



Balancing Housing Markets in East Devon

Strategy

**East Devon District Council
Task and Finish Forum
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Balancing Housing Markets in East Devon

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Balancing Housing Markets in East Devon Draft Strategy Document

Part 1 - Introduction

In order to meet the needs of all sectors of the communities in East Devon we should not over-focus on any one type of housing or tenure. Different people have different housing needs, often in different phases of their life. We need a balance of housing types to meet the wide range of needs evident in our community.

In East Devon there was a tendency of major organisations with an interest in housing to focus on either planning for 'market driven' Owner-Occupation, or providing social (particularly Council) housing, as the two main options for the majority of people.

However there is an increasing and significant demand for us to assist people across a wider range of intermediate options, especially in ensuring provision of different types of rented, owned or part-owned 'affordable housing'. Even households in receipt of reasonable incomes are unable to afford the cost of housing in the district with housing costs spiralling even higher in recent years. Indeed when talking about affordability we may need to consider not just the rents or repayment costs themselves, but also other housing related costs such as the cost of heating, insurance, travel etc. Thus we will need to balance our efforts into housing sectors, housing types, and aspects of housing where we have not previously given much structured attention.

The problem of course is not merely about type of accommodation but also quantity. As will be seen in this paper, house construction is a key issue but there is also a need to balance our thinking with more efficient and effective use of our current housing.

Originating in the Comprehensive Performance Assessment of the Council, a group of Members and officers commenced working on this strategy. The strategy seems to review the current 'instances' in the housing market and propose practical measures to start to address them.

East Devon faces a unique set of circumstances that influence the required 'balance' in its local housing market:-

- The District's age profile is strongly skewed to older people
- It has a rural and dispersed population, with a number of defined geographic communities
- National indices of deprivation show a low 'accessibility' score for many parts of the district
- It has an economy dominated by low wages, and part-time work
- Its opportunity for development land is strongly constrained
- There is a very high influx of new residents
- Whilst it still has its own Council stock and is debt free this position is becoming decreasingly advantageous in terms of housing enabling through using capital finance
- The area is very popular and in demand nationally
- There are small pockets of relatively disadvantaged people amongst a population which most national commentators see as affluent

The housing agencies in East Devon must try meet the local needs, particularly for vulnerable and low waged people, if the communities in the district are to remain sustainable. This means we need to rebalance the market to better match between available housing and local housing need.

This first Balancing Housing Markets report focuses particularly on tackling the broad issues of overall quantity, and improving the availability of the housing stock of East Devon to the major groups of our residents for whom we currently under-provide. This strategy has certain overlaps with the Homelessness Strategy as homeless people are a group in particularly acute need of available and affordable housing.

Part 2 – Background Data

The District of East Devon is situated on the Devon coast in the South West of England. The East Devon District area of 314 square miles (81,477 hectares) comprises the area between the River Exe and outskirts of Exeter to the West, Somerset (inland) and west Dorset to the East. At the extremes, the District stretches 30 miles east to west and 15 miles north to south.

Exeter International Airport is located in the District and main line rail services and the national motorway network are easily accessible. East Devon is one of eight Devon districts and, in population terms, (the population is 125,522) it is the largest in the County. East Devon is also one of the largest English district councils by population. Only 29 of the 238 district councils in England have larger populations than East Devon's according to the Municipal Year Book 2003. The rural nature of the district is emphasised by the low population density which is 1.5 per hectare (England and Wales average is 3.4). The District is fully parished with 68 Town and Parish Councils.

Our main settlements comprise the coastal resorts of Exmouth (Devon's largest town – pop. 34,000); Budleigh Salterton; Sidmouth; and Seaton. In the mainly rural inland area the main settlements comprise Honiton, Ottery St Mary, and Axminster.

The people who live in East Devon

As a County, Devon has proportionately more older people than England and Wales. According to the Office for National Statistics East Devon has the third highest proportion of persons of retirement age in the whole country. Some 53% of the population are over the age of 45.

The total population by age is:

Year	0-4	5-14	15-24	25-44	45-64	65-74	75-84	85+
2001	5538	13680	11901	27091	33595	15931	12581	5205

The 2001 census confirmed that Devon was the fastest growing county in England between 1991 and 2001. The Districts population of 125,520 comprises 59,203 males and 66,317 females.

The 65-69 year old age band will increase disproportionately to the rest of the population over the next 15 years. The Black & Minority Ethnic (BME) groups' proportion of our population is low (0.7%). The 2001 census figures revealed that a total of just under 880 people described their ethnic group as non-white. The highest proportion was Chinese (total 169). It must be remembered that low numbers could indicate a propensity for people from BME groups to feel more isolated.

21.6% of the adult population is single (never married), 57.3% are married, 10% separated or divorced, 11.1% widowed.

A recent MORI survey revealed that the vast majority of residents are satisfied with Devon as a place to live. MORI state that the results are "some of the most positive MORI records anywhere in the UK". 91 per cent of residents are satisfied with Devon as a place to live. Within Devon the residents of East Devon are among the most satisfied at 94% (net 91%).

A key and pressing issue to address is that of the County Structure Plan requirement for a new settlement within the District able to accommodate at least 3000 new dwellings. The District is an area where population growth is substantially due to in-migration (whether due to retirees, those seeking work in and around Exeter and general quality of life type moves). The new settlement is primarily required to provide accommodation for those working in and around Exeter.

In 2003 for East Devon:

- 33% of adults in work earn under £15,000 a year
- 29% of adults in work earn between £15,000 and £25,000 a year
- 30% of adults in work earn between £25,000 and £50,000 a year
- 8% of adults in work earn above £50,000 a year

Key Issues arising (influencing housing need)

- **Low population density**
- **High proportion of population is older (especially older women)**
- **Low proportion of population from ethnic minorities, hence possibly more isolated**
- **Widespread satisfaction with area as a place to live**
- **High population influx**
- **Low average wages, high part-time working**

East Devon Housing Data

The total number of dwellings in the District is 55,011 (2001 census) made up of the following categories: Owner-Occupiers – 78%; Private Sector rented – 12%; Local Authority or Registered Social Landlord – 10% (around 80% of this category are Council dwellings i.e. 4373).

The 2001 census states that average household size is 2.22 persons (2.36 England and Wales overall). There are 3.4% “vacant household spaces” overall (3.2% England and Wales overall). 30% of people live in one-person households (same as England and Wales overall). 4% are lone parent households (16% in England and Wales).

- Death rate exceeds birth rate in EDDC but still there is a 12% population rise over last 10 years (recent census data) – hence there is significant inward migration
- Almost 5% of local homes are second homes averaged across the area. In many other areas flats would be ‘first time’ homes but in East Devon these are very popular as holiday homes, taking out a ‘rung on the property ladder’.
- 4,373 Council houses effectively all brought to the ‘Decent Homes’ standard
- 2,023 Housing Association properties
- 1,586 New home built by developers since 2000

- 193 Affordable homes built since 1990 as exceptions to Planning Policy also 50 homes through SHG
- Over 170 Disabled facilities grants paid since 2000 (private sector)
- 940 Council housing adaptations for tenants with disabilities since 2000
- 1,033 householders assisted via the handyman scheme since commencement of project in 1999
- 1,405 “Phase 1 and Phase 2” warden assisted accommodation units serving 1652 residents (almost a quarter over 80 years of age).
There are also 425 units provided by Housing Associations
There are 55 residential homes with 1193 beds in total (248 less than 1999) and 17 nursing homes with 502 beds in total (110 less than 1999)
- 27 residential caravan/mobile home sites
- Over 5,000 people in district connected to ‘Home Safeguard’ Community alarm scheme (Council)
- 597 lone or vulnerable Council tenants helped by free ‘garden maintenance’ scheme
- 5 homes regarded as ‘hard to let’ on average per year in Council housing stock
- 3,296 households on the Council’s Housing Register in 2002
- 210 homeless acceptances in 2002, 96 dwellings let to homeless households
- East Devon District Council’s Local Plan recognises needs for affordable housing. Developers object to percentages (40% in larger developments) of affordable housing that are specified in our local policies, and are regularly trying to find effective ways of negotiate this down
- Average housing price in 1999 was £91,871 reaches an average of £152,826 (ie up by 66%) by 2002. It seems this figure may now be over £200,000. Far outstripping inflation, salary rises etc. Without a substantial deposit no household in need (even the more affluent in this group) could afford 2 or 3 bedroom accommodation
- A recent “Joseph Rowntree” study showed the acute problems of affordability in the South West. If instead of ‘average’ income we examine lower quartile income. East Devon is one of those in most acute difficulty.
- Recent Needs Assessment shows 1,187 local households in East Devon in unsuitable housing who need to move to an affordable home as cannot afford open market prices. A sizeable proportion of these people will never afford to buy and will even have difficulty with shared ownership, so rented housing is a necessity.

- Assessment shows there are also 109 potential new households who cannot afford to move from shared-living e.g. with parents and therefore are currently 'invisible'.
- Also a predicted 471 households PER YEAR, in East Devon will need affordable housing in future years.
- Survey shows 2.2% of East Devon's population is in housing need
- Only 22% of those in need can afford Housing Corporation benchmark rents, without housing benefit
- With over 3,000 on housing waiting list and increasing numbers of homeless (NB impact of new legislation also) Bed and Breakfast is increasingly used. In a holiday area this is expensive, and we will not be permitted to use it in future.
- 'Right to buy' removes low cost options in the social housing stock as fast as we try to introduce them.
- Apparently there is little effective method to keep low cost rented, or shared equity housing, as being just that.
- In an attractive environment there is a shortage of development land. This is one of the factors that result in increasing cost of new Housing Association development. Council holds minimal suitable development land.
- In an area of seasonal tourism medium term temporary accommodation is hard to find and costly.
- Concern about potential impact of new proposals about housing capital receipts on the local ability of Housing Associations to fund developments
- The 2001 census shows 8.9% of households in East Devon have no central heating (8.5% in England and Wales), 0.2% have no bath/shower and toilet (0.5% England and Wales). The overcrowding indicator is 3.4% (7.0 England and Wales).
- 22% of those in private dwellings were assessed as in fuel poverty (i.e. fuel costs exceeded 20% of income)
- 13% of private dwellings have a resident with a disability.
- 11% of those in owner occupied dwellings are in receipt of benefits (32% in the private rented sector and 43% in RSL stock).
- 3% of owner occupied dwellings are unfit (10% in the private rented stock).
- 14% of private owner occupied dwellings are in substantial disrepair (18% in the private rented stock).
- Local examples of housing development (allowed on appeal) with little or no reasonable access to local facilities.

Key Issues arising (requiring better balance in market)

- Insufficient housing
- Low affordability of housing
- High quality Council housing but less in other sectors (significant amounts of unfitness and disrepair)
 - High demand
- Little land available for house building

Part 3 - The Strategy Context

National Strategy

“Our objective is to ensure that everyone has the opportunity of a decent home and so promote social cohesion, well being and self dependence” (Office of the Deputy Prime Minister - ODPM).

These aspirations are elaborated upon in ‘Sustainable Communities – Building for the Future’. (An ODPM paper)

Regional Strategy Priorities

- *Make existing homes decent and improve the design and quality of new homes*
- *Build sufficient new homes, and in particular affordable homes, to meet current and future needs*
- *Contribute to the social economic and environmental well-being of the region*
(*South-West Regional Housing Strategy 2002-2005*)

Community Plan for East Devon - Amongst other interconnected issues the specific housing issues are to:

- *Ensure that information about Housing Services in East Devon is readily accessible*
- *Maximise and develop all sectors of housing for vulnerable people*
- *Enable older people to remain as independent as possible*
- *Ensure vulnerable young people are housed appropriately*
- *Provide accommodation and/or adaptations to enable adults and children with a disability to improve their quality of life*
- *Ensure that affordable accommodation is available to those in essential jobs professions*

These issues were tested through wide consultation.

East Devon District Council’s Corporate Strategy – The Corporate Strategy is divided into 4 primary goals – Community, Environment, Economy, Excellent Council. Within the “Communities” primary goal are a series of inter-connected matters.

For both the ‘Communities’ and the ‘Environment’ primary goals a top Council priorities are stated to be:

- Providing a viable variety of housing options for local people

Key priorities were set after local public consultation where the ‘providing housing options’ priority came out as particularly strongly supported. There is a secondary ‘communities’ priority of “Helping the elderly, disabled and other vulnerable groups to continue living in their own homes”.

Adding all these strategies together

From this 'cascade' of strategies come 6 clear issues for East Devon to address:

1. Providing decent Homes – good housing condition across all Sectors
2. Providing sufficient Homes
3. Providing affordable Homes
4. Providing suitable Homes for vulnerable people and those with disability
5. Providing a range of viable Housing choices
6. Ensuring Housing supports Community, Environmental and Economic agendas and vice versa.

Links to other Housing related Strategies

In order to address these issues we need to try to influence a complex network of issues.

The current Corporate Improvement Plan already recognises many of the issues.

The Balancing Housing Markets strategy obviously must complement the other main Housing Strategies of the District. It will be part of the overall Housing Strategy, and will sit alongside the East Devon Private Sector Renewal Strategy, the Homelessness Strategy, Supporting People Strategy, the Local Plan etc.

The Balanced Housing Markets Strategy does not seek to address those areas covered more comprehensively in other plans. Hence it principally looks at helping to ensure sufficient, affordable, and a broad range of, viable housing choices

Strategic Risk Assessment

For new areas of work all major organisations, such as the Council, should consider their risks.

The Council tackles its risk assessment using a standard methodology whereby the level of severity and likelihood of a problem are scored and multiplied together to give a risk rating.

The Council's strategic risk assessment for Housing highlights the following as being its 5 highest risks:-

Failure to meet housing related needs of local community
Failure to maintain quality and value of Council stock , as an asset
Failure to maintain safety of Council stock
Failure to protect staff, tenants, or others for whom we have responsibility (eg accident, abuse, theft, or a serious allegation of these)
Contract failure (repairs especially) or project failure

The Balanced Housing Markets strategy will particularly help to address the first of these risks. The others will be especially addressed through the general Housing Strategy.

Part 4 – The Process

Tackling the Issues

In trying to tackle the priorities for ‘balanced housing markets’ and ‘viable housing options’ East Devon District Council commenced its thinking with a Member/Officer ‘Task and Finish Forum’. It is a mark of the general importance of this issue that the membership of this was, drawn from both the ‘Environment’ and the ‘Communities’ Overview and Scrutiny Committees of the Council.

This forum carried out an initial investigation of the issues and potential approaches with a view that this feed into a wider consultation process and ultimately to the Local Strategic Partnership for East Devon, as well as becoming Council policy. However it became clear that this was an issue for wider consultation and involvement also.

Prime Focus

In tackling this potentially enormous area of work the ‘Task and Finish Forum’ on Balancing Housing Markets focused particularly on tackling the broad issues of overall quantity, and availability of the housing stock of East Devon to the major groups of our residents. These are obligations which are not comprehensively covered in other strategies for East Devon.

The group looked particularly at those large groups for whom we currently, and significantly, under-provide. Thus the Forum did not tackle in any significant way the more detailed and personal issues of housing choice or special needs, though inevitably some issues of suitability of accommodation did arise.

The large groups for whom we significantly under-provide, and hence where we need to create better balance in housing markets, were judged from data and experience by the Forum to be:-

- Local young people (especially young families);
- Local older people (requiring independence);
- Rural communities;
- Those requiring interim accommodation (eg for homeless people);
- The low waged*.

These groups either needed to be supported through this strategy, or met through the wider Housing Strategy

In considering a Balanced Housing Markets Strategy the initial group also determined that we must not:-

- lose the sustainability of local communities;
- lose Council influence (and a measure of control) over local housing (community leadership);
- overlook the inter relationship between housing, environment and economy – especially relating to transport fuel poverty and local amenities;
- stigmatise those who need support, e.g. those for whom ‘affordable housing’ ** is required.

It was recognised that a ‘mixed economy’ of measures would be the best approach to tackling these complex issues of housing market balance.

*NB Although the concept of 'key workers' was much discussed, and used as a shorthand term, it was felt that this concept could be so widely encompassing within East Devon (and even misleading) that our focus should be on the needs of all low waged people working in our District.

**NB Although the term 'affordable housing' has occasionally been used in this document the group has not sought to tightly define it. In Appendix B is a loose concept of what we mean by the term.

Options Process

A series of criteria was developed and applied to help evaluate potential housing initiatives and put them into a priority order.

Both the Task and Finish Forum and the officer "Housing Co-ordination Team" had an 'ideas' session and created a list of possible options (see Appendix A). These were then prioritised using the option appraisal criteria. The highest priority initiatives were then double-checked against the areas of prime focus that the Task and Finish Forum had set itself and an outline programme of actions was drafted. A monitoring process and indicators was also suggested, as was a consultation process.

Part 5 – Considering our Options

Priority List

From the full list of possible initiatives (Appendix A) the prioritisation exercise created a list of those with highest priority overall. Many of the ideas need considerably more feasibility work before they could be adopted.

“Top 18” Ideas

Scored 16 or more on criteria based assessment. (For more detail on the initiatives see Appendix A)

	<u>Indicative costs per annum</u>
1. Ensure 40% affordable housing on new developments	- within budget
2. Rent deposit/guarantee scheme	- £10,000 p.a initial (mostly recycled)
3. Support work to develop a balanced housing market in the ‘New Community’	- within existing budget
4. A DIY shared ownership	- £100,000 p.a. (appreciating capital asset Recycled)
5. Remove the discretionary element of ‘Right to Buy’	- Neutral (appreciating asset, small loss of receipt)
6. Pay RTB applicants an equivalent of discount to purchase in Private sector	- £300,000 p.a. (appreciating asset, loss of capital receipt)
7. Add removal expenses/support to Council house ‘downsizing’ incentive	-£10,000
8. Review of Council housing ‘landtake’ for infill opportunities-	£10,000. possible capital receipt
9. Redecoration grant to reduce Council house voids during ‘turn round’ of tenants	- cost neutral
10. Private sector leasing (eg of ‘investment’ properties)	- within budget
11. Support ‘Homebuy’ Scheme	- £100,000 but appreciating asset

12. Mortgage deposit assistance scheme	-	£125,000 could be linked to house value so an appreciating asset (recycled)
13. Short term use of land on 'to be developed' residential land in private ownership	-	£100,000 per annum equivalent. Minus rental stream £15,000
14. Policy to permit barn conversions for 2 nd homes (holiday homes)	-	within budget
15. "Bring Empty Homes" into use campaign	-	within budget
16. Council Tax disincentives for second homes	-	income
17. Council relocation package to include deposit support	-	£80,000
18. Seek PCT initiatives towards housing, (as a health issue)	-	-income/in kind

NB other low cost ideas were:

- Standardisation of format of Planning S106 agreements across Devon
- Better liaison with local builders/developers/estate agents
- Pressurise developers over identified housing land not yet developed
- Time limits on planning permission for new housing
- Seek rentals of holiday lets for interim housing during unused periods
- Quality assurance scheme for mobile home sites
- Private landlords 'vacancy register' and tenant vetting scheme
- Decommissioning Council 'hard to let' stock
- Promote the "shared equity" concept
- Work with other Devon authorities on 'affordable housing'
- Consider new forms of (non traditional) construction
- Stock options review

NB other new ideas coming forward from the wider consultation exercise were:

- Reducing prejudice, e.g. against those on benefits who are seeking private rented housing
- More explicit links between Balancing Housing initiatives and homelessness, and fuel poverty
- Promoting the rental sector, and working with employers to facilitate homes for their employees
- Work with Parishes/Town Councils on 'exception sites', opportunity sites, and housing needs studies
- More emphasis on rural housing enabling
- Provide 'lodger' schemes (tax relief available and credit checks)
- Promote 'house share' for older people (support and income)
- Landlord incentives for 'hard to house' people
- Use of 'out of season' mobile homes
- Identify 'Night Stop' options for wider client groups
- Have 'key worker' schemes ready for any government funding opportunity
- Greater tenant consultation on schemes that affect them e.g. under-occupation incentive schemes
- Review of large Council housing (individual) plots where building could take place further
- Better linkage of local need to local predictions of economic growth. Engaging business in need for housing to sustain their income

The highest priority initiatives, low cost ideas, and consultation ideas have been further developed into a programme of action (see Section 8).

Many of the ideas for initiatives require further feasibility work before any implementation would be reasonable.

Evidently some lower priority areas can be progressed more immediately where they have little or no cost implication. These are also shown.

With continuing development of other related Housing Strategies (eg Private Sector Renewal strategy, Homelessness strategy, Local Plan, Community Plan, General Housing Strategy) it may be possible to complement some of the schemes identified, and it may then be necessary to adjust timescales to better integrate.

The list also attempts to show the links between the initiatives and the groups of people in East Devon that we were specifically seeking to address. During development of some of the initiatives it may be possible to still better target those groups, eg through criteria for acceptance onto the schemes.

Part 6– Monitoring and Indicators

The following process and annual indicators were suggested to be used to monitor progress on 'balancing housing markets':-

Every year the Overview and Scrutiny Committees for Communities and Environment will receive a report on progress against their Key Priority of 'Viable Housing Choices' this report shall include data from the preceding year and a comparison to 2 previous years. Such information will also form part of the published, annual, Council Performance Plan.

The indicators that are already reported upon are :-

- Empty Council properties;
- Turnover of vacant Council properties;
- Turn-round times for Homelessness applications;
- Use of Bed and Breakfast accommodation.

The additional indicators suggested are as follows:-

- Number of Houses completed in the year under section 106 agreements/exception sites;
- Number of other additional Social stock houses created (not on exception sites or under Section 106 agreement);
- Numbers in different tenures of East Devon's total Housing stock (including vacant and second homes);
- Numbers of properties in Council stock and balance of use (sheltered, permanent and temporary general needs, etc) (houses lost under Right to Buy also shown);
- Council waiting list numbers and general profile of list;
- Number of under-occupied houses in Council stock;
- Numbers and general profile of those helped under the 'Supporting People' scheme;
- Progress on specific initiatives under the Balancing Housing Markets Strategy.

Part 7 - Consultation Process

Evidently this document should not just be a Strategy that relates to the Council. As such it needed to be consulted upon using other relevant groups with housing interests.

Although the Council's Overview and Scrutiny Committees (through the Task and Finish Forum) initiated this document and the ideas contained it remained open for amendment by other ideas, concepts and approaches.

The following methods of consultation took place:

- The Wider Local Housing Strategic Partnership;
- The Local Strategic Partnership;
- A local press article, ;
- The Council's website;
- Direct mailing (electronic or hardcopy) to local housing interest groups.

The additional ideas generated are set out on page 16, these have been incorporated into the Action Plan.

Part 8 – Action Plan

<u>WHEN BY</u>	<u>WHAT</u>	<u>TARGET GROUPS ASSISTED</u>	<u>LEAD</u>
Sept '03	New Head of Housing and Social Inclusion commences – John Golding	N/A	PJ/JG
	Revised Local Plan on deposit.	All targets	KH/KL
	Initial Council stock option appraisal meeting	N/A	PJ/JG
Oct '03	Balanced Housing Markets (BHM) Strategy to O&S plus Executive Committees	All targets	PJ/JG
	BHM Strategy to consultation (as per Strategy)	N/A	PJ/JG/KA
	Appointment of 'new community' officer to assist in development planning	ALL	KH
Nov '03	Executive to consider removal of discretionary elements of Right to Buy	All, indirectly	JG
Dec '03	Council to consider likely future Capital and Revenue position	Affects BHM Strategy implementation	Members/DP/PJ
	Discussion with MP's and main 'players' on Affordability	ALL	PJ/JG
	Initial consultation on BHM Strategy closes	N/A	PJ/JG
Jan '04	Adjusted BHM strategy to Housing Strategic Partnership + LSP+ O&S Committees	N/A	PJ/JG
	Consideration of Special Planning Guidance on Affordable Housing & the '40%' rule	Low waged/Rural	KL
	Consideration to applying new minimal Council Tax discount for second homes & seek to invest extra income in affordable housing	(none directly, may reduce under-occupation)	DP
	Engage with other housing authorities in Devon on affordable housing and our BHM Strategy. Also the Rural Housing Enabler.	N/A	JG
March '04	Discussion with PCT on potential joint Housing Initiatives	Possibly any or all	PJ/JG
	Look at equivalents in other sectors. After tenant consultation report on adding removal arrangements/support to incentive package for Council tenants who are under-occupying.	ALL	JG
	Executive recommend first BHM Strategy to full Council	N/a	PJ/JG Members
	Engage with Town and Parish Councils on local housing needs studies and exception sites with special emphasis on rural sites	ALL	PJ/JG
	Report on Rent deposit scheme/Mortgage deposit scheme options	Young/ low waged	JG
	Review of Private sector leasing, Empty Homes initiative, low season rentals	Young, interim	SS

<u>WHEN BY</u>	<u>WHAT</u>	<u>TARGET GROUPS ASSISTED</u>	<u>LEAD</u>
	Report on options to enable, fund and promote DIYSO and Homebuy schemes	Rural, Low waged	JG
	Review of 'hard to let' and underused Council stock	Young, Older	JG
	Work on standardised section 106 agreements for affordable housing across Devon	Low waged	KL
	Seek to use "out of season" mobile homes on holiday sites	Low waged/homeless	JG
May '04	Review of liaison arrangements with tenants, developers, financial institutions, landlords, local businesses and employers, land owners etc with a housing interest, promote innovative housing solutions in these sectors and reduce prejudice. Prepare 'key worker' schemes in outline in case government funding comes available.	All	JG/KL
June '04	Completion of first phase of Stock Options appraisal	N/a	JG
July '04	Combine BHM Strategy into main Housing Strategy for East Devon, and submit to GOSW	N/a	JG/ Strategic Housing Partnership
	Report on option for redecoration grant for new tenancies	None directly (reduces number of 'voids')	JG
	Report on options for grant to move instead of RTB discount (contentious)	None directly (maintains number of Social rented houses)	JG
	Review of Council's relocation package	Low waged	Head of Organisatnl Developmt
Sept '04	Private Sector Housing Strategy, (including consideration of mobile homes quality assurance), private landlord liaison, option for joint register with private landlords. Promotion of 'larger' schemes, an enlarged 'night stop' scheme, and 'hardship schemes.	Low waged, young, interim	SS
	Review of Council Housing sites 'landtake' and options for infill. Also review of large Council housing plots	All	JG
October '04	Report on options for short term use of development land	Interim	JG/KL
	Report on options for encouraging holiday homes in countryside or on farms rather than coastal towns	None direct but may assist in reducing loss of coastal accommodation	JG/KL

<u>WHEN BY</u>	<u>WHAT</u>	<u>TARGET GROUPS ASSISTED</u>	<u>LEAD</u>
	Report on ensuring rapid development of land banks'. Options for shorter time limit Planning permissions	Increases general stock level	JG/KL
	Statement on acceptable forms of cheaper, non-traditional construction (eg prefabrication and "off site manufacture")	Low waged	JG/KL
	Consideration of finances for 2005/6	N/A	DP
	A plan to tackle fuel poverty	Low waged	PJ/JG/CB
	Link housing need studies to economic growth predictions and Economic Development Strategy	All	PJ/DP/KH
Dec '04	Indicative date for adoption of local Plan including 40% affordable housing, and 'new community'	All	KH/KL

APPENDICES

Appendix A Balancing Housing Markets Original Ideas List

Appendix B What is 'affordable housing'

Balancing Housing Markets Original Ideas List (prior to consultation)

(The higher the score the more positive & advantageous the scheme)

	Reject	Further Consider	Accept	Already Happening	Homes Freed Up	Cost per annum	Key Criteria Met	How Soon	How Certain	Public Support	Longevity	Total Points	Priority Ranked Order of top 20	Comments
<p>WORK WITH DEVELOPERS ETC</p> <ul style="list-style-type: none"> • <u>Standardisation of S106 Agreements</u> Members were advised that different authorities across Devon not only requested Different percentage of new developments to constitute affordable housing but also used different agreements, It was noted that it would be easier for developers if all agreements were the same in terms of layout, conditions and working but that the percentage might be different between districts • <i>Develop better understanding with local builders/developers/estate agents</i> <ul style="list-style-type: none"> • <u>Identify and pressurise development on land not yet developed</u> • <i>Time limit development permissions</i> • <i>Subsidy of private sector affordable housing (e.g. DIY shared ownership)</i> 			>		0	4	2	2	1	3	0	12		
			>		0	4	2	2	1	3	0	12		
			>		0	4	0	2	1	3	2	12		
				?	0	4	0	2	1	3	4	14		
			>		2	3	1	2	3	3	4	18	5	Assume 4 homes for £100k but appreciating asset

- Residential use of old barns

It was suggested that as the agricultural use of old barns had diminished the conversion of them into residential (or preferably 'second home' type holiday) accommodation could be encouraged by planning and other means. It was agreed that this idea should be investigated further. Local Plan caveats on this already exist.

Ensure 40% affordable houses, on developments is made to work

WORK WITH PRIVATE OWNERS

- Compulsory leasing of empty properties

It was stated that the Government was looking into the compulsory leasing of properties, which had remained empty for a specified length of time. Under the scheme the local authority involved would acquire the property, undertake the necessary work to bring it up to an acceptable standard and then rent it out. The authority would retain the rent for the property under the expenditure involved in doing it up had been repaid after which time the other would receive the income.

- ***Bring empty property (including flats over shops/back into use***

✓	3	4	1	2	1	2	3	16	1 5
✓	3	4	2	2	3	3	4	21	1
✓	1	3	2	1	1	2	2	12	
✓	3	3	2	2	1	3	2	16	1 5

- Conversion of large properties into flats

It was suggested that owners of large properties could be given a grant as an incentive to convert their property into affordable flats. The grant should be given only when the flats were for full time accommodation and not for holiday homes. It was agreed that this idea should be investigated further although Members had some reservations.

- Rent of holiday units during unused periods

Members were advised that after writing to the owners of all holiday accommodation available to let within its boundaries, Exeter City Council had been able to add several properties to its temporary housing list for use during out of season period. Members considered that although the response to such a scheme in East Devon was likely to be small it was worth further investigation

PRIVATE STOCK

- Quality assurance scheme

Members considered that further investigation into a quality assurance scheme for private rented stock would be worth while as it could help to dispel the stigma attached in particular to House in Multiple Occupation. It was noted that the Landlords Forum could be interested in looking into this.

- Static residential caravans and park homes

Members considered that a quality assurance scheme for caravan parks could also be beneficial and should be explored. These were seen as cheap yet comfortable forms of semi permanent housing which could be used as 'buffer' accommodation

- Links between social housing lettings and the private rented sector (provide assistance to estate and letting agents)

Under this scheme the Council or a Social enterprise would provide a form Of 'vetting' of tenants, act as a contact point should there be any complaints

✓			3	3	2	1	1	2	3	15	Assume 5 homes for 100k
	✓		1	4	1	2	1	2	4	15	
		✓	0	4	1	1	1	3	4	14	
		✓	0	4	1	1	1	3	4	14	

And negates the need for landlords to advertise vacancies. This would give The Council access to another source of accommodation. It was agreed that This should be investigated further.

- *Rent guarantee scheme*
Members were advised that having to provide a period of rent in advance, that often prevented homeless persons from being able to move into private rented accommodation. Under this scheme the council would provide the initial deposit and would act as a guarantor. Members agreed that further investigation into this was merited.

COUNCIL STOCK

- *Incentive schemes for underused housing*
At present financial incentives are given to tenants to move from larger Accommodation into smaller properties. It was felt that some tenants were Put off moving because of the ‘hassle’ this would involve. It was proposed That a scheme be investigated in which the Council e.g.give support & make all the moving. Arrangements as an incentive to encourage qualifying tenants to move.
- *Promotion of Council Housing*
It was suggested that Council housing should be promoted as quality accommodation to lessen any stigma attached to it and encourage applicants to accept properties which were currently hard to let. Members considered that this was an option which should not be pursued.
- *Review of landtake and use of large gardens*
Members agreed that a review of ‘landtake’ should be carried out to establish whether density of properties on Council ‘estates’ could be increased through rebuilding or infill. In addition the size of council house gardens should be investigated when the property becomes available to relet to ascertain whether further property could be built within its curtilage and hence the land not included with the house for rent.
- *Identify and decommission ‘hard to let’ stock*
This is starting to happen. There is not very much of it and there are currently

✓		0	4	2	1	1	3	4	15		
✓		4	3	2	2	3	3	4	21	1	Assumed 25 householders at £750 per household, but 50% redeemed each year
✓		2	3	2	2	1	3	4	17	8	Assumed 3 households a year at £2,500 per household
✓											Rejected
✓		2	4	2	1	3	2	3	17	8	Assumed 4 homes a year generated but at £10,000 rent and review cost. NB possible capital receipt

Constraints re sheltered stock from the ‘Supporting People’ funding Mechanisms

- *Reduce voids on ‘turnover’ of lettings*
Task and Finish Forum now completed this work
New occupants to have the option of redecoration with a small grant

- *Right to Buy Scheme*
Members were advised that the Council operate a Right to Buy scheme, which is more generous than legally required in terms of rates on prior occupancy time. It was agreed that the option of tightening up the Right to Buy scheme should be actively explored.

SOCIAL LANDLORDS

- *Private sector leasing*
Members agree that further investigation should be carried out into the possible introduction of a scheme in which home owners could move into council provided sheltered housing, for which they would not previously have been eligible. In return the Council is able to lease their property at a market rate for use as Council accommodation.
- *Purchase of private property to rent*
Under this scheme the Council would purchase property that is for sale on the open market rather than building new property to rent. Members were advised that due to the state of the housing market and the Council’s

		✓	2	4	1	1	5	1	1	15	
		✓	1	4	1	2	3	2	4	17	8
			E								
			Q								
			U								
			I								
			V								
		✓	0	4	2	1	5	2	4	18	5
		✓	3	3	2	2	1	3	3	17	8

budgetary commitments this scheme was unlikely to be possible at the current time.

- Support the “Homebuy Scheme”

- **OTHER WORK TO CONSIDER**

- *Give RTB applicants an equivalent of the discount to buy in the private sector*

- *Promote acceptable planning exceptions for affordable housing outside village envelopes*

Members were advised that buildings could only be constructed outside built up village area boundaries as an exception. The possibility of encouraging developers to apply to build low cost housing outside these boundaries was considered. It was agreed that the support of the local Parish Council should be obtained before any development either outside or within village boundaries was encouraged, as they could help determine need.

- *Lobby to keep the Social Housing Grant*

It was noted that the decision to abolish the Social Housing Grant had already been taken and lobbying would therefore be pointless.

- *Better developed and publicise Shared Equity Schemes. Develop a ‘retained’ equity scheme by Council/Housing Association to maintain affordability*

It was noted that the problem with shared equity schemes was that there was nothing to stop householders buying up 100% of the equity in towns with a population of over 3,000. A retained equity scheme would prevent this. Members expressed support for such a scheme. However, RSL home building is constrained. (see earlier scheme for DIYSO)

- *Housing advice throughout the ladder*

Members only feel that the top (into residential/care/sheltered schemes) or bottom rungs worth tackling.

- *Advice and grant assistance on repairs and insulation (sustaining*

✓												Rejected
	✓		2	3	1	1	3	3	4	17	8	Assume 2 properties at £50,000 each
		?	3	2	1	2	3	3	4	18	5	Assume 10 properties at £30,000 each
		✓	2	4	1	1	1	2	3	14		
	✓											Rejected
		✓	2	4	1	2	1	3	4	17		
		✓	2	3	1	1	1	3	4	15		Assume £25k to run extra advice
		✓	0	3	2	1	1	3	4	14		Assume £25k to run extra advice

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✓	✓	1	4	1	2	3	2	4	17	8
		E								
		Q								
		U								
		I								
		V								
		A								
		L								
		E								
		N								
		T								
	✓	0	4	2	1	5	2	4	18	5
	✓	3	3	2	2	1	3	3	17	8
✓										

Rejected

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- *Advice and grant assistance on repairs and insulation (sustaining*

✓		2	3	1	1	3	3	4	17	8	Assume 2 properties at £50,000 each
	?	3	2	1	2	3	3	4	18	5	Assume 10 properties at £30,000 each
	✓	2	4	1	1	1	2	3	14		
✓											Rejected
	✓	2	4	1	2	1	3	4	17		
	✓	2	3	1	1	1	3	4	15		Assume £25k to run extra advice
	✓	0	3	2	1	1	3	4	14		Assume £25k to run extra advice

<ul style="list-style-type: none"> occupation) • <i>Mortgage Deposit assistance scheme</i> 	✓			3	2	1	1	3	3	4	17	8	Assume 10 properties at £14,000 each, 1 redeemed per year
<ul style="list-style-type: none"> • <i>Identifying non-housing public land for 'affordable' housing and consider housing priorities versus other uses (eg car parks, allotments)</i> Members agreed other options, such as the use of undeveloped land and 'exception's outside built up area boundaries, should be pursued before the possible use of amenity land was looked into. Use of amenity land could be socially unacceptable and could affect the quality of life of existing residents; they therefore had some concerns about land for affordable housing overriding other needs. 	✓			3	0	2	1	1	1	2	10		Assumed 10 homes per annum. NB capital receipt possible assume cost neutral
<ul style="list-style-type: none"> • <i>Investigate local acceptability of possible new types of housing (including temporary structures) on short term land and conversion of industrial buildings</i> Concern was expressed that it would be hard to categorise 'temporary' and that once developers had acquired permission for temporary residential structures on industrial land they may use the principle to negotiate for more permanent accommodation. It was noted that planning policy did not look favorably on the conversion of employment land to residential. However the possibility of short term structures on potential residential land is to be considered further (NB concerns about appearance of sites) 	✓			3	3	2	2	3	2	2	17	8	Assume units cost equivalent of £10k each to buy and site per annum. 10 units
<ul style="list-style-type: none"> • <i>Tax disincentives for second homes, Unlikely to affect use of second homes at currently proposed rates</i> 		✓		1	5	1	1	1	3	4	16	15	
<ul style="list-style-type: none"> • <i>Council's relocation package to be re-examined for non-owners (could pay equivalent of relocation towards a deposit)</i> 	✓			0	3	1	1	5	2	4	16		Assume 10 staff at £8,000
<ul style="list-style-type: none"> • <i>Work with other Devon Authorities on the problem of affordable housing</i> Consider building some low cost accommodation tailored to young peoples needs (e.g. very small and intensive) 	✓			0	4	2	1	1	3	3	14		
<ul style="list-style-type: none"> • <i>Consider new forms of non-traditional housing (e.g. "off site manufacture" or mobile homes)</i> 	✓			0	4	1	1	1	2	4	13		

<ul style="list-style-type: none"> • <i>Work with major employers to encourage them to secure their own 'key employee' accommodation</i> Members agreed that this was a good idea in principle but felt it unlikely to Have any effect in practice 	✓																				Rejected
<ul style="list-style-type: none"> • <i>Examine more pro active use of CPO in defined circumstances</i> Members agreed that compulsory purchase orders should not generally be Used to acquire land 	✓																				Rejected
<i>Support 'New Community' work as a major affordable housing opportunity</i>																					
<ul style="list-style-type: none"> • <i>Possible provision of housing money by the Primary Care Trust for Health, as Housing is a 'health' issue</i> It was considered doubtful that the Primary Care Trust would be able to Contribute significant capital funding but it was felt that it could be worth Discussing revenue schemes 	✓																				
<ul style="list-style-type: none"> • <i>Consider Setting Council Housing up under a different format e.g. as a "wholly owned Housing Association"</i> Under such a scheme the Council would like to retain its stock but become a Housing Association. This was considered unlikely as it would involve the setting up of a separate organisation. Members were advised that the Council had until 2004 to chose which of the following options to follow: (i) keep the status quo; (ii) Stock transfer, i.e. sell off the stock to a housing association; (iii) go to an arms length management organisation; or (iv) to capitalise stock by going into a public/private initiative – this was not considered to be appropriate for this Council If a Housing Association was to be established it would require a very significant separation from the Council if it was to be legally acceptable 	✓																				Unknown impact but likely to generate efficiency savings. Obligation to understate

What is 'affordable' housing

This document was used in developing the 'Balancing Housing Markets Strategy'. It has since been developed and a new definition will be used in supplementary planning guidance to the local plan.

Quite evidently housing which is perfectly affordable for one group in our community is not for another. For some income groups owner/occupied housing would never be an option without large subsidy.

What we must ensure is that there is a suitable and viable range of housing options for all of our residents. The least well off may require a 'safety net' of rented housing assisted through housing benefits payments. The most affluent can normally find their own way within the local market. Whilst as an ambition we may eventually aim for all people to have wide housing choice we are particularly concerned that even households on average income in this district are finding home ownership increasingly out of their grasp. In many parts of the UK we would expect this group to be able to secure accommodation without public sector intervention.

Thus in terms of housing ownership the sector we must tackle initially is of those on average incomes or above within this district who find they cannot afford suitable accommodation. We need them to be able to secure their own suitable home without recourse to 'safety net' provisions of income subsidy. Through tackling this we need to ensure that those local people who in other areas of the UK would be able to sustainably occupy, and sustainably afford, their own accommodation, can do so in East Devon. Evidently other groups in our communities may need other (non ownership) forms of affordable housing eg rental.

On occasion the developers suggest that they provide 'low cost' market housing or other non-standard approaches, where we are requiring 'Affordable Housing'. As part of a planning application we need to be able to judge whether such schemes are actually affordable.

In judging whether housing options are really 'affordable' we may need to have regard to several matters, depending on the nature of the proposal:

- The market value of the home;
- The local average wage (detailed on the income and prices index for East Devon, see Devon CC website), and the size of 100% mortgage that this could sustainably secure (typically 3.5 times income, net of tax);
- The local (East Devon) average wage, and the maximum rent that could sustainably be paid from this (typically 25% of income, net of tax);
- Whether the 'affordable housing' being provided can remain affordable to future occupiers;
- The target rent for local Housing Associations;
- How the market value compares to the total cost indicator issued by the Housing Corporation.

Unless a 'low cost market housing' scheme is being proposed, a developer will typically wish the land to be developed &/or managed by a Housing Association. Some of the data above is required so that the Associations can identify whether they are likely to be funded for the scheme, and whether it can be operated on an economically viable basis.

In looking at wider affordability it may be necessary to also consider other outgoings than just rent, or mortgage repayments. For instance the location of the house may cause extra transport costs, the type of heating may incur additional cost, the way the house is used may incur a higher insurance premium, there may be unexpected furnishing or maintenance costs.