averages. However, the private rented sectors in the two areas are quite different, perhaps reflecting the histories of the two districts. This points to the need to address issues differently in Adur & Worthing.

	<b>Owner occupied</b>	National average	<b>Privately rented</b>	National average	<b>Socially rented</b>	National Average
Adur	<b>74.4%</b>	64.1	<b>12.6%</b>	18.2	<b>13.0%</b>	17.7
Worthing	<b>69.8%</b>		<b>20.2%</b>		<b>11.0%</b>	

*Note: Socially rented includes RSLs and Council owned stock*

Many other issues in Adur and Worthing are common across the whole South-East. There is an increasing mismatch between housing supply and demand across all tenures, but especially for affordable housing.

In the last five years, house prices have increased by 49.6% in Adur and by 45.8% in Worthing. Household incomes have not risen as quickly, so property has become less affordable. The ratio of median house prices to median income has increased over the past five years. It has increased from 9.86 to 11.03 in Adur, and from 8.06 to 9.69 in Worthing.

The population of Adur and Worthing has also grown over the last 20 years (by 8.9% in Adur and 12.1% in Worthing). In the next 25 years, the Office of National Statistics (ONS) estimates there will be an extra 2,988 people living in Adur and 4,500 in Worthing. These people will need homes.<sup>1</sup>

Adur District and Worthing Borough Councils have both commissioned an Objectively Assessed Need (OAN) assessment for housing. This looks at housing need in Adur District over the period 2011-2032 and in Worthing Borough over the period 2013-2033. It also provides an updated assessment of the need for different types of both market and affordable homes.

Both assessments indicate a high level of need for affordable housing. The report identifies a requirement for 233 new affordable homes to be built each year in Adur and

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<sup>1</sup> Data: ONS; West Sussex Life 2016; Adur & Worthing District Profile

435 each year in Worthing, if all housing needs are to be met.

However, given the constraints on both areas, the Council is proposing to deliver only 177 new dwellings each year in Adur and 270 in Worthing. Even if 30% of all these new dwellings were to be affordable (in line with both Councils' planning policies) the Councils would only be delivering approximately 147 affordable dwellings per year.

Both Councils have taken a proactive approach through planning positively for development and making the best use of the available land. This includes ensuring that our local plans are up to date; preparing development briefs for a wide variety of sites and developing proposals for land in our ownership.

Our approach to planning for housing prioritises 'place making' - ensuring that new homes are supported by the right community facilities and physical infrastructure including access to public transport and open spaces.

Affordability and access to the private rented sector is a major challenge for many local people, including those in work. It is increasingly difficult to find affordable accommodation for those on benefits (who receive rent up to the Local Housing Allowance or LHA). There are plans to extend LHA levels of benefit to older residents and those in need of supported housing in years to come.

The average gross yearly wage for a full-time worker in Adur in 2015, according to the ONS, was £23,972 (£19,380 net). This means only a one bedroomed property in Adur is within reach, and this would require heavy economies elsewhere. This is the reality for many working families.

The average gross yearly wage for a full-time worker in Worthing in 2015 was £25,428 (£20,378 net). As with Adur, a one bedroomed property would only be within reach by economising heavily elsewhere.

There are very few affordable properties in Adur or Worthing for households on Housing Benefit.

The lack of affordable accommodation to buy or to rent also has an impact on people who have housing but whose needs have changed. This can include families living in unsuitable or cramped accommodation who need to upsize; older families and people who need to downsize; or those whose needs cannot easily be met in their current situation, for example, older people and those with physical and mental health needs.

Homelessness continues to be a significant local issue. Previous statistics for homelessness in Adur and Worthing have not been reliable, but from April 2016, better systems have been developed. The Councils now see approximately 100 new households each month and expect to owe a formal housing duty to 210 households this year. Loss of

Assured Shorthold Tenancy is the single biggest reason for people coming to see the Councils. In Worthing, in particular, many landlords are selling their properties.

The demand for social housing remains high. Both Councils operate a Housing Register that places those in housing need in bands according to the urgency of their situation. On 1st December 2016 there were 695 households on the Adur Housing Register and 1130 in Worthing. Over 80% of all those on the Housing Register are waiting for one and two bedroom properties. Even those in greatest need will often have to wait for several years before they are successfully rehoused via the Housing Register.

Many of those on the Housing Register stand little chance of being offered social housing. This situation is the same for all Local Authorities in the South East.

## Strategic Summary

### *Wider environmental, economic and policy landscape*

- Increasing need for affordable homes of all tenures for individuals and families in the South East.
- Nationally, the construction of new homes by private contractors has remained fairly static over many years. The key change was the cessation in building by local authorities in the 1970s. The gap between demand and supply has only increased since that time.
- Market supply of affordable homes is low and for many local individuals and families the market does not meet their needs.
- Until recently, national policy has focussed heavily on 'right to buy', shared ownership or starter homes. The new direction from the Government is to deliver a better balance between homeownership and properties for rent at levels that local people can afford.
- Demand for rented accommodation is outstripping supply, leading to higher rents and fewer units being available at affordable or social rents.
- Changing political and policy landscape, e.g. Welfare Reform, which has affected the business models of some Registered Social Landlords (RSL) and Private Sector Landlords (PSL).
- Increasing levels of homelessness nationally.

### *Local and regional landscape*

- Lack of affordable homes, whether to buy or rent.
- Increasing demand for housing solutions resource, whether this be at assessment stage or provision of accommodation.
- Increased homelessness applications across Adur and Worthing have led to:

- Pressures on emergency and temporary accommodation. This is shared across the South-East creating competition for an ever reducing pool of available accommodation that is leading to spiralling costs.
- Pressures on decision making processes and timelines.
- Adur Homes management and the capital investment programme has not kept pace with need.
- There is limited borrowing capacity within Adur Homes which needs to be carefully prioritised
- The Councils' supply side strategy needs better articulation and connections across all agencies and teams within the Councils.
- There is excellent partnership working across housing providers and wellbeing agencies, but other partnerships still need to be developed.
- Local employers are explicit that more housing of all tenures is needed locally to enable continued economic growth. A lack of housing could act as a break on the growth of the economy.

## Strategic Foundations

This strategy aims to help create the conditions for more new homes to be built and for growth and aspiration to flourish. We need to reduce demand and increase the resilience in our communities wherever possible. We need to create and support places that are communities and which meet the needs of individuals and families at all stages of their lives.

We will take a personalised approach lead by the question: 'What can we do to make a difference?' as opposed to just: 'Do we have a duty?'. We know that we will still have a duty to abide by homelessness legislation and ensure that we manage scarce resources.

This strategy will focus on four key areas:

- Preventing homelessness whenever possible
- Developing and encouraging the supply of new homes
- Improving and expanding Adur Council's role as a landlord
- Working more effectively with partners to help those in greatest need.

## Preventing Homelessness

Adur & Worthing Councils are committed to preventing homelessness as opposed to simply responding to it.

Homelessness is a complex issue with many factors contributing to its cause and solution. We need to work at the level of individual citizen as well as influencing all those who have a role to play in reducing the causes of homelessness. This means developing a new approach that influences and involves private sector landlords, developers and businesses in finding solutions.

We aim to intervene early to prevent homelessness wherever possible.

The strategy will be to:

- i) Use collective data to identify, at the earliest point, known individuals and families at risk of homelessness;
- ii) Use a multi-agency approach to support individuals and families to obtain work, manage debt, and access other appropriate resources;
- iii) Influence and work with those with direct and indirect involvement in homeless prevention and support for some of the most vulnerable people including rough sleepers;
- iv) Work with public sector and third sector agencies to identify the risks and drivers that lead to homelessness and develop early help options. This must also include ensuring that we support individuals and families to remain in their homes when health or disability become problematic;
- v) Develop honest and realistic housing choices for people in housing need;
- vi) Develop attractive options for private sector landlords, to increase the supply of rented accommodation for those who are homeless or are threatened with homelessness.
- viii) Positive use of enforcement powers to discourage rogue landlords and improve housing conditions (and so remove the need to rehouse).

In order to do this, the Councils will:

- Create a multi-agency homelessness prevention/welfare reform operational group to identify and collectively case manage those at greatest risk of homelessness or in the highest need. The group will be made up of:
  - Revenue and Benefits Officers
  - Housing Officers
  - Providers and stakeholders (incl. WSCC)
  - Financial Inclusion Workers
  - Communities & Wellbeing teams and
  - The voluntary sector.
- Work with a range of agencies to develop pathways that reduce the risk of homelessness, and/or enable people to stay in their homes, for people in the following groups;

- Parents living in poverty
  - Living with physical and mental health needs
  - Leaving care or custody
  - Those at risk or who are currently rough sleeping
  - Older people
  - Service Veterans
- Develop a mechanism to actively engage and involve private sector landlords, developers and businesses in finding solutions to housing need in the borough and district.
  - Continue to act positively in respect of complaints about housing conditions to the need for rehousing.

Additionally, the Councils have been shaping a new approach to working with residents and customers which recognises that for some, particularly the most vulnerable, their needs are increasingly complex. The new approach builds on an understanding of the customer journey, regardless of which how and who they connect with in the Councils in order to deliver high quality services within expected timescales.

To do this the Councils aim to:

1. Reduce customer effort
2. Embed an organisational culture that embraces customer engagement and advocacy
3. Create a customer focussed organisation

In order to achieve this shift the Council needs to engage with its customers to understand where and how it can provide the most useful advice and information to support self sufficiency. The new approach will embrace new ways of working, including the promotion of digital options where relevant. This will include a focus on developing self-service options such as the use of online assessments and self management of housing register applications where this is relevant to the customer.

## Developing the Supply of New Homes

The Councils are not solely responsible for the supply of new homes. However, they have an important role to play in working with developers, landlords, the public and other key stakeholders. This strategy is designed to support the maintenance of the existing supply of homes as well as increasing the supply of new homes of all types.

There is an ongoing need to collect and assess a range of data to inform work in this area.

However, a focus on data collection and analysis could detract from delivering real outcomes for our communities.

Relationships with business and developers are key. The Councils will review how to support developers through planning and major projects initiatives. This work is already reflected in the development of the Adur Local Plan and the development of this strategy will also inform the emerging Worthing Local Plan.

Given the scale of the housing challenge, the Councils will need to be ready to rethink traditional ideas about what modern housing looks like. This might involve modern methods of modular building, changing space standards and different funding mechanisms.

The strategy is to:

- i) Promote the construction of new homes by raising the profile of Adur & Worthing as a place to invest with business, developers, and builders. As part of this, the Councils commit to ensuring developments directly or indirectly contribute to the increase in affordable units across Adur and Worthing (30%).
- ii) Promote the development of additional supply by developing positive policies and practices to support the creation of new forms of housing, including modular build, community land trusts, and shared housing.
- iii) Complete a full asset review of Adur & Worthing Councils' land and buildings and collaborate across the public sector agencies to:
  - Identify land and resource (e.g. buildings) that can be used to increase the supply of accommodation (emergency, temporary, and permanent);
  - Collaborate on the commissioning of projects and purchase of property where appropriate;
  - Identify opportunities to bid collectively for additional grant and other funds;
  - Share intelligence, ideas, and access to frameworks.
- iv) Use already committed resources to purchase or build properties to accommodate those in need of emergency and temporary accommodation. Collaborate with key stakeholders to overcome barriers such as with HMOs, planning consents or use of new approaches such as modular housing.
- v) Explore a range of options to increase the Councils' capability and capacity to build homes and regenerate our asset base. This could include the formation of Housing Companies or Joint Ventures.
- vi) Bid for relevant government funds that help increase the supply of housing

across all tenures.

- vii) Engage with private and social sector landlords to support the development of homes for rent that are safe, decent, and meet the needs of residents in Adur and Worthing.
- viii) Fully utilise the empty properties toolkit of grants, loans and enforcement to bring empty homes back into use and ideally provide the Councils with nomination rights.
- ix) Develop a coherent, sector-wide approach to gathering, sharing, and assessing data and evaluating this strategy to inform longer terms plans.

## Improving and Enhancing Adur Council's Role as a Landlord

The management of Adur Council homes is improving but there is more to be done.

The impact of the 1% per annum rent reduction and the introduction of welfare reform means the service needs to be much more proactive to ensure tenants receive any benefits that are due and that the rent is paid. This will mean intervening sooner should tenants begin to fall behind in arrears, as well as signposting to employment and financial management support.

If the government makes flexible tenancies a mandatory requirement, Adur Council will need to develop a strategy to move new residents' outlook away from a 'home for life' into understanding and accepting the new 'fixed term' social tenancies. Alongside this we will develop an 'offer' that supports our residents to use their time with Adur Homes to build their skills and abilities.

A recent stock condition survey indicates there has been an underinvestment in some areas. An analysis of the survey now needs to inform a wider asset management review and plans to address these issues. In addition there may be some buildings within the stock that are reaching the end of their economic life and repair is more expensive than redevelopment.

Much of the Adur Homes stock was built when land was cheap and so the stock is typified by low rise blocks on large green spaces. Times have changed and now land is expensive. Access to land is locally a major issue as Adur is bordered by the sea and South Downs National Park. The shortage of reasonably priced land locally is the single biggest inhibitor to building more homes.

This along with the stock condition survey leads to the need for the Council to ensure that

we have a strategy that seeks to utilise the Adur Homes estate more efficiently. Options could include; redevelopment of some parts of the estate and building higher density, better quality homes and ensuring homes are occupied at an optimum level, encouraging tenants to move to smaller properties as required. An asset management review will provide a vision for the future of Adur Homes that ensures land is put to best use and residents live in homes and estates they can feel proud of.

The strategy therefore for Adur Homes is to:

- Improve the performance of housing management services by providing clear direction and agreed performance targets.
- Ensure an efficient rent/income collection service that seeks to maximise the rent collected.
- Develop a new approach to supporting vulnerable residents that includes early intervention and effective signposting to other services.
- Improve and widen resident engagement by using new methods of engagement across a broad range of topics.
- Plan and deliver an effective and efficient maintenance and repairs programme.
- Review the stock condition survey and, in conjunction with tenants, develop a capital programme that spends resources to best effect.
- Develop an asset management plan that provides a long term vision and action for the Adur Homes estate.

## Working Better with Partners

This strategy sets out the direction for Adur and Worthing Councils. However, the Councils cannot deliver these ambitions alone or in isolation. The Councils need to develop effective partnerships and work with all who can make a difference and help to deliver these ambitions. This will include key leaders in local services, communities, businesses, residents, and tenants.

The final strand of this strategy, therefore, is to develop a comprehensive plan that informs, engages, and works with the following groups:

- Individuals and families in housing need
- Landlords
- Adur Homes tenants
- Property developers
- Businesses
- Stakeholders and Partners
- Elected members and MPs.

# Conclusion

This Strategy has been written to guide and focus action over the next three years. It has also been written at a time of change. Nationally new housing policies are due to be introduced although the full details are not yet known and the impact of welfare reform will not be fully known for another year. Demographics may change, the housing market may change and the economy may change.

In bringing this Strategy to life the Councils need to be adaptable and flexible to respond to change appropriately. The Councils may only have limited influence over some of the potential changes. However the greater its understanding of local needs and trends, the better it can respond to the benefit of local communities.

# Appendix 1 Targets

## **1 Preventing homelessness**

- Homelessness prevented in 20 % of all cases presenting for assessment
- 20 % reduction in homeless cases referred on to social services
- 20 % of homeless budget spent on homeless prevention initiatives
- Support more people to live independently
- Reduce rough sleeping by 20%

## **3 Developing the supply of new homes**

- Reduce spend on emergency accommodation by 30% per household
- Increase supply of temporary accommodation by 150 units per year
- Increase supply of private sector options to discharge homeless duty to 50 per year
- Increase supply of affordable housing by an additional 50 units per year
- Increase supply of social rented housing by 150 units by 2020

## **4 Improving and enhancing Adur Council's role as a landlord**

- All services delivered to or exceeding national averages by 2020
- Asset management plan developed and implemented by 2018
- Build at least 100 units of new accommodation on existing Adur Homes land by 2020

## Appendix 2 - Background Information

### National Homeless data

Figures from DCLG show:

- Local authorities accepted 14,780 households as being statutorily homeless between 1 January and 31 March 2016, up 9% on the same quarter of last year.
- The total number of households in temporary accommodation on 31 March 2016 was 71,540, up 11% on the previous year.

The end of an assured shorthold tenancy has been an increasingly common cause of loss of last home over the last six years, rising from 4,580 (11% of all cases in 2009/10) to 17,900 (31% of cases in 2015/16). This has happened during a time when the private rented sector has doubled in size (since 2002) and now houses 4.3 million households (2015/16).

### Local Context

Table 1: Affordability of the Adur rental market

Size	Median market rents at 1/12/2016 (£)	LHA (£)	Net income required per year (assume 35% spent on rent) (£)
Room in a shared house	425 pcm	360 pcm	14,572
1 bed	688 pcm	664 pcm	23,588
2 bed	925 pcm	836 pcm	31,714
3 bed	1248 pcm	1000 pcm	42,788
4 bed	1825 pcm	1470 pcm	62,571

Table 2 : Affordability of the Worthing rental market

Size	Median market rents at 1/12/2016 (£)	LHA (£)	Net income required per year (assume 35% spent on rent) (£)
Room in a shared house	481 pcm	300 pcm	16,491
1 bed	693 pcm	520 pcm	23,760
2 bed	901 pcm	663 pcm	30,891
3 bed	1195 pcm	803 pcm	40,971
4 bed	1547 pcm	1066 pcm	53,040

Table 3: Adur District Council Housing Register

Category	Number on the Housing Register at 1/12/16	Numbers housed in 2015/16
Band A	66	29
Band B	55	44
Band C	457	61
Band D	117	0
<b>Total</b>	<b>695</b>	<b>134</b>
1 bedroom required	302	69
2 bedrooms required	262	49
3 bedrooms required	113	14
4 bedrooms required	18	2
<b>Total</b>	<b>695</b>	<b>134</b>

Table 4: Worthing Borough Council Housing Register

<b>Category</b>	<b>Number on the Housing Register at 1/12/16</b>	<b>Numbers housed in 2015/16</b>
Band A	53	13
Band B	94	44
Band C	868	63
Band D	115	1
<b>Total</b>	<b>1130</b>	<b>121</b>
1 bedroom required	521	64
2 bedrooms required	420	29
3 bedrooms required	174	25
4 bedrooms required	15	3