

Taunton Deane Borough Council

Full Council - 9 December 2014

Hinkley Point C (HPC): Housing Funding Strategy

Report of the Housing and Community Strategy Officer

(This matter is the responsibility of Councillor Jean Adkins)

1. Executive Summary

Hinkley Point C (HPC) in accordance with the provision of the Section 106 Development Consent Order (DCO), is due to release a housing fund of £660,824 to assist in delivering additional housing capacity, in order to mitigate potential adverse effects on the local private rented and accordingly, the low cost housing market.

It is estimated that by early 2016, there will be a need for 1,350 beds across all tenures and across Taunton Deane, West Somerset and Sedgemoor, and that this need will increase to 2,200 by early 2019.

The Housing Funding Strategy has been developed to prioritise and help address the potential demand that could arise from the HPC Project. It includes the following initiatives:-

- a) **Somerset Homelet**- seeking to understand and assist in moderating the supply and demand through the online resource of Somerset Homelet;
- b) **Flexible Rent Support**- providing support for the most vulnerable trying to access the private rented sector;
- c) **Landlord Accreditation**- ensuring that a section of current private rented sector accommodation, including rooms, are of a good standard through minor works that are supported by grant monies;
- d) **Sustainable Management Service**- commission a sustainable management service that will provide accommodation for the most vulnerable;
- e) **Tenant Accreditation**- providing support to tenants to help them demonstrate they are responsible to landlords;
- f) **Empty Property Regeneration**- utilising empty properties that will be brought back into use for the most vulnerable; and
- g) **First Time Buyers Loan**- assisting first time buyers to purchase their own homes through Wessex Home Improvement Loans.

These projects have been developed in partnership and their implementation will be co-ordinated by a Housing Implementation Officer (HIO). The projects will then be delivered by both internal and external services such as Housing Options, Somerset West Private Sector Housing Partnership (SWPSHP) and many others.

The Housing Funding Strategy has already received the Corporate Scrutiny approval on 11 November 2014.

It is recommended that Members:

- Endorse the approach of the 'Hinkley Point C: Housing Funding Strategy' so as to simplify approvals to be obtained from West Somerset Cabinet and Full Council when the monies are released.

2. Background

- 2.1 The Housing Fund of £660,824 was secured through the DCO pursuant to Section 106 of the Town and Country Planning Act 1990 and will become available over the next year.
- 2.2 The fund was secured to provide financial support for initiatives designed to deliver additional housing capacity in order to mitigate any potential adverse effects on the local housing market that might arise from HPC.
- 2.2.1 There is the opportunity for a further £5 million to be shared amongst North Somerset, Taunton Deane, Sedgemoor and West Somerset from the Housing Fund Contingency Payments should it be evident from the private rented sector thresholds have been exceeded by unanticipated demand from the HPC workforce for accommodation and/ or unanticipated negative impacts on the housing supply.
- 2.3 The premise and angle from which the Housing Funding Strategy has been drafted is based on the fact that the current housing market in TDBC faces similar challenges to those of our neighbouring councils impacted by Hinkley, where demand exceeds supply. We recognise that the Hinkley development will put an enormous strain on housing supply in our area.
- 2.4 **Homefinder Somerset** (HFS) data for housing demand remains high despite the recent introduction of the local connection criteria whereby applicants would need to have lived in the area for the last 6 out of 12 months, have an offer / permanent employment in the area or close family living in the area.

Age/ Band	Gold	Silver	Bronze	Total
2013/14	406	747	2152	3305
Age N/A	0	0	3	3
17- 21	15	66	154	235
22- 29	49	229	519	797
30- 39	42	170	513	725
40- 59	196	179	602	977

60 +	104	103	361	568
2012/13	413	1439	1780	3632
Age N/A	2	12	4	18
17- 21	23	197	85	305
22- 29	43	460	376	879
30- 39	50	342	425	817
40- 59	183	292	529	1004
60 +	112	136	361	610

Bed/ Band	Gold	Silver	Bronze	Total
2013/14	406	747	2152	3305
1	250	306	1260	1816
2	118	272	657	1047
3	15	103	203	321
4	10	56	28	94
5	9	8	4	21
6+	4	2	0	6
2012/13	413	1439	1780	3632
1	261	837	926	2024
2	119	369	511	999
3	17	132	232	381
4	9	55	90	154
5	3	33	16	52
6+	4	13	5	22

2.4.1 The need continues to be for 1 bedroomed properties with 54.9% (2013/14) and 55.7% (2012/13) of the register bidding for 1 bedroomed properties.

2.4.2 TDBC also has the highest number of bids when compared with the 3 affected districts. Below are the figures for 2013/14.

Local Authority/ Bids by Banding	Gold	Silver	Bronze
Taunton Deane	6,596	19,398	25,249
Sedgemoor	3,500	19,464	21,756
West Somerset	1,249	3,354	5,123

2.5 Although the number of accepted **homeless** have reduced, TDBC continues to have a high number for 2013/14. The dominant reason for accepted homeless continues to be the termination of an Assured Shorthold Tenancy (AST). The majority of acceptances were for female lone parents with dependent children. It is assumed that the HPC Project could inflate rents, making current tenants less attractive to landlords, thus increasing the terminations of AST.

Year	Accepted Homeless	Termination of AST	Non Priority Homeless
2013/14	102	35	15
2012/13	134	38	7
2011/12	174	40	11

- 2.6 There has also been a 48% increase in the **private rented sector** over the span of 10 years. The highest group of those living in the private rented sector are those aged 16-34.

*Neighbourhood Statistics: Dwelling stock by tenure- households:
QS4054EW & UV63*

Census/ Tenure	Owned	Social Rented	Private Rented
2011	31,393	7,321	7,942
2001	31,299	7,221	5,360

Nomis: DC4601EW

Age/ Tenure	Owned	Social Rented	Private Rented	Total
16- 34	2,336	1,269	3,140	6,745
35- 49	8,221	1,939	2,419	12,579
50- 64	10,093	1,745	1,454	13,292
65 and over	10,991	2,367	929	14,287

- 2.7 These figures will only increase as Housing Options become increasingly reliant on the **private rented sector** with 228 re-housed into the private rented sector and only 82 re-housed into social housing for 2013/14.
- 2.8 Revenue and Benefits data also reveal that the effects of **Welfare Reform** would make residents susceptible to the possible HPC changes.
- 2.8.1 As of April 2014, there are 2,116 PRS tenants on the Local Housing Allowance (LHA). This equates to almost 27% of the private rented sector.
- 2.8.2 LHA will now be up-rated in line with Consumer Price Index (CPI) instead of Retail Price Index (RPI). Although both these indexes measure inflation, CPI does not account for the rise in mortgage payments, rents, council tax etc. CPI also always results in a smaller figure as it utilises the geometric mean as opposed to the proportional difference. The difference each year is approximately 1.2%, with CPI losing out. This will lead to a further disparity between the level of LHA and actual market rents in the PRS.
- 2.8.3 Accordingly, the number of Discretionary Housing Payments (DHPs) has risen from 86 in 2012/13 to 348 in 2013/14. These payments can be used to support tenants struggling with rent or Council Tax payments (as below).
- 2.8.4 The introduction of Council Tax Support has also caused the number of Council Tax summons issued rise from 4,650 in 2012/13 to 6,610 in 2013/14. The number of Council Tax liability order has also risen from

2,501 in 2012/13 to 4,420 in 2013/14.

- 2.9 Citizens Advice Bureau (CAB) data for 2013/14 also reveals the high numbers of local residents with housing issues whose situation could be further exacerbated by the HPC.

Issue/ Sector	LA	RSL	Private Rented Sector	Owner Occupier	Total footfall/ queries
Debt- Rent arrears/ Mortgage repayments	128	48	26	85	1,265
Current housing situation- Seeking housing advice	131	50	253	78	745

3. The Housing Funding Strategy

- 3.1 TDBC's Housing Funding Strategy has been developed in close partnership with Sedgemoor District Council (SDC) and West Somerset District Council (WSC). The initial principles and general shape of the utilisation of the Housing Fund has been agreed and are a range of inter-dependent initiatives, designed to help alleviate pressures on the local housing markets. It is envisioned that the initiatives will help respond to the impacts felt, however we will monitor the market closely to see whether future additional funding bids will be needed.
- 3.1.1 The Housing Funding Strategy has already received the Corporate Scrutiny approval on 11 November 2014.
- 3.2 The focus remains on the deliverability of the additional 700 bedspaces (by late 2016) required to mitigate the HPC impact. Each specific initiative has been reviewed in consultation with stakeholders and are outlined as below. Although some of the SWPSHP projects have moved on, these projects continue to deal with current issues and can act as **pilots** to be extended specifically to mitigate the impact of the HPC project. Learning from the pilots should make the initiatives more robust, lead to quicker implementation and more likely to be successful. Many elements of the initiatives are interdependent – discrete but interlinking components of Landlord and Tenant Services.
- 3.3 Four key joint principles were agreed by all three Councils and remain relevant as a focus on which to develop initiatives and are as below:

- 3.3.1 Increase capacity in the private rented sector where the impact is most likely to be felt;
- 3.3.2 Maintain tenants in their current tenancies to prevent homelessness and reduce “churn” in the housing market;
- 3.3.3 Make better use of existing accommodation to maximise occupation; and
- 3.3.4 Make joint bids whenever appropriate, building on our well established partnership approach and strategic joint working processes.
- 3.4 Current evidence also suggests:
 - 3.4.1 The majority of the HPC workforce will be single people, increasing competition and displacement of local residents for smaller and cheaper accommodation as existing demand for 1 bedroomed accommodation comprises around 50% of the Homefinder Somerset Housing Register.
 - 3.4.2 The construction workforce is likely to be influenced by housing and travel costs, hence looking for cheaper properties at the lower end of the market, with a preference for proximity to the HPC bus routes and the Park and Ride sites at Taunton town to reduce travel costs.
- 3.5 Hence the emphasis is on providing smaller accommodation in the Priority Area of Taunton town. To meet the timeframe, the initiatives have been developed in 4 key areas as below:
 - 3.5.1 Landlord and Tenant Services - given the need to meet the potential demand in a relatively quick timeframe in the event of the works recommencing, the focus in the short-term must be on the private rented sector, already identified as the largest potential source of housing for HPC workers. Our aim is to increase, particularly the supply of good quality accommodation, available for everyone, including HPC workers, supported by a range of services to encourage some landlords to let properties to local residents who may otherwise be disadvantaged against HPC workers, especially regarding affordability.
 - 3.5.2 This will work hand in hand with existing internal HRA initiative of encouraging Mutual Exchange, designed to reduce pressure on smaller affordable accommodation by facilitating under-occupying tenants to mutually exchange their tenancies rather than seek appropriately-sized accommodation in the private rented sector or via

- the housing register. Reducing the number of tenants seeking to move via the housing register means that more social housing vacancies are available for 'general' applicants who are not social housing tenants. This will ensure that there is less need to meet their housing needs in the private rented sector.
- 3.5.3 Bringing empty properties back into use tend to be medium term, being very time and resource intensive.
 - 3.5.4 Linked to new discounted sales properties, First Time Buyer Loans can enable potential purchasers to top up their savings to enable them to pay the deposit required.
 - 3.6 The main initiatives are as below and further details of the initiatives can be found in the Strategy itself (Appendix 2).

Private Sector Initiatives

2.2.1:	Accreditation of landlords
2.2.2:	Stimulating new supply in the private rented sector through financial assistance for minor improvements
2.2.3:	Bringing empty homes back into beneficial use through financial assistance to owners:
2.2.4:	Supporting a rent deposit or guarantee scheme through the provision of rent deposits for households moving into the private rented sector
2.2.6:	Facilitating household moves from the private rented sector into intermediate or owner occupied market accommodation through equity loans to residents in the owner occupied or private rented sectors;
Other	
2.2.11:	Any other initiative that would deliver additional housing capacity that might be necessary;
2.2.12:	The employment by the Councils of Housing Initiative Implementation Officers; and
2.2.13:	Funding other housing mitigation measures , such as emergency housing services.

4. Finance Comments

- 4.1 This funding is available under a Section 106 agreement and so can only be used for the purpose of delivering additional housing capacity in Taunton Deane as set out in the agreement.
- 4.2 Where possible, the use of the funding should remain flexible to allow the chosen schemes to adapt to demand and ensure the best use of the funding. The use of recyclable loans where possible is encouraged as this allows the funding to be reinvested and further bed spaces created in the medium term.

- 4.3 The impact of HPC on housing need in the borough needs to be carefully monitored over the period to examine both the demand linked to HPC and to ensure the effectiveness of the proposals. If demand is higher than anticipated, further funding should be sought from the Housing Fund Contingency Payments.

5. Legal Comments

- 5.1 The proposed Strategy reflects the intentions for the fund as envisaged in the Section 106 Agreement and supports the DCO accordingly.

6. Links to Corporate Aims

- 6.1 The initiatives are directly linked to the aims and objectives outlined in TDBC's Corporate Business Plan 2013- 2016.
- 6.2 The initiatives would clearly increase the supply of affordable homes through avenues such as promoting an increased supply of private rented stock and tackling empty homes.

7. Environmental Implications

- 7.1 Provision of accommodation that are suitably linked to transportation for the HPC workers will serve to reduce carbon emissions.
- 7.2 Further, initiatives to increase the standard of the current private rented sector, either through the Landlord Accreditation grants or bringing back empty homes into use will serve to increase energy efficiency and to reduce fuel poverty.

8. Community Safety Implications

- 8.1 The initiative of bringing empty homes back into use will greatly reduce anti-social behaviour that is associated to vacant properties. The reduction of such anti-social behaviour will only serve to increase the security of the area, including the 'look and feel' of the area in accordance to the Priority Area Strategy.
- 8.2 The initiatives in general should also alleviate the pressure on Council and Housing Association stock to provide for the most vulnerable, therefore reducing homelessness in general.

9. Equalities Impact

9.1 An Equalities Impact Assessment has been carried out and is attached at Appendix 1.

10. Risk Management

Risk	Consequence	Probability	Impact	Action to mitigate
	To the customer			
Members do not agree the Funding Strategy.	There will be the effects of the increasing and detrimental deficits in the private rented sector, thus increasing homelessness bills for temporary accommodation.	1	4	That solid foundations are put in place to ensure initiatives are financially and reputationally sound and sustainable.
Insufficient staff resources (operations).	Services offered would not be consistent. Customers would lose interest in the project.	2	4	To ensure that partners are identified and sufficient resources assigned and procedures tightened.
Incoherent Policies.	Lack of joined up Policies will lead to an inconsistent service and results.	2	4	The Project Team to continue working together to fine tune processes and procedures.
Partners unwilling to work alongside initiatives.	The initiatives relies on the crucial support of partners for delivery due to budget constraints.	2	4	The Project Team to continue working together to engage and retain partners in delivery.
Landlords and tenants offered assistance which later becomes unaffordable.	Landlords and tenants become disincentivised with the scheme.	1	4	The Project Team to set out clearly the partners and the assistance available.

10.1 A separate risk and issues log will be developed and monitored for each project.

11. Partnership Implications (if any)

11.1 TDBC will continue to work closely with the following partners: SDC, WSC, HPC, Housing Options, Taunton Association for the Homeless (TAH), SWPSHP, Somerset Care and Repair and Wessex Home Improvement Loans to deliver services that will benefit the residents of TDBC.

12. Recommendations

12.1 That Full Council is **recommended** to endorse the approach of the 'Hinkley Point C: Housing Funding Strategy' so as to simplify approvals to be obtained from West Somerset Cabinet and Full Council when the monies are released.

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APPENDIX 1
Equality Impact Assessment – Hinkley Point C Housing Funding Strategy

Responsible person	Simon Lewis	Job Title: Assistant Director- Housing and Community Development
Why are you completing the Equality Impact Assessment? (Please mark as appropriate)	Proposed new policy or service	New service
	Change to Policy or Service	
	Budget/Financial decision – MTFP	Yes
	Part of timetable	
What are you completing the Equality Impact Assessment on (which policy, service, MTFP proposal)	The Councils are recommending that Members endorse the approach of ‘Hinkley Point C: Housing Funding Strategy’. The Funding Strategy lists a range of inter-dependent initiatives that will assist in alleviating the pressure on the private rented sector as a result of Hinkley Point C.	
Section One – Scope of the assessment		
What are the main purposes/aims of the policy?	Maximise Hinkley Point C monies to enable and support increasing the supply of affordable private rented sector housing in order to mitigate the adverse effects of Hinkley Point C workers inflating rents and reducing the numbers of 1 bed properties that are much needed in this climate.	
Which protected groups are targeted by the policy?	Persons in Housing Need- Demand outstrips supply and there is a constant need to increase affordable housing options for cross sections of the most vulnerable such as the very young and very old. Female lone parents are also more likely to be living in poor quality housing and made homeless. Consequently, they may benefit from the affordable private rented sector properties that will be made available. There are also efforts to increase the standards of these properties. Further details as below.	
What evidence has been used in the assessment - data, engagement undertaken – please list each source that has been used The information can be found on....	<ul style="list-style-type: none"> - Census 2011 - Somerset Strategic Housing Framework - Somerset Homelessness Strategy - Joint Strategic Needs Assessment - Taunton Deane & West Somerset Housing Waiting List from Homefinder Somerset - Empty Property Database - Other Equality Impact Assessments 	

<p>Section two – Conclusion drawn about the impact of service/policy/function/change on different groups highlighting negative impact, unequal outcomes or missed opportunities for promoting equality</p>	
<p>Age: In terms of meeting homelessness and housing need priorities, Housing Options currently capture adequate data on age of all homeless and those on the housing waiting list. The Housing Legislation provides specific protection and priority for the very young and older applicants who are homeless and looking for an allocation of social housing. Although there are no evidence that those in any age group are disadvantaged in their access to services, it is known that young people do have issues accessing housing from an affordability perspective with almost 3 million people aged 20- 34 living with their parents in 2011, a 20% increase on the number in 1997. Further, changes to entitlement to housing benefit in the private rented sector (where shared room rate applies to those single applicants that are under 35) only serve to exacerbate the affordability issue. Locally, the age group 17-44 has the highest number of homeless acceptances and the aid and access for this group is addressed by the Somerset Homelessness Strategy. Older people may also be disproportionately affected by the need to downsize as a result of welfare benefit reforms. Accordingly, it will be important that affordable private rented sector properties brought back into use are channelled for advertising through Somerset Homelet to enable communicate to a wider clientele, servicing both Hinkley Point C workers and our most vulnerable.</p> <p>Disability: In terms of meeting homelessness and housing need priorities, research done in 2009 by the Equality and Human Rights Commission indicated that disabled people have higher unemployment rates compared with the total working age population and as such may be more at risk of incurring rent arrears, therefore at a higher risk of being displaced. There is also a known shortage of accessible housing for some disabled people, leading to a lack of choice and inappropriate housing when presenting as homeless or for advice on their housing options. Again, it will be important that affordable private rented sector properties are channelled for advertising through Somerset Homelet that will reach disabled people living in unsuitable housing. It will also be the duty of the relevant partners to ensure that the additional needs of disabled people are met with adequate support such as large print documents.</p> <p>Gender, Transgender or Gender Reassignment: Transgendered people may be particularly at risk of housing crisis and homelessness arising from transphobic reactions, hate crime and harassment by family, neighbours and members of their local community. Transgendered people may also fear disclosing their identity to housing officers for fear that they will not be treated with dignity and respect, causing in turn lack of access to appropriate housing services. This is currently addressed by the Somerset Homelessness Strategy and the close partnership with the Housing Options team will ensure that the needs of this groups is not ignored.</p>	

Pregnancy and Maternity: Housing Legislation provides specific protection and priority for those pregnant or on maternity who are homeless and looking for an allocation of social housing. Since 1 April 2004, it has been unlawful for local authorities to house families with children and pregnant women in bed and breakfast accommodation for more than 6 weeks. Despite this, non-priority homeless from this group remains high and liaison with the Housing Options team will remain pivotal and provide a positive and direct impact on this group.

Race: Many migrants may choose to share dwellings for cultural or financial reasons thus creating a greater need for larger accommodation although many migrants are single people seeking work. Current economic migration from abroad from poorer countries is also likely to affect housing tenure by sustaining demand for cheaper, private sector rented accommodation which could possibly be sourced from empty properties brought back into use. BME groups also often represent a higher proportion of rough sleepers which the Somerset Homelessness Strategy addresses. Again, close relationship with the Housing Options team will ensure that discrimination against this group will be eliminated.

Religion or Belief: Caps on the Local Housing Allowance (LHA) for private rents in the area may impact on larger families and, therefore, disproportionately on certain religious groups who may have multi-generational families/ larger family groups living in 1 property. However, as the perceived impact is believed to be on 1 bed properties, it will again be liaison with the Housing Options team to monitor and to increase the use of Somerset Homelet to enable access of this group to a wider selection of properties.

Sex: In 2011, women accounted for 92% of lone parents with dependent children. This percentage has changed little since 2001 as women are more likely to take the main caring responsibilities for any children when the relationship breaks down, and therefore become lone parents. Single men are also overrepresented in rough sleeper counts and non-priority homeless categories and may be linked to the fact that 32% of rough sleepers are prison leavers and 6% have been in the armed forces at some point in their lives. Access for these groups are supported by the Homelessness Strategy and liaison with the Housing Options team will continue to ensure that access to social lettings or affordable private rented sector accommodation is achieved for this group.

Sexual Orientation: There is no known barrier to access the service and no perceived issues to potential tenants, whether local or HPC workers.

Marriage and Civil Partnership: There is no barrier to access the service and no perceived issues as there is little evidence at present that marriage and civil partnerships impacts upon availability of or access to housing.

There are no perceived negative outcomes of this work, except if the implementation is unsustainable. Accordingly, our approach is deliberately cost effective, more focussed on longer term sustainable outcomes to avoid this. The delivery of the initiatives will also seek to advance equality of opportunity for all groups identified, especially to aid the disadvantaged groups to access appropriate housing.

I have concluded that there is/should be:

No major change - no adverse equality impact identified	No adverse impact identified at this stage. To be kept under review through the 12 month term.
Adjust the policy	
Continue with the policy	
Stop and remove the policy	

Reasons and documentation to support conclusions

The engagement activity with the affected groups will identify any impacts which are unforeseen by the project team at this time.

Section four – Implementation – timescale for implementation

The project is intended to be implemented as soon as the formal approval of recommendations to proceed.

Section Five – Sign off

Responsible officer: Simon Lewis Date: 04.11.2014	Management Team Date
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Section six – Publication and monitoring

Published on

Next review date	Date logged on Covalent
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Action Planning

The table should be completed with all actions identified to mitigate the effects concluded.

Actions table						
Service area	Housing Options			Date	04.11.2014	
Identified issue drawn from your conclusions	Actions needed	Who is responsible?	By when?	How will this be monitored?	Expected outcomes from carrying out actions	
Members of disadvantaged groups do not have access to the affordable private rented sector properties.	Close working relationship with the Housing Options team to ensure these properties are marketed to appropriate groups to increase access.	Housing Options	As soon as possible	Management	Increased accommodation for the use of disadvantaged groups in housing need.	
Disabled people would need additional support.	The partner delivery agents would ensure that processes are in place eg. Literature produced in large print, one to one appointments, home visits etc.	All partner delivery agents	As soon as possible	Management	Disabled people would have better prospects of having access to affordable private rented sector properties.	