



**Committee and Date**

**Economy and Environment Overview and Scrutiny Committee**

**14 November 2024**

Item

Public



# Social Housing and the Housing Strategy

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| <b>Responsible Overview and Scrutiny Officer:</b> |                                  | Jane Trethewey |              |
| email:  | jane.trethewey@shropshire.gov.uk | Tel:           | 01743 258913 |
| <b>Oversight and Scrutiny Chair:</b>              |                                  | Joyce Barrow   |              |

## 1. Synopsis

- 1.1 This report offers an interim update to the Economy and Environment Overview and Scrutiny Committee on the progress of the Housing Strategy action plan, which was last reviewed on 23 April 2024.

## 2. Executive Summary

- 2.1. Social housing is a key element in Shropshire's housing market, ensuring access to suitable accommodation for those unable to afford it through the open market. Shropshire Council's Housing Strategy is integral to supporting this tenure, aligning with the objectives of The Shropshire Plan, where housing is recognised as vital to a robust economy.
- 2.2. The recommendations made through this work aim to shape and inform Shropshire's Housing Strategy and help to bring the Strategic Housing function more centrally into the thinking, planning and delivery of other key strategies such as the economic growth strategy and transport plans.
- 2.3. The report acknowledges progress made since the previous Overview and Scrutiny committee discussion and outlines plans for further necessary work.

## 3. Recommendations

- 3.1. That the committee notes the progress being made towards delivering the recommendations agreed upon at Cabinet in September 2023 and the progress against the actions from the Social Housing and Housing Strategy reports presented to committee on 9 November 2023 and 23 April 2024.
- 3.2. That the committee reviews and provides feedback on the action plan delivery and planned work and agrees to receive future updates on progress.

## Report

### 4. Risk Assessment and Opportunities Appraisal

- 4.1. In the last review, a key risk was identified should Shropshire Council not progress previously agreed Cabinet recommendations. This would result in missed opportunities to maximise the benefits of social housing for those in need and in support of the local rural economy.
- 4.2. Additionally, less social housing could lead to higher costs to the Council, as lower income households may be displaced out of the county or require the Council to invest in more expensive temporary accommodation. However, by taking effective action to improve housing options, the Council can mitigate these risks and improve outcomes for households and their communities.
- 4.3. The Medium-Term Financial Strategy requires the alignment of Shropshire Council's housing objectives with its broader financial goals to continue addressing housing needs effectively.

### 5. Financial Implications

- 5.1. Shropshire Council is currently managing an unprecedented financial position as budgeted for in the Medium-Term Financial Strategy and detailed in the monthly monitoring position presented to Cabinet. This demonstrates that significant management action is required over the remainder of the financial year to ensure the Council's financial survival. While all Cabinet Reports provide the financial implications of decisions being taken, this may change as officers review the overall financial situation and make decisions aligned to financial survivability. Where non-essential spend is identified within the Council, this will be reduced. This may involve:
  - scaling down initiatives,
  - changing the scope,
  - delaying implementation, or
  - extending delivery timescales.
- 5.2. Several of the priorities in the proposed action plan are already in hand or have been agreed, and will be funded by existing resources, for example, grant funding from central Government or through the Housing Revenue Account (HRA) Business Plan. Each further project associated with the strategy, where delivered by the Council, will be subject to its own funding approval, contingent upon a thorough business case evaluation, availability of funding and appropriate

approvals. This approach ensures that financial considerations are assessed individually for each project, maintaining transparency and accountability in resource allocation. It should be noted that opportunities will also be taken to work with Registered Provider landlords and others to support delivery of the Strategy.

- 5.3 The implications of the recent budget announcement by the Chancellor have yet to be fully analysed at the time of writing. However, the reduction in the discount rate for Right to Buy properties, and the change to allow Councils to retain the full receipt from all Right to Buy sales will benefit the Housing Revenue Account and provide a stronger capital base for newbuild delivery. Longer term confidence in rent charges will also support effective business planning and investment in the Council's existing housing stock.

## 6. Climate Change Appraisal

- 6.1. There are no specific climate change implications arising from the report recommendations. However, when implementing the action plan, officers should also set out whether there are any impacts on climate change because of their suggested course of action.
- 6.2. Providing suitable housing in communities near work, education and services, can reduce reliance on motor vehicles, thereby lowering energy and fuel consumption. Additionally, ensuring homes are energy-efficient, either as new build properties or through retrofitting carbon reduction measures, along with the use of sustainable construction practices, will contribute to reducing carbon emissions and mitigating the environmental impact of housing development.

## 7. Background

- 7.1. In 2023, members of the former Communities Overview Committee, and subsequently the Economy and Environment Overview and Scrutiny Committee, undertook an enquiry into social housing in Shropshire, to contribute to the planned review of the Housing Strategy.
- 7.2. The objective of this work was:
- To review and understand housing need in Shropshire;
  - To understand the different types of social housing, and the wider description of affordable housing and its forms, for example, key worker housing;
  - To identify and consider specific challenges related to the housing market in Shropshire; and
  - To identify key messages and make evidence-based recommendations to inform the review and update of the Housing Strategy.
- 7.3. A range of findings were identified from this work, which were summarised in the report to the 20 July 2023 committee meeting and were relayed in the committee's report to the Cabinet meeting of 6 September 2023.
- 7.4. Six recommendations were made to shape and inform the Housing Strategy and bring the Strategic Housing focus into the thinking, planning and delivery of other key strategies such as the economic growth strategy and transport plans.

- 7.5. A further recommendation was that feedback be provided to the Economy and Environment Overview and Scrutiny Committee at its meeting of 9 November 2023 to confirm which recommendations have been accepted and which have not. Also, that an action plan should set out what will be done, and by when, to deliver the accepted recommendations, and where recommendations have not been accepted an explanation should be provided.
- 7.6. It was agreed to review the recommendations and progress of this work at the committee meeting of 14 November 2024. This update shows the progress and actions taken regarding these, and highlights changes that have arisen, including those stemming from the medium-term financial strategy.

## 8. Additional Information

- 8.1. The six recommendations from the Economy and Environment Overview and Scrutiny Committee agreed by Cabinet are as follows:
- Following the implementation of the revised allocations policy and scheme, the Council should ensure that this is adhered to by all registered providers through regular monitoring to guarantee those in the highest need are allocated housing.
  - The Council should recognise the importance of the strategic housing function and how housing is integral to planning policy, social care and economic development, and therefore the need to strengthen the relationship between these functions.
  - The Council should promote a place-based approach to housing and economic development, which includes commissioning affordable and supported housing based on evidenced need to ensure that housing priorities are delivered in the right place. Thus, responding to the fact that Shropshire is made up of any different communities across a large geographic area with different needs.
  - Investment in social housing must acknowledge the specific needs of rural settlements, therefore products need to be tailored accordingly. For example, intergenerational supported housing, which could include staff accommodation, would help to promote a preventative agenda in villages and small towns (e.g., preventing admissions to hospital and care homes, and supporting people with learning disabilities and mental health problems to live independently).
  - The Council should explore and pursue opportunities to attract funding, such as Community Land Trusts, and lobby for new products specifically to support the rural economy which will not only deliver the preventative agenda, but also balance the housing market and help to ensure that people can continue to afford to live in communities in Shropshire. For example, innovative funding products to fund intergenerational living and for sub-market private rented accommodation for key workers who are not necessarily able to access social housing, as they are not in a high priority reasonable preference category.
  - The Council should review and implement any new legislation on short-term lets, helping to ensure that the balance is struck between the economic gain to communities and places through increased visitor spend, against the availability of homes to buy and rent where there is local concern.

- 8.2. A range of actions have already been delivered or are underway to address these recommendations. Further actions are now being scoped or planned to address them more fully. The Action Plan set out in Appendix 1 lists these for review.

## 9. Conclusions

- 9.1. The findings and recommendations of the Economy and Environment Overview and Scrutiny Committee are now being used to inform the development of housing related strategy and policy, with progress reflected in the Action Plan appended.

### List of Background Papers

- **Cabinet 6 September 2023 - Social Housing and Reviewing the Housing Strategy**
- **Economy and Environment Overview and Scrutiny Committee 20 July 2023 - Social Housing and Reviewing the Housing Strategy**
- **Economy and Environment Overview and Scrutiny Committee 23 April 2024 – Social Housing and Reviewing the Housing Strategy**

**Local Member:** Not applicable.

**Appendices:** APPENDIX 1 Action Plan

## APPENDIX 1 ACTION PLAN

|   | Recommendation  | Action  | Timescales  |
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| 1 | Following the implementation of the revised allocations policy and scheme, the Council should ensure that this is adhered to by all registered providers through regular monitoring to guarantee those in the highest need are allocated housing. | <p><b>Action to date</b></p> <ul style="list-style-type: none"> <li>The revised allocations policy and scheme is in use.</li> <li>Shropshire's main RPs were contacted individually and signed Nominations Agreements to ensure lettings are made in line with policy.</li> <li>The Housing Client Officer arranged formal monitoring meetings of RP obligations as contained within the Nominations Agreement, which commenced in April 2024, and will be reviewed at quarterly meetings.</li> <li>The Housing Service regularly challenges landlords who reject the highest banded bidders for a property, to ensure that this is legitimate. This has resulted in a higher number of lets being made to Band 1 bidders.</li> </ul> <p><b>Further action</b></p> <ul style="list-style-type: none"> <li>Closer working between the HomePoint team in Housing Services and the Housing Enabling team in Planning should see earlier exchanges with landlords around the first lettings of newbuild homes, to ensure that they are identified for cases in highest need.</li> <li><b>Amended action:</b> A planned upgrade of the Abritas system that sits behind HomePoint will improve reporting so that concerns can be identified and addressed earlier. The upgrade was previously due to delivery by April 2024, however, testing and implementation of the upgraded system has now completed with the upgraded system now live from October 2024.</li> </ul> | <ul style="list-style-type: none"> <li>July 2024</li> <li>October 2024</li> </ul> |
| 2 | The Council should recognise the importance of the strategic housing function and how housing is integral to planning policy,   | <p><b>Action to date</b></p> <ul style="list-style-type: none"> <li>A new Housing Strategy Officer post was created and appointed into in summer 2023, creating additional capacity in the strategic housing function.</li> </ul>   |   |

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|  | <p>social care and economic development, and therefore the need to strengthen the relationship between these functions.</p> | <ul style="list-style-type: none"> <li>• The Housing Strategy and Development Manager post, now vacant, was intended to be recruited into. However, in line with the savings plans set out in the MTFS, this position has now been deleted. The Strategy Officer will now report to an existing alternative line manager post which has been revised, with the title of Strategic Housing and Commissioning Manager</li> <li>• Planning policy and social care colleagues attend the Housing Executive Board meetings, to share information and action on strategic housing matters.</li> <li>• The Housing strategy has been identified as a key element of the Marches Strategic Partnership and the Strategic Infrastructure Partnership, where Shropshire Council working with neighbouring counties and with other partners to ensure that appropriate plans are put in place to meet need into the future.</li> <li>• <b>Action completed:</b> Economic Development colleagues have joined Housing Executive Board meetings to ensure links between key service areas.</li> <li>• The Housing Executive Board Programme Plan was refreshed in April 2024 with revised Terms of Reference to ensure activity is focused on those areas which will best deliver on the strategic priorities of the Council.</li> <li>• The Housing Strategy has been consolidated to include affordable, intermediate housing, ensuring it accounts for the rural nature of the county. The target start date was September 2024, and while the strategy remains in draft form, further work is required to fully develop it. Although this may result in some delays to its implementation, it is crucial to ensure the final strategy is robust, cross-departmental and informed by comprehensive data.</li> <li>• The Council has commissioned Housing LIN, funded by external grants, to complete a strategic needs assessment for Shropshire's supported accommodation. This assessment will provide a baseline of current provision across different accommodation types and models, compare it with best practice elsewhere, and offer recommendations for our future strategic direction.</li> </ul> |  |
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|   |  | <p><b>Further action</b></p> <ul style="list-style-type: none"> <li>• <b>Amended action:</b> A planned restructure to move housing enabling colleagues from planning policy to Housing Strategy has been suspended indefinitely, pending wider Council restructuring.</li> <li>• <b>Amended action:</b> The Council's Planning Policy and Housing Enablement services will commence the review of the Type and Affordability of Housing Supplementary Planning Document following adoption of the draft Shropshire Local Plan. This was targeted for September 2024, but is now due in spring 2025, following the delays to the Local Plan. This document will provide detailed advice for housebuilders regarding the Council's requirements and priorities for housing, thereby supporting the understanding and application of housing policies in the adopted Development Plan. In this way, it will also support the implementation of the Council's Housing Strategy.</li> <li>• <b>New action:</b> To review the findings of the Housing LIN assessment and evaluate how the recommendations can be integrated into the Housing strategy.</li> </ul> | <ul style="list-style-type: none"> <li>• May 2025</li> <li>• November 2024</li> </ul> |
| 3 | <p>The Council should promote a place-based approach to housing and economic development, which includes commissioning affordable and supported housing based on evidenced need so as to ensure that housing priorities are delivered in the right place. Thus, responding to the fact that Shropshire is made up of many different communities across a large geographic area with different needs.</p> | <p><b>Action to date</b></p> <ul style="list-style-type: none"> <li>• A Housing Commissioning Priorities document was drafted and issued to all Registered Providers and to Cornovii Developments Limited in summer 2023, planned to guide development programmes. This is based upon evidenced need derived from the Housing Needs Survey 2022 and includes reference to general needs and supported housing.</li> <li>• Planning consent was achieved for a new housing scheme at Coton Hill House, Shrewsbury, to provide supported accommodation for homeless people to enable them to move on into settled homes.</li> </ul>   |   |



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|  |  | <ul style="list-style-type: none"> <li>Proposed use of the Tannery East building for a period of three years to provide temporary accommodation was approved at Cabinet on 17 July 2024, subject to planning approval. Cornovii is to deliver 30 Private Rented Sector homes available from August 2025, for which key workers will receive first preference if they meet local lettings criteria.</li> <li><b>Amended action:</b> After further consideration and consultation with the relevant stakeholders, it has been determined that a review of the Tenancy Strategy is not necessary at this time, as the existing strategy effectively achieves our affordable housing goals.</li> <li>Preferences for the type and tenure of housing have been outlined, laying the groundwork for the Housing Strategy for Shrewsbury, aligning with the Big Town Plan. However, progress has been limited pending further guidance on infrastructure requirements.</li> <li>A final report was created in August 2024 based upon the findings of the Housing Needs Survey (<a href="#">link here</a>) allowing better evidenced decisions to be made.</li> </ul> <p><b>Further action</b></p> <ul style="list-style-type: none"> <li><b>Amended action:</b> We acknowledge the need for continued work in developing a housing strategy for Shrewsbury, linking to the Big Town Plan, economic goals, and the housing needs evidenced in the Housing Needs Survey. Homes England funding has permitted us to procure consultancy support to help define the housing element of the Smithfield Riverside scheme, which will help to contribute to the shaping of wider housing plans for the town.</li> <li>Opportunities are actively being sought to meet specific housing needs across Shropshire, in support of a range of different resident groups.</li> <li><b>New action:</b> The Housing Commissioning Priorities are to be regularly updated and will form a key function of the work of the Housing Executive Board, in terms of oversight and monitoring of delivery of new affordable homes.</li> </ul> | <ul style="list-style-type: none"> <li><b>Ongoing</b></li> </ul> |
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|          |   | <ul style="list-style-type: none"> <li>In line with the ASC and Housing commissioning an external supported accommodation Needs Assessment, it is not now intended to review and refresh the commissioning priorities until the outcomes and recommendations of the assessment are known.</li> </ul>   | <ul style="list-style-type: none"> <li><b>Ongoing</b></li> </ul>       |
| <b>4</b> | <p>Investment in social housing must acknowledge the specific needs of rural settlements, therefore products need to be tailored accordingly. For example, intergenerational supported housing, which could include staff accommodation, would help to promote a preventative agenda in villages and small towns (e.g., preventing admissions to hospital and care homes, and supporting people with learning disabilities and mental health problems to live independently).</p> | <p><b>Action to date</b></p> <ul style="list-style-type: none"> <li>The Housing Commissioning Priorities document includes reference to supported housing requirements and identifies a range of locations where newbuild development will be appropriate.</li> <li>Cabinet has approved the Sustainable Affordable Warmth Strategy addressing the investment needs of rural and urban homes.</li> <li>The Independent Living and Specialist Accommodation Strategy was approved at Cabinet on 26 September 2024 following an eight week public and stakeholder consultation which was extended</li> <li>The Preventing Homelessness and Rough Sleeping strategy was approved at Council on 28 September 2024 following an eight week public and stakeholder consultation</li> </ul> <p><b>Further action</b></p> <ul style="list-style-type: none"> <li><b>New action:</b> The new affordable, intermediate and rural housing strategy will be consolidated with the Housing Strategy (end date 2025) into a single comprehensive document. This consolidation ensures cohesive planning for housing priorities in future.</li> </ul> | <ul style="list-style-type: none"> <li><b>November 2024</b></li> </ul> |
| <b>5</b> | <p>The Council should explore and pursue opportunities to attract funding, such as Community Land Trusts, and lobby for new products specifically to support the rural economy which will not only deliver the preventative agenda, but also balance the housing market and help to</p>   | <p><b>Action to date</b></p> <ul style="list-style-type: none"> <li>Council officers meet regularly with Homes England as the main funder of social housing in England, as well as with WMCA which has recently been granted devolved funding for housing investment, to lobby for funding to support Shropshire's housing priorities.</li> <li>The establishment of the Marches Strategic Infrastructure Partnership has initiated discussions on funding for rural housing, alongside our neighbouring Councils with similar demographic and</li> </ul>  |  |

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|   | <p>ensure that people can continue to afford to live in communities in Shropshire. For example, innovative funding products to fund intergenerational living and for sub-market private rented accommodation for key workers who are not necessarily able to access social housing, as they are not in a high priority reasonable preference category.</p> | <p>geographic challenges. This has now been captured into the Marches Forward work.</p> <ul style="list-style-type: none"> <li>• <b>New Action delivered:</b> We have initiated meetings with health and social care colleagues to discuss affordable and intermediate housing options within a rural setting with a view to informing commissioning priorities and the housing strategy.</li> </ul> <p><b>Further action</b></p> <ul style="list-style-type: none"> <li>• An affordable and intermediate housing options strategy will be initiated. Following discussions, it has been decided to consolidate the affordable and intermediate housing strategy into the housing strategy, extending its scope beyond its original end date of 2025. The decision aims to comprehensively address the challenges faced by rural settlements and market towns.</li> <li>• The Housing sub-group of the Marches Strategic Infrastructure Partnership will identify opportunities to lobby and bid for funding to address the housing needs of the rural economy, with the intention of having more weight as a group than Shropshire on its own.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>October/November 2024</b></li> <li>• <b>Ongoing</b></li> </ul> |
| 6 | <p>The Council should review and implement any new legislation on short-term lets, helping to ensure that the balance is struck between the economic gain to communities and places through increased visitor spend, against the availability of homes to buy and rent where there is local concern.</p>   | <p><b>Action to date</b></p> <ul style="list-style-type: none"> <li>• National policy discussions on short term residential lets are being monitored. However, no new legislation has yet been issued for implementation locally.</li> </ul> <p><b>Further action</b></p> <ul style="list-style-type: none"> <li>• Working with the Housing sub-group of the Marches Strategic Infrastructure Partnership, opportunities will be identified to lobby for legislation relating to short-term lets, to address the impact this has on availability of homes for local residents.</li> <li>• New legislation will be implemented as appropriate to ensure that the visitor economy and local housing needs are well balanced.</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Ongoing</b></li> <li>• <b>Ongoing</b></li> </ul>               |