



Forest Heath
District Council

APPENDIX 1



Interim Housing Strategy
and
Local Tenancy Strategy
2012-2013



Date approved xxxxxxx

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1. Foreword

This interim housing strategy sets out what Forest Heath District Council will do to meet the housing needs of the current and future residents of the district of Forest Heath. It examines the needs of the current and projected future populations, taking account of migration in and out of the district, and describes the Council's housing vision, along with the priorities for action and investment.

The housing strategy is set in the context of the Council's wider strategic plan for the period 2012 – 2016, which is based on the following 4 strategic priorities;

- Economic Development: A stronger economy that is capable of growing
- Housing: Working together to meet the district's housing needs
- Community Development: Supporting stronger, more active communities,
- Being an effective and efficient Council.

In order to deliver the strategic priority for housing, the Council has set the following three priorities;

- Provide adequate provision in our planning policy framework to meet current and future housing needs
- Help manage the district's existing housing stock
- Use our influence to bring empty homes back into use

Adequate supplies of good quality and affordable housing are crucial to promoting the general well-being of the community as well as driving economic prosperity, community cohesion and social and environmental improvement.

Achieving an adequate housing supply will require the concerted efforts of a number of partners. Forest Heath District Council's role is to provide strong leadership and to ensure the joining-up of agencies, resources and activities in order to focus efforts on the outcomes of greatest importance to local people. Meanwhile, the Council should not replace the responsibilities of individual households in securing permanent solutions to housing needs. Its role is to ensure that people needing help with their housing are able to access that help. Many families experience housing-related problems in the course of their life and it is the Council's role to ensure that they can access the appropriate support and direction until more permanent solutions can be secured. This interim strategy concerns all forms of housing whether they are public or private sector. It is a strategy for all forms of housing both new and existing.

Whereas previous housing strategies have covered a 4 year period, the current strategy intentionally covers only 2 years. This is because the major changes in housing policy which have been introduced by the Government – for example, the major overhauls of the planning system and social housing funding - will take time to "bed in", which would point towards a review of the strategy being appropriate in 2013-14. A review around this time would also allow for the strategy to be refreshed and produced jointly in light of the sharing of services between Forest Heath and St Edmundsbury Councils. In the meantime it should be noted that the actions planned in this interim strategy closely match the actions in the service plan for St Edmundsbury. In that sense the two councils are already following similar lines in housing policy.

The action plan that is included in this interim strategy contains a number of tasks. Many of these actions have already commenced. Some of these actions require the production of a number of sub strategies and related actions. Where this is the case the sub strategies will be the subject of full consultation when they are available.

The process of developing this strategy has been as important as the strategy itself. It has involved many people, organisations and stakeholders – our partners. It has also been backed and steered by Members of the Council. We are confident that this approach gives us the best possible foundation upon which to base our vision and deliver its objectives. A successful housing strategy cannot be delivered by the Council alone. Its success will only be secured by maintaining the contact and communication with those partners and local people. We will work hard to foster and develop those relationships in order to achieve this.

Rona Burt
Portfolio Holder

This strategy has been produced through consultation with interested parties both internally and externally. However we would be interested in any views you might have on its content. In particular if you have any ideas that might help deliver the vision and objectives please do not hesitate to contact us. In the first instance you should contact:

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2.0 Forest Heath

2.1 The area

Forest Heath is located in the County of Suffolk although in housing market terms it is part of the Cambridge sub region shown on the adjacent maps. The name Forest Heath reflects the fact that the area contains both parts of Thetford Forest and the heath lands of Breckland. It is principally a rural area but with some distinctive market towns (Newmarket, Mildenhall and Brandon). The area also contains a number of key service centres, primary villages, secondary villages and small settlements. Overall the population has experienced a steady increase over the last three decades and one fifth of the population is made up of United States Air Force in Europe (USAFE) personnel and their families. The current population is 64,300 of which 33,600 are economically active.

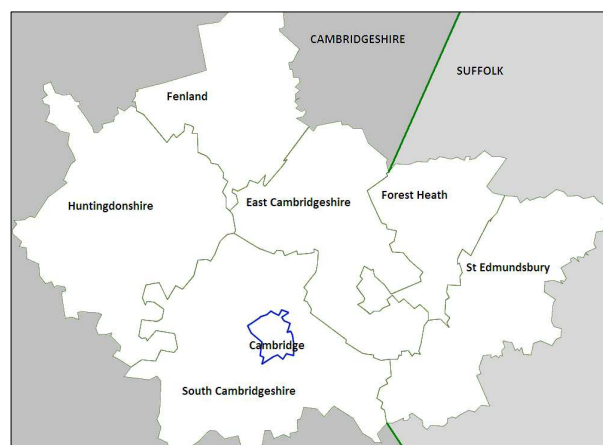
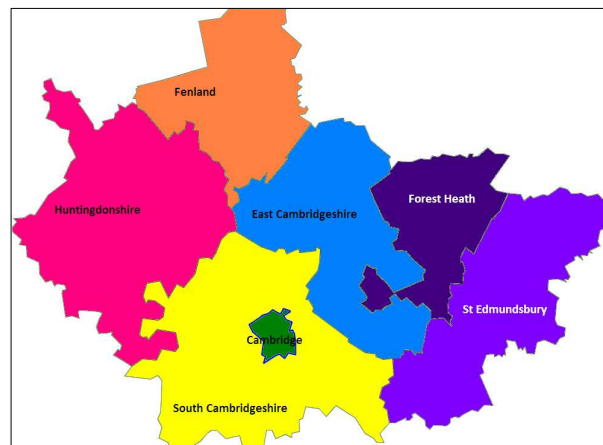
These figures suggest that Forest Heath has grown by nearly 12% over the last eight years, making it the fastest growing district in Suffolk, the fifth fastest in the eastern region and the 12th fastest nationally. Whilst the population is generally ageing, the district has a more youthful profile than the rest of the region, with almost two thirds of the population being working age (15-64) and only 5% aged 65 or over.

Forest Heath is the most ethnically diverse district in Suffolk (13.2% of the population was non-white in June 2009, compared to the national average of 12.5%) and has the largest foreign population in the county. The 2009 Annual Population Survey suggested that over 15% of the population are non-UK nationals, compared to a Suffolk average of 4.2%.

The district's diversity and youthful age profile can be attributed to the presence of the USAFE bases in Mildenhall and Lakenheath and the number of migrant workers in the district's horse racing and agricultural industries.

Maps of the district including the ward and parish breakdown can be found on:

<http://www3.forest-heath.gov.uk/maps/>



- Maps showing (from top to bottom):**
- Our housing sub-region's geography
 - District and borough boundaries
 - County areas

Newmarket

Newmarket is the largest centre in the District with a population of 14,545. Newmarket is internationally recognised as the home of the British horse racing and the equine industry is a distinctive characteristic of the local economy. The equine and racing businesses clustered around Newmarket and the surrounding areas are of strategic importance to the District. There are a total of 215 workspaces in this sector employing over 1750 employees out of a total of economically active people in the Newmarket area of 9152.¹ This means that around 20% of the workforce is directly engaged in the equine industry. However this number will be higher when all the services which rely on the presence of the equine industry is taken into account.

Mildenhall

Mildenhall has a population of 8,361. It is a small market town with a history dating back to the Domesday Book of 1086. Since 1950 it has been home to the United States Air Force Europe and a sizeable presence is maintained on base and in the local community by the USAFE. This is a major feature of the local economy and local culture. RAF Mildenhall is principally home to transport aircraft with nearby RAF Lakenheath containing USAFE fighter squadrons. Deprivation levels in Mildenhall are quite varied, but generally below the national average.

Brandon

Brandon is a small town on the border of Suffolk and Norfolk with a population of 8749. The town serves the rural hinterland of both Forest Heath and Breckland, some of which is classed as a rural priority area. Brandon was traditionally known as the crossroads where the routes between the ancient settlements of Kings Lynn, Bury St Edmunds, Swaffham and Newmarket converge. This enviable geographical position, once the source of wealth, employment and importance is today seen as one of the reasons for Brandon's decline and loss of direction. Brandon is in the top quartile of most deprived wards in Suffolk for housing deprivation. Despite this rental prices from private landlords or letting agencies is high, probably due to the high number of transient military personnel who live in these areas.

2.2 Forest Heath Housing Market

In housing market terms the primary influences on the area come from within the Cambridge sub region where the principal drivers of the economy and transportation derive. Whilst the housing influences overall come from the sub region there are distinct features to the housing market in different parts of the district. For instance the equine and horse racing industry in Newmarket is unique to Newmarket and is significant in housing market terms. Mildenhall, Lakenheath and Brandon have influences generated by the air force personnel from the air bases. House prices vary considerably between parts of the district. Newmarket house prices are generally at least £50k higher than Brandon for example for equivalent properties. Significant numbers of people commute into the Cambridge employment areas from all parts of the district. This strategy recognises that housing markets are not respecters of political boundaries. It is focussed on the housing needs of Forest Heath current and future residents but is of necessity located within the Cambridge housing sub region's strategies.

2.3 The Cambridge Sub Region Housing Market

¹ Eko gen Forest Heath Mapping Study April 2011

The Cambridge sub region is one of nine identified housing sub-regions across the East of England. Sub-regional housing market areas are geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work. Housing market areas can be identified by assessing patterns in the relationship between housing demand and supply across different locations.

The Cambridge sub-region works together to develop joint and collaborative approaches to strategic housing issues and the delivery of housing growth targets. To do this, a board of senior officers from each of the seven local authorities and partner agencies meet monthly. The Cambridge sub-regional housing board includes representatives from:

- Cambridge City Council
- East Cambridgeshire District Council
- Fenland District Council
- Forest Heath District Council
- Huntingdonshire District Council
- South Cambridgeshire District Council
- St Edmundsbury Borough Council

The Cambridge sub region is an area of strong economic growth with an active housing market although not uniformly across the sub region. This leads to issues of high housing costs and high housing demand in parts of the sub-region. In other parts there are areas of lower land values but still with significant housing need.

By helping to balance housing markets, meet housing need, and create good quality communities where people want to live and work, it is believed the Cambridge housing sub-region can continue to generate employment opportunities and contribute to the national economy. Conversely, if housing markets fail, if housing need is not met, employers and businesses will be tempted to locate elsewhere in areas where they can attract both high caliber, well qualified employees, along with lower paid support and service staff who are needed to keep the business running efficiently.

Naturally, if people can live near to their place of work, commuting costs, distances, and related carbon emissions can be kept low. If people have to live far from their workplace, commuting will increase particularly if the public transport system cannot cope with the extra strain. Commuting is a strong feature of the sub region with significant travel to work patterns into the Cambridge area from parts of the area where housing is more accessible.

The sub-regional housing work affects homes of all tenures and looks at all aspects of the housing market including sales, rents, homelessness and specialist housing. It includes delivering new homes as well as considering existing homes. The work links to issues such as public health, and well-being, communities and residents' choices, influence and control over their own local housing issues.

3. The Forest Heath Housing Market – Data and Needs Assessment

The following sections gives some facts relevant to the housing situation along with projections of housing need. This is the base upon which the interim housing strategy has

been built and the need to which it seeks to respond. Much of the data is taken from Strategic Housing Market Assessment (SHMA). The SHMA is developed with the Cambridge sub region and uses a common base and methodology. The SHMA is updated annually around February/ March. The information below is taken from the latest update in February 2011.

3.1 Rent Levels

The following figures show information on the cost and affordability of various forms of tenure in the area and against the size of properties.

Monthly cost by tenure (as at Feb 2011)

	1 bed	2 bed	3 bed
Housing Association rent	£279	£325	£367
Affordable rent (60%)	£270	£357	£480
Affordable rent (80%)	£360	£476	£640
Median private rent	£450	£595	£800
Shared ownership (25%)	£276	£332	£335
Shared ownership (50%)	£345	£415	£418
Shared ownership (75%)	£414	£498	£502
Lower quartile market purchase	£668	£601	£739

Average private rent are comparatively high in Forest Heath for 3 bedroom properties mainly due to the USAFE influence. Because of this the estimated affordable rent levels are also high for larger sized properties.

It is a feature that some forms of purchase are cheaper than renting. For example it is cheaper to buy for many 3 bedroom properties than to privately rent at average private rent levels based on a 10% deposit. However this does not take into account the difficulties buyers have in obtaining mortgages or the widespread problem of a lack of sufficient deposit in the first place. At the current time lenders are typically requiring something in the region of 25% of the purchase price as deposit. This excludes significant numbers of potential first time buyers who could afford the monthly outgoings at current interest levels but do not have sufficient deposit.

There is very little difference in cost between shared ownership for a 2 bedroom property and shared ownership for a 3 bedroom property.

3.2 Affordability

In terms of assessing affordability a normal benchmark assumes that anything at one third or less of gross income on housing costs is affordable. The following tables look firstly at the levels of income required to stay within this affordability benchmark for different types of tenure. It then looks at how many households fall outside this affordability benchmark against various types of tenure.

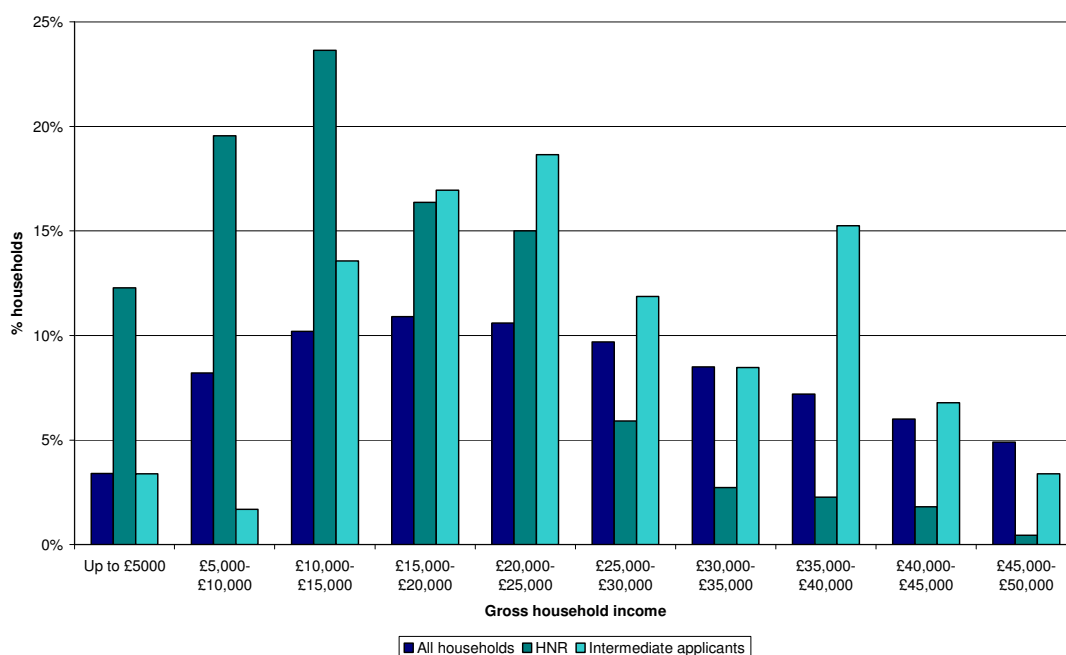
Required income to afford different tenures (based on a third of gross income on housing costs)

	1 bed	2 bed	3 bed
Housing Association rent	£10,062	£11,712	£13,209
Affordable rent (60%)	£9,720	£12,852	£17,280

Affordable rent (80%)	£12,960	£17,136	£23,040
Market Rent	£16,200	£21,420	£28,800
Shared ownership (25%)	£9,952	£11,956	£12,047
Shared ownership (50%)	£12,437	£14,941	£15,055
Shared ownership (75%)	£14,922	£17,926	£18,063
Lower quartile open market purchase	£24,064	£21,642	£26,607

[RSR \(2011\)](#), [VOA \(Jan 2012\)](#)

Gross annual income by household type in Forest Heath



Sources: Hometrack, Dataspring, CORE 2008/09, Survey of Rents in Press., CACI (HNR = Housing Needs Register, Intermediate applicants are those applying for intermediate housing which is defined in glossary)

What the data shows clearly is that affordability is a critical issue for residents of Forest Heath. Affordability for those considering house purchase is dealt with in the following section (3.3). When looking at applicants for rented housing and those looking for intermediate tenure the following picture of affordability emerges.

Percentage of all households able to afford different rented tenures

	HA rents	60% Market Rent	80% Market rent	Market rent
1 bed	88%	88%	82%	76%
2 beds	84%	82%	74%	65%
3 beds	82%	74%	61%	49%

[RSR \(2011\)](#), [VOA Jan 2012](#) and CACI

Percentage of Housing Needs Register applicant households able to afford different rented tenures

	HA rents	60% Market Rent	80% Market rent	Market rent
1 bed	68%	68%	53%	36%
2 beds	60%	53%	35%	21%
3 beds	53%	35%	17%	8%

[RSR \(2011\)](#), [VOA Jan 2012](#), and *Locata*

Percentage of intermediate applicant households (see glossary) able to afford different rented tenures based on 1/3rd gross household income on housing costs

	HA rents	60% Market Rent	80% Market rent	Market rent
1 bed	95%	95%	95%	80%
2 beds	95%	95%	76%	63%
3 beds	95%	76%	56%	37%

[RSR \(2011\)](#), [VOA Jan 2012](#), and *Locata*

It can be seen that at current housing association rent levels the majority of all households are able to afford the rents using the standard affordability test. When looking at applicants for social housing the numbers failing this test rises considerably. With affordable rents at 80% of market levels only 17% of applicants for social housing are able to afford rents on a 3 bedroom property and only 8% would fall within affordability levels against private rent levels. The problem becomes more acute with larger sized properties. Generally affordability is a concern across the district for most forms of tenure.

3.3 House prices and affordability

House purchase is still the choice of tenure of the majority of UK households although levels of owner occupation have been falling in recent years. The table below shows average property prices between March 2008 and September 2011 for Forest Heath, the Cambridge housing sub-region, the East of England and England overall. It shows that house prices in Forest Heath are significantly below the levels for the sub region, East of England and England overall. Average property prices in Forest Heath have declined by £4,521 between September 2010 and September 2011 and are well below the levels reached in 2008.

Average house prices from sales and valuations (£)

	Mar-08	Sep-08	Mar-09	Sep-09	Mar-10	Sep-10	Mar-11	Sep-11
Forest Heath	194,168	197,545	172,121	163,088	173,895	186,598	176,020	182,077
Average for sub-region	233,007	236,103	212,065	217,539	223,577	235,235	228,960	237,215
East of England	244,166	249,458	234,804	233,153	240,720	254,340	249,687	254,652
England	234,272	240,848	227,439	228,740	234,665	245,441	242,157	245,124

ode

House price to income ratio, April-Sep 2010

How affordable houses at the prices shown are has to be set in the context of income levels in order to assess the level of affordability. The information below is based on Hometrack’s house price data (including sales and valuations) and CACI data on household incomes. The ratios show, on average, how many “times” someone’s income to

local house prices represent. The common rule of thumb is that house prices of 3 to 3.5 times income are considered affordable. Mortgage lenders typically lend between 3 and 4 times income.

The table below shows the ratio of income to houses prices. It shows that affordability is a problem across the whole sub region. Generally homes are less affordable in the south of the sub-region. Although the average affordability ratio for the sub-region was 6.1 at September 2011, this masks a wide variety of affordability ratios for each district: from 9.1 in Cambridge down to 4.7 in Fenland. In Forest Heath the affordability ratio was 5.2 at September 2011 and this has been reasonably static for some years. Whilst this makes house prices more affordable than other areas average house prices are still unaffordable for most first time buyers. As a result many potential first time buyers will look to the rental market increasing the pressure in that sector. The lower prices in Forest Heath compared to other areas may well produce inward migration from neighbouring areas where affordability levels are more acute. Whereas lettings policies for social housing applicants are based on local connections there are no such equivalent barriers for potential house purchasers. If significant inward migration for house purchase occurs this will in turn put more pressure on the supply of housing in Forest Heath.

Area	Jun-09	Sept-09	Feb-10	Mar-10	Jun-10	Sept-10	Dec-10	Mar-11	Jul-11	Sept-11
Cambridge City	7.9	8.1	8.7	8.7	8.8	8.9	9.2	9.2	9.1	9.1
East Cambridgeshire	5.7	5.5	5.7	5.7	5.8	5.9	6.1	6.0	5.7	5.6
Fenland	4.9	4.8	4.7	4.7	4.8	4.9	4.9	4.9	4.7	4.7
Huntingdonshire	5.2	5.1	5.2	5.2	5.3	5.4	5.5	5.5	5.2	5.2
South Cambridgeshire	6.6	6.5	6.9	6.9	7.0	7.0	7.1	7.2	6.8	6.8
Forest Heath	5.3	5.0	5.0	5.0	5.0	5.3	5.4	5.4	5.3	5.2
St Edmundsbury	5.8	5.8	6.0	6.1	6.1	6.2	6.4	6.5	6.2	6.3
Average for sub-region	5.9	5.8	6.0	6.0	6.1	6.2	6.4	6.4	6.1	6.1

Source: House prices from Hom automated valuation model, incomes from CACI paycheck.

3.4 Forest Heath Local House Price Affordability

The pattern of affordability within Forest Heath varies considerably. The table below shows the average income to house price ratio is 5.17 but this masks a considerable range. Brandon is more affordable than other areas with affordability ratios close to the levels where buyers with a deposit can secure mortgages. The wards containing Moulton, Tuddenham and Cavernham however are on a par with South Cambridgeshire which outside of Cambridge City has the worst affordability in the sub region. This shows the need for localised understanding of the housing pressures within the District.

Table for ward affordability ratios (ave):

Area name	Value
Forest Heath (District)	5.17
All Saints Ward	5.93
Brandon East Ward	4.05
Brandon West Ward	4.03

Eriswell and The Rows Ward	4.92
Exning Ward	4.75
Great Heath Ward	4.62
Iceni Ward	7.51
Lakenheath Ward	4.6
Manor Ward	6.44
Market Ward	5.09
Red Lodge Ward	4.19
Severals Ward	4.83
South Ward	7.52
St. Mary's Ward	5.43

3.5 Housing Stock and House Condition

The total housing stock in the area is 26,580. There are 22,740 properties in the private sector. The social rented sector consists of 3,800 properties mainly owned by a single landlord. 18,200 (68%) properties are owner occupied which is slightly below the national average for all England at 71%. There are 3,200 (12%) private rented properties which is slightly higher than the average for all England at 10%. The social rented sector of 3,800 at 14% is well below the all England average for social housing at 19%.

Forest Heath has a more modern stock profile than England as a whole, with smaller proportion of stock built pre 1919 and significantly more post 1964 properties. This can be seen in terms of larger estates, such as Studlands and in the College Heath areas, and on the outskirts of the main towns.

6,430 of the dwellings were classed as non-decent at the last survey which represents 24% of the total stock. Whilst this is a significant problem it is below the average for all England which is 29%. The Iceni, South, All Saints and Manor wards have the highest number of non-decent homes, with over 40% of the dwellings non-decent.

Excess cold is the most likely Category 1 hazard causing a failure to meet the decent home standard and 14.5% of properties fail for this reason. 4% fail because of repair issues and 1% because of inadequate modern facilities, bathroom and kitchens. 1,240 (35%) of the non decent properties are occupied by a resident who is classified as vulnerable. These properties are distributed relatively evenly over the district, however there are 250 properties in Eriswell and The Rows wards occupied by these vulnerable households are living in non decent housing.

The average SAP rating in a private sector property in Forest Heath is 45. Below 35 is considered to be an excess cold hazard and a good thermally efficient property has a standard of 65. There are over 100 Houses in Multiple Occupation (HMOs) in the district, with 30 of these licensed. HMOs are defined as 2 and 3 storey properties occupied by more than 5 people forming different households. HMOs generally pose higher levels of risk mainly because of fire, poorer standards of thermal comfort, and general living conditions caused by multiple households in the same dwelling. Many of the HMOs are located in Newmarket, because of the lower cost accommodation required for the racing industry, and in more rural locations to accommodate agricultural workers.

Fuel poverty is a problem for the area. In the UK, fuel poverty is said to occur when in order to heat its home to an adequate standard of warmth a household needs to spend more than 10% of its income to maintain an adequate heating regime. The level of fuel a household needs to use to adequately heat a property is directly linked to the condition of that property. In early 2008 it was estimated by Energywatch that there were around 4.4 million households in fuel poverty in the UK, with just over 3 million in England alone. This was more than double the number in 2003. By April 2011 a YouGov survey indicated that the number of households in fuel poverty had risen to 6.3 million households representing 24% of all households.

The information for Forest Heath reveals that this is a problem for the area. The following shows the breakdown of fuel poverty by ward although these levels have certainly increased from here due to rising fuel prices and falling income levels.

Ward name	All Households	Fuel Poor Households	Percent Fuel Poor
Eriswell and The Rows	3,432	490	14.0%
Severals	508	45	9.0%
Market	840	103	12.0%
St Mary's	625	81	13.0%
Lakenheath	680	90	13.0%
Brandon West	665	90	14.0%
Red Lodge	1,344	193	14.4%
Great Heath	597	89	15.0%
All Saints	855	128	15.0%
Exning	878	133	15.1%
Brandon East	1,041	162	16.0%
Manor	739	156	21.1%
South	740	162	21.9%
Iceni	764	198	25.9%

3.6 Empty Homes

The number of empty homes fluctuates on a daily basis. Typically there are around 900 properties which are empty at any one point in time. However there are around 340 empty homes at any given time that have been empty for longer than 6 months which is a truer measure of the scale of the problem of properties being left empty. Whilst this is a problem for the area and the focus of some of the actions in this strategy it represents 1.3% of the total stock against an all England average of 3.7%. Properties can remain empty for 6 months or more for a variety of reasons. For instance in the current property market it is not unusual for a property to take in excess of 6 months to sell despite best endeavours to do so. It has been estimated that approximately 75 of the empty properties would be appropriate for action by the Council to return to use including those empty for longer than 12 months.

3.7 Housing Need – The Strategic Housing Market Assessment

Housing markets are dynamic and complex. Because of this local authorities need a comprehensive methodology to develop a solid understanding of how their housing market

operates. This includes the housing need in the area as it exists now and how they projects into the future. The strategic housing market assessment (SHMA) used for this purpose is undertaken across the sub region using common methodology. The results do not provide definitive estimates of housing need, demand and market conditions. However, they do provide valuable insights into how housing markets operate both now and in the future. They provide a fit for purpose basis upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.

Housing delivery and strategy needs to be responsive to changes in the levels of housing need and demand whilst having regard to the public resources available for housing and other competing areas for investment. The value of strategic housing market assessments is in assisting policy development, decision-making and resource-allocation processes by:

- enabling authorities to develop long-term strategic views of housing need and demand to inform regional spatial strategies and regional housing strategies;
- enabling authorities to think spatially about the nature and influence of the housing markets in respect to their local area;
- providing robust evidence to inform policies aimed at providing the right mix of housing across the whole housing market – both market and affordable housing;
- providing evidence to inform policies about the level of affordable housing required, including the need for different sizes of affordable housing;
- supporting authorities to develop a strategic approach to housing through consideration of housing need and demand in all housing sectors – owner occupied, private rented and affordable – and assessment of the key drivers and relationships within the housing market;
- drawing together the bulk of the evidence required for local authorities to appraise strategic housing options including social housing allocation priorities, the role of intermediate housing products, stock renewal, conversion, demolition and transfer; and
- ensuring the most appropriate and cost-effective use of public funds.

3.8 Housing Need Calculation (as at February 2011, based on 2009/10 data)

Following the definitions set out in Planning Policy Statement 3 (PPS3), housing need is defined as ‘the quantity of housing required for households who are unable to access suitable housing without financial assistance’ and housing demand as ‘the quantity of housing that households are willing and able to buy or rent’. Information on the housing need is drawn from the SHMA which brings together a large amount of data on issues across the Cambridge housing sub region. The full SHMA can be found at http://www.cambridgeshirehorizons.co.uk/our_challenge/housing/shma.aspx.

The following table represents a summary of the affordable housing need via all PPS tenures i.e. the number of people unable to access the private market. This is taken from the SHMA. The table shows the level of need for new affordable housing to be 659 per

year over the next 10 years. A more detailed calculation of this needs assessment is included as Annex 2.

Housing need calculation (annual)

	2009/10
Current need	434
Total affordable stock available	110
Current annual net need	324
Newly arising need	534
Annual supply of affordable housing	199
Projected net need	335
Total net need for affordable housing	659

3.9 Gypsies and Travellers

Alongside the updated SHMA work an assessment of the needs of Gypsies and Travelers has been carried out across the sub region. The table below shows the projected need for pitches over the period 2011 to 2021. It should be noted that although this is an assessment of expected need further localised work will be undertaken in order to assess need as time progresses. Forest Heath will take strategic decisions at that point how to respond to that need.

Gypsies and Travellers pitch needs assessment 2011 to 2016 and 2016 to 2021

	GTANA assessed need 2011 – 2016	GTANA assessed need 2016 – 2021*	GTANA projected need 2021 – 2026	GTANA projected need 2026 – 2031	GTANA Total 2011 – 2021	GTANA Total 2011 – 2031
Forest Heath	8	6	10	6	14	30

Source: CCC RG 2011

4. Recent Changes and their impact

Housing and policies related to housing are currently undergoing change on a scale which is arguably unprecedented. The Government is introducing radical reforms to housing and planning and the benefits system. This strategy is set in the context of those changes and seeks to respond positively to them. The points below summarise some of the key changes and challenges ahead which are the key drivers in the development of this strategy.

4.1 Creation of our Local Enterprise Partnerships

Local Enterprise Partnerships have been formed in our area. Forest Heath is a partner of both the Greater Cambridge–Greater Peterborough area, known as the GC-GP LEP and the New Anglia LEP covering Norfolk and Suffolk. These partnerships were created to help drive forward sustainable economic growth in these areas with local business, education providers, the third sector and the public sector working together to achieve this.

Although partners of both LEPs Forest Heath is more influenced by the Cambridge sub region and hence its principal focus will be towards the GC-GP LEP. The LEP's goal is to create an economy with 100,000 major businesses and create 160,000 new jobs by 2025, in an internationally significant low carbon, knowledge-based economy balanced wherever possible with advanced manufacturing and services.

Strategic areas of focus of the LEP which match in many parts to the strategic priorities of Forest Heath are:

- Skills and employment.
- Strategic economic vision, infrastructure, housing and planning.
- Economic development and support for high growth business.
- Funding, including EU funding, regional growth funding and private sector funding.

The sub region currently has a population of 1.3 million people, which is estimated to grow to 1.5 million by 2031. It hosts a number of globally significant business clusters, world class research capacity linked to our universities, a number of thriving market towns, and is the UK's leader in agriculture, food and drink. Newmarket is internationally recognised as the home of the British horse racing and equine industry. Overall the area boasts 700,000 jobs, 60,000 enterprises and generates £30 billion per year.

This Partnership is new and will be forming and developing in 2012. As housing is a strategic area of focus, sub-regional partnership plans to contribute wherever possible to achieving the LEP's goals.

4.2 Social Housing Reform Objectives

There are major reforms taking place in housing itself. There are 5 key objectives of the current reforms:

- Localism, fairness and focusing social housing on those most in need in a way that enables them to use it as a springboard to opportunity
- Social housing is flexible and available to more people and to those that genuinely need it
- Making the best use of the four million social rented homes
- Increasing the freedoms available to all social landlords to determine the sort of tenancy they grant to new tenants
- Protecting the rights of existing tenants.

The sections below provide some of the relevant detail of the reforms.

4.3 Introduction of the new “affordable rent” tenure

The new affordable rents tenure represents a move from the existing capital funding system for developing social housing to a new revenue-based system. “Affordable rent” largely replaces social rent on new housing developments of the future. Tenants moving into “affordable rent” dwellings will be charged up to 80% of the private market rent level. This generally means significantly higher rents than under the previous social rent system where rents were calculated on a completely different basis. Registered Providers wishing to develop under the new system have to contract with the Homes and Communities Agency over the charging of affordable rents. The contract will include agreements over numbers and types of properties to be developed and grant levels to support those developments. It will also contain agreements over levels of conversion of existing

dwellings from existing social rents to higher affordable rents upon the properties becoming vacant.

In Forest Heath the move to affordable rents will impact particularly on larger properties containing 3 or more bedrooms. These properties are significantly below market levels. Social rent levels in the area for 1 and 2 bedroom properties are much closer to affordable rent levels so would experience a much lesser impact on conversion. Housing Benefit will in theory support the increased rents. However limits on the amount of housing benefit available will affect affordability of homes in different districts and across Broad Rental Market Areas. Comparisons to market levels are particularly problematic in Forest Heath due to the presence of the areas containing the air bases which has driven headline market rents artificially high.

The Council will need to monitor peoples' housing costs in order to ensure that rents remain truly affordable. Evidence will need to be captured in order to monitor the affect on people from moving into the area and any consequential affect on economic development.

The impact of the new affordable rent regime on new housing supply is not yet known. Registered Providers (RPs) bear a greater business risk as new build funding will be paid on completion of a programme rather than when the development starts on site. New build programmes will depend on collecting the higher rent levels defined by the 'affordable rent' programme. In response to this challenge Registered Providers are developing their asset management strategies to support development within the new "affordable rent" framework. Forest Heath will seek to work alongside these strategies in delivering its housing objectives.

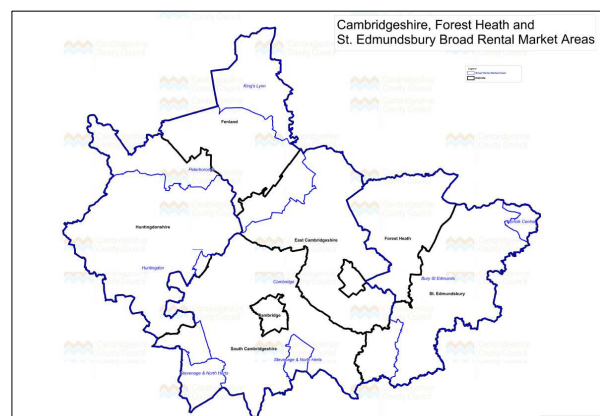
The impact on funding raised by delivering new "affordable rent" homes will need to be closely monitored. RPs are independent businesses and are not obliged to use the extra income in the areas from where it was generated. This may lead to income generated in Forest heath for instance being re-invested elsewhere in the country or vice versa. Some areas will gain from this process in terms of inward investment but others may well lose.

4.4 Changing Housing Benefits and Local Housing Allowances which help residents meet their housing costs

Significant changes are being made in housing benefit as stated above. Key changes involve:

- Limiting the amount of personal subsidy available, by size of home so a maximum rent will be supported for a 1 bed, 2 bed or 3 bed property.
- Limiting the amount of personal subsidy available by householders age, so people up to 35 years old will only get support for the cost of a single room rent.
- Reducing the increase in rent levels per year, following the Consumer rather than the Retail Price Index.
- Only supporting the housing costs based on the cheapest 30% of private rented homes, rather than the cheapest 50% as now.

All people affected by the changes above will receive reduced amounts of housing benefit. Housing benefit subsidy levels are based on broad rental market areas which cover more than one district (see the BRMA map). This means that



Map showing our BRMAs: blue lines show BRMA boundaries, black lines show district boundaries.

where rents are higher the subsidy may not meet the rents being charged by landlords. Strong market and high demand means that higher rents may be charged. Conversely some lower rent areas fall within the same broad rental market area but housing benefit levels are set using the same average private rent level as more expensive areas. This may result in residents moving in order to access a lower rent. The impact of this is not yet clear.

4.5 Changes to welfare benefits

The Welfare Reform Bill was introduced in February 2011. The Bill fundamentally reshapes the welfare state by uniting the tax and benefits system with the main aim of getting people off benefits and into work. The government aims to create a culture where it always pays to work, in part by removing benefit traps which make a life of work less rewarding. Some of the key changes are:

- Replacing many existing benefits including income support, income based Job Seekers Allowance and Support Allowance with a new Universal Credit.
- Limiting total “out of work” benefits paid to a household to £500 per week or £26,000 per year from 2013 onwards.
- Forcing people claiming housing benefit or local housing allowance to move to cheaper homes, as the rent supported will be capped according to the number of bedrooms (see above).
- Lone parents with children aged over five will be required to seek work and will lose benefits if they fail to do so.

Whilst supporting the aim of these changes the impact will need to be closely monitored. In particular the affect on the stability and affordability of local communities will need to be considered. The business plans of local landlords (social or private) may be affected by reducing subsidy in an area of high housing cost and demand, and increasing housing need at the lower end of the market.

4.6 Tackling under occupation

The Government is introducing initiatives to tackle under occupation. These are welcome however specifying the precise size of home a social tenant can live in if they claim housing benefit may increase churn and disruption as residents have to move home, or even area, to afford the house they need - which could in time affect community stability and social cohesion. This will need to be carefully monitored.

4.7 The option to create a new “flexible tenancy” with a minimum term

This measure is in addition to the current secure and introductory tenancies. In future social landlords will have the option of time-limited tenancies. This enables review and renewal as appropriate if market conditions or household circumstances have changed. The intention is that over time social housing will not be occupied by people who could afford alternative options. The landlord may decide to end a tenancy and provide advice to the householder, who would have to move elsewhere. It is intended that this will facilitate raising private finance against the asset value of the “affordable rent” homes created. The impacts of this will again need to be closely monitored via the vehicle of the strategic tenancy policies of Forest Heath which is covered below.

4.8 Local authorities to develop a local tenancy strategy

Local authorities are being required to produce a tenancy strategy for their areas concerning the nature and length of tenancies in their area. Forest Heath does not have housing stock of its own so this concerns the tenancies offered by RPs working in the area. The Tenancy Strategy is not binding on Registered Providers but they do need to have regard to this policy in determining tenancies so it is a key document in shaping housing activities in the area.

The strategy needs to determine how a number of factors are dealt with. Included in this will be the new form of tenancy, the ability to offer short-term “flexible” tenancies and the government’s intention to protect the rights of specific tenant groups (e.g. older and vulnerable tenants). Alongside this the need to convert some existing social housing when it becomes vacant to the new tenure will be a critical factor. As stated above conversions to affordable rents will be needed to raise funding in order to create funding for new affordable homes. However it will be paramount that communities are sustainable and rents are affordable to those that need housing. Rates of conversion are included in agreed funding packages with the Homes and Communities Agency. At some point there will be a need to reconcile the assumptions made by Registered Providers with the objectives of the tenancy strategy.

Forest Heath has taken the decision to include its Local Tenancy Strategy within this interim housing strategy. This is included as Annex 2. Local authorities are required to publish their strategies within 12 months of the enactment of this part of the Localism Act. This means that the policy does not have to be available until April 2013. However the Council recognise that financial strategies around the tenancies offered by Registered Providers that the policy seeks to influence need to be decided at the earliest opportunity. Many of these decisions were taken ahead of bids being made to the HCA for development funding. In bidding for funding from the HCA Registered Providers will have taken strategic decisions over the detail of their business plans. Further financial decisions will need to be taken going forward which will be materially affected by the types of tenancy offered and the levels of conversions to affordable rents for instance. For these reasons Forest Heath has decided to produce its Local Tenancy Strategy at the earliest opportunity.

4.9 Invest in bringing empty homes into use as affordable housing

The Government has made reducing empty homes a priority and, through its strategy, has identified different ways to encourage bringing more of these homes back into use. Over 300,000 properties have been empty in England for more than 6 months, and there are potentially hundreds in this district; at a time when we need to provide more suitable homes to meet increasing demand.

The Government is providing funds aimed at bringing empty homes back into use as affordable housing. This is a welcome move although the impact may be diminished. The CLG has also announced authorities may have to wait two years before taking legal action compared to the previous 6 month period.

4.10 New powers to manage housing waiting lists

Local authorities are being given the means to determine which categories of applicants should qualify to join housing waiting lists. There are approximately 22,000 households on

housing needs registers across the sub-region and around 20% have requested a transfer within social housing. Transfers enable tenants to better meet their housing needs by reducing overcrowding and under occupation, meeting medical needs, or moving across boundaries to live nearer to work or family networks. The change should provide more flexibility about prioritising transfer and new applicant moves. This could enable more “beneficial” transfers which have been more difficult to prioritise in the past.

4.11 Discharging homelessness duty in the private rented sector

Local authorities are being given the power to discharge their duty to homeless households in the private rented sector. Previously the duty to a homeless household could only be met through the offer of a social housing letting. Any property offered in the private sector can now be offered on a relatively short term tenancy which may mean households have to leave at the end the tenancy and simply re-apply as homeless. This has potential cost implications for the local authority in finding temporary accommodation for the applicant while a more settled housing solution is being arranged. In Forest Heath this could also have knock on effects on an already overheated private sector. Acceptable quality at suitable rent levels are at a premium in this sector. The private rented sector in Forest Heath is highly susceptible to policies of the USAF and whether or not airmen are housed in the community or in accommodation on base. These impacts are a by product of defence reviews by the US Government. Forest Heath needs to monitor these matters closely in order to be able to react to the changing world in which defence policy exists.

A key future action will be to encourage private sector landlords to meet a minimum standard of property and tenancy management with the potential reward of being able to access the Home-link system to advertise their properties.

4.12 Planning Changes

The new National Planning Policy Framework (NPPF) was introduced in April 2012 following consultation. The framework came into force immediately. The framework sets out the Government’s planning policies for England. The framework is intended to replace, and streamline, the existing suite of Government policies as set out presently in Planning Policy Guidance Notes (PPG’s) and Planning Policy Statements (PPS’s). The framework needs to be taken in conjunction with the Government’s planning policy for travellers sites.

The framework sets out the Government’s economic, environmental and social planning policies which taken together articulate the Government’s vision of sustainable development. The policies set out in the NPPF apply not only to the preparation of local and neighbourhood plans but also to development management decisions and need to be read and interpreted as a whole.

Central to the NPPF changes is the presumption in favour of sustainable development. The framework states that *‘the purpose of the planning system is to contribute to the achievement of sustainable development’*. There are three dimensions to sustainable development which the new planning framework is intended to support. For the planning system sustainable development means:

- **an economic role** – using the planning system to build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;

- **a social role** – using the planning system to support strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community’s needs and support health and well-being; and
- **an environmental role** – using the planning system to contribute to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

The NPPF is clear that these three elements should be pursued in an integrated way, looking for solutions which deliver multiple goals and that there is no contradiction between increased levels of development and protecting and enhancing the environment, as long as development is planned and undertaken responsibly.

The NPPF does not change the statutory basis of the development plan as the starting point for deciding on planning applications. Applications in accordance with development plan are expected to be approved. The NPPF does however send a signal to all of those involved in the planning process about the need to plan positively for appropriate new development, so that both plan-making and development management are proactive and driven by a search for opportunities to deliver sustainable development, rather than act as an impediment to growth.

In particular in this context and in the presumption in favour of sustainable development the NPPF states that *“Local planning authorities should positively seek opportunities to meet the development needs of their area”*. For decision making the NPPF means that:

- approve development proposals that accord with the development plan without delay;
- grant permission where the plan is absent, silent, indeterminate or where relevant policies are out of date unless there are identified adverse affects that outweigh benefits or specific policies within the NPPF itself indicate that development should be restricted. This will mean that exception sites outside settlement boundaries will need to be considered.

The NPPF supports the new principle of neighbourhood plans in order to give communities direct power to develop a shared vision for their neighbourhood and deliver the sustainable development they need. Neighbourhood plans must be in general conformity with the strategic priorities of the Local Plan however. Local Planning Authorities are urged to ensure that Local Plans which are consistent with the NPPF are in place as soon as practicable. This should be seen as a priority for Forest Heath since the potential for development to be brought forward by the market, in a possibly more spatially ad hoc manner, exists as a firm possibility in the absence of an up to date plan, particularly bearing in mind the Government’s default answer to all development being ‘yes’.

4.13 Home Energy Conservation and the Green Deal

The Home Energy Conservation Act (HECA) designated local authorities as Energy Conservation Authorities. The Act requires every UK local authority with housing responsibilities to publish an energy conservation report identifying:

- practicable and cost-effective measures to significantly improve the energy efficiency of all residential accommodation in their area, and
- progress made in implementing the measures.

HECA has served to focus the attention of local authorities more closely on the energy efficiency of all residential accommodation and on developing an integrated approach to their housing and energy efficiency strategies. Whilst there were plans to repeal HECA these have changed and the Government will be issuing new guidance which will incorporate the Green Deal. The new guidance is expected summer 2012.

The landscape for achieving improvement in energy efficiency is changing. The Climate Change Act 2008 legislated for a reduction in national carbon emissions, compared to 1990, of 34% by 2020 leading to an 80% reduction by 2050. It set legally-binding carbon budgets for the next 12 years across all sectors of the UK economy, including our homes, communities, and workplaces.

The Energy Act 2011 has introduced a series of changes to the energy market. These include two specific developments:

- New powers allowing local authorities to trade in the energy market
- Replacement of the current obligation for energy companies to fund domestic energy efficiency; the Carbon Emissions Reduction Target (CERT), currently worth £2.4bn, by the Coalition Government's flagship initiative known as the Green Deal and the Energy Company Obligation (ECO). The ECO will be for worth £1.3bn with 25% going to vulnerable households.

The Coalition Government's aim with the 'Green Deal' is to deliver a step change in the uptake of energy efficiency measures in both domestic and commercial premises by creating the conditions for business investment and removing the barriers of knowledge and up-front cost.

Energy efficiency improvements are funded by a loan which is repaid through a charge on the consumer's electricity bill on the basis that the cost does not exceed the energy savings. It also enables additional subsidies direct from energy suppliers, through ECO, for the more expensive measures and to assist vulnerable households.

5. Key Issue and Challenges for Forest Heath

The section above sets out some of the key national changes and the challenges they bring. This section summarises some of the key local issues and the challenges they bring in developing a strategic approach to housing in the area.

Current Housing Features

- A combination of factors mean that local people are finding it more difficult, or even impossible, to move within the local area for employment, to be closer to their family due to increased housing costs. This will undoubtedly have consequences for employers and the local economy, as well as the impact on low-paid, working individuals and families. It is estimated that 31% of resident workers commute outside the District for work.

- The proportion of residents commuting to work by car is significantly above the national average. Given the geography of the area there is limited scope to increase the proportion of residents using public transport.
- In a principally rural area access to services is made more difficult by a number of factors such as changes in the economy, the lack of adequate public transport facilities and rising fuel prices.
- Housing costs have been increasing across the board which is making it more difficult for people to move into the area and contribute to the local economy.
- As with many areas homelessness is on the increase reflecting the nature of housing problems across the country

Housing Supply

- In the first four years of the Regional Spatial Strategy plan period (2001 to 2004) 637 new dwellings were completed, an average of 159 per annum. However this figure represents only 50% of the 320 homes necessary per annum to meet RSS requirement to deliver 6,400 homes by 2021.
- It is uncertain how much of the need for social housing will be met by the new Affordable Rent product. Registered Providers will take time to digest the impact that the extra borrowing will have on their financial positions and are likely to exercise caution in their approach.
- Plans to convert existing social rented homes over to affordable rents could affect particular types and sizes of homes which remain at social rent levels thereby affecting the stock available to relet at the lowest cost to the tenant. At present there is little activity amongst RPs in the area in moving to affordable rents which means this potential problem will take some time to emerge. However the lack of the extra revenue that affordable rents bring to RPs will also mean that there is a shortage of funding to support new affordable housing development.
- FHDC has little capital allocated to facilitating new housing development hence in the case of new social housing provision there is a reliance on the new affordable rent funding regime to meet the need.
- In the Forest Heath District Council Core Strategy based on projections of housing need provision is made for a minimum of 6,400 dwellings and associated infrastructure over the period 2001- 2021. In addition, to ensure at least a 15 year land supply of housing from the adoption of the Core Strategy, provision will be made for a further 3,700 dwellings and associated infrastructure for the period 2021 – 2031. The Council has agreed to revisit the assessment of future housing needs.

Land availability

- Forest Heath sold its housing stock to Kings Forest Housing (now Flagship) in October 2004. Flagship has been the principal partner of Forest Heath in terms of developments of affordable housing. As part of the transfer in the sale a land bank was included as part of the negotiations. This has now been largely developed out and produced around 450 new affordable housing units. The development of these sites made a significant contribution to reducing housing need over recent years.
- Further sites capable of being developed were included in the transfer to the new organisation although not factored into the valuation of the transfer. The Local Investment Plan agreed with the Homes and Communities Agency is largely based on the development of these sites within the ownership of Flagship housing. However these sites are not being brought forward for development at this time.

- As the principal partner the lack of development proposals from Flagship is leaving a significant shortfall in the expected delivery of affordable housing in Forest Heath.
- FHDC does not own very much land itself that could be used for future housing developments.
- Nearly 50% of the District has some form of nature conservation/environmental designation thereby restricting land potentially available for development.

The private sector

- There are particular pressures in the private rented sector. This sector is highly susceptible to policies on the local air bases. If the USAF put more emphasis on accommodating people on base this releases pressure in the private housing market and vice versa. The presence of the USAF air bases has huge benefits in terms of the local economy and also the cultural identity of the area. However a side effect is that rental levels in the private sector are inflated due to demand from the personnel living off site. The effect is more marked for 3 bed or larger properties as this is the principally the market occupied by service personnel. The higher headline rents create potentially particular difficulties in the funding of new developments using affordable rents as market levels are much higher than are affordable to most non service personnel.
- Significant number of private rented homes are in poor condition, including HMO's and properties that are tied to employment
- A high level of non-decent homes are occupied by vulnerable people with subsequent poor health from cold homes
- There is a need to improve the energy efficiency and carbon emission standards in homes
- There are significant numbers of empty homes in the area which could be brought back into use to support the housing need.
- There is significant demand for Disabled Facilities Grants (DFGs) particularly from older people wanting to remain living independently in their homes and there is insufficient capital available to support the level of demand. The Council is having to consider the priorities for the available capital including whether it is possible to continue to support applications from residents of Registered Providers who have potential recourse to other funds not available to low income private sector residents.

6. Our Vision and Objectives

In the context of all the information above FHDC has set out its vision for the area. Our vision for Forest Heath is *to create an outstanding environment and quality of life for all; a place where everyone can realise their potential, benefit from and contribute to the District's economic prosperity, and be actively involved in their community. We want Forest Heath to be a place of choice in Suffolk and the Cambridge sub region to live, learn and work and to ensure that our residents live in decent affordable homes and in thriving communities.*

The Council has agreed a number of priorities in the new Strategic Plan for 2012 – 2016. The priorities are as follows:

- **Priority 1: Economic Growth: A stronger economy that is capable of growing**
- **Priority 2: Housing: Meeting the District's housing need**

- **Priority 3: Community Development: Supporting stronger more active communities.**
- **Priority 4: Being an efficient and effective council**

This strategy is firmly aligned with the delivery of the strategic housing objective whilst recognising fully that success in the housing priority is critical and intrinsically linked to success in delivering the economic development priority.

In seeking to deliver the strategic priority around housing the Council has agreed a number of objectives and related high level actions. These are shown below. There are two main themes to the actions that follow. In the context of the reforms in housing some of the more traditional tools available to strategic planning authorities are no longer available. For instance the removal of the capital funding system has changed the emphasis around new affordable housing development. It is no longer a matter of supporting an RP strategically to bid for capital funding to the HCA to support a new development. The introduction of affordable rents means that grant levels have been drastically reduced. The revenue based system of affordable rents mean that RPs will take strategic business decisions over the scale of the development that their financial position will support. Some RPs will inevitably have more of an appetite for development than others. The role of the local authority is more about creating an environment where individual RPs will want to develop in their area. There are many dimensions to this not the least of which is planning policy.

The position around of S106 requirements is changing. The financial equation has changed. These developments no longer receive capital support from the HCA. RPs have to take strategic decisions in the context of their corporate and local priorities as to whether to develop a S106 site. This is likely to mean charging affordable rents on the site or by supporting a development using rental conversions elsewhere. At this stage RPs are showing reluctance to respond to S106 housing development in the area.

As a result of this the two main themes running through the actions in this strategy are planning and private sector housing. Forest Heath is looking to revise its planning structure partly to respond to planning reforms. It is also about having clear and consistent planning policies that allow the delivery of the Council's objectives. It is also about creating a planning environment that allows developers and RPs to respond without unnecessary obstacles. The private sector emphasis recognises the potential shortage of new housing development and seeks to make best use of the housing that already exists. This is the context in which the action plan is set. All actions in this strategy are set against the delivery of the objectives of the Strategic Plan which are:

Objective 1: To provide adequate provision in our planning policy framework to meet current and future housing needs.

High Level action:

- *Encourage affordable homes and ensure adequate housing provision through our planning policy framework.*

Areas of Focus

- Ensuring that research and the messages that research shows provides the right quality and quantity of intelligence to inform our plans

- Ensuring that planning and related policies enable increased housing supply through new provision according to need
- Providing well designed housing in a well designed environment
- Working together, sharing learning and experiences across our housing market area, the Cambridge housing sub-region.
- Making sure new homes fit with and support economic growth and economic activity
- Responding to the diverse and changing needs of our communities including migrant workers, Gypsies and Travellers and hard-to-reach groups.

Objective 2: To help manage the district's existing housing stock.

High Level action:

- *Work with Registered Providers and private landlords to make the best use of the existing housing stock*
- *Working to improve housing conditions and reduce the risks posed by poor quality homes.*

Areas of Focus

- Improving living conditions in existing homes and neighbourhoods
- Ensuring that the service provided to residents of existing social housing is adequate to their needs
- Reducing homelessness and numbers in temporary accommodation
- Providing housing related support to enable independence and maximise economic well being
- Providing accessible and timely advice and information to inform choice
- Increasing access to a choice of accommodation and services
- Supporting the creation of mixed, balanced and sustainable communities across the sub-region; respecting our environmental assets and involving our existing communities.

Objective 3: Use our influence to bring empty homes back into use.

High Level action:

- *Pro-actively seek to advise property owners and where necessary, take enforcement action.*

Areas of Focus

- Increasing housing supply through the better use of existing provision
- Making energy affordable in existing housing
- Supporting our most vulnerable residents to live in suitably adapted, warm and energy efficient homes.
- Adapting existing housing to meet changing needs
- Improving standards in private sector housing to ensure homes are effectively utilised, decent and do not cause harm to health
- Minimising the carbon impact of housing and households

7. Our action plan for 2012 to 2014

The action plan helps us keep focus on our main priorities and work together effectively to deal with any new challenges arising.

The action plan is set out in full in Annex 1 on pages 25 to 34..

8. Monitoring and delivery

The Council has formed a Housing Strategy Steering Group which has been instrumental in the development of this strategy. The Group consists of a broad representation of Members and Officers. The Group will form the primary vehicle for accountability for the delivery of the actions contained in this strategy. External parties will be invited to the Group on specific topics on more task and finish basis or where specific areas of focus are particularly relevant.

9. Glossary of Terms

The following explains some of the terms and abbreviations used in this document:

Term	Meaning
Affordable housing	Includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market.
Affordable Rent	Affordable Rent falls within the definition of social housing in section 68 of the Housing and Regeneration Act 2008. Affordable Rent offers Registered Providers the flexibility to charge rents at up to 80 per cent of market rent.
Choice Based Lettings (CBL)	Approach to letting empty properties whereby applicants on the housing register can apply to be considered for advertised properties. Applicants having expressed an interest are then prioritised.
Commuted sum	Where a developer pays the council a sum of money instead of directly providing an amenity (e.g. affordable housing) as required by S106 agreement (see below).
Core Strategy	The Core Strategy is part of Forest Heath's Local Development Framework. It is the principal planning document that provides the overall strategic vision for the future of Forest Heath to 2026 and beyond. Based on need it sets out the policies to guide the overall scale, type and location of new developments.
Decent homes	A standard, which all social housing must meet by 2010. The standard requires all properties to have reasonably modern facilities, be in a reasonable state of repair and have effective heating and insulation.
Disabled Facilities Grant	A grant given to adapt the homes of disabled people to enable them to remain in their accommodation.
Fuel poverty	People suffering fuel poverty spend 10% or more of their income on fuel bills.
Housing Action	Private sector leasing partner
HHSRS Housing Health & Safety Rating System	System to assess defects and hazards in homes. The serious hazards are known as Category 1, and these have to be remedied under the Housing Act.
Homes and Communities Agency (HCA)	The Homes and Communities Agency is the national housing and regeneration agency for England. They provide investment for new affordable housing and to improve existing social housing, as well as for regenerating land.
Home Improvement Agency (HIA)	The agency, which helps homeowners and private sector tenants who are older and disabled to remain in their own home, living independently. The

	HIA advises people on improvements and adaptations, helps them to apply for local authority grants or loans, identify reputable local contractors and they can oversee the work.
Housing in Multiple Occupation (HMOs)	Properties let to three or more tenants who form two or more households with shared facilities (e.g. kitchen). Legislation requires some of these to be licensed by the council.
Housing Market Area (HMA)	Geographical area which is relatively self contained in terms of people's housing and employment choices.
Housing need	Households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.
Intermediate Housing	Housing at prices and rent above those of social rent but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.
Lifetime homes standard	Houses/flats, which have 16 design features that ensure homes will meet the needs of most households. The accent is on accessibility and design features that make the home flexible to accommodate the changing needs of households over time.
Local Development Framework (LDF)	A portfolio of documents which outline the spatial planning strategy for the local area helping shape the local community of which the Core Strategy forms a part.
Move-on	Movements both within and out of supported housing into independent living. It includes people who are moving into lower level accommodation-based support and those moving into independent accommodation, with or without floating support. It may also include people who need to move back into more supported environments.
PPS3	Planning Policy Statements (PPS) set out the Government's national policies on aspects of planning in England. PPS3 sets out the national planning policy framework for delivering the Government's housing objectives.
Regeneration	Improving areas that are run down, neglected or deprived and addressing social, economic and environmental problems.
Regional Spatial Strategy (RSS)	Regional spatial strategies (RSS) provided regional level planning frameworks for the regions of England outside London. They were introduced in 2004. Their revocation was announced by the new Conservative/Liberal Democrat government on 6 July 2010.
Registered Providers	Independent housing organisations which are registered with the Tenants Services Authority. Also known as Housing Associations or Registered Social Landlords
Section 106 (S106)	An agreement made with a developer at the planning approval stage that they should fund additional amenities connected with the development of the site, e.g. a percentage of affordable housing to be built.
Strategic Housing Market Assessment	An approach to assessing housing need and demand to inform the development of local planning and housing policies.
Supporting People (SP)	A Government programme delivered by local Councils to commission support to help people stay in their own homes and to live independently.

Annex 1: Detailed Action Plan

Objective 1. To provide adequate provision in our planning policy framework to meet current and future housing needs.

- Encourage affordable homes and ensure adequate housing provision and the right choice of housing types through our planning policy framework.

What we are going to do	Start Date	End Date	Desired Outcome/Why	Lead/ Key Partners
Carry out single issue review of Core Strategy Policy CS7 – overall housing requirement and housing distribution, adopt the overall housing requirement and commence delivery positively through the planning process.	Dec 2011	Dec 2013	Updated assessment of housing requirement and its spatial distribution leading to sufficient homes being developed to meet current and future need.	Planning Manager
Update Strategic Housing Market Assessment to include new assessment of accommodation needs for Gypsies and Travellers.	Dec 2011	Annually from April 2012	An updated assessment of housing requirements	Strategic Housing Service Manager
Review s106 agreements in light of new products and in particular the lack of grant from the HCA flexibility in tenure with reference to the SPD	March 2012	Dec 2012	Delivery of affordable housing is maintained and to ensure that S106 remain fit for purpose in delivering the required supply of affordable housing in light of the lack of grant from the HCA	Strategic Housing Service Manager
Prepare and implement an Affordable Housing Supplementary Planning Document.	Dec 2011	July 2012	Delivery of affordable housing is maintained. Supplementary Core Strategy detail ensures that planned new housing developments address identified housing needs.	Planning Manager Strategic Housing Service Manager

Develop a policy on commuted sums and ensure that its collection is allocated to the delivery of affordable housing off site.	Dec 2011	July 2012	Clarity and consistency in the calculation of commuted sums where development of affordable housing on site is not appropriate or viable.	Planning Manager Strategic Housing Service Manager
Identify appropriate site provision for providing a minimum 5 year land supply for housing developments.	Dec 2012	Dec 2013	A minimum 5 year land supply informs and smoothes the process of planning applications.	Planning Manager
Adopt a site allocations document.	Dec 2013	Dec 2015	A minimum 5 year land supply informs and smoothes the process of planning applications.	Planning Manager
Investigate the potential for a register of public sector land availability with local agency partners.	Jan 2012	Jun 2012	A minimum 5 year land supply informs and smoothes the process of planning applications.	Strategic Directors
Carry out a review of the Red Lodge Master Plan on its completion.	Sept 2012	June 2013	Key lessons are learnt from the project and applied to future developments	Planning Manager
Develop and communicate a package of support for neighbourhood planning.	Dec 2011	Dec 2012	Parish Councils are aware of the Council's 'offer' in support of neighbourhood planning and are receiving support where appropriate.	Planning Manager Strategic Housing Service Manager
Support Parish and Town Councils in developing Neighbourhood Plans.	Dec 2011	Ongoing	Parish Councils are aware of the Council's 'offer' in support of neighbourhood planning and are receiving support where appropriate.	Planning Manager Strategic Housing Service Manager
Update the Local Investment Plan in conjunction with the HCA and investigate the	Jan 2012	September 2012 and	Investment in the District is in line with investment priorities.	Strategic Housing Service

possibility of working on combined investment plans with neighbouring authorities (in light of the focus on County wide investment strategies by HCA)		on-going		Manager HCA
Stimulate and encourage investment in the area through a marketing strategy aimed at private developers and Register Providers.	July 2012	Sept 2012	Additional investment is attracted to the District and supports overall strategic aims	Strategic Housing Service Manager/ Comms. Manager
Review viability in light of new tenure products including information on and monitoring of the effect of new initiatives and funding streams on our investment needs.	June 2012	Oct 2012	To review impact of current policies and to update plans in the light of new funding arrangements	Strategic Housing Service Manager HCA
With sub-regional partners, help identify housing and infrastructure priorities for the sub-region and ensure that the District is adequately served.	July 2012	Oct 2012	The district's infrastructural needs are considered and met through sub-regional plans.	Strategic Housing Service Manager Econ. Dev. Officer
Prepare Community Infrastructure Levy Charging Schedule.	Mar 2012	April 2014	The delivery of infrastructure to support growth in the District	Planning Manager Strategic Housing Service Manager
Investigate the potential for the introduction of shared equity schemes	June 2012	Oct 2012	Any stalled S106 sites are brought forward for development	Strategic Housing

				Service Manager
Support the delivery of Lifetime Homes encouragement to developers.	Nov 2012	March 2013	Future housing provision caters for specific housing needs	Strategic Housing Service Manager
Investigate feasibility of new community-led housing schemes by <ul style="list-style-type: none"> Inviting HCA to present proposal on co-operative and mutual housing Investigating community land trusts, self-organised and self-commissioned housing models 	May 2012	Nov 2012	To find innovative solutions to potential shortfalls in new housing	Strategic Housing Service Manager

Objective 2 To help manage the district's existing housing stock.

- Work with Register Providers and private landlords to make the best use of the existing housing stock
- Working to improve housing conditions and reduce the risks posed by poor quality homes

What we are going to do	Start Date	End Date	Desired Outcome/Why	Lead/ Key Partners
Develop and publish a Local Tenancy Strategy within a year of the Localism Bill being enacted.	March 2012	July 2012	Registered Providers understand the principles they will need to take into account when developing their approach to Affordable Rents.	Service Manager Strat. Housing
Influence and challenge the district's Registered Providers to maintain appropriate property standards and services provided to residents.	Dec 2011	Ongoing	People are able to live longer independently in their own homes.	Strategic Director (Services)

Work to hold the County Council and other agencies to account in providing appropriate accommodation and services to residents.	Dec 2011	Ongoing	People are able to live longer independently in their own homes.	Strategic Director (Services)
Explore potential options for the delivery of robust and consistent Home Improvement Agency (HIA) style services across the district.	May 2012	Aug 2012	Vulnerable people's best interests are being served and are protected.	Env. Health Manager. Service Manager Strat. Housing
Work to hold the County Council and other agencies to account in providing appropriate accommodation and services to residents.	Dec 2011	Dec 2012	Vulnerable people's best interests are being served and are protected.	Manager Strat. Housing
Develop and launch a strategic and holistic approach to the investment in private sector housing conditions including: decent homes grant, disabled facilities grants, Home Energy Conservation grants, energy efficiency and fuel poverty	Sept 2012	April 2013	Prioritised households are being helped to maintain their properties to a safe, warm and thermally efficient standard.	Env. Health Manager Service Manager (Env. and Waste) Service Manager Strat. Housing
Revise strategy on the provision of Disabled Facilities Grants with a view to focussing available resources on private homes and encourage Registered Providers to business plan for investment in their own homes. Strategy to include other housing grant assistance; decent homes, small works & empty home grants. Identify programme of	March 2012	March 2013	Clear policy on DFG within overall Housing Strategy. People are able to live longer independently in their own homes. Vulnerable people's best interests are being served and are protected.	Strategic Director (Services) Env. Health Manager Service

grant spend and associated resource to deliver strategic aims.				Manager Strat. Housing
Revise policies on Houses in Multiple Occupation (HMOs)	June 2012	Dec 2012	Policies are fit for purpose and provide adequate safeguards	Env. Health Manager
Investigate and introduce Green Deal Strategy for the District	June 2012	Nov 2012	Improved thermal efficiency and reduced CO2 emissions	Env. Health Manager
Review allocations policy in conjunction with Home-Link partners and publish new policy on allocations in the light of local priorities	Feb 2012	Sept 2012	Allocations of housing fit with the strategic priorities of the Council and partners in the context of the current reforms in housing	Housing Options Manager
Revise Home-link allocations system in light of the new products	Feb 2012	Sept 2012	Ensure Home Link is fit for purpose and extends housing choice and accessibility	Home-link Board, Locata, Strategic Housing Service Manager
Monitor impact of the changes to the LHA on: <ul style="list-style-type: none"> • The numbers in temporary accommodation, • Those applying as homeless or seeking assistance as a result of unaffordable private rented accommodation and; • Success on preventing homelessness through the private rented sector. 	April 2012	Dec 2013	In order that appropriate action to safeguard the interests of residents can be taken as the impact of the changes to funding regimes and welfare reform is known	Cambridge Housing Sub Region Partners
Undertake a review of the new HCA “package” approach to bidding, and guidance, against previous system for Supporting People schemes	July 2012	Oct 2012	To ensure capital and revenue funding for housing schemes is aligned	Cambridge Housing Sub Region Partners
Introduce a sub regional vulnerable persons protocol between the housing authorities and	March 2012	Oct 2012	To ensure effective joint working with vulnerable households	Cambridge Housing Sub

Registered Providers				Region Partners
Revise policies for dealing with Homelessness in light of feedback and assessment of current working arrangements to include: <ul style="list-style-type: none"> • rent deposit scheme • housing advice within the Borough and the role of the CAB • information pack to homeless applicants • temporary accommodation • housing advice services in line with shared services agenda 	March 2012	Oct 2012	Increase Homelessness Prevention And Support For People At Risk Of Homelessness	Housing Options Manager
Amend homeless procedures, if appropriate, to discharge homeless duties via private rented accommodation.	March 2012	Oct 2012	To ensure that services to homeless households is effective and efficient	Housing Options Manager

Objective 3 – Use our influence to bring empty homes back into use

- Pro-actively seek to advise property owners and where necessary, take enforcement action.

What we are going to do	Start Date	End Date	Desired Outcome/Why	Lead/ Key Partners
Work with Revenues and Benefits service to develop and maintain an accurate database of empty homes within the district.	Nov 2011	June 2012	Clarity on the reasons why properties have become empty and the owner's future intentions.	ARP Perf. and Support Service Manager Env. Health Manager

				Service Manager Strat. Housing
Prioritise individual empty properties for appropriate action.	May 2012	Sept 2012	Appropriate action for each priority empty property is identified.	Env. Health Manager Service Manager Strat. Housing
Develop and introduce a procedure to contact owners of empty homes within 10 days of receiving the information from Revenues and Benefits Service.	March 2012	Nov 2012	All owners are aware of and have access to the advice and support available and the consequences of their property remaining empty.	ARP Perf. and Support Service Manager Env. Health Manager Service Manager Strat. Housing
Produce separate information and advice packs tailored to the issues of selling, probate and repair/condition.	May 2012	Nov 2012	All owners are aware of and have access to the advice and support available and the consequences of their property remaining empty.	ARP Perf. and Support Service Manager Env. Health Manager Service

				Manager Strat. Housing
Identify under-used commercial spaces and flats above shops.	Oct 2012	Nov 2012	Clarity on the identification of long term non-viable commercial properties	Planning Manager Economic Development Officer
Develop a procedure for implementation of enforcement action, on a case by case basis following the undertaking of a cost benefit analysis. Including: <ul style="list-style-type: none"> • Empty Dwelling Management Orders. • Compulsory Purchase Orders. • Implementation of enforced sales. 	April 2012	Dec 2012	Enforcement action is helping bring empty homes back into use.	Env. Health Manager Legal Services Manager
Adopt an updated housing renewal policy and grant and /or loan policies.	Jan 2012	Sept 2012	Grants and/or loans are used to require properties to be made available for occupation is explicitly linked to the Private Sector Leasing Scheme. Consider funding of smaller works through capital programme via Housing Action	Env. Health Manager Service Manager Strat. Housing
Ensure that a new private sector leasing scheme is in place.	March 2012	Oct 2012	An efficient and effective Private Sector scheme is in operation.	Strategic Housing
Consider the introduction of a private sector landlords forum	July 2012	Sept 2012	The sharing and disseminating of information to landlords in order to help	Environmental Health

			increase quality and supply of private rented accommodation	Manager Service Manager Strategic Housing
Facilitate a strategy with the Homes and Communities Agency in order to bid for funding in partnership and sub regional partners.	April 2012	Sept 2012	Staff resources are used more effectively through partnership working.	Env. Health Manager Service Manager Strat. Housing

Annex 2 - Detailed Housing Need Assessment			
Reference Number	Notes	Further details	Number
1.1	Homeless households and those in temporary accommodation		16
	<i>Homeless total</i>		<i>16</i>
1.2	Overcrowded and concealed households (calculated over five years)	Owner occupiers	41
		Private rented tenant	96
		Social rented tenants	171
		Concealed households	109
	Overcrowded and concealed – 5 year total		418
	<i>Overcrowded and concealed – annual total</i>	<i>Divided by 5 (years)</i>	<i>84</i>
1.3	Other Groups applying for housing by priority band	Band A	4
		Band B	48
		Band C	258
		Band D	41
		Total	351
		Minus homeless (double count)	16
	<i>Other groups total</i>	<i>Total - 1.1</i>	<i>335</i>
1.4	Total current housing need gross per year	1.1+1.2+1.3	434
2.1 & 2.2	Newly forming households unable to buy or rent	From existing households	154
		In migrants - owner occupied	0
		In migrants - social rent	0
		In migrants - private rent	0
		In migrants - other (LCHO)	0
	<i>New households forming and unable to afford</i>		<i>154</i>
2.3	Existing households falling into need		380

2.4	Newly arising need (gross) per year	$(2.1*2.2) + 2.3$	534
3.1	Affordable dwellings occupied by households in need	Under-occupying social tenants - overcrowded social tenants	- 21
3.2	Surplus stock		0
3.3	Committed supply of new affordable housing		132
3.4	Units to be taken out of management		1
3.5	Total affordable housing stock available	$3.1+3.2+3.3-3.4$	110
3.6	Annual supply of social re-lets (net)		195
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels		4
3.8	Annual supply of affordable housing	$3.6+3.7$	199

Summary estimate of net annual housing need

	Reference	2009/10
Total current need	1.4	434
Total affordable stock available	3.5	110
Current annual net need	1.4-3.5	324
Newly arising need per year	2.4	534
Annual supply of affordable housing	3.8	199
Projected net need	2.4-3.8	335
Total net annual need for affordable housing	$(1.4-3.5)+(2.4-3.8)$	659

Annex 3
Local Tenancy Strategy

Contents

1. Introduction

2. Importance and details

3. Objectives

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1. Introduction

The Localism and Decentralisation Act requires local authorities to produce a Tenancy Strategy for their area. The Act specifically states that

‘A local housing authority in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

- (a) the kinds of tenancies they grant,*
- (b) the circumstances in which they will grant a tenancy of a particular kind,*
- (c) where they grant tenancies for a certain term, the lengths of the terms, and*
- (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.’*

The strategy needs to determine how a number of particular factors are to be dealt with. Included in this will be the new form of tenancy, the ability to offer short-term “flexible” tenancies and the Government’s intention to protect the rights of specific tenant groups (e.g. older and vulnerable tenants).

On 21st November 2011 the Government issued a new Direction to the regulator of social housing in relation to tenure. Under this new Direction, providers have to take account of housing stock management issues when deciding what tenure to offer rather than just the purpose of the housing and the sustainability of the community. Under the new Direction the principle of offering the greatest security of tenure that is possible, which is consistent with specified aims, is removed.

2. Importance and details

Tenancy Strategies are integral to the Government’s social housing reforms in that they concern the nature and length of tenancies being offered by Registered Providers (RPs) in the area. These matters are at the heart of the business plans of RPs and largely determine the availability of funding to support the future supply of affordable housing being provided by RPs in an area.

The new affordable rents tenure which is at the heart of these changes represents a move from a capital funding system to a new largely revenue based system to support the development of new social housing. “Affordable rent” largely replaces social rent on new housing developments. Tenants moving into “affordable rent” dwellings will be charged up to 80% of the private market rent level. This generally means significantly higher rents than under the previous social rent regime known as target rents where rents were determined on a completely different basis.

Conversions to affordable rents of existing dwellings will be needed in order to create funding for new affordable homes. The outcomes of such policy decisions impact directly on levels of affordability for customers and hence are hugely important in terms of the delivery of sustainable communities.

It is possible to draw direct links between the Tenancy Strategy and many objectives affecting the health and wellbeing of an area and its economic success. Whilst this Tenancy Strategy is not binding on partners it is approached in the true spirit of partnership between Forest Heath DC and RPs working in the area. It will be

paramount that communities are sustainable and rents remain affordable to those in need of help with housing.

Current regulations mean that RPs cannot convert existing social rent tenancies to affordable rent without approval. This can only be undertaken where the RP has bid to the Homes and Communities Agency (HCA) and is subsequently contracted to receive grant and build a given number of new properties. As part of this contract an RP will have agreed a given rate of conversion of existing properties to affordable rents upon them becoming vacant. The actual rate of conversion is included in agreed funding packages with the HCA. Other RPs are not able to convert their properties to affordable rent tenure.

From April 2012 the links between rent levels and tenure have been separated. An RP taking part in the investment programme will have 4 options for the tenancies it offers namely:

- Full assured social rent
- Full assured affordable rent
- Fixed term social rent
- Fixed term affordable rent

RPs not involved in the investment programme will have a choice between:

- Full assured social rent
- Fixed term social rent

All RPs will continue to be able to offer introductory tenancies which are outside the scope of this strategy and continue unaffected.

At some point there will be a need to reconcile the assumptions made by RPs with the planned tenancy strategies in order to assess the impact and the delivery of intended outcomes. In Forest Heath the principal partner is not contracted with the HCA so levels of conversions to affordable rents will be fairly small in the short term. Newly built properties, however, will be let at affordable rents unless a scheme is an historic scheme built under the previous national affordable housing programme.

3. Objectives

The primary objective of the Tenancy Strategy is to support the delivery of the Council's Strategic Plan. Specifically at the heart of this is the delivery of a strong economy with the supply of sufficient good quality affordable housing being integral to its success. There are a number of aspects to this.

The tenancy strategy can help is to ensure that the social housing stock is used as efficiently as possible by tackling under occupation and ensuring that homes are only occupied by households suitable to their needs. The new tenure products will mean differential rents for similar sized properties in some cases. The tenancy strategy will seek to keep such differences to a minimum whilst generating adequate levels of income to support the development of new housing. The strategy aims to provide a framework within which lettings made by RPs meet local housing need.

Housing needs register by band and existing tenure

	Existing social tenant	Other	Unknown	Total	%
Band A	6	24	1	31	2%
Band B	49	95	17	161	11%
Band C	190	504	83	777	55%
Band D	88	301	59	448	32%
All bands	333	924	160	1,417	100%
%	24%	65%	11%	100%	

Locata (20th Mar 2012)

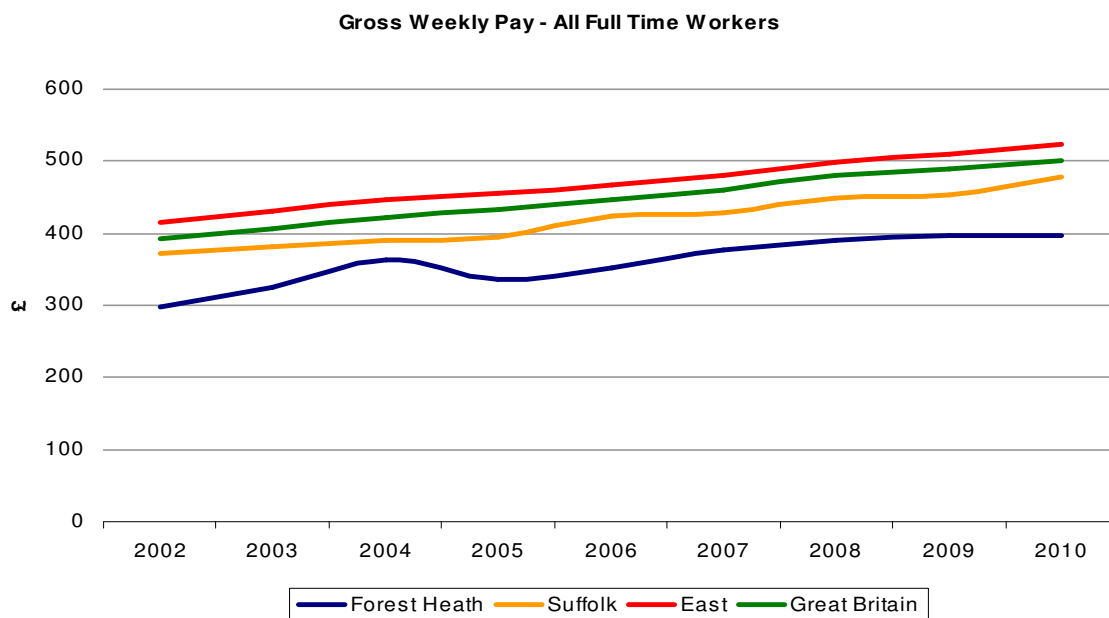
4. Affordability

Critical to the success of the Tenancy Strategy will be that rents in the district overall remain affordable. Affordability however has to be set in the local context. The methodology assumes a third of gross monthly income is an affordable housing cost for both rent and sale. In applying this, the following picture of affordability emerges in Forest Heath

4.1 Income levels

The following table shows trends in income levels across Forest Heath and compared to the County of Suffolk, East of England and all England levels.

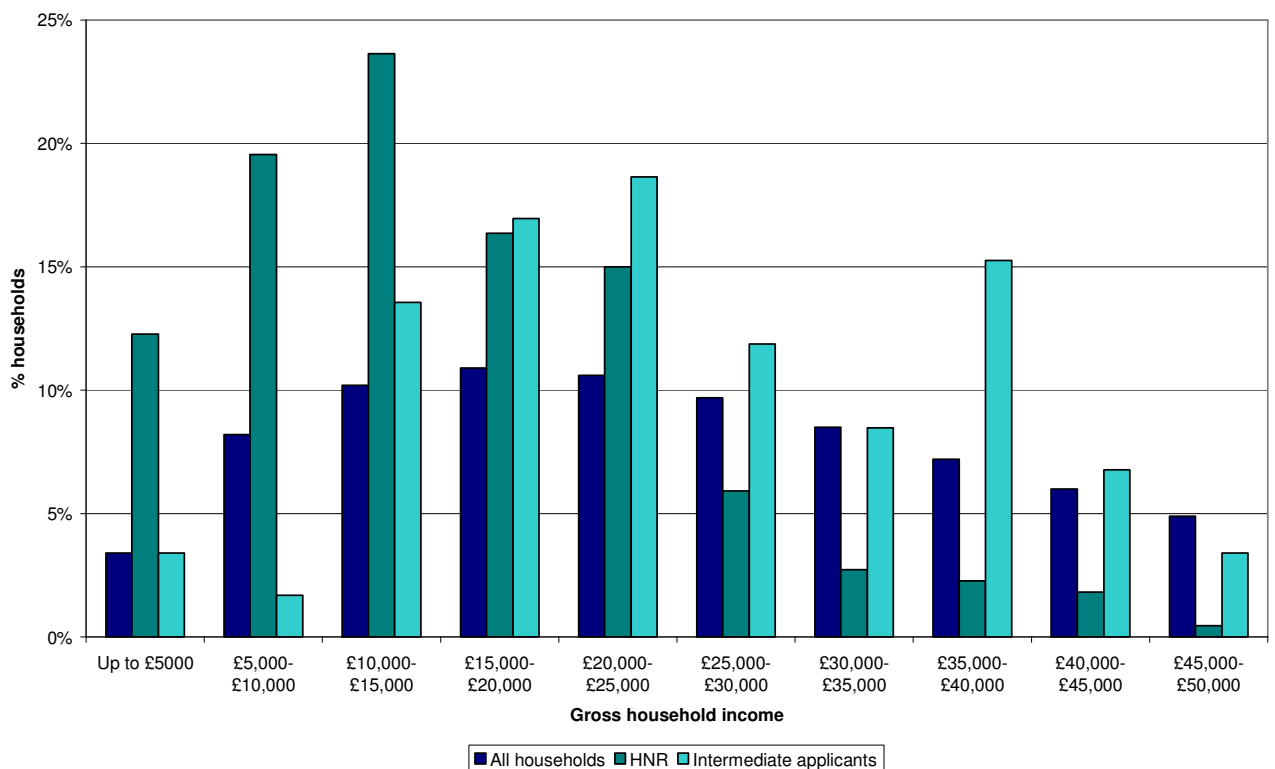
Source:
HSSA



We can draw a number of conclusions from the available data. In terms of the economy between 1998 and 2008 there was a slight drop in the total number of people employed in the district. Over the same period neighbouring authorities grew by as much as 32%. Over the past three years unemployment has doubled in the district. On average Forest Heath residents tend to earn less in terms of gross

weekly pay than residents of neighbouring districts and the county as a whole. This all suggests downward pressure on the abilities of households to afford housing. This is supported by the table below which shows income levels of applicants for housing with Forest Heath. Applicants for social housing are concentrated at lower income levels with over 50% of households earning below £15,000 per annum and only 15% of applicant households earn in excess of £25,000 per annum. .

Gross annual income by household type



4.2 Housing Costs

The following table shows the monthly costs of different forms of tenure

Monthly cost by tenure (as at Feb 2011)

	1 bed	2 bed	3 bed
Housing Association rent	£279	£325	£367
Affordable rent (60%)	£270	£357	£480
Affordable rent (80%)	£360	£476	£640
Median private rent	£450	£595	£800
Shared ownership (25%)	£276	£332	£335
Shared ownership (50%)	£345	£415	£418

Shared ownership (75%)	£414	£498	£502
Lower quartile market purchase	£668	£601	£739

This strategy focuses particularly on the new affordable rent tenure and its potential impact. Using affordable rents RPs are allowed to charge up to 80% of the market rent. Early indications are that most new developments are likely to be at or close to market rents although there are variations to this. The tables show the percentages of households that can afford various rent levels by property size. In all cases in terms of assessing affordability a normal benchmark assumes that anything at one third or less of gross income on housing costs is affordable.

Percentage of all households able to afford different rented tenures

	HA rents	60% Market Rent	80% Market rent	Market rent
1 bed	88%	88%	82%	76%
2 beds	84%	82%	74%	65%
3 beds	82%	74%	61%	49%

[RSR \(2011\)](#), [VOA Jan 2012](#) and [CACI](#)

Percentage of Housing Needs Register applicant households able to afford different rented tenures

	HA rents	60% Market Rent	80% Market rent	Market rent
1 bed	68%	68%	53%	36%
2 beds	60%	53%	35%	21%
3 beds	53%	35%	17%	8%

[RSR \(2011\)](#), [VOA Jan 2012](#), and [Locata](#) – Please see **Error! Reference source not found.** for cautionary note about this data

Percentage of intermediate applicant households able to afford different rented tenures based on 1/3rd gross household income on housing costs

	HA rents	60% Market Rent	80% Market rent	Market rent
1 bed	95%	95%	95%	80%
2 beds	95%	95%	76%	63%
3 beds	95%	76%	56%	37%

[RSR \(2011\)](#), [VOA Jan 2012](#), and [Locata](#) – Please see **Error! Reference source not found.** for cautionary note about this data

It must be borne in mind that 'market' rent levels in Forest Heath are significantly affected by the presence of the air bases and the service personnel based there any of whom live in the local private rented market. Arguably there are two distinct rental markets in the area with the one catering primarily to air force personnel living off base. Properties aimed at this market command higher rent levels than the market catering for the indigenous population. This is primarily driven by the levels of housing allowance available to air force personnel.

Whilst the presence of the air bases brings huge benefits to the local community both in terms of the economy and local culture it is estimated that the difference in rental levels in the private market is around £200 - £300 per month between the two markets. The differences are greater for larger sized properties. However when comparisons of rents against market levels are made it is to the headline 'market' rate which aggregates all properties. Hence a further level of analysis is needed in order to assess the impact of any rent policies on the indigenous population. Caution is needed when assessing rents against headline market levels.

In terms of affordability at 80% of market levels significant numbers of applicants on the housing register would fall outside the affordability criteria. This problem becomes more acute as the size of the property rises. This is primarily a feature of the fact that the rents on current 1 and 2 bedroom properties let by RPs are closer to market levels currently. Properties of this size are not impacted greatly by the USAF market where larger properties are normally targeted. 3 and 4 bedroom properties on the other hand are significantly below market levels. This would mean that 3 or 4 bedroom properties being let at affordable rents would be appreciably higher than current social rent levels.

All this is taken into account in setting the principles of the strategy. In particular the information suggest that a cautious approach to rent setting for larger sized properties is needed to ensure that the target client group is not effectively priced out of the market leaving them with few housing options available.

Notwithstanding the affordability issues the Council recognise the need to encourage investment and actively support the new funding arrangements. Failure to do so will simply result in the area being unable to meet housing needs with consequential impacts of the strategic priorities of the Council in terms of growth and development.

5. The principles

Forest Heath recognises that many of the decisions relating to tenancy matters in the area will be taken by RPs in the normal course of their business. Indeed many of these decisions were taken as part of the agreed contracts with the HCA. Such decisions are central to the strategic objectives of individual RPs and inherent financial plans. Forest Heath does not believe that it is helpful or advisable to have a policy that goes heavily into detail. As such Forest Heath intends this policy to operate more on the basis of broad principles. These principles are intended to act as guidance for RPs working with the Council in the form of a framework. Forest Heath believe it is for RPs to decide on more detailed tenancy matters within these principles as appropriate to their business objectives and plans but in support of the Council's strategic objectives.

Principle 1: Rents should remain affordable.

As a specific the Council would not support any rents charged in excess of the relevant Local Housing Allowance (LHA) rate that is applicable for that property size at the time of rent setting. The LHA should be regarded as a ceiling.

Principle 2: Fixed-term tenancies should normally be offered for a minimum period of five years after any probationary period is completed.

Government guidance is indicating that 5 years would be the norm and only in exceptional circumstances would tenancies of lesser periods be offered. There is a balance to be struck between the need to maximise the best use of the housing stock and to maintain communities on a sustainable footing. A period of 5 years is seen as a reasonable compromise. This principle takes into account the element of personal stability that the grant of a minimum five year tenancy period should bring to individual households.

Principle 3: RPs should consider the particular circumstances of households where a tenancy period in excess of five years period may be appropriate in order to provide an additional degree of stability and security.

The following examples are not intended to be exhaustive as each case should be treated on its merits. However the general principle is assessing whether or not a longer tenancy period should be granted concerns the likely situation a household may be facing five years from the grant of the tenancy. If the circumstances of the household are unlikely to have changed at that point then this may prompt the need to grant a longer term tenancy. In particular households who have dependent school-aged children attending a local school who will still be at school age in five years time may be such a case. Also households living in adapted properties, and those with a support need that is long term should be considered for longer term or lifetime tenancies if appropriate. If it is clear that the support needs will still be in existence after the expiry of 5 years then longer term tenancies should be offered.

Principle 4: Tenants with an enduring need for support should be offered lifetime tenancies.

Under the principle above household circumstances which are projected on for 5 years hence may suggest that there is a need for a longer term fixed tenancy. However some individual or types of housing would suggest that even a longer term fixed term tenancy would mean support would still be needed at the end of that term. This applies to tenants in both general and specialist or supported accommodation. Tenants in such circumstances could be severely disadvantaged in the housing market coupled with great uncertainties that the tenancy will come to an end at some point. This principle would cover people living in sheltered or extra care housing and people whose support needs will continue for life. There will be many more whose circumstances are particular to themselves and where support needs are not going to change over the period of their lifetime. In these cases the award of a lifetime tenancy is likely to be appropriate.

Principle 5: Where fixed term tenancies are approaching the date of their renewal any decision to renew the tenancy or not should be comprehensive in looking at all relevant factors and be carried out in a timely fashion.

In the majority of circumstances a review will be taking place around 4 years after the tenant first moved in. Hence it can be assumed that the household will be settled in the local community in many ways. As such any decision not to review a tenancy

will be a major upheaval for the household and should not be taken without considering all the relevant facts. If a tenancy is not renewed the household will need to find an alternative housing solution which may well take some time. Notice of termination will need to be given to the household 6 months ahead of the end of the fixed term tenancy. Hence the review process should commence at least 12 months before the end of a fixed term tenancy. If the decision is not to renew the tenancy this should be taken at the earliest opportunity in order to allow the household to look at all options.

It is not possible to be prescriptive over the circumstances under which a tenancy will be renewed or not. Each case will need to be treated on its merits. However in deciding whether to review a tenancy or not the following are examples of the factors that should be taken into account:

- the need for a property of the type and size that they presently occupy
- any under-occupation of the property
- any adaptations in the property and the tenants ongoing need for those adaptations
- the conduct of the tenant which will include inter alia any disturbances caused to neighbours, rent arrears and the upkeep of the property
- the financial circumstances of the household and the capacity that this affords the household to secure alternative housing solutions outside social housing. In considering this RPs should take into account the security and sustainability of that financial capacity. For example it would be inappropriate to base a decision on the current income of a householder when the person receiving that income is facing redundancy or impending retirement.

Principle 6: RPs should take into account the affect of the volume of conversions to affordable rents on the local area and its sustainability.

Decisions over the rates of conversions to affordable rents are likely to be taken by RPs at a corporate business planning level. However the scale of turnover of the housing stock cannot be predicted precisely. Even more uncertain will be the location of properties that become empty. Potentially this means that greater impacts will occur in areas where housing stock turns over more rapidly. This could have a number of consequences. For instance the higher levels of stock turnover are more likely to be in less popular areas. If that then results in higher levels of conversions to affordable rents this could result in concentrations of affordable rents. Less popular areas could become higher rent areas. This merely serves as one example of possible unintended impacts. It does illustrate the need for RPs to be sensitive to the local impact of conversions to affordable rents.

Principle 7: Any decision not to renew should be accompanied by comprehensive housing advice and housing options to achieve a satisfactory housing solution and be subject to an appeals procedure on that decision.

It is expected that an RP will work very closely with any household whose tenancy is not being renewed and in the lead up to that decision. This should be set out clearly in information made available to the tenant. Included in this should be the RP's policy detailing the right to appeal a decision not to renew their tenancy and the procedure

that will be followed in that event. Tenants should be provided with a named officer who is dealing with their case.

The advice and assistance that is provided should include:

- Advice on home ownership, low-cost home ownership options and other alternative affordable housing tenures
- Specialist housing and or welfare-related advice and/or signposting to appropriate advice services
- Advice on renting in the private rented sector and assistance in identifying and securing a suitable property (this may involve assistance with a deposit where necessary)

Principle 8: Where tenants secure a transfer to another property they should be offered the equivalent level of security of tenure as they enjoy in their current accommodation.

One of the intentions of the Tenancy Strategy is to foster mobility for both the individual and landlords. It is simply counterproductive to encourage this by offering a transferring tenant less secure terms as part of a potential move. This will decrease mobility and restrict the ability to manage the housing stock to best efficiency.

6. Monitoring and Liaison

Forest Heath District Council and St Edmundsbury Borough Council are working on a shared service basis across the range of services. There is one Chief Executive covering both authorities and a joint management structure. The authorities hold joint RP forums. The RP forum will be the primary vehicle for monitoring the Tenancy Strategy and its implementation. Each council will report back from the forum to housing steering groups comprising both members and officers.