

Housing Delivery in Thanet

Cabinet	22 September 2022
Report Author	Bob Porter (Acting Corporate Director of Place)
Portfolio Holder	Cllr Jill Bayford, Cabinet Member for Housing
Status	For Decision
Classification:	Unrestricted
Key Decision	No
Ward:	N/A

Executive Summary:

This report considers a wide range of factors that influence, control and limit the delivery of new homes in Thanet. In particular it considers in relation to:

- *The allocation of land for housing development in Thanet.*
- *The impact of the Housing Delivery Test on the ability of the council to control development.*
- *The current mismatch between new homes delivered and the needs of the community.*
- *The urgent need to increase the provision of affordable homes.*

A detailed paper addressing these issues is attached at annex 1.

Recommendation(s):

That Cabinet endorses the Housing Delivery Paper, attached to this report at Annex 1, and the specific asks of the Central Government for legislative and regulatory changes to better balance the delivery of new homes with the needs of the community and for additional national resources to increase the delivery of new affordable homes.

Corporate Implications

Financial and Value for Money

There are no direct budgetary implications arising from this report or its recommendations.

However, any consequent action (e.g. delivery of additional affordable homes through the HRA) the council takes to address the housing delivery and affordability issues identified in the report may have significant implications for the council's finances. Any such implications would be considered as part of the decision making process connected with any subsequent action.

Legal

In addressing the council's affordable housing criteria the following legislations should be adhered to:-

- (1) Local Government and Housing Act 1989 - Section 76** - all local authorities are required by law to ensure that they formulate proposals in advance of the financial year and to ensure that their Housing Revenue Account does not show a debit balance.
- (2) Housing Act 1985 - Section 24 of the Housing Act 1985** - the Council can make such reasonable charges as it determines for the tenancy or occupation of its houses. Councils need to comply with s103 of the Housing Act 1985 as well as Section 25 of the Housing Act 1985.
- (3) Equality Act 2010 - section 149** - the council is required to ensure that it has "due regards" to the legal requirement of the Equalities Act 2010. The council is also obliged to consider the tenant's human rights in particular Article 8 of the European Convention on Human Rights (right to respect for a person's home) and Article 1 of the First Protocol (right to peaceful enjoyment of possessions) The council must also ensure that in compliance with the above Act that they set a balanced budget, targeting social housing.
- (4) The 2017 Housing White Paper** expressed support for local authorities becoming more entrepreneurial in housebuilding. This very trend was echoed by the Elphicke-House report (2015), which recommended that local authorities should become "housing delivery enablers" through the use of innovative financing mechanisms. These included: the creation of housing companies; private finance initiatives; and housing investment from local authority pension funds.

Risk Management

This report highlights the growing pressures in Thanet's owner occupied and private rented housing markets and need for more affordable rented homes to be delivered. The paper sets out the implications for families who are living in unsuitable, unsafe or unaffordable homes or who are facing homelessness. If unaddressed these pressures will lead to poorer outcomes for households in housing need, particularly those on low incomes and increasing homelessness costs to the council.

Homelessness is already identified as a key corporate risk factor and relevant risk management and mitigation strategies are in place and regularly reviewed. The report highlights the need for further external resources to further mitigate these risks, through the faster delivery of affordable housing.

Corporate

The council's published Corporate statement includes a commitment to work to prevent homelessness and increase housing options including additional social housing.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and

(iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- *To advance equality of opportunity between people who share a protected characteristic and people who do not share it*

The council has adopted an allocations policy that seeks to allocate affordable rented homes on the basis of need, providing equality of access to households including people with protected characteristics. This policy has been subject to an Equalities Impact Assessment. Actions to increase the supply of affordable housing would improve the prospects of people living in unsuitable, unsafe or unaffordable homes to access the home they need, including people with protected characteristics.

Corporate Priorities

This report relates to the following corporate priorities:

- *Communities*

1.0 Introduction and Background

1.1 This report considers a wide range of factors that influence, control and limit the delivery of new homes in Thanet. In particular it considers in relation to:

- The allocation of land for housing development in Thanet.
- The impact of the Housing Delivery Test on the ability of the council to control development.
- The current mismatch between new homes delivered and the needs of the community.
- The urgent need to increase the provision of affordable homes.

1.2 A detailed paper addressing these issues is attached at annex 1.

2.0 Housing Delivery and Housing Need

2.1 The housing requirements for the district are set out in the Local Plan to 2031. This Plan, formally adopted in July 2020, sets out the requirement for 17,140 new homes over the 20 years from 2011 to 2031.

2.2 The Local Plan, and the council's Housing Strategy also set out the requirement for affordable homes over the same period, based on an assessment of local needs. These needs are set out in the council's published Strategic Housing Market Assessment, most recently updated in 2020 as the Housing Needs Update (GL Hearn), which identifies a need, based on data about the current district population, for 47% of all new homes to be affordable. It details a need for 548 affordable dwellings per annum, over the period from 2020 to 2040, and takes into account the 611 affordable homes already delivered between 2011 and 2020. This makes a total

need of 6,639 affordable homes or 39% of the 17,140 set out in the Local Plan. In reality, only 16.4% of homes delivered over the past 10 years have been affordable, and although delivery of affordable homes in 2021/22 increased, with a further increase projected in 2022/23, more are needed.

- 2.3 The council's Housing, Homelessness and Rough Sleeping Strategy, published in March 2020, identified 19,471 households or 29% of the population are on a low income, which is defined as less than £15,988 per annum. On average, earnings are £462.50 per week which is within the bottom 20% of the whole of England. The strategy also identified that more than 80% of the population in Thanet, cannot afford to buy an averagely priced terraced house.
- 2.4 Similarly, in the private sector, tenants are spending over 50% of their earnings on living costs. The median income for Thanet is £25,000 and to be affordable, the National Housing Federation identifies that only 30% of income should be spent on housing costs. For all property sizes, with the exception of 1 bedroom flats, rents levels are above this benchmark. For households in receipt of Housing Benefit or Universal Credit, the gap between the Local Housing Allowance rate and the 30% percentile private sector rent for a 2 bedroom home has risen to £170.78 per month.
- 2.5 These figures are based on the position in March 2020, when the strategy was published. Recent increases in inflation, fuel and food costs and increased demand in the private rented sector as a result of COVID-19, have resulted in these affordability gaps increasing, and we anticipate the position to deteriorate further in the coming months. Currently there are around 1,600 households on the council's housing register in housing need, and around 1,000 homeless applications each year.
- 2.4 In conclusion, the paper, at annex 1, sets out the progress that has been made in delivering the homes needed and identifies a number of barriers to further delivery. It also sets out a number of asks of central government, designed to better align future local plans and future housing delivery with the needs of the community.

3.0 Options

- 3.1 Cabinet are asked to consider the Housing Delivery Paper, attached an annex 1 and the suggested asked of central government. Cabinet has the option to:
1. Endorse the paper and asks of government, as drafted in the report.
 2. Amend the asks of government and consider additional interventions.
 3. Reject the recommendation to endorse the paper and asks of government.
- 3.2 Option 1 is recommended, as the paper considers the available evidence about housing need and housing delivery in Thanet, and formulates a set of proposals based on that evidence.

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Reporting to: *Colin Carmichael (Interim Chief Executive)*

Annex List

Annex 1: Housing Delivery in Thanet -Discussion and Background Paper: [Link](#)

Background Papers

1. Housing Delivery Test Action Plan 2019: [Link](#)
2. Housing Delivery Test Action Plan 2020: [Link](#)
3. Housing, Homelessness and Rough Sleeping Strategy: Affordability Challenge and Supply: [Link](#)
4. The Rental Market Fact Sheet: [Link](#)
5. The Sales Market Fact Sheet: [Link](#)
6. First Homes Interim Policy Statement: [Link](#)
7. Government Guidance: Housing and economic needs assessment:
<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>
8. Housing Delivery Test Measurement Rule Book:
<https://www.gov.uk/government/collections/housing-delivery-test>

Corporate Consultation

Finance: *Chris Blundell (Director of Finance)*

Legal: *Sameera Khan - Interim Head of Legal*