



Scrutiny Review of Affordable Housing

Place Select Committee, March 2025

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Select Committee – Membership

Councillor Richard Eglington (Chair)

Councillor Jim Beall (Vice Chair)

Councillor Marilyn Surtees

Councillor Stefan Houghton

Councillor Sufi Mubeen

Councillor David Reynard

Councillor Andrew Sherris

Councillor Marilyn Surtees

Councillor Hilary Vickers

Councillor Sylvia Walmsley

Acknowledgements

The Select Committee thank the following contributors to this review:

Jane Edmends, Assistant Director of Housing & A Fairer Stockton

Alan Glew, Service Lead Housing Policy & Strategy

John Dixon, Principal Place Development Officer, David Bage, Principal Planning Officer, and Simon Grundy, Planning Services Manager, Planning Services

Carol Bruce, Team Leader (Lettings and Nominations), Mandie Hewitt, Senior Lettings and Nominations Officer, and Julie Lathan, Service Lead Homelessness, Nominations & Lettings

Gary Knight, Private Sector Housing Team Manager & Alesia Powley, Strategic Housing Officer

Joy Whinnerah & David Ripley, Thirteen Housing

Clare Harrigan, Beyond Housing

Sarah Fawcett, North Star Housing

Ian Worgan, Keepmoat Housing

Richard Poole, Michael Poole Estate Agents

Tom Zagoria, Housing Action Teesside

Karen Brown, Northern Housing Consortium

Contact Officer

NAME: Michelle Gunn, Scrutiny Officer

Tel: 01642 524987

Email: michelle.gunn@stockton.gov.uk

Forward

Following the Place Select Committee's review of Affordable Housing, we are pleased to present the Committee's final report.

The term affordable housing covers a range of housing for sale or rent including affordable and social rented properties, rent to buy, shared ownership and discounted first homes schemes. The provision of affordable housing has a direct positive impact on the health and well-being of residents.

The review focussed on the supply of affordable rented housing, examining the current housing need and provision in Stockton-on-Tees Borough. In doing so, the review considered the Tees Valley Common Allocation Policy, current commitments as well as challenges faced by Registered Providers and Private Developers to provide new affordable housing, and the processes of returning empty homes back to use. Examples of how other areas are addressing their housing needs were also reflected upon as well as the findings of the Affordable Housing Option Appraisal.

Our recommendations support a hybrid approach of enabling, partnerships and direct delivery to address the borough's affordable housing need, as well as providing more information to those on the register and monitoring the impact of the changes to banding in the Common Allocation Policy. They also seek to influence national policy for both returning empty homes back to use and setting the Local Housing Allowance rates.

We would like to extend our thanks to Stockton-on-Tees Borough Council Officers and other stakeholders that have contributed to the review including Registered Providers, Private Developers, Private Lettings Agency, Housing Action Teesside, Northern Housing Consortium and Local Government Association.

Cllr Richard Eglington, Chair



Councillor Richard Eglington
Chair – Place Select Committee



Councillor Jim Beall
Vice-Chair – Place Select Committee

Original Brief

Which of our strategic corporate objectives does this topic address?

The topic directly supports the following key objectives of the Council plan:

- A Place where people are healthy, safe and protected from harm &
- Making the borough a place with a thriving economy where everyone has opportunities to succeed

How:

- By providing good quality, affordable housing.
- By supporting independent living.

It also supports the key priority to development of a business case to actively accelerate the provision of affordable and specialist housing provision within the borough.

What are the main issues and overall aim of this review?

Like many local authorities demand for affordable and social rented housing is increasing. As a 'non stock holding' local authority we rely on Nomination Agreements with Registered Housing providers to address housing need and on relationships both Registered Housing providers and private developers to increase the supply of affordable housing in the borough. Currently we are experiencing increasing demand for affordable housing from all needs groups (i.e. families / singles & couples / those with health needs / those seeking supported housing to enable independent living) at a time when the number of affordable housing units available (via Nomination Agreements) is reducing, as outlined below:

Number of applicants registered on Tees Valley HomeFinder (Housing Register):

Qu 2 2023/24 = 1331 / Qu 4 2023/24 = 2566

Number of applicants registered on Tees Valley HomeFinder (Housing Register) by band at the end of Qu 4:

Band 1 = 259

Band 2 = 512

Band 3 = 415

Band 4 = 1380

Average number of properties advertised on Tees Valley HomeFinder (per week within the borough):

2022/23 = 16 / Qu 1 and Qu 2 2023/24 = 12 / Qu 3 = 10, Qu 4 = 15

New build affordable homes (all tenures) – 20/21 = 48, 21/22 = 141, 22/23 = 72, 23/24 = 146

The aim of the review is to identify potential options for how the council can increase the supply of affordable housing in the borough and therefore address housing need.

The Committee will undertake the following key lines of enquiry:

- What is the journey when applying for affordable rented accommodation:
 - How long are people staying on the list for affordable housing?
 - Where are people living while waiting for affordable housing?
 - Are the people registered with the scheme already in housing, if not how many are homeless?
- What are the current housing requirements?
- What has been the delivery over the previous 3 years?
- What is the projected delivery?
- What are the challenges and barriers to delivery for the housing providers? E.g. land/financial
- How are other local authorities dealing with local need?
- What options are available for the Council to do more/what can we do to assist the market to increase supply?

Provide an initial view as to how this review could lead to efficiencies, improvements and/or transformation:

The provision of good quality, affordable housing makes a direct (positive) impact on the health and well-being of the boroughs residents and also helps address inequality. The outcome of the review will assist in alleviating budget pressure in adult social care and homelessness services.

1.0 Executive Summary

- 1.1. This report outlines the findings and recommendations following the Place Select Committee's scrutiny review of Affordable Housing. Affordable Housing includes homes that are for sale or rent for those whose housing needs are not met by the private market. Affordable housing includes affordable rent, social rent, rent to buy schemes, shared ownership schemes and discounts for market sale/first homes. The aim of this review was to explore potential options for how Stockton-on-Tees Borough Council (SBC) can increase the supply of affordable rented housing in the borough and therefore address the current housing need.
- 1.2. The provision of good quality affordable housing makes a direct positive impact on the health and wellbeing of the boroughs residents and helps to address inequality. SBC's a 'non-stock holding' local authority, meaning that we do not own any affordable/social housing, and therefore rely on the Nominations Agreements with Registered Housing Providers (RP) to address the housing need as well as on relationships with both RP's and private developers to increase the supply of affordable housing in the borough.
- 1.3. The local housing need is communicated through the Local Plan, which states that:
 - "Sustainable residential communities will be created by requiring developers to provide a mix and balance of good quality housing of appropriate sizes, types and tenures which reflects local needs and demand, having regard to the Strategic Housing Market Assessment (SHMA), its successor documents or appropriate supporting documents.
 - The LA require 20% of new homes to be affordable on schemes of more than 10 dwellings or with a combined gross floorspace of 1000sqm."
 - "The Strategic Housing Market Assessment (SHMA) identifies a need for market housing focused heavily towards the provision of 3 bedroom homes followed by the provision of 2 and 4 bedroom homes. With regards to affordable housing, the SHMA 2016 identifies that priority should be towards the delivery of 2- and 3-bedroom homes at a mix of 70% affordable rented and 30% intermediate tenures"
- 1.4. In July 2024 the Government announced their vision for building 1.5 million homes, and in December 2024 published changes to the National Planning Policy Framework (NPPF). The NPPF has been strengthened to encourage mixed tenure developments and states that the provisions for social rents be considered when undertaking housing needs assessment and setting policies on affordable housing requirements. However, the full implications of these announcements will not be known until funding arrangements have also been announced.
- 1.5. Properties are advertised on Tees Valley Homefinder (TVHF) via the Tees Valley Lettings Partnership, which is made up of three local authorities (Middlesbrough, Stockton-on-Tees, and Redcar & Cleveland Borough Councils) and two RP partners (Beyond Housing and North Star Housing Group). There were 610 properties advertised on TVHF in 2023 – 24 with a mixture of new build and traditional accommodation advertised. All properties are allocated according to the Tees Valley Common Allocations Policy which has been written and agreed by the Tees Valley Lettings Partnership. During the Scrutiny review, the Tees Valley Common Allocation Policy was reviewed by the TVHF partners and proposed changes consulted on. The new proposals include the potential removal of priority Banding should applicants in Bands 1 – 3 fail to place bids on suitable advertised properties. The Policy also includes the

introduction of a new Band 1 Plus for both residents losing their homes due to demolition or regeneration as well as applicants leaving the Armed Forces Community with an urgent need for housing, giving them a higher priority than they currently hold. In addition, priority will be given to homeless households owed a relief duty and young people leaving care of the Local Authority (LA) who are ready for independent living. Members are, therefore, satisfied that people on the housing register are being treated fairly and support the proposed changes to ensure that they are given the most appropriate banding for their need.

- 1.6. To be able to bid for a property, residents join the housing register by applying to create an account either online or via telephone appointment, with a one-two week wait for an appointment. At the end of Quarter 4 in 2023-2024 there were 2,507 on the housing register and 3,103 at the end of Quarter 1 of 2024-2025. This is an increase of 596 live applications in a three-month period. At the end of Q3 of 2024-2025 the housing register had risen again by 61 live applications to 3164. Properties are let based on need, not aspiration, as per the Common Allocation Policy, and the most needed property for both Quarter 4 of 2023-24 and Quarter 1 of 2024-25 was 1-bedroom properties, followed by 2-bedroom properties. The largest percentage of allocations of properties continue to go to Band 1, with 81.7% in 2023-2024, to assist in the reduction of homelessness and moving households out of LA funded temporary accommodation.
- 1.7. Options for residents to secure accommodation in the private rental market are reducing due to the cost and/or a reduction of properties and this is adding to the number of residents wishing to access affordable rental properties and applying to join the housing register.
- 1.8. Beyond Housing, North Star Housing and Thirteen have noted an increase in the number of repairs required to their properties, which is attributed to several causes including higher expectations from tenants reporting the repairs, the age of the housing stock and higher energy cost prompting tenants to report vents and drafts that need fixing. Beyond Housing and North Star Housing explained how this impacted on their ability to invest in new properties. Members heard how the Registered Providers (RP's) are committed to delivering affordable housing in the Borough, either by building or buying properties. However, the additional regulatory requirements and uncertainty surrounding future funding is leading to some tough choices as they deploy finite resources and having to be more selective about which development opportunities they pursue.
- 1.9. Members heard from developers that they are experiencing increasing costs to build and a shortage of skilled trades which impacts on the delivery of new build affordable homes. New planning requirements regarding biodiversity net gain, as well as the need for developments to achieve nutrient neutrality, are an additional development cost which can impact on the viability of sites for developers. Members also found lead in times for developments from inception to delivery are lengthy, in some instances taking three – four years from buying the land to starting on site. Some brownfield sites can take an extensive period to remediate, and long-term regeneration/Brownfield funding is not available.
- 1.10. The Committee is therefore conscious that the number of people on the register far exceeds the trajectory of new affordable homes being built which translates to long waiting times for suitable affordable homes. The number of new affordable housing built in future years needs to exceed the current projected delivery numbers to keep pace with demand. Members found that the predominant new build affordable housing type in recent years has been two and three bed homes, while more one bed and larger family homes are needed to be better aligned to

the emerging unmet affordable housing needs. Both RP's and Developers asked for SBC to unlock land for development, however members were conscious that land should only be released as part of an equal partnership and one which will support the Council address its local housing needs.

- 1.11. Members heard that while there are a number of empty homes in the Borough, and work is ongoing to support owners to return these properties to use, taking control of the properties is a lengthy and costly process. Therefore, as a standalone, the Committee do not believe this is currently a viable option to address the need for affordable housing.
- 1.12. The Committee heard how Local Authorities (LA) across the country are using both their enabling and partnership arrangements to deliver affordable housing. These include working with RP's and developers, similar to the partnership SBC had with Keepmoat to deliver the Sycamores scheme on the former Victoria estate, partnerships with Homes England, working with community-led housing organisations, and working with sub-regional Local Authority partners. Use existing stock effectively is also a priority for LA's, and some authorities are reviewing their allocation policies, as TVHF partners have done, whilst others are acquiring properties to increase supply.
- 1.13. The use of enabling and partnerships other LA's are employing is echoed in the Affordable Housing Delivery Option Appraisal interim findings. After considering a long list of options, and a Preliminary Market Engagement exercise, it suggests that a Hybrid Delivery approach is appropriate to address the affordable housing needs of the borough. This approach includes:
 - **Enabling** (which may include for example the Council seeking an increased requirement for the provision of affordable housing on sites the Council owns i.e. above our minimum planning requirement)
 - **Direct delivery** via a chosen vehicle (for example through a HRA, if the Council goes above the 199 threshold, or Local Housing Company)
 - **Partnership** model/structure. Partnerships may be a single partner or several partners and can come from a variety of sectors (which may include for example Registered Providers / Private developments / Build to Rent companies / Institutional investors social enterprise and or the third sector/ other local authorities /combined authorities). SBC should only release land as part of an equal partnership and in line with local housing needs.
- 1.14. The Committee therefore considers that more than one option is needed to address the housing need in the borough and supports the interim outcomes of the Affordable Housing Delivery Option Appraisal. Further work is required to refine the approach to ensure that it provides the best outcomes. The Committee's recommendations also reflect the concern with the lengthy process for returning empty properties back to use as well as factors in the private rental sector is adding pressure on the local housing register. Finally, the recommendations ask that those on the housing register are fully informed of the current position of housing, and Members are updated on the impact of the revised bandings in the Common Allocation Policy.

Recommendations

- 1.15. The Committee recommends that:
 1. The outcomes of the Affordable Housing Option Appraisal to date are supported, and officers be requested to carry out further investigation into a hybrid model to address the borough's affordable housing need, which should include:

- Enabling (which may include for example the Council seeking an increased requirement for the provision of affordable housing on sites the Council owns i.e. above our minimum planning requirement)
 - Partnerships with Registered Providers and Developers – partnerships may be a single partner or several partners and can come from a variety of sectors
 - Direct delivery (model to be determined)
2. Correspondence is sent to Central Government to ask that the regulations for returning empty homes back into use are reviewed to ensure a more streamlined and strengthened process.
 3. Given the current demand for social/affordable housing, the Council (via its website and other means as appropriate) provide regular updates to applicants regarding general property availability and demand (for example with information on the average number of properties advertised per month/the average number of bids made on each property per month), in an attempt to manage applicant expectations.
 4. Following Cabinet approval, and six months after the implementation of the revised Common Allocation Policy, an update be provided back to the Committee on the impact of banding changes (i.e. to provide a breakdown of applicants who have secured accommodation).
 5. Council notes that Local Housing Allowance rates are not close to real costs, and local landlords are increasing rents to such a rate that people cannot afford, and this is putting pressure on local authorities to house people. Council therefore calls on central government to take this into consideration when reviewing Local Housing Rates and within the Renters Rights Bill.

2.0 Introduction

- 2.1 This report outlines the findings and recommendations following the Place Select Committee's scrutiny review of Affordable Housing.
- 2.2 Affordable Housing includes homes that are for sale or rent for those whose housing needs are not met by the private market. It is a key element in addressing the boroughs local housing need: to provide, safe, secure and appropriate accommodation that meets the housing needs of the boroughs residents. Affordable housing includes affordable rent, social rent, rent to buy schemes, shared ownership schemes and discounts for market sale/first homes. The aim of this review was to explore potential options for how Stockton-on-Tees Borough Council (SBC) can increase the supply of affordable rented housing in the borough and therefore address the housing need.
- 2.3 The Committee undertook several key lines of enquiry:
- What is the journey when applying for affordable rented accommodation?
 - What are the current housing requirements?
 - What has been the delivery over the previous 3 years?
 - What is the projected delivery?
 - What are the challenges and barriers to delivery for the housing providers? e.g. land/financial
 - How are other local authorities dealing with local need?
 - What options are available for the Council to do more/what can we do to assist the market to increase supply?
- 2.4 Contributions were sought and subsequently received from several Stockton-on-Tees Borough Council (SBC) departments including Housing Policy & Strategy, Lettings & Nominations Team, Private Sector Housing, and Planning Services. The Committee also considered evidence from key external bodies in relation to this scrutiny topic, including Registered Housing Providers, a Private Lettings Agency, Private Developers, Housing Action Teesside, Northern Housing Consortium and the Local Government Association.

3.0 Background

- 3.1 The provision of good quality affordable housing makes a direct positive impact on the health and well-being of the boroughs residents and helps to address inequality. Like many local authorities across the country, the demand for affordable and social rented housing in the borough is increasing. A combination of reasons is attributed to this, including challenges and costs of buying or sustaining homes, particularly for first time buyers, as well as rising rents in the private rented sector and an increasing use of 'No Fault' evictions to end a tenancy in the private rented sector. This increase is for all needs groups, e.g. families, singles and couples, those with health needs, and those seeking supported housing to enable independent living.

- 3.2 The number of applications to Tees Valley Homefinder (TVHF) has increased by 19% in 2023/24 compared to the previous year. At the same time the number of affordable housing units is reducing, with the average number of properties advertised per week on TVHF reduced by 23%. In addition, those presenting to SBC as homeless has increased by 7%.
- 3.3 SBC is a 'non-stock holding' local authority, meaning that we do not own any affordable/social housing, and therefore rely on the Nomination Agreements with Registered Housing Providers (RP) to address the housing need as well as on relationships with both RP's and private developers to increase the supply of affordable housing in the borough.
- 3.4 The following policies and factsheets provided a background to the review:
- Housing Strategy [Housing Strategy](#)
 - Common Allocation Policy for Tees Valley Lettings Partnership [Common Allocation Policy](#)
 - Local Plan (page 65 – 68) [Local Plan](#)
 - The Governments National Planning Policy Framework (NPPF) [National Planning Policy Framework \(NPPF\)](#)
 - Affordable Housing Factsheet [Affordable Housing Factsheet](#)
 - Context of Affordable Housing / National Statistics [Context of Affordable Housing / National statistics](#)

4.0 Evidence

Local Plan

- 4.1. The local housing need is communicated through the Local Plan. When developing the Local Plan in 2016, the Strategic Housing Market Assessment (SHMA) (November 2016) modelled the need for 3,635 affordable dwellings, which was approximately 240 dwellings per year from 2017 onward. This was 40% of the housing need modelled in the SHMA.
- 4.2. The Affordable Housing Viability Assessment (October 2016) found that schemes were able to deliver affordable housing at target levels of up to 20%. The Whole Plan Viability Assessment (August 2017) found that while most greenfield sites could bear more affordable housing, the Council should be cautious about pursuing a higher target as it may be difficult to achieve. During the Local Plan examination process the inspectors confirmed that the correct affordable housing need was identified and appropriate provisions towards meeting need was being made. Policy H4 of the adopted Local Plan therefore states that:
- "Sustainable residential communities will be created by requiring developers to provide a mix and balance of good quality housing of appropriate sizes, types and tenures which reflects local needs

and demand, having regard to the SHMA, its successor documents or appropriate supporting documents.

- The Council require 20% of new homes to be affordable on schemes of more than 10 dwellings or with a combined gross floorspace of 1000sqm.”

4.3. 20% is the basic requirement developers are expected to contribute, and they can build more if the development requires, the Sycamores development being an example of this.

4.4. In addition, the Adopted Local Plan states that:

“The SHMA identifies a need for market housing focused heavily towards the provision of 3 bedroom homes followed by the provision of 2 and 4 bedroom homes. With regards to affordable housing, the SHMA 2016 identifies that priority should be towards the delivery of 2 and 3 bedroom homes at a mix of 70% affordable rented and 30% intermediate tenures”

4.5. The National Planning Policy Framework (NPPF) had previously stated that:

“Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”

As noted in paragraph 4.12 this requirement was removed when the NPPF was updated in December 2024.

4.6. The Ministerial Statement – First Homes (June 2021) stated that 25% of affordable contributions should be First Homes and at a minimum 30% discount below market value/first sale below £250,000. While selling prices for discounted homes are set by the developer, both the price and standard of the building must be comparable to other homes built on the same development. Again, this requirement was removed when the NPPF was updated in December 2024.

4.7. The Committee asked how affordable housing being built via 106 agreements onsite are placed within a development, Planning Service preferred these to be pepper potted across a development in small numbers. Off-site contributions are only considered when on-site options are explored and exhausted, the properties are considered to be executive housing schemes, is a large-scale conversion or other exceptional circumstances.

4.8. The Tees Estuary had been considered a protected site for building and a precautionary approach has been taken to reduce nutrient pollution into the waterways, which curtailed the delivery of some housing developments. However, Natural England had created a credit scheme, Nutrient Mitigation Scheme, whereby developers can offset the impact of development and create new wildlife habitats. This assists with house building in the area.

- 4.9. Members questioned whether Registered Housing Providers (RP's) are engaging with developers, and informed that they are not only engaging but developers gain interest from, and partner with, several RP's on some sites. This was confirmed when RP's attended to give evidence (paragraphs 4.34 – 4.51). SBC encourage developers to identify their RP partners as early as possible. The RP's independent valuers ensure that they buy properties at the right price.

Government Announcements on House Building

- 4.10. In July 2024 the Government announced their vision for building 1.5 million homes, which includes:

- the development and agreement of Spatial Development Strategies (SDSs)
- consulting on a new standard method for assessing housing needs and planning for homes
- promote the delivery of mixed use sites which can include a variety of ownership and rental tenures, including rented affordable housing and build to rent, and which provide a range of benefits
- consulting on changes that would see councils required to review boundaries and release Green Belt land where necessary to meet unmet housing or commercial need.
- future Government investment in social and affordable housing
- introduce Awaab's Law into the social rented sector

- 4.11. In December 2024 the Government announced changes to the NPPF. The new framework has been strengthened to encourage mixed tenure developments while not preventing schemes that are mainly or entirely for Social Rent and other affordable housing tenures. It also states that provisions for social rents be considered when undertaking housing needs assessments and setting policies on affordable housing requirements, as well as amending the definition of social rent as follows:.

- a) The rent is set in accordance with the Government's rent policy for Social Rent;
- b) The landlord is a registered provider; and
- c) It includes the provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision"

- 4.12. Other changes relating to Affordable Housing within the framework include a new standard housing methodology to ensure housing need is reduced in areas with more affordable housing and increased where affordable housing is challenging, and removed the requirement to deliver at least 10% of total homes on major sites for affordable home ownership. It is also no longer a requirement for 25% of housing delivered via S106 agreements to be First Homes and the 10% small site allocation in local plans is no longer mandatory.

- 4.13. While the NPPF was positive for house building in general, the full implications for delivery will not be known until the funding arrangements have been announced.
- 4.14. The Committee are also aware of the current Government consultation on the Right to Buy, and while the results of this are yet to be announced it is believed it could lead to reduced discounts, longer qualifying periods, and Councils able to keep 100% of the receipts.

Lettings and Nominations

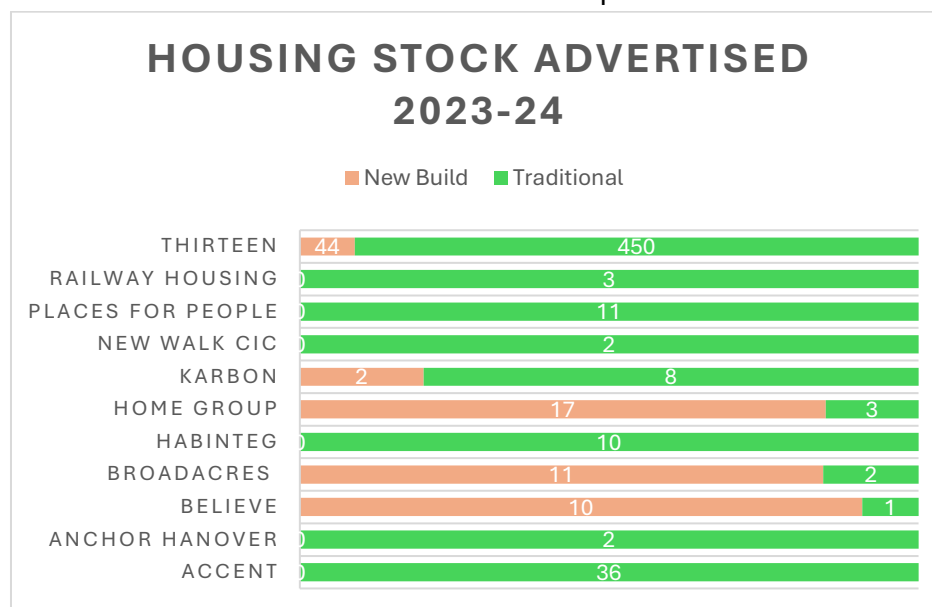
- 4.15. The Tees Valley Lettings Partnership is made up of three local authorities and two RP partners who manage housing stock across the local authority areas:
- Middlesbrough Council
 - Redcar and Cleveland Borough Council
 - Stockton-on-Tees Borough Council
 - Beyond Housing
 - North Star Housing Group
- 4.16. All properties advertised via the Tees Valley Lettings platform, TVHF, are allocated according to the Tees Valley Common Allocations Policy which has been written and agreed by the Tees Valley Lettings Partnership, and the Committee received a copy of this (link in paragraph 3.4). A breakdown of all RP's operating through TVHF and the minimum % of nominations they will offer is shown below.

Landlord	Nomination %
Accent	50
Anchor Hanover	50
Believe	50
Bernicia	50
Beyond	100
Broadacres	50
Habinteg	50
Hellens Residential	50
Home Group	25
Karbon	50
Livin	50
New Walk	50
North Star	100
Places for People	50
Railway	50
Thirteen	50

- 4.17. Beyond Housing and North Star Housing Group will aim to advertise and seek to let 100% of their available general needs homes via this scheme as they are full partners. Furthermore, several of the above landlords do not operate their own housing registers and in these instances, 100% of their properties will be advertised through TVHF.
- 4.18. Nominations agreements with all RP's also stipulate that in certain circumstances 100% of new build properties will be offered for nomination via the TVHF, for example, new build properties and properties for specific needs groups i.e. Extra Care and accommodation for residents with learning disabilities.

Properties Advertised

- 4.19. Adverts are placed online for bids for 5 working days and list the essential criteria that those wishing to bid must meet. There were 610 properties advertised in 2023-24 with a mixture of new build and traditional accommodation advertised as per the breakdown below.



- 4.20. There were 185 properties advertised in Quarter 1 of 2024-25, of which 82 were New Builds. The majority of properties advertised were 2 bed properties, as indicated in the table below, which breaks down the percentage of properties advertised by number of bedrooms.

Property Size	% Advertised 2023-24	% Advertised Q1 2024-25
Bedsit	1%	0%
1 Bed	31%	22%
2 Bed	41%	49%
3 Bed	26%	27%
4 Bed	2%	2%
5+ Bed	0%	0%

- 4.21. The Committee questioned whether there were any 'hard to let' properties and were informed that the Nominations and Letting team receive hundreds of bids on some properties, and up to 75 bids on low demand properties. The team receive details of the properties that are becoming available for each RP and can request that certain properties are allocated through TVHF if they are aware that there is a need for it. Data was subsequently shared that shows an average of 16 properties per week were advertised in Quarter 1 of 2024-25 and an average of 113 bids per advert was received in the same period. In Quarter 2, an average of 11 properties were advertised per week with an average of 98 bids per property and 16 properties per week in Quarter 3 with an average of 70 bids, however it was explained that the number of bids in Quarter 3 was affected by the Christmas period.

Housing Register

- 4.22. To be able to bid on a property on Tees Valley Homefinder residents join the housing register by applying to create an account either online or via telephone appointment, with a one-two week wait for appointments. There is a 28 day target for activating new accounts once all supporting information has been received and applicants will be informed when their account is live along with the band they are in. While a person who has been evicted from a previous property may be eligible to join the housing register, it is the RP's discretion who they allow to let a property. A person who has housing debt, including rent arrears, recharges or court costs, totalling £1500.00 or over is not eligible to join the housing register and will be given advice on their options, including steps to become eligible such as agreeing a payment plan. Once on the housing register residents can bid and accept offers on more than one property.
- 4.23. At the end of Quarter 4 in 2023-2024 there were 2,507 on the housing register and 3,103 at the end of Quarter 1 of 2024-2025. This is an increase of 596 live applications in a three month period. At the end of Q3 of 2024-2025 the housing register had rose again by 61 live applications to 3,164. Properties are let based on housing need, not aspiration, as per the Common Allocation Policy, and the most needed property for both Quarter 4 of 2023-2024 and Quarter 1 of 2024-2025 was 1 bedroom properties, followed by 2 bedroom properties. The below tables show the number of applications by banding and by bedroom need.

Breakdown by Band

Band	Number 2023-24	%	Number Q1 2024-25	%	Number Q3 2024-24	%*
1	262	10%	256	8%	203	6%
2	512	20%	552	18%	520	16%
3	415	17%	471	15%	517	16%
4	1318	53%	1824	59%	1924	61%
Total	2507		3103		3164	

NB percentages have been rounded and may not add to 100%

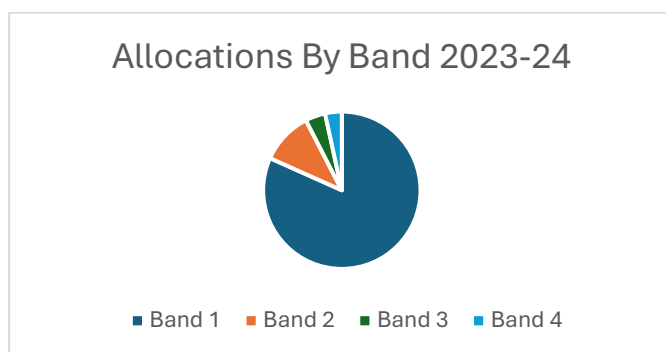
Breakdown by bedroom need

Bedroom Need	Number 2023-24	Number Q1 2024-25
1	1354	1643
2	762	913
3	358	411
4	84	121
5+	12	15

Allocations

- 4.24. The largest percentage of allocations continue to go to Band 1, with 81.7% in 2023-2024, to assist in the reduction of homelessness and moving households out of LA funded temporary accommodation. Allocation data for 2023-24 is shown below.

Breakdown of properties allocated by Band



Band	%
1	81.7
2	10.8
3	4.1
4	3.4

- 4.25. As would be expected, the average time taken from application to securing a tenancy (nominations) is shortest for Band 1, with data showing that in Quarter 1 of 2024-25 this was 196 days, rising to 246 by Quarter 3. This compares with 451 days Q1/446 days Q3 for Band 2, 419 days Q1/320 days Q2 (no nominations in Quarter 3) for band 3, and 296 days Q1/288 days Q3 for Band 4.

Customer Insight

- 4.26. Site visits took place to the Lettings and Nominations team to discuss the work of the team and listen to calls being taken to gain an insight into the types of situations those registered contact the team for. The calls taken during the site visits included callers checking properties available to bid on, wanting to apply to the register, checking evidence had been received, wishing to change banding, and checking the progress of their application.
- 4.27. Members found that the team are checking every advert for a property before they go live on the system and supporting those that are unable to access the internet by placing bids over the telephone. They also found that the team were being open and honest with people on the register, explaining the length of time it can take to secure a property.
- 4.28. It was noted on the site visits that RP's are responsible for informing those that have bid on a property if they have been successful and there may be a period before the successful bidder

can move in due to the checks and subsequent repairs needed, especially if the property has been advertised before it becomes vacant. A property may also be withdrawn if, on inspection, the repairs are going to take a considerable time to complete, or it is not suitable for those that have bid.

- 4.29. The site visits highlighted how the increase in demand has impacted the waiting times for each band, and the prospect of those not in Band 1 being successful in bidding on a property. Consequently, the website has been updated to include information on waiting times, average properties advertised, and average numbers of bids on properties. The website is to be reviewed and updated every three months.

Tees Valley Common Allocation Policy Review

- 4.30. A review of the Tees Valley Common Allocation Policy took place in April – August 2024, which made several proposed changes to the banding system. The proposed changes include:

- Strengthening the requirement for a Local Connection
- Extending the length of exclusion for those found guilty of unacceptable behaviour from 12 to 36 months
- The potential removal of priority banding should applicants in Bands One – Three fail to place bids on suitable advertised properties
- A new Band One Plus for both residents losing their homes due to demolition or regeneration as well as applicants leaving the Armed Forces Community with an urgent need for housing
- Following assessment by Local Authority Homelessness Teams, homelessness applicants to be split across three priority bands
- Young People leaving the care of the Local Authority under the Children (Leaving Care) Act 2000 who have been assessed as ready for independent living be awarded Band One priority
- A new category of Emergency Medical Grounds, whereby applicants who are assessed as requiring emergency accommodation due to medical problems which are exacerbated by their current housing situation, and applicants being discharged from hospital where their housing is unsuitable and cannot be made suitable via adaptation, are allocated Band One priority
- A new category of Child Protection introduced as a Band One priority.
- Including Special Guardianship Order in the category for adoptive parents or prospective parents/foster carers category and awarded Band Two priority
- A new category of Acute Overcrowding introduced and awarded Band Two priority where an applicant household is severely overcrowded requiring two or more additional bedrooms according to the criteria set out by the Department of Works and Pensions.

- The introduction of Senior Management Discretion to be used in exceptional circumstances to resolve exceptionally urgent housing need, for example witness protection cases.

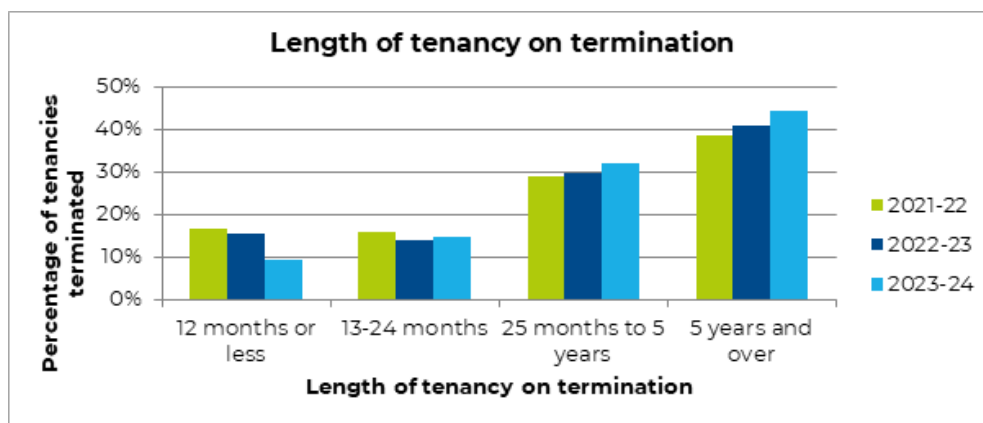
- 4.31. The full description of the proposed changes can be found in the consultation questionnaire at **appendix 1**.
- 4.32. A consultation took place on the proposals in October – November 2024, with the proposals circulated to customers, Voluntary, Community, & Social Enterprise (VCSE) Sector operating in Stockton and Middlesbrough, Homeless SA contractors, and Registered Providers. A total of 682 responses were received and, overall, there was a positive response to the proposals, with 59% of residents responding either agreeing or strongly agreeing with all proposals and less than 10% of residents strongly disagreeing with all questions.
- 4.33. A revised policy including the proposals will be drafted, and it is anticipated that it will be presented to Cabinet in April 2025 for approval. If approved, there will be a long implementation stage as work to procedures and modifications to IT systems need to be completed, along with staff training for stakeholder partners.

Registered Housing Providers

- 4.34. The Committee received evidence from three RP's with properties in the Borough regarding their investment plans as well as what influenced their ability to build new affordable housing. The information they provided included details on average length of tenancies, demolition plans, repairs and meeting the Government's target to improve Energy Performance Certificate (EPC) ratings of rented properties to C or above by 2030, which all may affect their ability to invest in new properties.
- 4.35. The RP's that gave evidence were:
- Beyond Housing who provides 15,000 homes for 30,000 people over 411 square miles and employ 800 staff. They have 400 homes in SBC area, including homes in development.
 - North Star who have 4,000 properties, employ 100 staff and have a strong focus on supported housing, as well as general needs. They have 818 properties in SBC area.
 - Thirteen who provides 35,000 homes across the North of England, 10,900 in SBC area. The majority of Thirteen properties in SBC, approximately 9,000, are social rent properties, with approximately 1,000 affordable rent properties. 100% of new build properties are allocated in accordance with the Tees Valley Common Allocation Policy.

Length of Tenancies

- 4.36. All RP's stated they maintained long term tenancies, with Thirteen adding that it is vital for creating and sustaining communities. Data shared with the Committee showed that the majority of North Star and Thirteen tenancies are held for more than 5 years, and the average North Star tenancy for general need in SBC is 13 years and 3 months.



North Star length of tenancy on termination

- 4.37. RP's noted that there is a trend in increasing length of tenancies across all stock. Thirteen stated that their turnover has been gradually reducing over the last three years from approximately 11% to 7%, but explained this does not impact their ability to meet housing need.
- 4.38. The three biggest reasons for termination of a Thirteen tenancy in the past three years are death of the tenant, moving to the private sector and moving in with relatives or friends. Possible reasons given by RP's for tenants staying in properties for longer include the cost of moving, the cost and/or availability of private rented properties, and the current private housing market.

Maintenance, Repairs, and EPC Targets

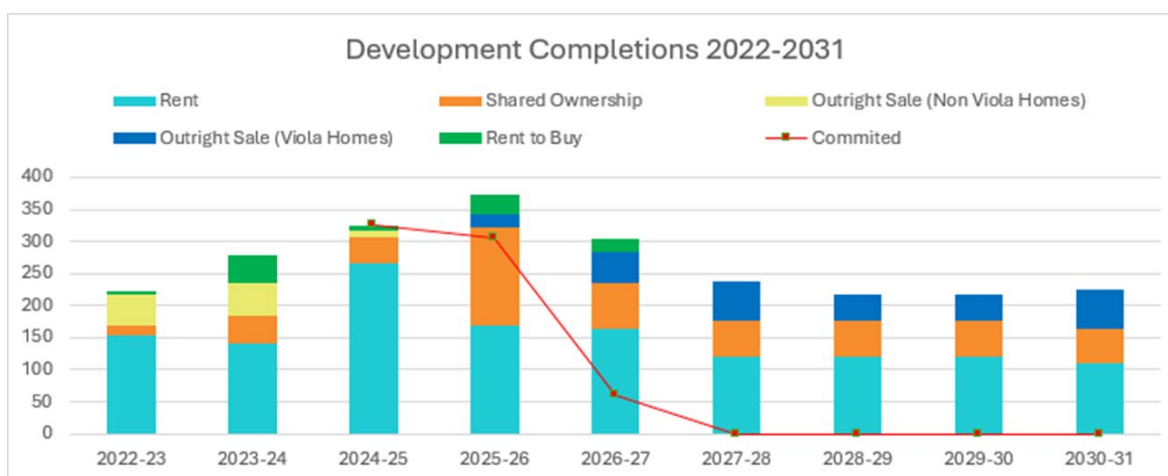
- 4.39. An increase in the number and reporting of repairs required was noted by all RP's, which is attributed to several causes including higher expectations from tenants, the age of the housing stock, and higher energy cost prompting tenants to report vents and drafts that need fixing. At the time that they presented, Beyond Housing had two properties that are considered to need severe repairs including mould and damp, which is 0.01% of stock. In addition, 199 properties are considered to need moderate repairs including mould and damp, which is 1.3% of stock. North Star stated that their repair volumes and costs has increased in spend by 26% over the last three years. They have spent £650,000 on planned maintenance works for over 200 properties, and £1.56 million on responsive repairs. Both Beyond Housing and North Star stated that this impacted on their ability to invest in new properties. In 2022/23 Thirteen carried out 141,551 repairs and spent £88.3m modernising and maintaining homes. Overall, around 1,400 homes (circa 4%) required substantial repairs, including for mould and damp. These are a mix of occupied and non-occupied homes. Unlike the other two providers this level of work does not impact directly on Thirteen's ability to commit to building new homes. The cost to repair and maintain homes is a revenue expenditure item that they budgeted for every year.
- 4.40. Beyond Housing noted that they commit significant work and investment into ensuring properties meet fire safety regulation, costing £3m, including the installation of approx. 3,000 fire doors between 2020 to 2025. EPC C is 85% and they have committed £6.5 m of their budget to bring existing portfolio to EPC C by 2030. Only 5 of their properties exceed 18 metres

high (6 storeys). All North Star properties currently meet the Decent Home Standard. They have some properties that won't achieve net zero and therefore needed wider regeneration to support the demand.

- 4.41. Only Beyond Housing have any demolition plans, with a decision made to demolish and rebuild a 10 storey building due to cost effectiveness of this. Thirteen explained that due to their funding they cannot apply for grants to demolish and redevelop unless they are building more homes on the land and then will only receive funding for the extra number of homes to the number demolished. Members raised a previous regeneration scheme whereby a street of houses was redeveloped by the Registered Provider. North Star noted that they are currently carrying out a similar project on a smaller scale in Thornaby. However, it was stated that it would be very expensive to carry out a redevelopment of a full street of houses and it would need wider regeneration activity and resources. North Star suggested if a full street did not meet the current standards it would be more economical to demolish existing housing, clear, and build new housing.

Investment in building new properties

- 4.42. Beyond Housing have committed a total scheme cost of £153 million to deliver 829 homes, and have 19 schemes currently on site, with 127 homes on site in SBC, and plan 150 starts in 2024/25. They have a model programme and business plan to deliver 2,750 homes to 2030/31. The number of developments completed is outlined in the diagram below:



- 4.43. Members questioned Beyond Housing on the two stalled sites of 143 homes in SBC. There has been a delay on site 1 due to issues with drainage and nutrient neutrality. Options are being considered for completing site 2, as the provider of these modular homes went into receivership. It is hoped that Beyond Housing will gain control of the site by the end of the financial year. Not only did this update members on the progress of the sites but gave them an insight to the kind of problems faced by RP's when supplying affordable housing.
- 4.44. In the last 18 months North Star have invested in 73 new homes costing £12.9 million. This includes 39 affordable rent properties, 26 social rent properties, 5 rent to buy properties and

3 supported housing. They are committed to building 75 new homes per year until 2029 but planning on building 50 new homes per year after this due to the uncertainty of funding.

- 4.45. Thirteen had a strategic partnership with Homes England which give them an extra two years of funding, ending in 2028 rather than the deadline of March 2026 which affects other RP's, and their priority is to meet their targets as part of the partnership, including a focus on building homes for social rent. Therefore, Thirteen preferred to deliver new builds by buying land and building the properties that meet the local housing needs. They have invested £76.2m in new affordable homes in 2022/23, completing on 435. 11% of homes delivered via their strategic partnership with Homes England were in SBC and 10% of 23/24 new build delivery was in SBC, with 24% expected in 24/25. Two upcoming opportunities are in the pipeline: a 50% shared ownership/50% social rent scheme and the potential for land on Yarm Back Lane which was in the early stages when they presented. The below tables outline the investment in schemes Thirteen recently completed, schemes on site and schemes in the pipeline:

	Dwellings	Beds	Thirteen Investment
Total Schemes on Site	138 x Affordable Rent 93 x Shared Ownership	97 x 2 bed house 115 x 3 bed house 5 x 2 bed bungalow 14 x 4 bed house	£41.29m
Total Schemes in Pipeline	43 x Social Rent 43 x Shared Ownership	4 x 2 Bed Bungalow 13 x 2 Bed House 63 x 3 Bed House 6 x 4 Bed House	£19.3 m
Total Schemes Recently Completed	20 x Affordable Rent 24 x Shared Ownership	12 x 2 Bed House 21 x 3 Bed House 11 x 4 Bed House	£9.03m

- 4.46. When planning new builds, the Home England grant will determine whether these will be properties for social or affordable rent. For non-Housing England grants, North Star stated that the new builds will be for whichever is the higher rent which is usually affordable rents, and all properties built via S106 agreements will be for affordable rent due to the cost of these. It was noted that Homes England are pushing all providers to deliver more low cost home ownership homes and Thirteen were committed to do so as a Home England strategic partner. The interest in low cost home ownership remains vibrant however the number of tenants interested in the Right to Buy schemes are falling.
- 4.47. When considering properties via S106 agreements, all RP's preferred their properties to be pepper-potted in small clusters throughout private developments, not grouped in what could be considered the least desirable area of the site. They requested that S106 properties offered by major developers should be of good quality and space standards and meet the needs of their tenant e.g. more bungalows are needed. Thirteen noted that they like to enter these at

the earliest stages so they have the chance to determine the properties that are offered to them. They are careful which developers they partner with and highlighted schemes in Wynyard that they were offered under S106 but turned down due to the properties not meeting local housing needs.

Challenges to investing in new builds

4.48. Both Beyond Housing and North Star noted that the Affordable Housing Programme (Homes England grant funding) expiry in March 2026 is impacting on new home development. North Star noted that they have schemes ready to be developed if there is further funding, but there was no guarantee of this at the time they presented.

4.49. Other issues that influence RP's ability to build new affordable housing include:

- Operating cost inflation exceeding rental income settlement
- The increase in repairs noted above and meeting regulatory requirements e.g. decarbonisation, Decent Homes 2, etc. along with the focus on customer standards and tenant satisfaction measure
- Interest rates and the cost of loan finance
- The cost and design uncertainty for Future Homes Standard
- Complexity and delays with Planning process (including S106 sign offs and nutrient neutrality)
- The availability of land, and it was questioned whether SBC considered putting any Council owned sites out for sale.

4.50. When asked by the Committee if infill sites are of interest to RP's, Thirteen explained that these sites required extra work to make them viable for small and medium sized enterprises whilst they remain unattractive for bigger developers. They suggested that packaging multiple smaller sites to deliver higher numbers was both attractive to potential developers and more viable and worthy of further investigation by SBC.

4.51. The Committee were further informed by officers that the projections for future years new affordable housing, covering all RP's, not just the three that gave evidence, and based on current pipeline schemes are as follows:

2025-26 = 156

2026-27 = 39

2027-28 = 20

2028-29 = 12

Private Developers

- 4.52. The Committee received evidence from Keepmoat Homes regarding the type of partnerships with housing associations and LA's they are involved in, along with their view on what LA's can do to encourage developers to build more affordable housing. In addition, views were also sought from several other private developers and two responded to the questions put to them by the Committee, namely Story Homes and Taylor Wimpey North Yorkshire.

Provision of affordable housing & partnerships

- 4.53. Keepmoat operate a capital light model and source land from both private and public sector partners to transform them into developable sites. Of these land/developments, approximately 80% are local authority or Homes England land. Keepmoat's relationships with RP's and types of developments they work on allows them to apply for different types of funding, such as brownfield site funding to deliver affordable housing, and therefore can bring forward unviable sites. The different schemes they have been involved in include:
- Building affordable housing for RP's under build contracts. An example given was working with RP's to convert open market sites with policy levels of affordable housing to a 100% affordable housing scheme with a mix of rental and shared ownership properties.
 - Working with local authorities to deliver their affordable housing programmes
 - Examples included joint venture arrangements, providing the affordable housing element on a council owned site, and the collaboration arrangement used to deliver the Victoria Park development with SBC which they believe would work well for other sites in the borough, allowing SBC to deliver affordable housing and retain control whilst delivering best value
 - Building the S106 element of development sites for other private developers
- 4.54. Story Homes have existing partnerships and work closely with several RP/Housing Associations on their development sites where affordable housing is provided, across tenures such as Affordable Rent, Shared Ownership, First Homes and Discount Market Sale (although the latter are typically retained by Story Homes). For one of the current sites in their portfolio the affordable housing provision has been retained by Northumberland County Council and this is something they believe has worked well.
- 4.55. Taylor Wimpey North Yorkshire's main method of delivering affordable housing within SBC is via the disposal to RPs. In addition, there seems to be more appetite for RPs to purchase homes outside of S106 agreements to enable the use of grant funding.

Challenges for private developers

- 4.56. A major issue for developers is the planning laws on biodiversity that came into force on 12 February 2024, whereby developers must deliver a minimum of 10% increase of the lands biodiversity value. If it is not possible to do so on a site, a developer can buy biodiversity credits from a company registered with Biodiversity Gain Site Register, although it's noted that there are very few companies registered at the present time. Keepmoat suggest that this may

make a significant number of current sites non-viable, or delay site starts after planning is granted.

4.57. Similarly, the impact of Nutrient Neutrality has been highlighted by all developers, causing extensive delays in the development of sites due to the lack of options in the Region other than the Credit scheme which isn't always successful. Story Homes noted the example of a site in the SBC area being unsuccessful three times on applying.

4.58. Other challenges noted by developers include:

- The availability of grants for RP's and developments
- RP's reduced interest for S106 housing, whether this is because they have already committed to programmes, utilising funds to focus on their existing stock, developing their own sites or acquiring developer stock plots that have changed to affordable tenure
- The number of skilled workers in the labour market. There are currently not enough trained workers in the different trades required in the building sector, and not enough people being trained in the sector. A shortage of scaffolders and roofers was particularly highlighted.
- Build cost levels increasing which impacts on private sales values, driving up the price of a home and making certain areas non developable without grant funding.

4.59. Additional reasons put forward for sites that have received planning permission becoming stalled were:

- Unforeseen on-site challenges with ground conditions, level issues requiring retention, technical issues such as surplus material being generated which is contaminated and has to leave site, grouting etc all of which increase costs
- Viability challenges because of planning conditions/obligations
- Viability challenges because of market movement and not generating the land receipt expected. Keepmoat noted that where private sales rates are not sustainable they look to supplement these by providing additional affordable housing with grant funding.
- Local authorities adopting Nationally Described Space Standard (NDDS) house types as a standard requirement, which generate extra space and build cost but no extra revenue available due to market caps.

4.60. Lead in times for building a property also needs to be taken into consideration when planning developments, in some instances a scheme taking three – four years to come to fruition. Keepmoat noted they were currently planning schemes to be built in 2027.

Incentives to work with Local Authorities

4.61. Keepmoat acknowledged that SBC have a pragmatic and innovative approach to delivering affordable housing and officers worked with developers. However, all developers suggested

that flexibility on delivery models, tenures and restrictions on the provision of affordable housing will alleviate some of the challenges they face and allow funding to be injected into schemes.

4.62. Other suggestions include:

- Unlocking council owned sites with a pragmatic expectation on land value, to reflect a higher percentage of on-site affordable housing delivery.
- Delivering affordable housing outside S106 agreements, to unlock opportunities for grant eligible affordable housing on schemes. This can be done on Council owned sites by capturing the affordable housing requirements within the Development Agreement.
- Review the on-site affordable housing requirements for sites with viability issues or in lower value areas within the Borough, use First Homes or Discount Market Sale to improve viability.

4.63. Examples highlighted by Keepmoat were:

- A site which had stalled for over 15 years based on scheme viability. A mechanism to allow grant funding into the scheme was agreed which allowed them to potentially over supply voluntary affordable housing (of policy requirement). They were then able to agree a land price with the vendor and procure Thirteen group as the affordable housing provider to allow the scheme to move forward. A draft S106 mechanism has been proposed, which has been used successfully elsewhere to attract grant funding from Homes England
- A proposed scheme where they have recently marketed the S106 affordable element. They have not received a viable offer from any of the RP's but did receive an offer which required grant funding and would facilitate the delivery of voluntary affordable housing. They are currently in discussions with the Affordable Housing Officer at the Council to agree an appropriate mix and to obtain his agreement to support this proposal.
- A Victoria Park style collaboration agreement which allows the SBC to partner with a developer to deliver the councils aspirations and retain control whilst delivering best value.

Private Rented Sector

- 4.64. Local Housing Allowance rates (LHA) are used to calculate Housing Benefit for tenants renting from private landlords and decided by the Department for Work and Pensions (DWP) using information provided by the Valuation Office Agency. When the Housing Benefit payment received by an individual does not cover their rent the householder will need to find the 'gap' from other income. The rates had been frozen for three years before being uplifted in 2024. The 2024/25 rates are as follows:

Shared Accommodation Rate	£66.50 per week
One Bedroom Rate	£94.36 per week
Two bedroom Rate	£109.32 per week
Three Bedroom Rate	£126.58 per week

Four Bedroom Rate

£172.60 per week

- 4.65. The Committee received evidence from Michael Poole (MP) Estate Agents on their perspective of local private rental market. Average rents are rising, at £872 in September 2024, and there are no properties in the SBC area where the rent can be solely covered by housing benefit. Landlords are requesting yearly increases in rent from their tenants, and in some cases requesting a 10% increase each year. While MP Estate Agents can sometimes negotiate lower increases in rent, the demand for properties is so high that landlords are aware if a sitting tenant is unable to meet the rent increase and must vacate there will be approximately 30/40 other people applying to rent the property despite the higher rent.
- 4.66. The number of landlords leaving the sector has slowed down recently, however private rental stock has reduced significantly and while MP Estate Agents had once advertised 25 properties for rent per month, they are now advertising four – five properties. Reasons for landlords leaving the market are varied and it was suggested that these included interest rates and the issues detailed in the proposed Rental Rights Bill including Section 21 abolishment. Selective licensing is not considered to be a concern. Landlords leaving the market often sell their properties to owner occupiers as they get a better price than selling to another private landlord. As a result, there are not enough properties to meet demand, and in particular, a shortfall in properties for young people and families.
- 4.67. MP Estate Agents cannot foresee a change in the market due to a change in the demographic of private landlords over the last 5 years, with less landlords of one/two properties and more portfolio holder landlords with several properties. Many of these types of landlords are based outside of the area. They are also more professional in how they run their properties with higher standards as they have more money to invest.
- 4.68. This has an impact on the housing register as those being displaced from the private rental market, either due to the cost of rent or the landlord selling the property/availability of properties, are not always able or want to move to owning their own home.
- 4.69. MP Estate Agents highlighted a scheme that they had been involved in whereby they worked with another Council to let flats at an affordable rent. The demand for the properties was so high they stopped advertising them after a short period of time.
- 4.70. The Committee are aware of the Renters Rights Bill, which is currently at committee stage. The Bill is predominately driving through change in relation to improve the condition and management of private property and to remove practices such as the use of 'no-fault' evictions. It also references regulating rent increases.

Housing Action Teesside

- 4.71. Housing Action Teesside (HAT) presented their report, "Council Housing in Stockton's Future", to the Committee outlining their viewpoint regarding the current housing crisis in the Borough and suggested solutions to resolve this.

- 4.72. HAT are a tenants union and housing campaign representing hundreds of tenants across Teesside in both social and private rented housing. The report notes that the housing register is growing, and registered providers are not building enough properties to meet need. They state that average monthly rents in the borough are rising, with the highest rent increases in one bed properties, and that the number of households seeking homeless support is also rising.
- 4.73. The report noted that of the people seeking support and are not accommodated by the Council, many are not considered a “priority need”, could not establish a strong enough connection, or could not be confirmed to be homeless due to their landlords being uncontactable. It stated that more people experiencing homelessness in the borough are being left in substandard accommodation, or forced to sofa-surf, sleep rough or squat.
- 4.74. The report included experiences of tenants in both private and social rented accommodation, noting that these are often in extreme disrepair, with 73% of those that responded to a survey HAT carried out in 2022 experiencing problems getting repairs done. Common problems include damp and mould, broken windows and doors, and broken boilers. Tenants experienced an impact on their mental and physical health as a result.
- 4.75. LA’s are required to open Housing Revenue Accounts (HRA) if they have 200 or more council-owned properties to record expenditure and income on their housing stock. The report noted that 158 out of 294 councils in England have an HRA, indicating they have a housing stock of 200 or more. In addition, the report stated that 9,054 homes were built by councils directly in 2023, with another 3,049 homes built by council-owned housing companies. Examples given in the report were as follows:
- Durham County Council, who had previously disposed of its housing stock, announced plans to build 500 new affordable houses managed by the Council across land they already own. The first homes will be available in 2026
 - Hartlepool Borough Council owns approximately 300 properties and is exploring a new scheme of 75 new council homes
 - North Yorkshire Council housing strategy plans to deliver 500 council homes by 2029, as a “minimum baseline”
 - Darlington social housing stock continues to be council-owned and designed and built 400 homes in-house
- 4.76. Further examples forwarded outside of the meeting were:
- Eastleigh Borough Council took the decision in 2021 to reopen its Housing Revenue Account, with the goal of incrementally increasing its supply of council housing through new developments.

- Sunderland Council reopened its HRA in 2020, in order to deliver 500 homes over 5 years. It is estimated that the total gross investment cost to deliver the homes will be £59m, while the total net investment needed is estimated at £37m once grant funding has been considered.
- Gateshead Council has an ongoing housing improvement plan, it dissolved its Arm's Length Management Organisation in 2021 to expand its Housing Revenue Account and bring the management and maintenance of council housing in-house. In 2022 they committed £96m capital investment over 5 years and £1.1b over a 30 year plan.
- Peterborough Council reopened its Housing Revenue Account in 2021, with a target of 1,200 properties by 2032, and citing the changes in the legal environment with self-financing for councils and the abolition of the debt cap as making building council housing more favourable. The set-up costs for the HRA were estimated at around £556k. Based on the target of supplying 1,200 homes, their model shows a surplus of £65.79m over 30 years.
- Bradford Council reopened its HRA in 2019.

4.77. The report advocates the reintroduction of local authority-owned, democratically accountable council housing stock in Stockton-on-Tees, by acquiring council housing at a manageable scale in the short term and a long term plan of large-scale council house building. It was noted by officers that if SBC decide to provide council housing this would either be funded via Homes England or by funding it through other mechanisms.

Regional and National Best Practices

4.78. Evidence was received from Northern Housing Consortium (NHC) regarding the current housing sector and how other areas and LA's are meeting the increasing demand in affordable housing. NHC has 400 members nationally including LA's, RP's Arm's Length Management Organisations, and Combined Authorities (CA), and use their collective voice to influence housing policy for the North.

4.79. Partnership arrangements are seen as key, and the NHC reported that LA's are using many different partnership arrangements to deliver affordable housing. These include:

- Working in partnership with a Housing Association or with a developer
- Partnerships with Homes England
- Community-led housing organisations
- One public estate and other charities
- Working within a Combined Authority

4.80. Homes England support has focussed on meeting housing delivery targets through:

- The Land and Infrastructure Funds
- The Affordable Homes Programme (AHP)

- Housing Building Short Term Fund
- The Brownfield, Infrastructure and Land Fund (BIL) has been set up to support housing-led regeneration

- 4.81. They now have a wider role supporting mayors and local government to drive ambitions for new affordable housing as part of a wider social and economic regeneration. It was suggested that CA's may eventually receive more powers for housing and grant funding will come to them direct rather than the individual LA's. CA's role may include understanding need and demand, setting the strategy direction, support supply and delivery, and enabling and investing.
- 4.82. The NHC echoed the Registered Providers evidence that they face mounting pressures from severely constrained financial capacity, higher cost of finance and rising building costs, and commitments to remediate existing stock to meet building safety and decarbonisation requirements. This has reduced capacity to finance and develop new affordable homes. It was also noted that the number of affordable homes being delivered via section 106 is in decline.
- 4.83. Planning Reform is also a major issue, and includes universal coverage of local plans, housing targets, green and grey belt, growth supporting infrastructure, planning capacity and fees, and a focus on social and affordable housing. NHC suggested that the golden rule that "at least 50% affordable housing, with an appropriate proportion being Social Rent, subject to viability" might not be viable in Northern England due to the lower land value in these areas.
- 4.84. The introduction of a 'brownfield passport' to give a straight forward 'yes' to development is also included in planning reforms. Making the most of urban brownfield land through the planning system should mean bringing vacant and under-used brownfield sites into more productive use as well as identifying where existing developed land would benefit from redevelopment, intensification or a change of use. However, some brownfield/industrial sites can take 10 – 20 years to develop and currently there are often time limits on when the funding must be used by which impacts on the viability of these sites
- 4.85. It is, however, unlikely that new housing stock will make up more than 1% per annum to the affordable housing stock. Therefore, using the existing housing stock more effectively has to be a priority. For many councils, affordable housing provision includes acquisition as part of an asset management strategy and there has been an increase in councils buying back former Right to Buy properties.

Case Studies

- 4.86. NHC presented several case studies, and these are listed below.
- **Greater Manchester Combined Authority's The Manchester Housing Strategy (2022-2032)** has a target to deliver 10,000 new affordable homes by 2032. Activities include:
 - Closer and stronger relationship with Homes England as the arm of Government charged with 'making homes happen'

- Driving up rental housing standards with a Good Landlord Charter acting against rogue landlords
- Driving up new homes standards with the Truly Affordable Net Zero Homes Best Practice and Innovation Working Group seeking out national innovation

44% is funded by Homes England, with the remaining funding coming from the 10 Local Authorities involved. The strategy has taken several years to be developed and agreed and is seen as a trailblazer.

- **Sheffield City Council** plans to deliver 3,100 affordable rent homes by 2029, 1,600 new builds and 1,500 acquisitions through s106 and the market. It has regenerated between 500-600 properties and has a joint venture with The Sheffield Housing Company. In addition, the Housing Growth service is looking at using acquisitions strategies, leaseback models, joint ventures, partnerships with housing associations and utilising surplus land it owns or intervening in private sector land assembly. Finally, Great Places Housing Group, a collaboration between the council, Homes England, Great Places housing association, and other strategic partners has developed an action plan to significantly increase the number of affordable homes.
- **West Yorkshire Combined Authority** delivered 1,500 affordable homes in 2022/23, have a Strategic Place Partnership with Homes England, and Brownfield Housing Funding for 5,400 homes. They invested in resources and capacity across all five West Yorkshire LAs to enable the delivery of over 22,000 homes and built a strong network of social housing providers through the West Yorkshire Housing Partnership, who collectively provide a fifth of all homes across the region. As part of this:
 - **Railway Street Leeds** is the first new build development by 54North Homes affordable housing provider. It will be 100% affordable housing development with all 58 homes available for social rent. Scheduled to complete in November 2024 and built to an EPC A rating. It has been funded through the £89m West Yorkshire CA received from Brownfield Housing Funding for the development of new homes on brownfield sites
 - **Leeds Affordable Housing Growth Partnership Action Plan** aims to deliver circa 750 new affordable homes per annum up to 2025. Acquisitions make up roughly a third of the council's housing growth plan and commissioned West Yorkshire CA to look at a range of delivery models. Right to Buy receipts are also used to support RP schemes and specialist providers
- **Salford City Council** has attempted to be creative about the use of S106 through clawback mechanism, valuation teams re-appraising the value of developments, and strong interrogation of the values and costs of developments to ensure any viability claims are valid.
- **Liverpool City Region CA** devolved brownfield funding will deliver 500 new homes at Moss Nook St Helens, a 95 acre brownfield site.
- **Liverpool City Council (LCC)** is set to receive a £55m investment boost from Homes England, subject to HM Treasury approval, to accelerate the regeneration of the city's historic northern docklands, the city's largest brownfield site. The Council's brownfield site commitment supports the delivery of 2,000 new homes every year to 2030 and to double the number of affordable homes across the city. Liverpool also supports initiatives brought forward by voluntary and community groups for tackling empty homes. LCC transfers properties it previously acquired to CLH organisations for £1. It also provides advice and support. Partner housing associations provide strategic and management support.

- **Manchester** changes in the Allocation Policy in 2023 means that households can move into private rented properties and keep their ranking on the housing register. The annual net cost of temporary accommodation in 2023/24 was 5% lower than the previous year and this was mainly due to a large reduction in both families and individuals living in B&Bs.
- **Scottish Government National Acquisition Programme**, backed by £60m from the Affordable Housing Supply Programme, is one of a number of actions the Scottish Government will prioritise in 2023-24 to help to reduce the number of households in temporary accommodation. All LA's will be asked to consider and develop an acquisition policy.

4.87. When asked by the Committee, the NHC and officers were not aware of any areas in Northern England providing homes via container type accommodation in car parks, which had happened in Cornwall. Modular homes are not currently being built in the Borough but have been built elsewhere in Northern England. This is a relatively new product and while it has its benefits, they have to be produced on a large scale to be viable. Due to this, some companies providing modular housing have gone into receivership which led to sites being stalled, including sites in SBC as mentioned in paragraph 4.43.

4.88. The Local Government Association also forwarded several examples of how other areas were meeting their housing needs, as follows:

- **Derbyshire Dales District Council** Working in partnership with charities/almshouses and other community led housing organisations, they have both been commissioners of new council housing and enablers for bringing resources to organisations in need of support to provide 50 affordable homes in their district. Funding for this included a mix of S106 income and grants, Community Led Grant, LGA, Department for Business, energy & Industrial Strategy Local Authority Delivery Scheme 1a & 2 Grant. They have also become a Registered Provider to deliver 52 council homes over 4 years.

[Council Housing Development Programme - Derbyshire Dales District Council | Local Government Association](#)

- **Mid Devon District Council** worked in partnership with Zpods to deliver a small number (one development with 6 apartments and one development with 8 apartments) of zero carbon social-rent modular homes. They were built on council land using Brownfield Land Release Funding and Home England Affordable Homes Funding. They used Methods of Modern Construction, building the homes offsite, to deliver near Passivhaus standard, including using heat pumps and insulation. The properties were retained by the Council for 100% affordable rent for a revenue stream in the Housing Revenue Account.

[Mid Devon's social housing projects continue to gain national recognition](#)

- **Plymouth Stirling Veterans' Self Build Project**, Plymouth was originally funded under One Public Estate to test the feasibility of releasing land owned by the NHS. It then received £375,000 from the Land Release Fund which, together with £325,000 from the Council's Plan for Homes Fund, enabled site preparation works including demolishing the former residential care home and adjoining Clinic. The land was released to a housing association in February 2021 and is under construction. The project will deliver 25 affordable homes including a 4-bed wheelchair adapted

house. Veterans have been involved in building their own homes while receiving training, which will allow them to obtain employment in the construction industry.

[Celebrating Stirling House Veterans Self-build Completion | Alabaré](#)

- In addition, the LGA forwarded the **Devon Housing Commission's report** which gives a detailed analysis of the housing crisis in the county and proposes a number of recommendations not only for the local authorities within Devon but also the combined authority, Homes England, the government, and other bodies. The recommendations to local authorities include planning officers/authorities influencing the types of houses being built, and consider opportunities for acquisition and modernisation of existing properties; assess land assets and consider making some sites available for social rented provision by social housing providers; and identify current construction sector need, available skills training and gaps in provision.

[2024EI047-Devon-Housing-Commission-Final-Report-v8.pdf](#)

Empty Homes

- 4.89. In October 2024, there were 3,150 empty homes in SBC area (4.1% of private sector stock), and of those 1,308 were classed as long-term empty (1.7%). The reasons why a property is left empty varies, including the owner not being in a position to move into the property, refurbishing the property, the owner moving into care, or waiting for the market to improve before selling.
- 4.90. An Empty Homes Officer is employed to support owners to return properties back to use, offering advice and assistance, and this has resulted in 256 properties returned to use between April 2019 – June 2024. There is also a Corporate Empty Homes Group, with officers from Housing, Planning, Building and Enforcement Services as well as Cleveland Fire Brigade. Collectively this group prioritise for enforcement activity (in instances where working with the owner to encourage the return to use of a property have not been positive), currently the group have identified an Empty Property Priority List of 273 properties. These have been identified via information received from members of the public, SBC departments, Council Members, and MP's for example.
- 4.91. While working with owners informally is the main route used to return empty properties to use, there are also enforcement measures that can be taken, as follows:
- Compulsory Purchase Orders (CPO) which can take up to 18 months in the best-case scenario
 - Empty Dwelling Management Orders, which is quicker than a CPO at 12-18 months
 - Enforced Sale Procedures, which is the quickest process but requires a debt on the property to be used
- 4.92. These measures are costly both financially and in terms of other resources, including up front funding to enable purchase or refurbishment, and the property owner can reclaim the property throughout the process.
- 4.93. There is also a Council Tax Premium to deter owners leaving properties empty, whereby an owner is charged the following rates:
- 1 – 5 years empty – 100% (pay full council tax)

- 5 – 10 years empty – 200% (pay double council tax)
- Over 10 years empty – 300% (pay triple council)

4.94. As noted in paragraph 4.41 North Star Housing are currently working on a scheme to return a minimum of 10 empty properties in North Thornaby back to use, receiving a £400k grant from SBC to do so. The funding has come for the Town Deal and made this a viable development for North Star. Currently 5 homes have been purchased and refurbished. Historically Homes England would fund development of empty properties however currently there are no funds to support schemes of this kind.

Affordable Housing Delivery Option Appraisal

4.95. An optional appraisal is taking place in response to the growing demand on affordable housing, the absence of bespoke supported/specialist accommodation models and growing financial pressures due to this, and the governments ambition to increase the delivery of quality affordable and social housing.

4.96. A desktop assessment of a range of options has been carried out and these were ‘tested’ through a Preliminary Market Engagement (PME) exercise, which received 22 written replies from:

- 3 RPs
- 3 public limited companies
- 3 SME developers
- 4 SME contractors
- 1 micro contractor
- 3 special needs providers
- 2 Private Equity investor/developers
- 2 construction consultancies
- and 1 timber systems supplier

4.97. Officers also held 12 PME 1-2-1 sessions with a cross section of organisations that responded.

4.98. The PME exercise highlighted an appetite and enthusiasm amongst local, regional and national housing developers and contractors to work in partnership with SBC to deliver affordable homes (recognised short, medium and long-term opportunities in sample of sites, even if not all of them). Local and Regional RPs are also interested in acquiring sites under disposal collaboration agreements, as they currently do. When questioned, the Committee were informed that while a disposal of land via a disposal agreement enables the LA to state what type of housing is built on a site, the site is less valuable than if it was sold via a land disposal/long lease disposal where the LA have limited control over the type of development.

4.99. Respondents have a strong preference for a Hybrid approach. This includes simple sites developed by a third party e.g. Small & Medium-sized Enterprise (SME) builder, while more

complex sites are developed by a joint venture development management partner, determined on a site by site basis. There is also a notable appetite from providers and managers of specialist accommodation to work in the borough, although it was difficult finding end users for supported living landlord function, and this is a possible option for SBC direct delivery. Local building contractors are promoting SBC self-development, and there is some investor interest however they are seeking rent shortfall guarantees from SBC.

4.100. A key message of the PME is to keep procurement simple, through existing frameworks.

Delivery options appraisal post PME exercise

Delivery Options	Description
Business as usual	Continue as we are
Land disposal or Long Lease Disposal	Sell sites to RPs & others (SBC traditional approach).
Partnerships	Contractual or MoU arrangement with others i.e. RPs/Neighbouring (inc. HRA) LAs/ private developers/ TVCA
SBC Investment/Purchase Fund	SBC opens account to buy property for affordable purposes possibly via partner may also include SBC providing mortgages?
SBC Wholly Owned Company	Establish Private Company Limited By Shares to acquire develop dispose or invest in land and property including affordable
SBC Local Housing Company	Independent arms-length commercial organisation wholly or partly owned by a LA / sit outside of the government housing finance system (HRA)
Reopen HRA	Develop and manage directly using separate ring- fenced account
Disposal collaboration agreements/Development Agreements (<i>alternative partnership option</i>)	Collaboration agreement with developer (private developer or RP)
Direct commissioning Programmes & Projects	'Enable' sites to come forward

4.101. The conclusion following the PME favoured a Hybrid approach including enabling, direct delivery and partnerships.

4.102. When **enabling** delivery of affordable housing, it may include an increased requirement from the developer e.g. a starting point of 40% affordable housing on a development, and, if not viable, working with the developer to ensure the maximum affordable housing that is viable for the site is built.

4.103. There are two options for **direct delivery**: opening a HRA or creating a Local Housing Company.

- Housing Revenue Account (HRA):

- As previously noted, a HRA is required when a LA's owned housing stock reaches 200 dwellings. It is a separate finance system that records expenditure and income on running a LA's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the LA's own tenants. It gives LA's the opportunity to intervene directly and at an appropriate scale, having direct control over developing and delivering business plans for social housing, as well as potentially securing Homes England Funding.
- However, HRA's can be costly to open (the amount dependent on the housing ambitions of a LA), are governed by a wide amount of legislation, and can be time consuming to administer. A LA needs to secure the investment for a HRA, and therefore if this route is taken the funds will need to be borrowed. As funds cannot be transferred in or out of a HRA, these funds must be paid back from the HRA itself. There is, therefore, a need to ensure that the HRA is viable over the life of its business plan. One of the key measures for financial performance will be the interest cover ratio within the HRA. This measure could potentially restrict LAs ability to deliver their housing objectives

- Local Housing Company:

- Establishing a Local Housing Company can be an advantage as it is possible to register it as an RP and move the stock to the company should a LA not wish to open an HRA. They operate outside HRA rules, while still giving the opportunity to intervene directly and at an appropriate scale for the authority, having direct control over developing and delivering business plans for social housing. They can also secure Homes England funding and tenants living in a Local Housing Company property do not have access to the Right to Buy scheme. Under this vehicle, a LA can build a site with 40% affordable housing, setting their own rent level ensuring it is viable, and sell the remaining 60% of housing to cross-subsidise the affordable housing.

4.104. Both HRA's and Local Housing Company's pose a challenge for skills and capacity, as well as the time anticipated to secure RP partner status. However, the PME exercise revealed a gap in the market for a landlord function for special needs accommodation, and one option for addressing this gap would be one of the above.

4.105. **Partnerships & Collaboration Agreements** enables a LA to share the risk of developing and delivering complex housing projects with a partner, while gaining access to a partner's expertise. Partnerships may be with a single partner, or several partners. The partner can come from a variety of sectors and may include:

- Registered providers
- Private sector partners
- Build-to-rent companies
- Institutional investors
- Social Enterprises/third sector
- Other Local Authorities
- Combined Authorities

4.1. Its strengths include that there is a single procurement process and mechanism to agree when and how further sites can be added in, there is a matched equity requirement with 50/50 control

and share of returns, and the LA gets access to skilled and experienced resources/capacity. It can be a flexible model over the longer-term or changing market cycles.

- 4.2. However, the scale of the development needs to be big enough to make processes financially worthwhile and comply with procurement rules. The LA will have a 50/50 share of all costs, and the equity requirement may exceed land values. There will be resource requirements from the LA to run the initial procurement process and to participate in decision making for the lifetime of the project. Partnership approaches are a long-term commitment, and clarity is needed on the sort of partnerships that SBC would want.

Refining the options - next steps

- 4.106. Further work is taking place to refine the Hybrid Delivery Option, and this includes officers engaging with RP's wider than those operating in the Tees Valley to understand their appetite for investment and partnerships, and/or whether they are facing the same challenges leading to reduced investment in new homes. Dialogue will also continue with the market operators that have already been engaged as well as Homes England.
- 4.107. Engagement will take place with Tees Valley Combined Authority, which is essential following the recent Devolution Bill's proposal of providing funding via Integrated Settlements to Mayoral Strategic Authorities, as well as the wider Tees Valley LA's to explore their appetite for sub-regional partnerships and collaboration. It is noted that the only LA in Tees Valley that currently has a HRA and owns their own affordable/social rent housing is Darlington, while Middlesbrough and Hartlepool had Mayoral Development Corporations that are also local planning authorities for all or part of their boroughs. Any cross boundary partnership might deliver the scale of development to achieve efficiencies but equally might dilute the positive influence and impact for Stockton-on-Tees' residents
- 4.108. Officers are continuing to build the business case which includes gaining an understanding of the need for adults and transitions, both general housing need and specialist/support housing need, to inform the tenure, type, mix and scale of housing needed. Financial modelling will also be undertaken, along with cost of delivery implications and determining the measure of success.
- 4.109. The models of delivery will be refined further, and this will involve contacting those LA's that are successfully operating HRA's and Local Housing Companies.
- 4.110. The sites in the scope need to be agreed, including which delivery option they are best suited, taking the Asset Management Strategy into account to make sure they are aligned. Appropriate approvals will need to be secured and preparatory work on the sites commenced.

5.0 Conclusion

- 5.1. The Committee's findings have reaffirmed the growing demand for affordable housing with the number of people on the housing register increasing considerably, especially within Band 1, the highest priority for housing need. Options for residents to secure accommodation in the private rental market are reducing due to cost as well as a reduction of properties and this is

adding to the number of residents wishing to access affordable rental properties and applying to join the housing register. The most needed properties are currently 1-bedroom properties followed by 2-bedroom. However, the number of properties being advertised per week on Tees Valley Homefinder (the housing register/choice based letting system) has reduced in recent years and the majority of properties advertised are 2-bedroom.

- 5.2. The Committee considered both the current Tees Valley Common Allocation Policy, as well as the proposed changes to this following the review of the policy by SBC and Tees Valley Homefinder partners and subsequent consultation. Members are satisfied that people on the housing register are being treated fairly and support the proposed changes which will ensure that they are given the most appropriate banding for their need.
- 5.3. Members heard that Registered Providers are committed to delivering affordable housing in the Borough, either by building or buying properties. However, the additional regulatory requirements and uncertainty surrounding future funding is leading to some tough choices as they deploy finite resources and having to be more selective about which development opportunities they pursue.
- 5.4. Members also heard that Developers are experiencing increasing costs to build and a shortage of some skilled trades which detrimentally impacts on the delivery of new build affordable homes. New planning requirements regarding biodiversity net gain, as well as the need for developments to achieve nutrient neutrality, are an additional development cost which can impact on the viability of sites for developers. Members also found that lead in times for developments from inception to delivery are lengthy, in some instances taking three – four years from buying the land to starting on site, depending on the complexities of the site, the specification and available funding. Some brownfield sites can take an extensive period to remediate, and long term regeneration/Brownfield funding is not available.
- 5.5. The Committee is therefore conscious that the number of people on the register far exceeds the trajectory of new affordable homes which translates to longer waiting times for suitable affordable homes. The number of new affordable housing built in future years needs to exceed the current projected delivery numbers to keep pace with demand. In addition, Members found that while the predominant new build affordable housing type in recent years has been two and three bed homes, more one bed and larger family homes are needed to be better aligned to the emerging unmet affordable housing needs. RP's and Developers asked for SBC to unlock land for development, however members were conscious that land should only be released as part of an equal partnership and one which will support the Council address its local housing needs.
- 5.6. The announcement by Government on their commitments to build more housing, including Affordable Housing, is noted. It is also noted that the revised National Planning Policy Framework has been strengthened to encourage mixed tenure developments and states that the provisions for social rents be considered when undertaking housing needs assessment and setting policies on affordable housing requirements. However, the full implications of these announcements will not be known until funding arrangements have been announced.
- 5.7. While there are a number of empty homes in the Borough, and work is ongoing to support owners to return these properties to use, taking control of these properties is a lengthy and

costly process. Therefore, as a standalone, the Committee do not believe this is currently a viable option to address the need for affordable housing.

- 5.8. Members heard how Local Authorities across the country are using both their enabling and partnership arrangements to deliver affordable housing. These include working with RP's or developers, similar to the partnership SBC had with Keepmoat to deliver the Sycamores scheme on the former Victoria estate, partnerships with Homes England, working with community-led housing organisations, and working with sub- regional Local Authority partners. Using existing stock effectively is also a priority for LA's, and some authorities are reviewing their allocation policies, as TVHF partners have done, whilst others are acquiring properties to increase supply.
- 5.9. The use of potential enabling and partnerships other LA's are employing is echoed in the Affordable Housing Delivery Option Appraisal interim findings. After considering a long list of options, and undertaking a Preliminary Market Engagement exercise, the outcome of the optional appraisal suggests that a Hybrid Delivery approach is appropriate to address the affordable housing needs of the borough. This approach includes:
- **Enabling** (which may include for example the Council seeking an increased requirement for the provision of affordable housing on sites the Council owns i.e. above our minimum planning requirement)
 - **Direct delivery** via a chosen vehicle (for example through a HRA, if the Council goes above the 199 threshold, or Local Housing Company)
 - **Partnership** model/structure. Partnerships may be a single partner or several partners and can come from a variety of sectors (which may include for example Registered Providers / Private developments / Build to Rent companies / Institutional investors social enterprise and or the third sector/ other local authorities /combined authorities). SBC should only release land as part of an equal partnership and in line with local housing needs.
- 5.10. The Committee therefore considers that more than one option is required to address the housing need in the borough and supports the interim outcomes of the Affordable Housing Delivery Option Appraisal. Further work is required to refine the approach to ensure that it provides the best outcomes. The Committee's recommendations also reflect the concern with the lengthy process for returning empty properties back to use as well as factors in the private rental sector is adding pressure on the local housing register. Finally, the recommendations ask that those on the housing register are fully informed of the current position of housing, and Members are updated on the impact of the revised bandings in the Common Allocation Policy.

Recommendations

- 5.11. The Committee recommends that:
1. The outcomes of the Affordable Housing Option Appraisal to date are supported, and officers be requested to carry out further investigation into a hybrid model to address the borough's affordable housing need, which should include:
 - Enabling (which may include for example the Council seeking an increased requirement for the provision of affordable housing on sites the Council owns i.e. above our minimum planning requirement)
 - Partnerships with Registered Providers and Developers – partnerships may be a single partner or several partners and can come from a variety of sectors

- Direct delivery (model to be determined)
2. Correspondence is sent to Central Government to ask that the regulations for returning empty homes back into use are reviewed to ensure a more streamlined and strengthened process.
 3. Given the current demand for social/affordable housing, the Council (via its website and other means as appropriate) provide regular updates to applicants regarding general property availability and demand (for example with information on the average number of properties advertised per month/the average number of bids made on each property per month), in an attempt to manage applicant expectations.
 4. Following Cabinet approval, and six months after the implementation of the revised Common Allocation Policy, an update be provided back to the Committee on the impact of banding changes (i.e. to provide a breakdown of applicants who have secured accommodation).
 5. Council notes that Local Housing Allowance rates are not close to real costs, and local landlords are increasing rents to such a rate that people cannot afford, and this is putting pressure on local authorities to house people. Council therefore calls on central government to take this into consideration when reviewing Local Housing Rates and within the Renters Rights Bill.

Appendix 1



Common Allocation Policy Review 2024 Consultation

The Tees Valley Lettings Partnership are seeking your views on proposed changes to the Common Allocations Policy.

Due to the increased demand for social housing within the partnership areas and the financial pressures currently placed on Local Authorities, considerations include changes to the priority banding criteria, the disqualification period due to antisocial behaviour and local connections.

The law requires that when a Local Authority makes an alteration to their scheme for allocating social rented housing, which would result in a major change to their policy, members of the public should be invited to make comments on the proposals.

The consultation is open for responses for six weeks ending at 12pm on Monday 18th November.

Applications registered prior to the implementation of the new policy **will not be disadvantaged by the introduction of a new policy.**

It is proposed that changes made to the existing policy would impact on newly registered Tees Valley Home Finder applications following the introduction date of a new policy only. Current live applications which are placed in a priority band which would be negatively impacted by the proposals will remain in their current allocated banding (unless as a result of a change in the applicant's circumstances), and any current applications where a higher banding may be allocated under any policy changes would be reviewed and may be awarded the higher banding.

A copy of the current policy can be found <https://www.stockton.gov.uk/article/2083/Social-housing>

If you have any queries regarding the consultation, please contact strategichousing@stockton.gov.uk or call 01642 524345



Question One

Please select which option best represents you:

- ☐ I am a resident living within the Tees Valley Home-Finder partnership area.
- ☐ I am a staff member of a Tees Valley Home-Finder Partnership organisation.
- ☐ I am a representative of the Registered Provider sector.
- ☐ I am a representative of the VCSE Sector
- ☐ Other (e.g. an advocate acting behalf of an applicant)

Please state the name of the organisation you are completing the consultation on behalf of:

Do you currently have a Live Tees Valley Home-Finder account application?

- ☐ Yes
- ☐ No



Question Two Local Connection

Currently applicants do not need a local connection to register an account on Tees Valley Home-Finder and bid for housing within the partnership area. However, priority for housing is given to those with a local connection.

The Proposal

Considering the current significant demand for housing and an increase in applications from outside the partnership area, it is proposed that a local connection is required in order for an applicant to register and apply for housing via Tees Valley Home Finder across the three Local Authority partnership areas.

Applicants will be counted as having a local connection to a Local Authority area if they fit one or more of the following categories:

1. They live in the Local Authority area and have lived there for 6 out of the past 12 months or 3 out of the past 5 years*
2. They have close family connections with someone who has been resident in the Local Authority area for a minimum of five years. A close family connection is defined as a parent, child, grandparent, grandchild, sibling, legal guardian; or
3. Their regular place of work is located within any of the Local Authority areas.

**Exclusions would apply to accommodation that an individual may have been directed to reside such as Approved Premises, Prison and Bail Hostels. It also would not include Care Homes and Hospitals.*

Applicants leaving the armed forces and victims of domestic abuse will not need to have a local connection. Divorced or separated spouses or civil partners of Service personnel who need to move out of accommodation provided by the Ministry of Defence will also be exempted from local connection requirements. A local connection will be applied across all 3 Local Authorities areas for these applicants.

Applicants eligible under the Homes for Ukraine scheme will have local connection to the Local Authority of the host family that they were placed with.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Three

Anti-Social Behaviour

The current policy states the following in relation to anti-social behaviour:

If the applicant (or a member of their household) is found to be guilty of 'unacceptable' behaviour (which includes a history of anti-social behaviour), they may be excluded from the partnership housing register for **12 months**.

The Proposal

Due to the increase of anti-social behaviour and the impact this has on communities it is proposed that this timeframe is extended to **36 months**. This will impact individuals who have been served notice, evicted or had a property closure due to anti-social behaviour only.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Four Priority Bidding

The current policy states the following in relation to keeping the partnership register up to date:

Applicants with a priority for housing will be reviewed regularly to ensure they are not having difficulties with the scheme and to check that they are applying for suitable properties as they come up.

The Proposal

Customers who are in Bands 1, 2 and 3 will be expected to bid for suitable properties using the priority awarded to them. Applicants who do not bid **may** have their priority removed if there have been suitable properties advertised and they have failed to place bids on them.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Five

Band One Plus Demolition or Regeneration

Currently people living in the partnership area who are losing their home due to demolition or regeneration are allocated Band One housing priority in the area which they live.

The Proposal

It is proposed that a new Band One Plus banding is created and those customers who are losing their home due to demolition or regeneration would be provided with the higher priority banding.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Six

HM Armed Forces Community

The current policy states:

People leaving the HM Armed Forces community. This will include a member of the Armed Forces (serving or has formerly served in the regular forces; serving or has formerly served in the reserved forces; a bereaved spouse/civil partner; divorced spouse/civil partner*) are allocated Band One Priority.

Applicants will need to be assessed by the Local Authority Homelessness Teams before this priority will be awarded.

The Proposal

It is proposed that a new Band One Plus banding is created and those customers leaving the armed forces community (serving or has formerly served in the regular forces; serving or has formerly served in the reserved forces; a bereaved spouse/civil partner; divorced spouse/civil partner*) with an **urgent need** for housing would be provided with the higher priority banding. Applicants will need to be assessed by the Local Authority Homelessness Teams before this priority will be awarded.

And:

Those leaving the Armed Forces community (serving or has formerly served in the regular forces; serving or has formerly served in the reserved forces; a bereaved spouse/civil partner; divorced spouse/civil partner*) within the last five years with **no** urgent housing need will be allocated Band Three Priority on their **first tenancy only**.

** For this purpose, “the regular forces” and “the reserve forces” have the meanings given by section 374 of the Armed Forces Act 2006(2).”.*

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Seven Homelessness

The current Policy States that homelessness applicants are awarded Band One housing regardless of their assessed priority need:

People assessed as statutorily homeless and in priority need

People who have been accepted as statutorily homeless and in priority need and where the main homeless duty is owed (Part 7 of the Housing Act 1996). People in this category may receive a direct offer of housing.

Applicants will need to be assessed by the Local Authority Homelessness Teams before this priority will be awarded.

Applicants who, following assessment, are owed the homelessness prevention or relief duty. *

* If duty has been discharged through the refusal of a reasonable offer of accommodation, the applicant will be placed into Band 4. If the duty is discharged for any other reason, the applicant will be placed into the Band appropriate to their assessed housing needs.

Applicants will need to be assessed by the Local Authority Homelessness Teams before this priority will be awarded.

The Proposal

It is proposed that homelessness applicants following assessment by the Local Authority Homelessness Teams would be split across **three** priority bands.

Band One Priority would be allocated only to those applicants who are homeless living in temporary accommodation arranged by one of the partner Local Authorities, or are owed a main or relief duty and are in priority need as in accordance with Homelessness Reduction Act 2017 (the homelessness legislation) and there is an urgent need to free up the temporary accommodation, or move in order to fulfil the above duties.

Band Two Priority would be allocated to those applicants who, following a homeless assessment are owed a prevention or relief duty with no priority need.

Band Three Priority would be allocated to those applicants where a relief duty has ended after 56 days, and it has been determined the applicant has been deemed to be intentionally homeless.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Eight

Young People Leaving the Care of the Local Authority

The current policy states

As defined in the Children Act 1989, where a formal referral has been made by Social Services with the aim of safeguarding the welfare of the child or children or a child/children leaving the care of the Local Authority under the Children (Leaving Care) Act 2000 are awarded Band Two housing priority.

The Proposal

An individual leaving the care of the Local Authority under the Children (Leaving Care) Act 2000 who have been assessed as ready for independent living will be awarded Band One Priority.

And:

Those individuals who do not qualify for Band One Priority would be awarded Band Two Priority for their first tenancy only.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Nine Medical Grounds

The current policy states

Applicants who have been assessed by one of the Partners as requiring alternative accommodation because their medical condition (physical or mental health) and/or disability is having a significantly detrimental effect on their ability to live in their current home.

Applicants will be referred to the relevant Local Authority Team for assessment by an Occupational Therapist before any Band award is made under this category.

Currently applicants assessed under the category of Urgent Medical are awarded Band Two Priority.

The Proposal

It is proposed that a new category of Emergency Medical Grounds is created and applicants who are assessed as requiring emergency accommodation are allocated Band One Priority.

This banding will only be allocated to those individuals with an emergency housing need due to medical problems which are exacerbated by their current housing situation, and applicants being discharged from hospital where their housing is unsuitable and cannot be made suitable through adaptations. Other urgent medical cases will remain in Band Two.

Each case will be assessed individually, and applicants will be referred to the relevant Local Authority Team for assessment by an Occupational Therapist or Secondary Mental Health Service before any Band award is made under this category. The assessment is not of the applicant's health but how their accommodation affects their health or welfare therefore **the impact of the property will be assessed and not the prognosis of the illness.**

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Ten Child Protection

Currently only applications with a “child in need” are allocated priority housing at Band Two. The current policy states:

As defined in the Children Act 1989, where a formal referral has been made by Social Services with the aim of safeguarding the welfare of the child or children.

The Proposal.

A new category of Child Protection will be introduced as a Band One Priority. This will be allocated where there is evidence of a **serious threat** to the well-being of a child and their accommodation is a **significant** contributory factor to the risk. Referrals will be made by allocated Social Worker’s only.

The child in need Band Two Priority will remain and allocated to those assessed where the accommodation is being a key factor to the risk of the child.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Eleven

Special Guardianship Order

The current Policy States

Adoptive parents or prospective adoptive parents/foster carers

Those who need to move due to their current accommodation being unsuitable or who need to move to a different location to safeguard or promote the well-being of the child or children they have adopted or are planning to adopt or foster children in foster care.

Applicants will be required to provide documentation from the Local Authority to confirm their adoptive/foster carer status before any Band award is made under this category.

Applicants assessed under this category are awarded Band Two Priority.

The Proposal

It is proposed that Special Guardianship, which is a family court order that places a child or young person in long-term care with someone other than their parent(s) (Adoption and Children Act 2002) is also included within this category.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Twelve Acute Overcrowding

The current policy states people living in overcrowded conditions are awarded Band Three Priority Banding.

Overcrowding is assessed on the number of people within the household and according to the best use of bedrooms and sleeping spaces available. The calculation shown below is used to determine overcrowding.

Under-occupation and overcrowding will be assessed based upon the number of people within the household and according to best use of the bedrooms to reflect the criteria set out by the Department for Work and Pensions.

One bedroom will be considered suitable for:

- An Adult /Adult Couple.
- Two children of the same sex under the age of 16.
- Two children under the age of 10 regardless of their sex.
- Any other person aged 16 or over; or
- Any other child that cannot be matched with the above.

Please note: This assessment does not include living room space unless there is a second living room which can be used as a bedroom, and it does not breach health and safety standards. Where a bedroom is being used for another purpose e.g., study or toy room, its original function as a bedroom will be used in assessing the level of under occupation or overcrowding.

The main householder(s) will be expected to share a bedroom with a child under the age of 12 months.

Additional Bedrooms

There may be some circumstances where a household is allowed an extra bedroom as detailed below:

- Health reasons.
- Bedroom for an overnight carer.
- Joint custody or overnight access to a child/children; or
- Prospective adopters and foster carers.

Where one of the above applies, evidence will be requested, and an affordability check may need to be completed to make sure the applicant can afford the additional bedroom.

The Proposal

It is proposed that a new category of Acute Overcrowding is introduced and awarded Band Two priority. This category will be awarded where an applicant household is severely overcrowded requiring two or more additional bedrooms according to the criteria set out by the Department for Works and Pensions stated above. Other cases of overcrowding will remain in Band Three.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Thirteen

Senior Management Discretion

This category applies to Stockton Borough Council and Middlesbrough Council only.

There is no current policy which allows for senior management discretion.

The Proposal

Both Stockton-on-Tees and Middlesbrough Local Authorities expect that the vast majority of allocations will be made following the allocations scheme rules according to priority banding. However, there may be exceptional circumstances where the only way an **exceptionally urgent** housing need can be resolved, by using senior management discretion. It is important, in fairness to all applicants that these discretionary powers are used in genuinely exceptional circumstances for example witness protection cases.

Within the Boroughs of Middlesbrough and Stockton-on-Tees these cases will be reviewed on an individual basis by the Local Authority, Housing Service/Team (TBC) and a priority banding may be awarded.

Within the Borough of Redcar and Cleveland, there is a quota system in operation, which ensures that a proportion of lettings are made available to applicants within each band. Therefore, the category of Manager's Discretion is not applicable in Redcar and Cleveland.

Please select the option which best represents your opinion on this proposal.

- ☐ I Strongly Agree
- ☐ I Agree
- ☐ I Neither Agree/Disagree
- ☐ I Disagree
- ☐ I Strongly Disagree



Question Fourteen Any further comments

If you have any further comments regarding the consultation and the proposals, please detail them in the box below.

Please do not provide any comments on individual circumstances or provide any personal information.

If you have any concerns regarding a current live application on Tees Valley Home Finder, please direct these to the Partner Agency who manages your application.

Contact details for the Tees Valley Letting Partnership are:

Partner Agency	Email	Telephone
Stockton Borough Council	tlvp@stockton.gov.uk	01642 524345
Middlesbrough Council	tlvp@stockton.gov.uk	01642 524345
Redcar & Cleveland Council	housingclientservices@redcar-cleveland.gov.uk	01642 774774
North Star Housing	customerservices@northstarhg.co.uk	0300 0110011
Beyond Housing	enquiries@beyondhousing.co.uk	0345 0655656

Glossary of Terms

DWP	Department for Work and Pensions
CA	Combined Authorities
CPO	Compulsory Purchase Order
EPC	Energy Performance Certificate
HAT	Housing Action Teesside
HRA	Housing Revenue Account
LA	Local Authority
LCC	Liverpool City Council
LHA	Local Housing Allowance rate
MP	Michael Poole Estate Agents
NHC	Northern Housing Consortium
NPPF	National Planning Policy Framework
PME	Preliminary Market Exercise
RP	Registered Housing Provider
S106	Section 106
SBC	Stockton-on-Tees Borough Council
SDS	Spatial Development Strategies
SHMA	Strategic Housing Market Assessment
SME	Small & Medium Enterprises
TVCA	Tees Valley Combined Authority
TVHF	Tees Valley Homefinder
VCSE	Voluntary, Community, and Social Enterprises