

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

**REPORT TO:** Full Council

24<sup>th</sup> June 2004

**AUTHOR/S:** Directors of Development Services and Housing

### HOUSING STRATEGY AND HOUSING REVENUE ACCOUNT BUSINESS PLAN

#### Purpose

1. To approve the Council's Housing Strategy (Appendix A) and Housing Revenue Account Business Plan (Appendix B) for 2004 – 2007.

#### Effect on Corporate Objectives

2.	Quality, Accessible Services	Yes
	Village Life	Yes
	Sustainability	Yes
	Partnership	Yes

3. Affordable Housing is a key priority for the Council; the new Housing Strategy sets out ways in which the Council is seeking to fulfil this objective, and specific actions that are needed over the next three years. Decent Homes and Stock Options are key objectives for the Council, and these are addressed through the HRA Business Plan.
4. Throughout the housing strategy, actions and policies that address corporate objectives are highlighted, and links are made between the housing strategy and other strategies, including the corporate strategy and the community strategy. The Action Plan specifically links housing actions to the four corporate objectives.
5. There are housing related policies and actions contained within the housing strategy, which address all of the corporate objectives. The strategy also specifically address the key priorities for 2004/05, by setting out proposals for addressing sustainable new communities, and new affordable housing.

#### Background

6. Each year, the Council has been required to submit a Housing Strategy or housing strategy update to the Government Office for the East of England (GOE) as part of the Housing Investment Programme (HIP) process. In recent years, as a stock holding authority the Council has also been required to submit a Housing Revenue Account Business Plan. Until last year, all councils were expected to make the submissions by the end of July. GOE then scored the submissions, and HIP allocations were made partially determined on the basis of those scores.
7. In 2002, the Council submitted a housing strategy and business plan to GOE, which were assessed as well below average.
8. In 2003, new funding arrangements were introduced for housing, and the link between HIP and housing strategies was removed. Strategies are now to be assessed against nationally determined "Fit for Purpose criteria"; if an authority is awarded "Fit for Purpose" status it will not be required to submit another strategy for

three years, but may choose to do so if it decides that a fresh strategy is required (e.g. if it transfers its stock).

9. Whilst there is no longer a direct link between the housing strategy assessment, and the allocation of HIP money, it continues to be important the Council has a clear strategic vision for housing. Demonstrating that vision in a fit for purpose housing strategy cannot be detrimental in attracting housing resources, e.g. through the Housing Corporation Approved Development Programme (ADP).
10. GOE has assessed the new Housing strategy and HRA Business Plan, and informed the Council that they now meet the 'Fit for Purpose Criteria'. The documents will not be awarded fit for purpose status until the Council has approved them, and made them available to the public in printed form and via the Internet. Prior to printing and circulation both documents will be checked and amended by the Councils Communications and Graphics Teams to ensure that they fully comply with the corporate style.

### **Housing Strategy**

11. The Housing strategy sets out in one place previously agreed policies for housing, with current supporting information relating to housing needs and the housing market in the district.
12. The strategy includes recently agreed commitments:
  - i. A commitment to increase staffing resources dedicated to affordable housing and housing strategy (posts approved by Council in December 2003 and cabinet in January 2004)
  - ii. A commitment to research the accommodation needs of Travellers
13. The strategy includes one important new commitment to review the resources – land, under used sites, financial resources – available to support new affordable housing. This is key to the possibility of this Council delivering its objective in this area. In the recent round of funding allocations from the Housing Corporation, this Council did not attract the level of resources it had hoped to, with only 22% of schemes receiving funding, and the Housing Corporation have indicated that they expect a greater commitment to affordable housing in practical terms – through making land and resources available – from the Council. A full review of resources will be considered properly alongside the emerging housing options financial appraisal.
14. Other key strategic tasks for the coming year include:
  - i. Completion of the housing options appraisal
  - ii. Completion of the countywide Supporting People review of sheltered and extra sheltered housing. This is now nearly complete, but a local implementation plan must be developed over Summer 2004, with options for members to consider alter this year.
  - iii. Progressing work on new affordable housing, especially on strategic sites at Cambridge Northern fringe (West), and Northstowe.

### **Housing Business Plan**

15. The Housing Business Plan is a final draft but uses a financial modelling technique to project the Council's income stream and expenditure requirements for the next 30 years. The first 5 years are examined in detail to assess whether and how the

Council will achieve its repairing obligations and improvements to achieve the decent homes standard for all tenants.

16. The Business Plan sets out key areas for consideration, and aspirations of the housing service. The Government has set a target for Councils to meet the Decent Homes Standard for the housing stock by 2010, and the Business Plan commits the Council to achieving that target by 2006.
17. The key performance achievements are considered in relation to national benchmarks and an action plan details targets with resources requirements to improve the service and property enhancements in the 2 years.
18. The Business Plan also highlights the importance of the forthcoming housing options consultation, taking place over the next nine months. This is a major project for the Council considering the future for the housing stock based on a financial and service assessment with wide ranging stakeholder consultation. Tenants will play a key role in the process, and the Council has employed an Independent Tenant Advisor to support and develop the inclusion of tenants in the project.

### **Considerations**

19. These documents have now received in principle approval from the Government Office. If Council approves them, they will be submitted for formal approval. Once approved, Council will not be required to submit an annual housing strategy every year, but will be required to produce updates, or strategies addressing specific areas, such as Housing for Older People.
20. The actions highlighted in the plans need to be delivered throughout 2004, 2005 and 2006: a delay in approving the documents could cause delay in delivering some important parts of the strategic programme for housing.
21. The action plans within both documents will be monitored by officers and will feature in forthcoming years' service and budget planning processes.

### **Options**

22. Council is recommended to approve the documents.

### **Financial Implications**

23. There are no financial implications for this year, as these documents have been prepared alongside the budget process. However, the proposals included do have longer-term financial implications:
24. Business Plan: This financial information will be extremely important in discussing stock options with tenants and others during 2004. The housing Options Appraisal Project includes a financial evaluation and the Council will use specialist experts as the Lead Consultants for the project in accordance with Government guidelines. They will assist the Council to re-evaluate the financial data in order to give an accurate assessment of the long term implications for the Council of retaining the housing stock.
25. Housing Strategy: this contains a commitment to review the resources available to the Council, which could be used to support new affordable housing development, during 2004. Resources to be reviewed must include land, under utilised sites, and

financial resources. A review should be commenced in time for consideration as part of the budget cycle in the autumn.

### **Legal Implications**

26. The Council is required by government to submit a housing strategy to the Government Office before June of this year. It is unclear what sanctions will be brought against councils who do not comply with this requirement.

### **Staffing Implications**

27. There are no staffing implications directly arising from these documents: additional staffing referred to in the housing strategy has already been approved as part of the CIPS/ budget process.

### **Sustainability Implications**

28. Sustainability is extremely important to the housing strategy, and ways in which housing can seek to address sustainability are included in the main document. Examples include: locations for new affordable housing; ensuring new housing meets high standards of energy efficiency; ensuring refurbishment and rebuild programmes provide highly efficient homes for tenants.

### **Consultations**

29. Individual policies contained within the housing strategy have been consulted on separately. Results of other council consultations, including consultations for the community strategy, have been included within the strategy, highlighting the importance given by the public to the issues of affordable housing.
30. A consultation event was held in January 2005, which was attended by over fifty people including elected members, representatives of the South Cambridgeshire Housing Partnership (Housing Associations), and tenant representatives. The event was well received and several specific suggestions were made (these are reported in the strategy itself); since the event four letters from Housing Partnership members have been received, making further suggestions and in particularly highlighting the need to find innovative mechanisms for funding new affordable housing.
31. The draft strategy was circulated widely to partner organisations for their comments; few were received at this stage, as most had made contributions earlier in the process, at the consultation event.

### **Conclusions/Summary**

32. Providing more affordable housing for our village communities, and meeting the decent homes target, are important objectives of this Council. The Housing strategy and HRA Business Plan set out ways in which the Council intends to meet these challenges.
33. In meeting the key challenge of providing more affordable housing for village communities, Council will need to consider further its contributions by way of land or financial resources to this process, and will need to review other linked policies to enable more homes to be provided.

## **Recommendations**

34. That Council approve these documents and support further policy development in relation to affordable housing and housing options in particular.

**Background Papers:** the following background papers were used in the preparation of this report:

Draft Housing Strategy and Draft Housing Business Plan (both attached)  
South Cambridgeshire Housing Strategy 2003  
ODPM Fit For Purpose Criteria

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