

Housing Strategy

December 2018



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Foreword

Providing more homes for local people is one of the council's key priorities.

Our draft Local Plan will deliver a significant increase in house building over the next 20 years. With over 10,000 new homes planned up to 2036, this represents a very significant increase in local housebuilding. Whilst many of these new homes will be delivered by developers and housing associations, the council will also deliver significant numbers of new affordable housing to help our residents get a home.

This strategy deals with the wider housing market and the need to build more homes across our district as well as identifying what the council will do, as housing authority, to increase the number of new affordable homes for those in housing need within our communities.

We know that housing is becoming more and more unaffordable for many of our residents.

We want to be proactive in helping to provide a range of housing options of all tenures and at the same time, increase the supply and quality of housing that we, as a Housing Authority, directly control.

Good quality housing is vitally important to the health and well-being of individuals and contributes to the social, environmental and economic sustainability of our communities. With high house prices in our area, the council has a special role to play in helping to provide much needed affordable housing, directly building such homes in addition to those that are required of private developers under planning policies. Current proposals will see these being provided in a range of tenures including social rent, affordable rent and shared ownership.

The council wishes to be ambitious in terms of delivery and facilitating greater numbers of houses for local people. In recent years we have begun to lay the foundation for a

new direction of travel however our area still faces many major housing challenges.

Economic prosperity should mean that everyone has access to decent housing. Unfortunately, there is a significant number within our communities who do not have a home and have little prospect of ever being able to afford one. Homelessness within our district is at an all-time high. Whilst there will always be challenges, we must strive to ensure there is a range of available housing that meets the needs of those in housing need within our communities.

With over 3,300 people on the Homesearch Register, the council is determined to do what it can to increase the supply of affordable houses across our area. Developers will also be expected to play their part in delivering greater numbers of affordable homes.

This new Strategy sets out the council's strategic housing priorities. It looks at how the council can address the delivery of housing within our district and sets out what the council will provide in its own right as housing authority.

Through this strategy, the council will accelerate new council house building and acquisitions to provide much needed social rented, affordable rented and shared ownership schemes. Based on current estimates we can fund up to 600 new affordable homes by March 2026 but we have the capacity for many more, if our borrowing ability is optimised and we can secure additional government support.

Cllr Jill Cleary
Portfolio Holder for
Housing Services

Recent achievements

- Exceeded 2009 Core Strategy housing objective.
- Over 1,000 housing completions during the last five years including 186 new build affordable homes.
- 172 council buy-backs acquired for social rent (2012/13 - 2017/18).
- 55 new-build council homes under construction.
- Increased Private Sector Leased homes to 117.
- Completed North Milton regeneration scheme including 21 new homes.
- New financial assistance policy for disabled adaptations and home repairs.
- Partnership working with New Forest Disability Information Services to assist hospital discharge (Private sector housing).



Introduction

The New Forest District covers an area of 290 square miles, of which 209 square miles is within the New Forest National Park.

Located between Southampton and Bournemouth/Poole and with good connections to London, it is a beautiful and sought after place to live; yet it is an area with some exceptional and conflicting challenges.

Of a total population of around 179,200 people, 32,000 residents live within the National Park.

In addition to the protected status of the National Park, development within the district is also constrained by an Area of Outstanding Natural Beauty (26 square miles), Sites of Special Scientific Interest, Special Protected Areas, Green Belt and areas of countryside and coast of national and international importance for nature conservation. Significant landscape and habitat designations limit the extent to which housing demand can be accommodated.

A strong local economy

The district benefits from a resilient and diverse local economy. However an ageing workforce, an under-representation of high value added sectors, and a high proportion of unskilled residents, limit the capacity for future growth.

Housing related risks to economic growth are also evident within commuting patterns. Of the 50,000 people who travel into and out of the New Forest for work, higher paid managerial sectors can afford to live within the district and out-commute, whilst many lower earning households are restricted to more affordable areas outside the district.

Significant housing issues

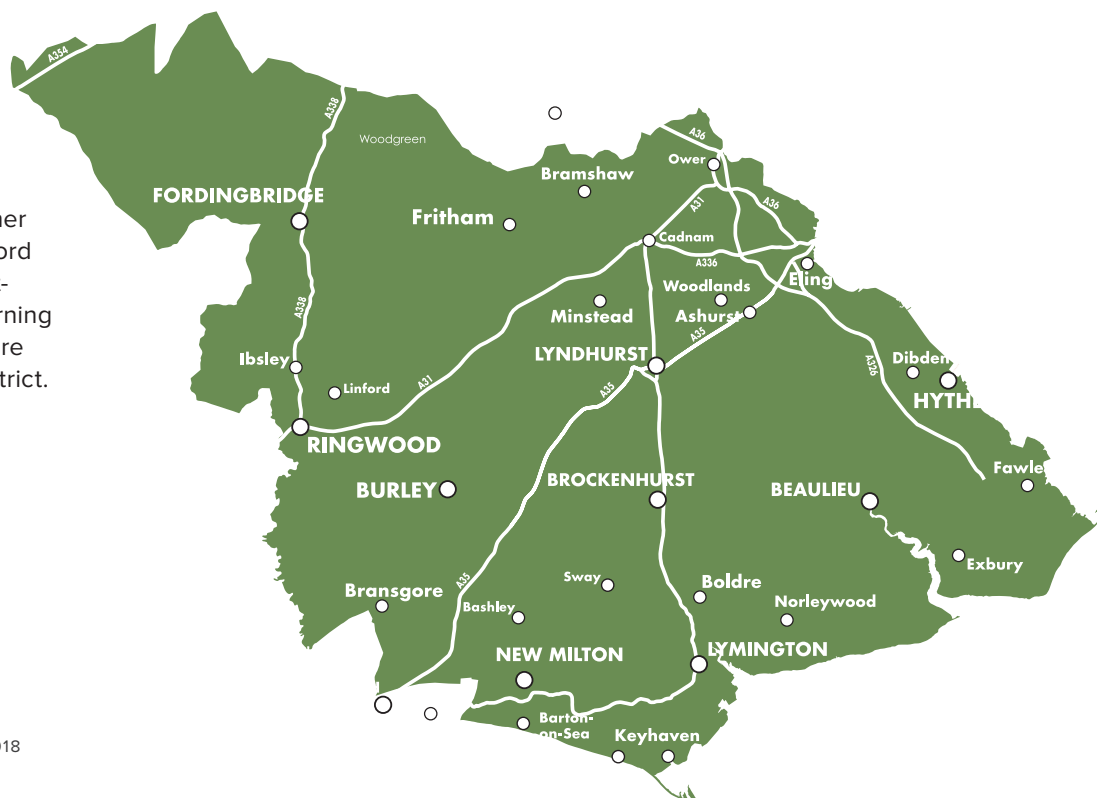
In contrast with those parts of the district that can be characterised as affluent with house prices and rentals above the UK average, pockets of deprivation and a number of significant housing challenges exist:

- Acute income/housing affordability disparity.
- High proportion of high value detached homes with a dearth of smaller homes.
- High numbers of second homes in the National Park and the southern coastal sub-area.
- 27% of household incomes below £20,000.
- 13 to 1 house price to income ratio.
- 9,000 households supported with Housing Benefit and/or council tax reductions.
- 28% of the population over 65 years' old.
- Homelessness in the district is increasing; during 2017/18 the council accepted homelessness duties in respect of 115 households, and currently has over 400 households in temporary accommodation.

The council remains the largest provider of housing within the district, managing a stock of over 5,000 socially rented homes and is committed to ensuring that it gives continued support to its residents in addressing their housing needs. In excess of 3,300 households are currently listed on the Homesearch Register.

Economic and workforce key facts of the district

- One of the largest economies in Hampshire (£4.4bn GVA).
- Over 9,000 businesses - more than Southampton and Portsmouth, albeit through small scale employers.
- A diverse economy: over 50% working in wholesale and retail trade, human health and social work, manufacturing, education and construction.



Vision and corporate context

Housing Strategy Vision

‘To create balanced communities for the residents of the New Forest District; providing a range of housing options that are affordable and sustainable.’

The core of the Council’s Housing Strategy is to create balanced communities for the residents of New Forest District, providing a range of housing options that are affordable and sustainable.

Working in tandem with related plans, policies and duties to deliver the vision, this Housing Strategy sets out why and how New Forest District Council intends to use its powers, resources and influence to address four key priorities:

Strategic housing priorities

- To **accelerate and maximise** future housing development that meets local need and leads to sustainable growth.
- To **increase** the supply of high quality affordable homes through an ambitious Council house building and acquisitions programme.
- To **improve** the housing circumstances of those within our communities most in housing need.
- To **enable** the best use of housing to meet the needs of local people, including support for a strong high quality private rented sector.

In defining our priorities, the council has looked at the many factors that drive, shape and constrain our local housing market and determine current and future housing needs.

The council has listened to the concerns and aspirations of communities and those with housing related interests across the district and has aligned its priorities with those of the adopted corporate plan having regard for the various statutory and discretionary housing and planning functions that the council and partner organisations deliver.

Addressing local and national priorities the council will facilitate the increased supply of homes to meet objectively assessed housing needs in accordance with the principles of sustainable development.

As required by the Homelessness Reduction Act (2017) new statutory duties will be addressed through this strategy and a renewed Homelessness Strategy, to help those in housing need including some of the most vulnerable in our community.

The council is determined to address the housing challenges that the district presents and forge a new approach to the delivery of housing through innovation, and by remaining focused on the vision and priorities that create balanced and sustainable communities.

By using reserves, receipts from the sale of council homes and new borrowing capacity, the council intends to maximise the delivery of affordable housing during the first 10 years of the Local Plan period (to 2026*). It will do so through the optimisation of planning policies, developing its own land, acquisitions from developers working in the district and working with other partners and stakeholders including the National Park Authority, town and parish councils, Registered Providers, developers and communities.

This strategy addresses housing issues within the New Forest District and the majority of the National Park, as the District Council is the Housing Authority for both. The successful implementation of this strategy therefore relies upon close collaborative working arrangements with the National Park Authority and our joint partners and agencies who serve the whole of area.

* Based on the draft Local Plan housing trajectory approximately 3,400 homes should be built in the district by 2026 including a target of around 1,200 affordable homes required under Planning Policy. With Government help and optimised borrowing ability, the Council is aiming to secure the maximum number of newly completed dwellings for affordable housing through its own development programme.

Connections with the council's corporate plan

The priorities of the New Forest District Council Corporate Plan not only recognise the importance of delivering more homes for local people (both market and affordable) but the need for our actions and influence to improve health and well-being, to contribute to economic growth, to protect the character of our place, and to optimise our effectiveness by working closely with others.

Our strategic housing priorities also align with those of central government and the aspirations of the 2017 Housing White Paper ("Fixing our Broken Housing Market") and the subsequent consultation paper "Planning for the Right Homes in the Right Places". Over the long term these national policies are aiming to create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and which support wider economic prosperity.

Sitting alongside the Local Plan Review (2016 to 2036), the Housing Strategy contains high level objectives supported by a suite of



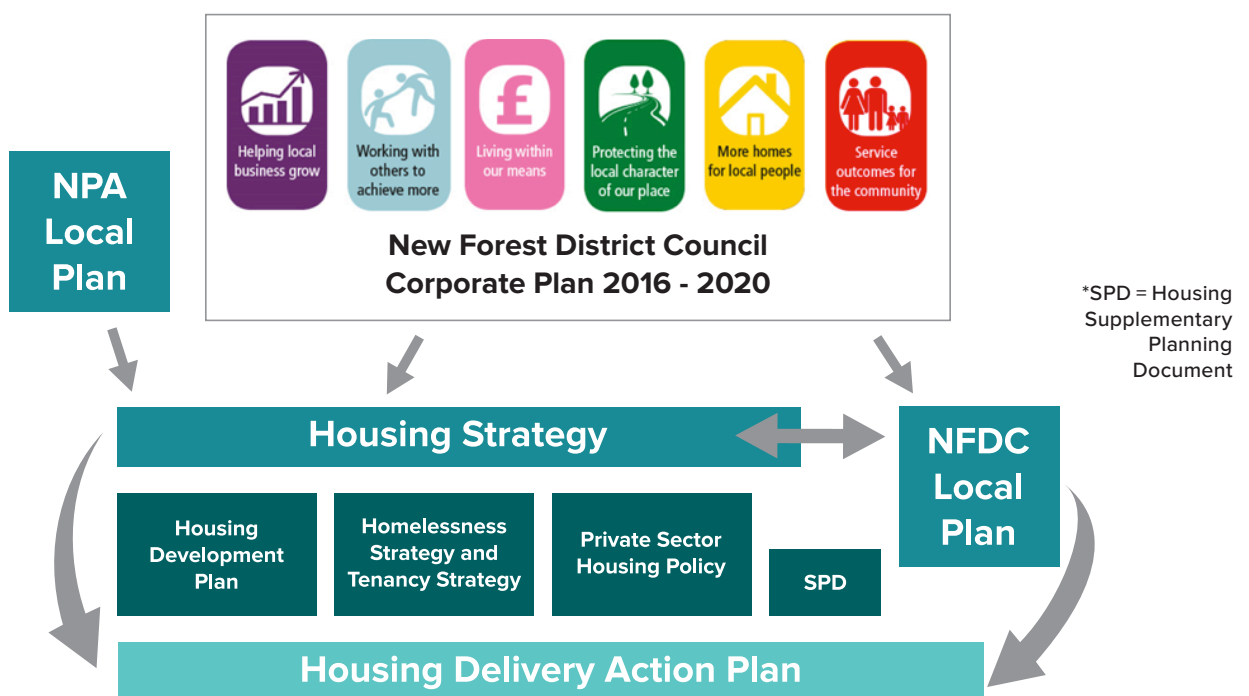
New Forest District Council homes in Ringwood (2018),

operational policies and related strategies.

The relationships within and between the various policies and documents will ensure that a comprehensive approach is taken to local authority housing interests, whether they are related to new-build, the existing stock or duties and services to those who are vulnerable or facing homelessness.

Monitoring performance

Progress of the Housing Strategy will be reported to Housing Overview and Scrutiny Committee on an annual basis.



*SPD = Housing Supplementary Planning Document

National policy context

The statutory and discretionary housing services provided by New Forest District Council, and the housing needs of our residents are directly affected by national housing and fiscal policy and legislative requirements.

Responding to both national and local factors, the last decade has seen major changes in relevant legislation and guidance. Central government has sought to tackle the short and long-term effects of the credit crunch on the housing and financial markets, to manage a period of austerity, to introduce various reforms to social and welfare systems, and to kick-start the housing market.

The following section summarises the key policy and legislative changes that have taken place during the last decade, with their varying consequences on housing and housing-related services at local level.

Welfare reform

The Welfare Reform Act (2012) has led to dramatic changes in the amount of financial support that is available to households in housing need and the way in which it is paid. The Act has led to the introduction of Universal Credit and Housing Benefit restrictions affecting eligible households who under-occupy social housing (Spare Room Subsidy) whilst the previous “Disability Living Allowance” has been replaced with Personal Independence Payments. However not all reforms have been implemented, e.g. proposed restrictions for all single social housing tenants under 35 to be limited to Local Housing Allowance room rates.

Private rented sector

A diversity of new duties and enforcement powers introduced through recent Regulations and Acts have sought to address weaknesses and failings within the private rented sector, to improve energy efficiency, tackle rogue landlords and to extend the licensing of Housing in Multiple Occupation (and the living space standards within them).

Housing growth, planning and new development

As a national policy priority, the need to increase new housing delivery and to address the failings of the wider housing market is being addressed through a variety of means including the Housing and Planning Act (2016), White Papers and Consultation Papers and new National Planning Guidance (2018).

With targets and measures that are already being implemented, the 2017 Housing White Paper set out central government’s intentions under the four themes of “Building Homes Faster”, “Diversifying the market”, “Right Homes, Right Places” and “Helping people Now”. Considering all aspects of the housing development process – from land-owners to planners, and construction methodology to self-build and custom-build - the proposals will continue to affect all of those with market and affordable housing interests.

Statutory duties and social housing policy

The last seven years have seen dramatic changes of direction within the social housing sector.

Following the introduction of greater freedoms and flexibilities for social housing providers and those with statutory housing duties in 2011/12, policy and legislative changes saw a move away from social housing support to solutions that favoured home-ownership.

But with the wider housing market showing no sign of improvement, and with downward pressures continuing to affect those most in need, the pendulum has swung back. Alongside increased duties on Local Housing Authorities to assist and prevent homelessness, central government has recognised the importance of the wider affordable housing sector as well as home-ownership, and is creating an environment that favours new provision and seeks to support those who live within it. (Social Housing Green Paper 2018).

Affordable housing and council house-building

Since 2008 national housing policy has sought to increase new affordable housing opportunities and delivery – which require subsidy by definition, whilst seeking to recover from an era of austerity. Introduced in 2011 the National Affordable Rent model (up to 80% of market rent) promised to create added capacity, while Council Housing Finance Reform in 2012, paved the way for a new generation of council house building. National housing policy then swung towards affordable home ownership, seeing a four-year period of rent cuts imposed on social housing providers, with government funding being restricted to forms of home-ownership and the creation of Starter Homes (in the Housing and Planning Act 2016).

As evidenced by the Housing White Paper (2017), the Housing Green Paper (2018), and recent announcements on council borrowing caps, the balance is swinging back with government recognising the importance of achieving growth within all sectors along with access to significant levels of subsidy.

Local challenges

In determining our strategic priorities four key challenges have been identified which our actions and influence must address if current and future housing market pressures are to be reduced throughout the district.

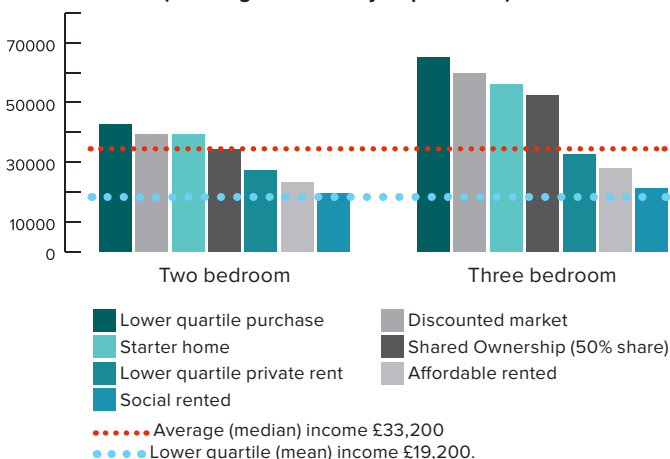
The local housing market

- In March 2017, with an average purchase price of £322,000, the New Forest District was recognised as having a higher than average price not only for Hampshire but for the rest of the South East.
- Data provided by the National Park suggested that at £550,000 the New Forest had the highest average house price of any National Park.
- Between 2011 and 2017 private rents increased by 20%, marginally more than the national average.
- Current estimates indicate that over 10,000 New Forest households live in the private rented sector.

Whilst these headline statistics help to make sense of high residential development land values, they conceal a number of significant characteristics that both define and constrain the local market:

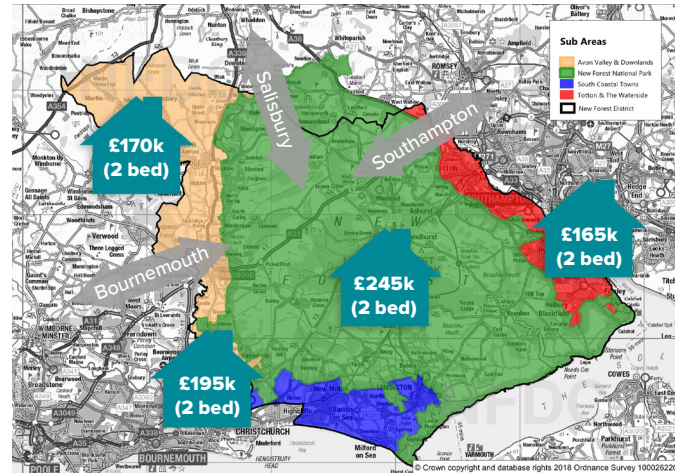
- 46% of dwellings are detached (compared with 22% across England) and 29% are smaller homes (compared with 46% across England).
- the high number of second homes in some parts of the New Forest.
- the push and pull factors of commutable neighbouring market areas and conurbations (Bournemouth, Salisbury and Southampton).

Indicative affordability thresholds (Housing Affordability Report 2017)



Only 19% of the undeveloped land in the Draft Local Plan Area is not directly affected by a significantly constraining national policy, safety or environmental constraint. Of the remainder (approximately 4,500 hectares of greenfield land) around 950 hectares have locally identified habitat or wildlife value, around 210 hectares are within the strategic

land reserve for the Port of Southampton at Dibden Bay, and around 470 hectares are allocated for development in this Local Plan. The majority of the remaining area without significant constraints is in relatively remote rural locations.



Map of the New Forest showing adjoining housing market areas, sub-markets and lower quartile purchase prices (two bedroom homes, 2017).

Affordability

Given the demand for housing and the constrained nature of supply, severe access and affordability issues exist for a high proportion of households on lower incomes. 60% of district households have incomes below £40,000 and 27% of households have incomes below £20,000.

Private rented accommodation may not reflect the tenure of choice for many households but the sector has become the housing solution for many on lower incomes. And where it is available and affordable landlords and agents now apply strict income/affordability tests, require substantial deposits and fees, and few accept tenants on Housing Benefit.

- 24% of households cannot afford to buy but can afford private rent.
- 18% of households can only afford to rent with support (i.e. Housing Benefit).
- 7% can afford “Affordable Rent” .
- 12% of households can afford “Social Rent” without support.

Future housing need and demand

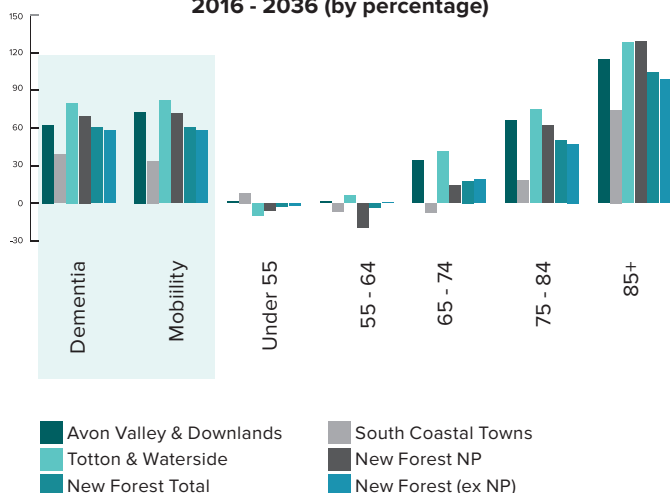
In 2017 the Government’s Housing White Paper “Fixing our Broken Housing Market” highlighted the need for up to 275,000 new homes or more each year to keep up with population growth and to tackle years of under-supply.

Within the New Forest district up to date projections have

indicated that the population will grow by 10% between 2016 and 2036, reflecting a need to plan for an additional 11,680 households in the New Forest District, including the New Forest National Park area.

Social and demographic projections show a growth in smaller households and an ageing population. Housing provision needs to address the impact of these changes in the type of housing these households will require. Annually increasing demands for disability adaptations is one example of such changes in the district.

Predicted age and age related health changes 2016 - 2036 (by percentage)



Support for those in great need

As supply and demand pressures have fuelled higher prices and private rents - worsening income and affordability ratios - downward forces and external factors have reduced choice and opportunity for those in greatest need and for those requiring social rented housing, with or without financial support and assistance.

At the same time a series of measures and welfare reforms have impacted upon single people, families and vulnerable households, imposing greater limitations on renting from private and social landlords, creating additional demands for smaller homes in the affordable rented sector and widening gaps between increased private rents and the levels of financial support.

Balanced arguments justify the need for new national welfare systems and reforms, for encouraging work and for the optimisation of resources for those in greatest need. However in an area where there is a need to counteract the impact of the Right to Buy and where housing options and opportunities do not align with housing needs, pressures have converged on local housing authority duties.

As a result the number of homelessness applications and acceptances continue to rise with increasingly

Homelessness key statistics

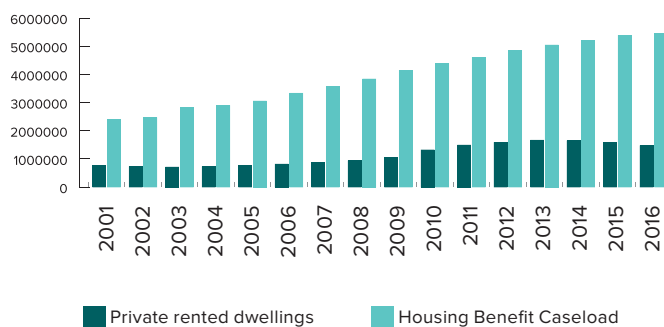
- 23% of approaches are single males.
- 13% of approaches are single females.
- 57% of approaches have dependent children.
- 15% of main duty homeless acceptances had a priority need due to mental health issues and 9% due to physical disabilities.
- social housing lettings continue to fall year on year, with 295 Council stock lettings in 2016/17 and 345 in 2015/16, representing a 30% reduction in the last year.
- There are currently 3,350 households on the Housing Register.

complex and sensitive cases. In turn the demand and the associated costs of temporary and emergency accommodation have risen, along with annual net increases of applicants listed on the Homesearch register.

The Council has limited access to supported accommodation and dedicated support services for vulnerable people are largely based around community support provided at drop in venues or mental health centres, with the Council responsible for adequately meeting the accommodation needs of complex households.

The County Council has announced a reduction in support provision for its social inclusion services (homelessness support) from 2019 at a time when further welfare reforms also hit as the area rolls into a Universal Credit live service from September 2018.

Consistent growth of the private rented sector since 2004 but a falling number of private tenancies supported by Housing Benefit since 2012/13



Source: Housing Benefit Caseload data (DWP) MHCLG for stock data

Strategic priority

Future Housing Development

To accelerate and maximise future housing development that meets local need and leads to sustainable growth

Actions

Through our Local Plan, we will:

- Allocate land through the local plan for the provision of 10,500 new dwellings between 2016 and 2036.
- Support the creation of cohesive communities, ensuring a mix of housing sizes, types and tenures that meet the needs of households on moderate and lower incomes, families with children, couples, single person, and homes designed to meet the needs of older people and people with disabilities.
- Seek to ensure that strategic site allocations and other developments of 100+ homes include elements of discounted 'market' starter homes; serviced plots for self-builders; homes for private rent; homes for downsizing older households (e.g. bungalows, sheltered or extra care housing).
- On eligible developments in Totton and Waterside, require 35% of new homes to be affordable housing to meet local needs and elsewhere the requirement will be for 50% affordable housing to meet local needs.
- Require 70% of the affordable homes for forms of social rent, split equally between social and affordable rent models, and 30% intermediate or affordable home ownership tenures including shared-ownership.
- Permit rural housing exception sites and community-led housing schemes where they meet an identified need for local people which cannot be provided in any other way.
- Take a positive and flexible approach to the adaptation of homes where doing so would enable the occupier to continue living independently.
- Ensure that new homes are built to standards that are capable of adaptation to meet the future needs of older people and others with care needs, and that strategic site allocations in particular, include housing types designed to be suitable for older people.
- Meet the need for gypsy and traveller pitches and plots for travelling show-people, who continue to live a travelling lifestyle, by existing planning permissions and as defined in the local plan.

We will also:

- Prepare a Housing Delivery Action Plan identifying actions we will take to maximise the delivery of planned housing development.
- Work positively with developers and landowners to bring forward allocated housing land in a timely way, whilst being willing to employ appropriate powers where necessary.
- Work closely with Registered Providers and Homes England to increase the supply of high quality affordable homes to meet the diverse needs of our communities with priority being given to rent.
- Develop and adopt supplementary planning guidance to support the requirements of the local plan
- Work collaboratively with the National Park Authority and the HARAH partnership to encourage and optimise the provision of affordable and community-led housing throughout town and rural communities.
- Establish a housing company to support development of private rented homes.



Strategic priority

Council housing provision

To increase the supply of high quality affordable homes through an ambitious Council house building and acquisitions programme

Actions

We will:

- Seek to provide 600 new council homes for the period to 2026 with social rent, affordable rent and shared ownership tenures.
- Adopt an innovative approach to new affordable housing provision including implementing shared ownership and affordable rented models in addition to social rent to increase the range of products the council has to offer its residents.
- Identify and optimise council house building capacity through partnerships with Registered Providers and private developers.
- Identify opportunities for the development of council owned land for affordable housing purposes.
- Continue to finance the buy-back programme, to offset stock losses through the Right to Buy.
- Advance the development of council owned temporary accommodation provision.
- Undertake a detailed review of current council housing stock and assets, identify opportunities for conversions and remodelling, whilst making best use of under-used land and garage forecourts.
- Advance and implement a housing development plan to provide a framework for future investment and defined principles.
- Seek to optimise Central Government and Homes England funding to augment our programme and accelerate delivery.



Affordable homes in Lymington



New Forest District Council homes under construction (2018).

Strategic priority

Meeting our greatest needs

To improve the housing circumstances of those within our communities most in need

Actions

We will:

- Adopt a new fit-for-purpose Homelessness & Rough Sleeping Strategy.
- Review and adopt a new Social Housing Allocation Policy to better respond to housing need.
- Review and optimise internal processes to progress households through our frontline homeless services to move on and independent living.
- Prevent and reduce homelessness, sustain tenancies and protect health and safety of tenants through use of enforcement powers against landlords for unlicensed HMOs or properties in poor condition.
- Minimise the use of Bed & Breakfast and privately owned emergency and temporary accommodation.
- Review the current allocation of staffing resources against the requirements of the Homelessness Reduction Act 2017, emerging demand trends, client support requirements, Rough Sleeper engagement, move on of temporary accommodation and Landlord liaison.
- Build close working partnerships with private, public and third sector agencies to optimise the prevention of homelessness, to implement joint protocols and solutions, build effective communication and provide efficient services.
- Aim to end Rough Sleeping in the District through a multi-agency approach and designing a pathway to achieve long term accommodation sustainability.
- Create and support independent living through maximising access and provision of disabled adaptation funding to eligible vulnerable groups.
- Continue to support and work alongside County Council and NHS commissioned services which provide vital support for vulnerable people in the district with regard to Mental Health, Addictions, Accommodation support and access to services.
- Build effective relationships with private rented sector landlords and agents to maintain confidence in the sector and improve access to our clients.
- Effectively communicate housing options to those in housing need and provide good access to affordable housing options across the whole range of tenures.



New Milton regeneration scheme.

Strategic priority

Best use of the existing stock

To enable the best use of housing to meet local needs, including support for a strong high quality private rented sector

Actions

We will:

- Improve the effective occupation and allocation of the existing social housing stock (Council and Registered Provider) through a comprehensive review of the Housing Allocation Policy & Housing Register.
- Implement a Tenancy Strategy that enables tenancies to be offered that support the objective of creating cohesive communities; providing tenants with an appropriate level of security while creating flexibility in the affordable housing stock.
- Develop a Private Sector Housing Strategy outlining the Council's role in increasing access to and standards in the private rented sector, protecting tenants health and safety and promoting energy efficiency and fuel poverty schemes.
- Administer and enforce the mandatory Houses in Multiple Occupation (HMO) licensing regime.
- Through the new Housing Allocation Policy and Tenancy Strategy, ensure the best use of available stock.
- Provide the opportunity for residents to continue living in their own home through greater access to disabled adaptation funding.
- Review of the Council's Strategy on Empty Properties to bring them back into use.
- Review existing tenant engagement and participation to achieve wider community representation.
- Engage with, educate and support private landlords in the provision of rented accommodation.



New Forest District Council homes in New Milton (2018).

New Forest District Council

Appletree Court, Beaulieu Road, Lyndhurst. Hampshire. SO43 7PN

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