

TITLE	Affordable Housing Strategy
FOR CONSIDERATION BY	Overview and Scrutiny Management Committee on 16 January 2024
WARD	None Specific;
LEAD OFFICER	Director, Place and Growth - Giorgio Framalocco

OUTCOME / BENEFITS TO THE COMMUNITY

To obtain Member oversight and input into the development of the Affordable Housing Strategy in line with the priorities outlined herein. To also gain Member input into proposed changes for key workers within the Council's Allocations Policy, removing the requirement to have lived within the Borough for the previous five years which will help support the local economy and especially the care sector.

The Affordable Housing strategy outlines four strategic priorities and will be accompanied by a more detailed action plan which will be refreshed on an annual basis. The strategy sets out the Council's strategic direction to build the right homes in the right places and support our residents by developing socially inclusive communities. The strategy is underlined by a strong commitment to partnership working with the aim of increasing the quality and quantity of affordable housing in the Borough by:

1. Addressing and understanding our housing needs
2. Providing suitable accommodation options to our most vulnerable residents
3. Ensuring homes are healthy, safe, efficient, environmentally sustainable and well-designed
4. Creating positive social impact to promote inclusive growth and develop thriving communities

This will improve housing outcomes for our residents, as well as helping to mitigate the increasing financial pressure created by the Council's duty to provide accommodation, by providing additional housing options with varying levels of support to ensure sufficiency of provision for a number of different priority groups. This will futureproof the Council's resilience to respond to the increasing level of housing demand by building a healthy pipeline of good quality, affordable housing delivery whilst continuing to implement early intervention and commissioning appropriate support where possible to tackle the causes of homelessness and rough sleeping at source. In turn, the Council anticipates improved outcomes for our residents, and the wider community, through the implementation of this strategy.

RECOMMENDATION

The Overview and Scrutiny Committee are asked to review the Affordable Housing Strategy which is due to be considered by the Executive on 28th March 2024 and what recommendations and/or comments (if any) they wish to make for the Executive to consider.

The Overview and Scrutiny Committee are asked for their input into the proposed changes for key workers within the Council's Allocations Policy removing the requirement for key workers to have lived within the Borough for the previous 5 years.

SUMMARY OF REPORT

The effect of global economic shocks including soaring energy prices, rising interest rates, and increasing inflation have contributed to the creation of a cost-of-living crisis. This coupled with the fact that Wokingham remains a Borough of high unaffordability has led to a situation where local housing costs have resulted in increased socioeconomic disparities and an increasing trend of more households presenting as homeless and younger people having to make stark life choices due to the high cost of housing.

The Council's aim is to create a future pipeline of affordable and sustainable homes for those most in need. This will help to reduce social and economic inequalities across the Borough by creating stable and safe homes. Working with our partners and engaging with our residents and landlords across the Borough, we will help to ensure that we address and understand our housing need and help maximise affordable housing delivery where possible. We will build the right homes in the right places, improve the quality, sustainability and design of the housing stock and support our residents by developing socially inclusive and healthy communities.

The four strategic priorities that this strategy will look to deliver over the strategy period 2024 to 2028 are:

Strategic Priority 1 – Continue to address and understand our housing needs

Strategic Priority 2 – Provide suitable accommodation options to our most vulnerable residents

Strategic Priority 3 – Ensure that homes are healthy, safe, efficient, environmentally sustainable and well designed

Strategic Priority 4 – Create positive social impact which will help promote inclusive growth and develop thriving communities

Since the previous Housing Strategy was published in 2020, there has been increasing demand on the Council's housing stock and services with demand outstripping supply. This is despite Wokingham delivering some of the highest levels of affordable housing nationally. Many of our residents require specialised dwellings and bespoke support to fulfil their tenancies and this requires additional spend to meet their individual needs. An increase in the number of residents that require our support increases the financial outlay for the Council to provide these services which then places the Council under unsustainable financial pressure. This strategy outlines how we can mitigate the increase in demand for social and supported housing to reduce the cost to the Council whilst also working with our partners to maximise outcomes for our existing residents.

This strategy has been developed with input from residents, partner agencies and the Council's expert officers. Partnership working is fundamental to the success of this strategy to address the challenges faced by the Council's priority groups. To this end, it is important that every stakeholder this strategy supports can own their objectives within the strategy and that this is a live document owned by all involved. An action plan will be included to accompany this strategy which will then monitor and evaluate the progress of the strategy against the strategic priorities. This will enable us to track our progress and any blockages in delivering these strategic objectives including regular reports and feedback from the Council's tenant engagement groups and the Council's Housing Advisory and Implementation Group (member/officer group).

Members, Officers, stakeholders, and the public will have the opportunity to respond to our consultation on the draft strategy. The consultation will be sent out across the

Council, to all Members, the Parish and Town Councils, the Registered Provider Partnership, TLIP, DLUHC, Homes England, partner agencies and local charities. It will also be publicised through a press release and our social media. As part of the consultation, we will ask questions around whether consultees agree with the objectives set out in the strategy, what challenges they think the Borough is facing in terms of housing, and what fundamental outcomes they would like to see from the delivery of the strategy. The strategy is set to go to Executive in March 2024 and Full Council in June 2024 where it is expected to be published shortly after.

A local connection has typically been required as part of the Council's Allocation Policy, however the Council is looking to remove this (for key workers only) to ensure that any key workers moving into the Borough need not have lived or worked in the Borough for the previous five years. This will not only support the local economy but also provide more affordable accommodation for staff supporting sectors such as social care. The five year rule will be removed for key workers, however, any future applicants for key worker schemes will be required to work within Wokingham Borough. This decision will form a separate report to Executive in March 2024.

Background

The Council's previous Housing Strategy ran from 2020 and will end in 2024. This strategy has led to the implementation and delivery of several key initiatives. Whilst we prioritise housing for those who need it most, there is an increasing need to alleviate pressures on the Council's limited stock and resources. Affordable housing is an area of intense pressure for the Council and so adding 'affordable' to the title of this strategy, it becomes an affordable housing strategy rather than a standard housing strategy. This makes it clear what type of housing we are looking to promote outcomes for and who we need to work with to achieve this.

In the past 4 years, over the course of the previous Housing Strategy, the Council has:

- Delivered one of the highest numbers of affordable housing in England, completing 542 affordable homes in the past 3 years and generating a future pipeline of over 1600 additional homes
- Implemented a new allocations policy to help allocate affordable homes to those most in need.
- Gorse Ride estate regeneration phase 1 completed (46 homes), with phase 2 underway.
- Delivered an award-winning programme of six specialist housing schemes for 34 adult social care users, providing long term quality homes for those with learning disabilities, physical disabilities, complex needs or requiring mental health support
- Delivered a new Semi-independent Living (SIL) accommodation scheme for care leavers in Wokingham, providing accommodation for up to 7 care leavers
- Awarded Govt. grant funding through the Single Homelessness Accommodation Programme to deliver Housing First intensive support for 7 young people
- Awarded £3.1m grant funding towards the purchase of 17 homes for use by Ukrainian and Afghan refugees
- Provided an 18 unit affordable rented scheme for key workers in Wokingham through one of our Registered Provider partners
- Reduced the number of care leavers in temporary accommodation to 6 residents over last 2 years.
- Submitted a successful bid has under the Social Housing Decarbonisation Fund to bring c110 homes to an EPC C by 2025.

The outcomes to be achieved from the new strategy are:

- Delivery of more affordable homes in the Borough
- Increased capacity within the private rental sector
- More opportunities for supporting the local economy and key sectors such as social care
- Enable people to stay in their homes for longer
- Delivering housing and support tailored to meet identified need
- Improving guidance and information
- Developing effective policies and strategies to ensure housing delivered meets need
- Improving the quality and management of affordable homes

- Ensuring quality and sustainability of design of all affordable homes
- Regenerating communities and housing stock
- Developing more socially inclusive communities through housing initiatives to support local residents Increase support for Early Intervention to prevent homelessness at the earliest opportunity
- Undertake a cross-annual service snapshot to identify young people aged 14+ who are at risk of homelessness
- Commitment to ensure young people do not need to present as homelessness in order to be accommodated

The Affordable Housing Strategy is the framework strategy document which defines the strategic vision of affordable housing for the Council. It provides an “umbrella” and oversees the supporting strategies of the Homelessness and Rough Sleeping Strategy, Young Persons Housing Strategy, a proposed new Older People’s Housing Strategy and Affordable Housing Options Strategy. Please see Enclosure 3 for more detail. The Council has significant pressure on our residents’ housing placements, especially those who require additional support needs. This strategy outlines how the Council will seek to provide for the Borough’s residents in a cost-effective and sustainable way, with community and social value a golden thread embedded within our way of working.

Analysis of Issues

The current cost of living crisis is leading to soaring energy bills, interest rates and private sector rents have created a causal effect on the number of people presenting as homeless to the Council. The Affordable Housing Strategy seeks to identify and mitigate the challenges and risks outlined herein:

- Affordable housing delivery is dependent on developers bringing their sites coming forward which in turn is partly affected by the wider economic climate - rising build costs, shortages of skilled workers and a downturn in house prices can see delays in the delivery of schemes or a lack of planning applications coming forward which then results in the demand for affordable housing outstripping supply
- Finite resources (such as land availability, financial resources) means that the Council cannot meet all need and faces a difficult task of prioritising competing requirements. For example, there are increasing demands from those facing homelessness, adult social care users or children’s services requiring more specialist accommodation
- The reduced supply of affordable homes due to Right to Buy which reduces the amount of affordable housing stock in the Borough. Nationally around 40% of homes purchased under Right to Buy have later been sold into the private rental sector. This leads to more residents relying on housing benefit due to a lack of social rented homes
- There is a small and expensive private rental sector in the Borough. With an increasing number of people on low incomes and a shortage of affordable housing this is pushing people to live in an unsuitable accommodation or to seek accommodation further afield
- Climate change is already affecting houses within the Borough. More extreme weather events such as heatwaves and flooding, as well as rising temperatures risk making homes unliveable, threatening the health and wellbeing of our tenants.

Homes need to be designed with climate change in mind, to ensure our residents are protected, and minimise future spent to retrofit homes, or repair them after climate change impacts.

- At the same time, there is a challenge within the Borough to manage and balance housing need whilst ensuring homes are fit for future climate challenges, and the Council is able to reach carbon neutrality by 2030.
- Wokingham Borough has an increasing proportion of residents with long term health conditions, such as dementia, and people with learning disabilities or difficulties, it is important that we address and manage demand for long term care and maintain high quality services, especially where delivery of specialist accommodation can help alleviate financial pressures or deliver more effective care and support
- There are pockets of deprivation, unemployment, and a risk of poverty within working families. With the cost-of-living crisis we are seeing more people presenting as homeless

The draft Affordable Housing Strategy has four key priorities, outlined below:

Strategic Priority 1 – Continue to address and understand our housing needs

The population and make up of our Borough is changing. The cost-of-living crisis is putting additional pressures on our residents. We have a small and expensive private rental sector in the Borough. There are increasing numbers of residents presenting as homeless. More affordable housing will be needed to meet demand and address the outcome of these pressures. We need a diverse mix of homes to meet the changing needs of our Borough, especially around a growing older population with homes for key workers required to support the ageing population. Furthermore, the future Adult social care reforms will lead to increased demand for older residents to remain in their own homes, if they so wish, with appropriate care and support.

Strategic Priority 2 – Provide suitable accommodation options to our most vulnerable residents

We want to support more people to live independently and stay healthy by offering the right housing options to meet their needs. With the cost-of-living crisis and increased complex health needs we need to offer more support and options to those who are homeless, currently sleeping rough, at risk of homelessness or are survivors of domestic abuse. Our priority groups for young people aged 16-25, are those in and transitioning out of care, 16/17-year-olds at risk of homelessness and Unaccompanied Asylum-Seeking Children (UASC) leaving care. We also have a large pipeline of need from those residents with learning disabilities, physical disabilities or are struggling with their mental health who require more support through specialist housing schemes.

Strategic Priority 3 – Ensure that homes are healthy, safe, efficient, environmentally sustainable and well designed

Poor housing can have a severe impact health and wellbeing, resulting in stress and anxiety caused by living in insecure, unaffordable, or damp and mouldy homes. Overcrowded homes do not have space to study or play. Lack of stable housing can

mean frequent school moves, with no chance to learn or make friends. The climate change is already affecting our Borough (coupled with cost-of-living crisis), with impacts on the quality of life on our community and the most vulnerable residents. From April 2024, under the forthcoming Social Housing Regulation Act, housing associations and stock-holding local authorities will be required to demonstrate their adherence to consumer standards. The Council has committed to carbon neutrality by 2030. Thus, it becomes imperative, for council to deliver a good choice of high quality, climate-ready and well managed housing that will play an integral role in supporting residents with adapting to the evolving effects of climate change. This type of housing will have better energy efficiency standards, improved thermal comfort, reduced environmental impact, and contribute to Borough’s commitment to be carbon neutral by 2030.

Strategic Priority 4 – Create positive social impact which will help promote inclusive growth and develop thriving communities

The Council, together with its partners such as Registered Providers, the Tenant and Landlord Improvement Panel, organisations such as the NHS and third sector organisations, has a key role through engagement in helping to create thriving communities and address the root causes of housing crises such as improving employability, enhancing tenancy sustainability, reducing worklessness and a reliance on benefits. By investing in social capital programmes and delivering initiatives such as creative social prescribing and tenancy sustainment schemes, and arts based approaches to improving health and wellbeing will help to empower residents and transform lives, as well as more broadly helping to support the local economy and wider community.

Next Steps

The strategy is due to be released for public consultation in January 2024 before it is considered at Executive in March 2024 and Full Council in June 2024 before publication shortly after. The strategy will run for 4 years up to 2028 and progress will be assessed throughout.

A decision to remove the local connection test for key workers to have lived within the Borough in the previous five years, will form a separate report to Executive in March 2024.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces unprecedented financial pressures as a result of; the longer term impact of the COVID-19 crisis, Brexit, the war in Ukraine and the general economic climate of rising prices and the increasing cost of debt. It is therefore imperative that Council resources are optimised and are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
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Current Financial Year (Year 1)	-	-	
Next Financial Year (Year 2)	-	-	
Following Financial Year (Year 3)	-	-	

Other financial information relevant to the Recommendation/Decision

One of the key outcomes the strategy seeks to address is cost avoidance and exploring opportunities to invest to save and applying for government grant. However, it is not possible to cost these individual savings until business cases for specific schemes or initiatives have been explored in more detail. An action plan which will accompany the strategy will assist the monitoring against financial outcomes.

The capital and revenue approvals needed to enact this strategy will be sought and contained within the annual budget setting process whilst external grant funding opportunities will be sourced and pursued in order to maximise the outputs of this strategy.

Cross-Council Implications (how does this decision impact on other Council services, including properties and priorities?)

This strategy provides the strategic vision for the Council's approach to delivering, maintaining and managing affordable housing in Wokingham including supporting wider Council strategies relating to climate emergency, social value and public health. The strategy also supports the Council's cross-directorate Gold priority to acquire additional affordable dwellings to reduce the cost of placements for our most vulnerable residents increasing our stock of safe and affordable housing for our priority groups. This strategy has been co-produced across directorates with workshops taking place with internal stakeholders in Autumn 2023.

Public Sector Equality Duty

A Stage 1 Equalities and Impacts Assessment has been undertaken and found only positive or neutral impacts on each demographic, so a Stage 2 assessment is not required.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

The Affordable Housing Strategy aligns with this goal, aiming to provide sustainable and affordable homes which meet these climate targets. Recognising the link between housing quality and well-being, the strategy emphasizes the importance of climate-ready, energy-efficient homes through the inclusion of specific KPIs in this area. Meeting these will support residents in adapting to climate change and contribute to the council's carbon-neutral commitment by 2030.

Reasons for considering the report in Part 2

N/A

List of Background Papers

Enclosure 1 - Affordable Housing Strategy Draft

Enclosure 2 - Affordable Housing Strategy – Stage 1 EQIA
Enclosure 3 – Housing Strategy Documents and Policies Chart

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