

Cabinet

5 September 2023

Home in on Housing: Dorset Council's role and response for the new and emerging Housing Strategy

For Decision

Portfolio Holder: Cllr J Somper, Adult Social Care, Health and Housing

Local Councillor(s): All

Executive Director: V Broadhurst, Executive Director of People - Adults

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Brief Summary:

Housing serves as the foundation upon which individuals and families can establish themselves, contributing to their overall well-being, stability, and ability to thrive. Within Dorset Council, Housing is a demand led service and in recent years has seen additional demand at its front door, with associated rises in costs and reduction on the availability of housing adding pressure to our work. There are also other aspects of work across disciplines in Dorset which are increasing the emphasis for Housing, with Health, Public Health, Social Care and Economic strategies all identifying the need for people and families to have an affordable and suitable home. This requires the Housing service to approach current and ongoing challenges in a way which keeps pace with the demands, finds solutions and plans ahead to prevent pressures.

The purpose of this report is to provide information on the current and future housing landscape to support forthcoming discussions and decisions relating to budget setting and the new Housing Strategy in December. It is also to consider the recommendation to take next steps to develop a Housing Board with political leadership supported by a Housing Programme Board.

Recommendation:

- i) The Cabinet acknowledges and reinforces the important role of Housing as a key and cross-cutting priority within our Council Plan, understanding the current landscape, challenges, and the importance of maintaining and developing a robust plan to mitigate these pressures.
- ii) The Cabinet approves the establishment of the Housing Board and endorse its objectives and composition. This initiative will contribute significantly to our efforts in meeting the residential needs across multiple portfolios. This will also involve a Housing Programme Board, with involvement from Senior and Corporate leadership roles to ensure delivery of objectives and effective implementation.

Reason for Recommendation:

Housing is one of the key priorities in the Dorset Council Plan and a priority for all Dorset Council residents.

With increasing demand, cost and a scarcity of good quality affordable housing, we need to transform the way in which the Council supports residents with housing needs. We are developing a new plan, subject to consultation and approval, with the intention to deliver an exciting and bold housing strategy.

The demand for comprehensive and integrated solutions to housing-related challenges has become increasingly evident. The scale of our ambition for Housing requires a cross-council and multi-agency approach. By establishing a Housing Board, we will harness the collective expertise and resources to develop holistic solutions, involving partners as well as using our internal resources and expertise. We recognise the immensely important contribution made by social and private landlords alike, and work with them, across sectors, to enable constructive and strong outcomes from their perspective, as well as for tenants and other residents.

1. Introduction

- 1.1 Access to suitable housing is fundamental to ensuring the well-being of our residents. Adequate housing provides shelter, security, and a sense of belonging, which are essential for fostering community cohesion and individual growth. Without stable housing, residents face increased stress, health risks, and limited opportunities, hindering their ability to settle and prosper.
- 1.2 We believe Dorset's residents should have the most secure form of housing possible. They should live in well-designed and well-built homes

which meet their needs. Homes which are maintained to a decent standard and are accessible.

- 1.3 Sustainable development and improving homes play key roles to support our economic growth. It is important that our homes are well connected to places of employment, education, care, and other community facilities.
- 1.4 [Our new Housing Strategy is currently out to consultation](#) and we will be bringing back a compelling, bold and ambitious strategy to our December Cabinet. This will enable us to take on board the many comments from residents and stakeholders.

2. **Background**

- 2.1 More than half of the area is classified as an Area of Outstanding Natural Beauty. This makes Dorset a popular place to be, and to retire to. It often features in the top ten places to buy a second home, or a holiday let accommodation. This creates pressures on the local housing market. With national pressures on affordability, coupled with the average Dorset house price being 11 times more than the national average salary, this has put owning a home out of reach for many working age residents. This is also challenging for our younger residents, wishing to stay as well as wanting to return to the area after further education outside of Dorset.
- 2.2 Dorset is a non-stock holding council. We are a strategic housing authority with an enabling function.
- 2.3 Our role is to support our Registered Providers (Housing Associations) to deliver new homes. We do this by:
 - i) allocating government grants.
 - ii) Identifying suitable development sites.
 - iii) helping to provide new affordable homes and specialist accommodation on council owned land.
 - iv) supporting landlords to rent their homes.
- 2.4 This means that new affordable homes are mainly delivered by local Registered Providers of Social Housing – commonly operating as Housing Associations. We agree nomination agreements with them to make sure that new social rented housing goes to those with the greatest need, and to make sure the best use is made of the existing 20,000 socially rented homes.

2.5 Our role in housing also includes to:

- i) plan, secure funding, and deliver infrastructure to support housing delivery. For example, schools, transport links, and recycling and waste provision.
- ii) work with partners and central government on potential new communities and regeneration projects.
- iii) coordinate and commission on crosscutting issues. For example, homelessness prevention, improving health and wellbeing, maintaining good housing standards across tenures and a small programme to resettle refugees.
- iv) lead and coordinate safe accommodation and support for survivors of domestic abuse.
- v) work with private landlords to support them in providing homes and tenancies at a good and affordable standard, taking enforcement action when necessary but focusing primarily on support and encouragement of their provision of homes for rent.

2.6 Our work on housing in serving our communities spreads across many different teams in the council including Adult Social Services, Children's Social Services, Homelessness Services, Planning, Finance and Assets & Property.

3. **Demand Management**

3.1 We have seen increasing demand and cost pressures, with year-on-year growth. Since 2020, the cost of homelessness and responding to housing need has risen by 38%. This is related to the delivery of our statutory obligations, as well as to support our own plans and priorities. The rise in demand, pressure on supply and rise in costs is a common issue across the country, and there are factors we share in the South West such as the mismatch between rent levels and average incomes. Strong performance to manage costs has kept this increase below what is being experienced in other parts of the country. If we continue on this trajectory, without intervention, and following patterns in other parts of England, by 2030, the cost will be five times higher than it was in 2020 at £23m. Continuing without necessary change is not an option, and our new Housing Strategy will set out what we will do to mitigate and deal with those pressures and to deliver cost-effective solutions for people and families in housing need.

3.2 This demand is being driven from:

- i) Population growth in Dorset has risen by 15,000 in the last 10 years to 380,000 and is expected to rise to almost 400,000 by 2030. Housing is an important priority for all residents within Dorset. Many within this population are older residents who will need supported and extra care accommodation, adding to the complexity of housing need.
- ii) Demand for social and affordable housing – we currently have 4957 households on the housing register and are receiving up to 400 new applicants per month. Demand for private rented housing is also high, with limited supply being a pressure.
- iii) Homelessness approaches are increasing. In 2022/23 we had 3996 households approach us as being homeless or at risk of homelessness. This is 600 more than the previous year.
- iv) Currently, we have 334 households in temporary accommodation, of which 88 are in bed and breakfast. The total cost of temporary accommodation for 2022/23 was £4.512m, 40% higher than it was for 21/22. This increase is despite the strong performance to reduce the number of households in B&B (from a peak of over 150 during the pandemic) and shows the high 'cost per unit' and how this is rising rapidly.
- v) Increased inflation – the average B&B placement now costs £560 per week. This has doubled from 2021. The Local Housing Allowance rate is frozen, so any increase in temporary accommodation is an additional cost borne by the Council.

3.3 We have put in place interventions to help stabilise the current demand and cost trajectory, which is having a positive impact but is not the full solution. Some of the work to date has included:

- i) Bed & Breakfast reduction plan – although we are seeing an increase in demand for B&B placements, the numbers of people and families are gradually reducing. Work by the Housing solutions and Homelessness Teams focussing on prevention is having a positive impact.
- ii) Homelessness and Rough Sleeper Strategy – this work is focussed on the prevention of current and future numbers of homelessness.

The teams are working with this cohort to intervene much earlier and prevent crisis.

- iii) Increasing the number of suitable temporary accommodation available. We have recently acquired and refurbished Westview in Blandford which will provide 6 units of temporary accommodation.
- iv) Long-Term Empty Property Programme – we are using capital funding to bring empty properties back into use.
- v) Working with developers and Registered Providers of Social Housing to build new affordable homes in Dorset. In 22/23, 664 new homes were built – this was our best performance to date. We are working to deliver similar numbers of new homes in the coming years, but Registered Provider Development Programmes are being challenged by the need for them to invest in their existing homes, and rising standards relating to areas such as damp and mould and fire safety.
- vi) Ensuring good housing standards across sectors, with a team in place to encourage best practice from landlords and to take enforcement action when necessary. This helps to maintain good standards of housing across tenures – private and social rented tenancies primarily - and to prevent problems occurring such as ill health, overcrowding, eviction, breaches of tenancy agreement and poor energy efficiency. We also work with private landlords to encourage and enable them to rent homes to people in Dorset.
- i) We have to be bold and ambitious to fully meet the challenges we face now but also in the future. Investment Strategy

Investment in the right resources to find solutions for those in housing need. Finding the right home at sustainably affordable rates is essential if we are to prevent or deal with homelessness and housing need. This is also necessary if the right housing is to be available for those households who want to own or rent their own homes without having to join our Housing Register and who may fall outside of the highest priority. Investment in a balanced strategy for housing, across our communities, is necessary – taking into account a broad range of housing need and finding solutions across tenures and sectors.

- ii) Prevention

Investment in preventing homelessness and escalating housing need. Whenever we prevent homelessness, and the need for temporary accommodation, this helps people and families in that position but also saves considerable sums. Preventing homelessness and enabling people and families to find their own accommodation is a key plank of our approach.

iii) Council powers and levers

We work to enable and encourage the right homes in the right places at the right cost. We use Housing expertise, Planning, Resources and Assets and lever in of grants and external investment. An example of the financial benefit of combining our interventions can be shown in the size of investment demonstrated by 664 new affordable homes being built last year. Based on April 2023 figures for the whole of Dorset, house prices have an average valuation of £286,000 per property. This shows investment of £190 million from a combination of Registered Provider financing and Homes England Grant. We also lever in grants to deliver a smaller number of new homes directly in areas where the Registered Providers are not able to respond – such as the Rough Sleeper Accommodation Programme. We work with Registered Providers to find the best solutions from existing housing stock, to support people waiting on the Housing Register.

4. **Housing Strategy**

4.1 Our Housing Strategy is currently out to consultation. We aim for the strategy to identify ways to balance demand pressures and we propose four key objectives that we want to achieve:

i) Housing Need

Enabling residents to live safe, healthy, independent lives in homes that meet their needs. We will work with partners and use our expertise to provide a selection of housing and support services that promote healthy, safe, and independent lives.

ii) Housing Supply

Driving the delivery of homes people need and can afford to live in. We aim to increase the supply of affordable and social housing, working with Registered Providers of Social Housing. This will help to ensure that all

residents in Dorset have access to high-quality housing that is affordable to buy or rent.

iii) Housing Standards

Improving the quality, standard, and safety of homes. We are committed to improving the quality of housing for everyone by forming strong partnerships, using resources wisely, and making sure that regulations are enforced.

iv) Prevention of Homelessness

Support, at the right time, to people in crisis to prevent homelessness. We recognise that we need to offer a range of housing options for people in crisis, and we are committed to tackling homelessness by providing support and assistance to help people find suitable long-term housing solutions. By working together and focusing on these key objectives, we can create a more sustainable and prosperous Dorset.

4.2 Our draft Strategy aims to bring all our work on housing together. Once approved, this will enable us to set goals and objectives on housing and to work with partners for the benefit of our residents.

4.3 We will report back to Cabinet in December with the findings from the public consultation a final draft of our strategy for approval.

5. **Housing Board**

5.1 The overlapping nature of housing, property management, finance, adult social care, and children's services requires a unified approach.

5.2 By establishing a Housing Board, we aim to harness the collective expertise and resources across these portfolios to develop holistic solutions and the right decisions for the Council, as well as the people and families in need of a home.

5.3 The Housing Board's role and responsibilities are set out in Appendix One.

6. **Financial Implications**

6.1 Housing is seeing an increase in demand and a lack of available suitable accommodation to meet need. This is ultimately meaning an increase cost pressure.

6.2 Dorset Council has allocated £19.4m of capital towards housing projects in the period 2023/24 to 2026/27

Capital

Project Name	Total 23/24 Project Budget	2024/25	2025/26	2026/27	Total Project Budget (Up to 27/28)
	£'000	£'000	£'000	£'000	£'000
Rough Sleepers Accommodation Programme Phase 2	262	0	0	0	262
Compulsory Purchase of Long Term Empty Properties	385	0	0	0	385
Acquisition of temporary accommodation	933	0	0	0	933
Housing Capital Project Fund	1,966	1,965	1,965	1,965	7,861
Capital Funding for Annual Developments (housing)	3,000	0	0	0	3,000
Acquisition of Long Term Empty Properties	600	600	600	600	2,400
LAHF – Temporary Accommodation	4,571	0	0	0	4,571
	11,717	2,565	2,565	2,565	19,412

6.3 Dorset Council also a revenue budget for Housing of £4.1m which is not currently sufficient to meet demand. Although performance in preventing homelessness is strong, Housing has reported a position where

expenditure is above that level consecutively for the past three years, due to rising pressures from demand, costs above inflation and scarcity of available housing.

6.4 Investment in the Housing service is required to stabilise the current cost and demand trajectories. This work will be presented through the budget setting process for 2024/25 and beyond.

6.5 There are no financial implications linked directly to decision within this paper, but it is acknowledged that the upcoming budget and housing strategy considerations will include plans to mitigate and manage costs effectively in an increasingly challenging environment.

7. Natural Environment, Climate & Ecology Implications

7.1 We understand that the environment plays a critical role in our quality of life. Our housing strategy is aligned with our broader environmental goals. It is important to balance development with the need to maintain the character and integrity of our natural environment. Working with our partners to ensure that new homes are designed and built to the highest environmental standards.

7.2 We have a Natural Environment, Climate and Ecology Strategy. This sets a clear ambition for a carbon neutral, nature positive, resilient Dorset. New housing will need to support our ambitions.

8. Well-being and Health Implications

8.1 Housing is a fundamental aspect of individual and community well-being, and its quality and stability have a profound impact on physical and mental health outcomes. Addressing housing issues is essential for promoting health equity and improving overall population health. Housing is one of the social determinants of health.

8.2 Housing plays a vital role in:

- i) promoting physical and mental well-being
- ii) preventing poor physical and mental health
- iii) fostering community cohesion
- iv) supporting economic stability
- v) reducing health disparities

- vi) contributing to individual and societal development, leading to healthier and happier lives
- 8.3 Housing supports delivery on the Integrated Care Partnership Strategy and is one of the social determinants of health. Poor housing conditions are associated with a number of health problems, including respiratory infections, asthma and poor mental health.
9. **Other Implications**
- 9.1 Housing is one of the Dorset Council Plan priorities. However, it heavily supports delivery of the other four council priorities – creating stronger and healthier communities; driving economic prosperity; protecting our natural environment, climate and ecology; and becoming a more responsive and customer focussed council.
10. **Risk Assessment**
- 10.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:
- Current Risk: Moderate - High
Residual Risk: Moderate - High
11. **Equalities Impact Assessment**
- 11.1 Housing is for everyone. We are committed to ensuring fair and accessible services for everyone in Dorset through the delivery of our Housing services. Where required, equality impact assessments are undertaken to ensure due regard of the Equality Act 2010 and the Public Sector Equality Duty.
12. **Appendices**
- Appendix 1 – Housing Board role description