

Housing Strategy 2016 – 2019

Investing in a great place to live, where the supply of houses reflects local needs



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Foreword by Councillor Sandra Hawke, Portfolio Holder for Housing and Environmental Health

Test Valley is a mainly rural borough covering 62,758 hectares on the western side of Hampshire. It borders Southampton to the south and Newbury to the north. Test Valley is made up of 24 different wards and though largely rural in character, a large proportion of the borough's residents live in the main settlement areas of Andover, Romsey, Chilworth, Valley Park, Nursling, Rownhams and North Baddesley.

The Council recognises the importance of housing in its widest sense to ensure a high quality of life for its residents. All residents should have access to a good quality home which they can afford. The Council's revised Local Plan considers the issues around the overall supply of housing in the borough including the provision of new affordable housing. Over the Local Plan Period 2011 to 2029 there is capacity to build 10,584 new homes.

The Council's values of accountability, ambition, empowerment, integrity and inclusiveness underpin the work we do to ensure that housing is not just bricks and mortar but delivering change focused on the needs of individuals and communities.

We are committed to making sure that all of our housing work continues to align and work together to provide an effective and efficient service in a time of reducing resources and increased need. The Housing Strategy sets out the Council's ambitions for housing for the next 3 - 4 years and how the Council and its partners will work together to address housing pressures in the borough and lever in private and charitable partnership funding for the authority.

We will need to keep the Strategy under regular review to take account of further legislation and regulatory changes.

Introduction

The Corporate Plan 'Investing in Test Valley' 2015 – 2019 sets out the Council's vision and priorities. The four priorities contained within the Corporate Plan are:-

LIVE where the supply of homes reflects local needs.

WORK and do business

ENJOY the natural and built environment

CONTRIBUTE to and be part of a strong community.

One of the key principles within the Corporate Plan is to use evidence-based decision making to understand the issues and take a full assessment of what is needed and why. The Review of the Housing Evidence Base and Assessed Housing Need July 2016 provides the foundation for this Strategy and Action Plan.

The Housing Strategy is an over-arching document which focuses and co-ordinates a number of other housing related strategies and policies enabling us to continue our drive in delivering the LIVE objectives and addressing the housing needs of Test Valley.

This Strategy has clear commitments to address the issues identified through consultation as well as building on the successes of the previous Housing Strategy.

The Action Plan will be updated yearly. A Report on the progress of the Strategy and Action Plan will be produced annually and circulated to the Portfolio Holder with responsibility for Housing and Environmental Health and published on the Test Valley website.

The Review of Housing Evidence Base and Assessed Housing Need in Test Valley (Evidence Base) and Action Plan are appended to this Strategy. Other key related documents are the:-

Preventing Homelessness Strategy 2016 – 2019:
www.testvalley.gov.uk/resident/housingandenvironmentalhealth/housing/homelessoratrisk/homelessness-review-amp-strategy-2014-2015

the Home Energy Conservation Act Action Plan :

www.testvalley.gov.uk/resident/housingandenvironmentalhealth/housing/private-sector-housing/energyefficiency/home-energy-conservation-act-1995-heca-report

The Private Sector Housing Renewal Policy:
www.testvalley.gov.uk/resident/housingandenvironmentalhealth/housing/private-sector-housing/private-sector-housing-renewal-strategy



Our Housing Challenges

Test Valley is a popular place to live, work and visit. However, the Borough has a contrast of areas of high affluence and some areas of deprivation where residents can experience inequality in terms of access to suitable housing and employment.

The Housing Evidence Base 2016 highlights the pressures from an increasing population; high property prices; pockets of poor quality housing; limited opportunities for development and the effect the welfare reforms are having on many families, individuals and particularly the most vulnerable within Test Valley.

Test Valley needs an additional 588 homes¹ a year to keep up with the number of new households. It is estimated that up until 2029, 206 of these additional homes per annum should be affordable homes. With the significant reduction of government funding for affordable housing and the government's emphasis on home ownership, providing affordable rent and mixed tenure developments becomes increasingly difficult, particularly in areas with high house prices.

¹ Test Valley Borough Revised Local Plan DPD 2011 - 2029

Any reduction in affordable housing is likely to result in people having to access the expensive private rented sector, reducing their capacity to pursue home ownership. It also risks creating recruitment challenges for employers in areas of high house prices, particularly for those on lower wages. This may have a knock-on impact for economic performance in both urban and rural areas as employers struggle to fill vacancies that they need to grow their businesses.

The 2014 household projections indicate that over the period 2014 to 2039, the numbers of households aged 65 and below will decrease by 3% whilst the number of households aged over 65 will rise by 70% by 2037. This has clear implications for pensions and health policy as well as housing provision. A decrease in the availability of specialist accommodation would inevitably generate upward pressure on health and social care costs.

Our key challenges in Test Valley are:-

- The average property price is 8.5 times the average salary for the area. (2014).
- 2,250 households are living in unsuitable accommodation (all tenures)²

² Test Valley Strategic Housing Market Assessment Jan 2014

- 77% of households have an excess of space for the number of residents.
- A need to increase the supply of smaller sized units to attract people needing and wishing to downsize.
- 189 long term vacant empty properties.
- An aim to deliver 200 new affordable homes each year.
- To increase investment in the private rented sector
- An ageing population that requires employers to be flexible in recruiting and retaining those over 65 years.
- The need for 'specialist' accommodation for older persons and increasing demand for aids and adaptations.
- Need to deliver the necessary level of housing, including affordable housing, to encourage and enable employees to live and work locally.
- The impact of Welfare Reform for the under 35s and lack of shared accommodation.
- Additional pitches for Gypsy and Travellers required.
- Approximately 1,970 applicants on the Housing Register.

Our Housing Successes

Over 3,619 new homes have been built in Test Valley since 2011/12.

Housing Completions within Test Valley			
Year	Northern Test Valley	Southern Test Valley	Total Test Valley
2011/12	437	86	523
2012/13	467	203	670
2013/14	359	183	542
2014/15	668	212	880
2015/16	666	338	1004
Total	2597	1022	3619

Affordable Homes: The Housing Strategy 2011 - 2015 undertook to deliver 798 affordable homes. This target was exceeded by 223 new homes.

The target for Financial Year	No of Affordable Homes delivered
2011 - 2012	220
2012 - 2013	340
2013 - 2014	159
2014 - 2015	302
2015 - 2016	247
Total	1,268

The 2015 - 2016 Affordable Housing Programme provided 14 x fully wheelchair compliant dwellings for those in need of adapted properties and 40 x 'Lifetime Homes Standard' properties which enable people to remain in their own homes into old age.

Housing Quality: The Council seeks to make the best use of the existing housing stock ensuring private sector housing is well maintained and of good quality through the provision of Housing Renewal Grants (HRGs); for essential repairs of serious defects, adaptations or energy efficiency work. The provision of aids and adaptations via Disabled Facility Grants (DFGs) and Disabled Facility Loans (DFLs); to enable people to remain independent and stay in their own homes. From 2011 to 2016 the Council (including government grant) has provided funding totalling £3.7 million.

Financial Year	Total DFG £	DFL £	HRG £
2011 - 12	838,000	0	13,000
2012 - 13	684,000	48,200	17,000
2013 - 14	705,000	15,600	18,000
2014 - 15	541,000	36,500	29,000
2015 - 16	713,000	44,200	5,400
TOTAL	3,481,000	144,500	82,400

Through our actions we have improved the quality of homes in both the private and social sectors. Licencing all mandatory houses in multiple occupation (HMOs) is aimed at improving housing conditions for residents and the Council has adopted the 2008 Model Standards for Mobile Home Parks. The Licensing Fee Policy for mobile homes sites was introduced from April 2016.

Preventing Homelessness: Since April 2013, the Housing Options Team has assessed 279 homeless applications, prevented 1,216 households from becoming homeless and a further 2,805 households have used the in-house triage advice service.

Overall, there has been a reduction in homelessness and rough sleeping over the last 4 years. The last Rough Sleeper Count in 2015/16 found 3 sleeping rough on one night compare to 7 in the previous year.

There has been a significant reduction in the number of applicants on the housing register since 2012 with a historic low in 2015 of 1,970 applicants. This is linked to a change in the Allocations Policy and eligibility in accordance with the Localism Act 2012.

Our Priorities and Themes

The Strategy has five main priorities that reflect the fundamental housing needs of Test Valley.

These priorities have been identified by taking into account the views of the local people, statistical information regarding the Borough and external influences, such as government policy, the housing market and the economy.

Within these priorities, there are a number of themes detailing areas of need which have been set out below.

The themes have been translated into the Action Plan for the 2016 – 2019 which details what the Council plans to do.

Priority 1: The Economy and Responding to new Legislation and Guidance

- Responding to political change – devolution.
- Promoting apprenticeships, training, job opportunities and work experience.
- Housing and Planning Act 2016
- Welfare Reform & Work Act 2016
- Rent Reduction for Registered Providers
- Addressing reduction in government funding for affordable rent

Priority 2: Housing Need

- Downsizing opportunities
- Accommodation for under 35s.
- Homelessness Prevention
- Adequate supply of temporary accommodation
- Supporting older people
- Rural housing need
- Provision of gypsy and traveller permanent pitches in accordance with the Local Plan.
- Supporting Vulnerable People
- Sustainable Communities

Priority 3: Housing Supply and Maximising Affordable Housing Development

- Maximising supply
- Smaller family homes
- Accommodation for older people
- Affordable Housing Capital Grant Programme
- Affordability
- New ways of working
- Private rented sector
- Housing associations

Priority 4: Neighbourhood Planning and Community Benefit

- Brokering partnerships
- Neighbourhood Planning
- Housing Need Surveys
- Rural Housing

Priority 5: Improving Housing Quality

- Decent, warm and healthy Homes
- Financial assistance
- Addressing fuel poverty
- Mobile Home Parks
- Private Sector Landlords' Forum
- Regulating the Private Sector
- Licencing HMO's
- Empty Homes Strategy
- Aids and Adaptations

Priority 1: The Economy and Responding to new Legislation and Guidance

One of the Government's priorities in the 2015 Spending Review was promoting growth and productivity through radical devolution of powers to local areas in England. Public service transformation is an important part of the success of local areas as thriving economies provide long term certainty with terms and funding agreed.

Labour Market: to ensure via the Economic Development Strategy that local labour markets have the right mix of skills to maximise employment opportunities by working with developers through the planning process to identify skill gaps and local skills and training providers train unemployed residents to take the jobs created. S106 Agreement, Employment and Skills Plans will promote apprenticeships, training and work experience opportunities.

The Housing & Planning Act 2016 (H&P Act): presents challenges and opportunities for the Borough. There is a need to ensure homes sold through the extended **Right To Buy (RTB)** are replaced locally and that housing associations

continue to invest in new affordable homes by recycling the receipt from RTB sales into replacement homes within the Borough.

The H&P Act introduces **Starter Homes** which aim to provide aspiring homeowners aged 40 and under, with their first home at a discount of at least 20%. With exemptions from Section 106 and Community Infrastructure Levy, Starter Homes have an impact on the Council's ability to provide the essential infrastructure for new homes as well as delivery of affordable housing. The public subsidy for starter homes is neither retained nor recycled.

Pay to Stay: to work with housing associations regarding the impact of higher income tenants being charged higher rents.

Welfare Reforms: both the freezing of the Local Housing Allowance (LHA) rate and the extension of the Benefit Cap have potential cost implications for the Council in terms of homelessness, crisis support and inevitable consequences on the support needs of children in those households and the need for smaller sized accommodation.

Supported Accommodation: Ministers plan to extend the exemption for supported housing from the LHA cap while they seek a long term

solution to the problem. The Department of Works and Pensions is expected to announce a 'medium term' solution shortly to the benefit change to provide confidence to the sector and unfreeze stalled developments. However housing associations want to see a sustainable solution which provides clarity to all providers of supported housing.

Rent Reductions: the reduction in rents paid by tenants in affordable housing in England by 1% per year for 4 years from 2016 has had a significant impact of councils and housing associations; adversely affecting their long term housing investment plans. This has limited their capacity to build new homes needed to deliver the Government's ambitions. We will continue to work with housing associations to minimise this impact.

Reduced Government Funding: the limited availability of grant to deliver Affordable Rent is likely to present scheme viability issues, even allowing for cross subsidy from market housing. This means difficult choices may have to be made regarding the type of affordable housing which can be delivered. Fewer rented homes are likely to result.

Priority 2: Housing Need

There is a need in Test Valley for a wide range of house types and sizes. In particular, the Evidence Base illustrates the requirement for smaller sized dwellings to assist households in receipt of benefits and the growth of smaller sized households together with the need for downsizing opportunities.

Accommodation for Under 35s: there is a need to plan for the impact of the extension of the single room rate for under 35s to affordable housing.

Homelessness Prevention: this remains a primary statutory function of the Council. The Homelessness Prevention Strategy addresses the actions the Council is taking to prevent homelessness at the same time as offering a range of suitable and sustainable housing options.

Adequate Supply of Temporary Accommodation: ensuring there is an adequate supply of good quality temporary accommodation including within the private sector to provide stability to homeless

households and minimise the use of bed and breakfast.

Supporting Older People: social care and health providers are increasingly collaborating to develop joint services and tackle demand which improves outcomes to vulnerable members of society and do so in a financially sustainable way. The Council will ensure a locally led approach and effective targeting of resources to those residents with the greatest need.

Rural Housing Need: to work in partnership with parish councils and the Hampshire Alliance for Rural Affordable Housing (HARAH) to enable the delivery of affordable housing to match housing needs in rural areas.

Objectively Assessed Housing Need Survey: this is required by the National Planning Policy Framework to establish the housing need and demand to inform the production of the next Local Plan.

Provision of Gypsy and Traveller Permanent Pitches: to refresh the Gypsy and Traveller Accommodation Assessment to identify the need for permanent pitches.

Supporting Vulnerable People: the Council recognises the needs of all vulnerable groups and ensures that services are accessible to all including people with autism and all forms of disabilities. Through our planning policies, 10% of all new homes on large scale developments will be built to either wheelchair standards or Lifetime Homes Standards, so that homes can be as flexible as possible to meet the changing needs of people.

Sustainable Communities: ensuring new developments and new communities remain sufficiently balanced to ensure their sustainability in the longer term as needs and communities change.



(Dauntsey Drive, Amport)

Priority 3: Housing Supply and Maximising Affordable Housing Development

Maximising Supply: the Council has a key role to play in promoting housing activity and ensuring delivery to meet the housing market needs of their local population. In facilitating the delivery of new homes, careful consideration will need to be given to the size, location and tenure of the homes proposed. The Council aims to deliver for mixed incomes and mixed tenure as part of its overall approach.

Smaller Family Homes: changes in the Borough's demographics reflect the continuing trend of smaller average household sizes requiring smaller homes. These are for newly formed households and older households looking to downsize and those impacted by benefit changes.

Accommodation for Older People: in response to our ageing population, we recognise that their needs and aspirations change. The Council wants to ensure that all housing in the borough is used to maximum effect and to encourage people who are under-occupying to move to

accommodation which better meets their needs. This may include 'extra care' housing where additional services are provided for personal care and support.

Affordable Homes: Section 106 Agreements have played a vital role in securing new affordable housing. They require a developer to provide a proportion of affordable homes on site or to make a payment to the local authority for off site provision. However, with the adoption of Community Infrastructure Levy (which places standard charges on developments to pay for non site-specific infrastructure), housing is excluded from this levy. As the negotiated element, the S106 requirement for affordable housing is vulnerable as part of the site viability negotiations. The Council will continue to work with developers and housing associations to cross-subsidise the provision of affordable rented homes via low cost home ownership or market sales. The Council's target is to provide 200 new affordable homes per annum.

Affordable Housing Capital Grant Programme: The Council uses in the main Right to Buy receipts and developers' S106 contributions to fund new housing through the Affordable Housing Grant Capital programme.

Affordability: is a major issue in Test Valley. The vast majority of people who rent are excluded from home ownership through lack of income and savings.

New Ways of Working: the Council will investigate development opportunities possibly via joint ventures, partnerships, the Council's Project Enterprise and more innovative approaches to increase the supply of housing.

Private Rented Sector: there is a growing private rented sector in the Borough although the impact of new stamp duty regulation has resulted in a number of small investors now selling their properties. This sector generally provides good quality essential housing and the Council will continue to work closely with private sector landlords via the Rent Deposit Loan Scheme.

Housing Associations: the need to maximise the best use of their stock and assets to meet housing need and increase tenant mobility through Hampshire Home Choice and Help to Buy South.

Priority 4: Neighbourhood Planning and Community Benefit

Brokering Partnerships: to work with the community housing sector (local housing and community organisations whose primary aim is to increase the supply of community housing options to meet local need). This provision could range from traditional affordable and supported housing to co-operatives, community land trusts and self build schemes.

Neighbourhood Planning: empowering communities so that they may become more self-sufficient and integrated. The Council is currently working with several Parish Councils as part of the Neighbourhood Planning process to promote the concept of community housing and exploring the viability of Community Land Trust to maximise the social value of new developments.

Housing Needs Surveys: working with communities to assess housing needs and aspirations by conducting housing needs surveys, housing market analysis, scheme evaluations, and options appraisals. Introducing potential

partners to communities and help broker partnerships.

Rural Housing: working with parish councils and villagers to allocate land for new homes including through the use of Rural Exception Sites or Community Led Development. These schemes are only deliverable if community support is evident.



(Sunfield Close, Andover – UKHA Development of the Year – Small Schemes Winner 2012)

Priority 5: Improving Housing Quality

Poor housing conditions have a major impact upon health and well-being of the occupants, particularly the vulnerable, such as older people, people with disabilities and low income households.

Decent, Warm and Healthy Homes: housing is a critical service in supporting independence to limit the need for more costly health and care interventions that often come with a reduced quality of life.

Financial Assistance: we offer support to owner occupiers and the private rented sector to reduce emissions, fund home improvements via various grants and loans contained in the Private Sector Housing Renewal Policy.

Addressing Fuel Poverty: the Council has adopted the Home Energy Conservation Act (HECA) Action Plan 2016 – 2018 to provide a targeted approach aimed at the least energy efficient homes within the Borough occupied by people in receipt of low incomes.

Mobile Park Homes: The Council is responsible for the regulation of mobile homes, the main provision being means of licensing to protect the health, safety and welfare of the occupants. There are 12 licenced multiple park home sites in Test Valley totalling 323 caravans. The 2008 Model Standards were adopted by the Council in January 2016 and a licensing fee policy introduced from April 2016.

Private Sector Landlords' Forum (PSLF): The Council continues to engage with landlords through the PSLF to encourage good practice, provide legal updates and promote learning events regarding regulation and health & safety for tenants.

Regulating the Private Sector Housing: the Council is under a legal duty to ensure the private sector housing stock is safe and fit for purpose. A range of powers is available to the Council to achieve this and ensure housing conditions in the Borough are kept under review.

Licensing HMOs: The Housing Act 2004 requires landlords of certain Housing in Multiple Occupation (HMOs) to apply for licences. We currently licence 8 of these larger HMOs across

the Borough. The licensing scheme is to improve quality and fire safety in these properties. HMOs provide vital accommodation for single working people and those residents under 35 in receipt of benefit due to the welfare reforms.

Empty Homes Strategy: we are endeavouring to bring empty homes back into use and will review the Empty Property Strategy incorporating the revised Compulsory Purchase Powers. Together with promoting available funding options to owners and consider empty commercial buildings as a potential source of new housing.

Aids and Adaptions: we seek to promote housing options that enable people to remain living independently at home for as long as they can or wish to do so.

Consultation

This Strategy, the themes and priority actions have been developed through extensive consultation with residents, key stakeholders including local service providers, housing associations and voluntary organisations.

During the Summer of 2014, Test Valley residents were asked what they thought the Council's top three priorities should be for the coming five years. 1,078 Test Valley residents responded. The gender, age and geographical profile of these respondents broadly match the profiles for the whole of Test Valley. Across the Borough, 369 comments were made on the subject of housing. 39.6% people placed 'Availability of affordable housing' in their top three priorities whilst 13.7% placed 'Availability of housing in Test Valley' in the top three priorities.

Many of the comments in relation to housing referred to: provision of family units; housing for younger people; housing for local people; ability to find and/or afford appropriate housing; concerns regarding over development. Despite Test Valley's ageing population, housing for older

people was the third least mentioned concern (0.4%)

The graph below (Figure 1) is a breakdown of the consultation comments relating to housing by theme for Test Valley.

In addition to attending a range of individual and partnership meetings, a main stakeholder workshop event was held in September 2016. The draft Housing Strategy was also discussed at the Private Sector Landlords Forum in October 2016. The outcomes from these discussions have been incorporated into this Strategy and

the Action Plan.

The main concerns were; responding to the changes in legislation; reduced funding and the provision of affordable homes; creating new developments in the right location and community engagement for rural housing. The private rented sector has a role to play in addressing housing need and is keen to assist.

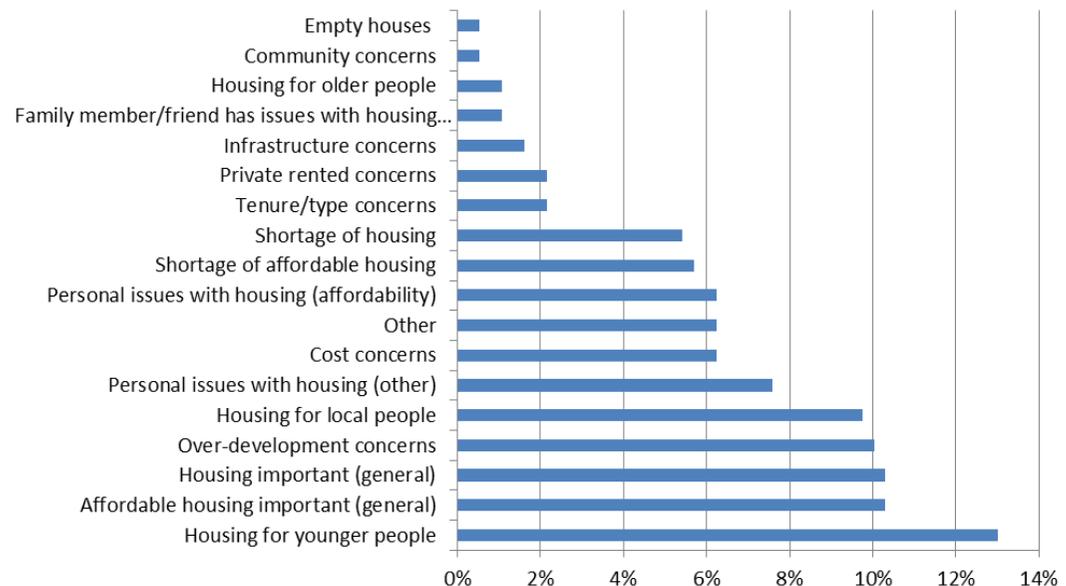


FIGURE 1: Corporate Plan Consultation