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To: Regeneration and Economic Development Policy Overview and Scrutiny Committee – 8 July 2010

Subject: Draft Kent and Medway Housing Strategy

Classification: Unrestricted

SUMMARY

This report provides an update for Members on the development the draft Kent and Medway Housing Strategy, including an update on the County's empty homes initiative 'No Use Empty'.

FOR INFORMATION

1. Introduction

- 1.1 The draft Kent and Medway Housing Strategy ("the Strategy") is a county-wide document that takes a new radical look at housing.
- 1.2 A consultation draft has been circulated to over 300 stakeholders. This consultation ended on 21st May. Comments were received from a range of stakeholders, including District and Borough Councils, health, developers, planning consultants, regeneration partnerships and rural interests.
- 1.3 The current draft of the Strategy was written prior to the General Election. Further work is needed to reflect the changing external environment, following the change of government and the Bills announced in the Queen's Speech. This Strategy presents a unique opportunity to influence new government thinking around the housing and planning agendas. Timing is critical to the proposition that Kent and Medway present to government through this document. It is clear that Kent's focus on value and economy and commitment to working together on shared ambitions is consistent with emerging policy.
- 1.4 This Strategy is collectively owned by Kent and Medway Leaders, who have committed to ensuring that the document is finalised by October, with a view to influencing the forthcoming Comprehensive Spending Review.

- 1.5 The draft Strategy has taken on board and reflected the comments and concerns raised by Members of REDPOSC.

2. Background

- 2.1 The Strategy was commissioned by the Kent Economic Board (KEB), responding to the ambition outlined in KCC's Regeneration Framework. A Housing Task Group was formed by KEB to direct the work on the Strategy, chaired by Neil Davies, Chief Executive of Medway Council, with membership from senior Kent and Medway colleagues and the Homes and Communities Agency.
- 2.2 The Strategy is being developed collaboratively between Kent and Medway Leaders, Kent Partnership, KCC, Kent Districts, Medway Council, KEB, the Homes and Communities Agency, Kent Housing Group and other public, private and third sector organisations with an interest in housing. The consultation draft is the outcome of a year of analysis, discussion and consultation.

3. Progress Update

- 3.1 The Strategy has been drafted to reflect the comments and priorities of the wide ranging stakeholder views that exist across Kent and Medway. REDPOSC expressed particular concerns on whether the Strategy responds to the issues that really concern the public and whether all local authorities are engaged in the process. Further work has been done to engage with the Kent and Medway Local Authorities on the big issues such as Young People, Elderly People, new entrants to the housing market getting the first step on the housing ladder, access to affordable housing, quality and design standards, the needs of disabled people and where resources come from to support the development of infrastructure.
- 3.2 A number of the priorities in the strategy are being progressed while further work is done to respond to the changing external environment following the election of the new coalition government. An example is the development of the Rural Housing Protocol with the Kent Housing Group.
- 3.3 The Housing Strategy has drawn on the work of a number of existing initiatives and partnerships, such as the County's empty homes initiative 'No Use Empty'. An update on this initiative can be found at **Annex A**.

4. Content

- 4.1 Key Principles
The consultation draft has a narrative that includes key principles. Through a process of wide-ranging stakeholder engagement, we have

identified 5 shared principles, which partners highlighted as critical to create a fit for purpose Housing Strategy. These are:

(i) Encouraging and supporting joint working to solve common problems

Joint working needs to take place across public sector agencies (the potential value of this joint working has been demonstrated by Total Place), and between the public and private sector. Value is often created by looking at joint solutions, be it leveraging economies of scale or taking a fresh look at common problems.

(ii) Every £ of public money really needs to count

In the current climate, public sector finances are going to be under intense pressure, and unlike some areas of public spending, neither housing nor regeneration are going to be ring-fenced. Where public money is used in support of a project, those overseeing the project need to ask whether (a) public funds are appropriately leveraging private funds (and if so, are they leveraging sufficient private funds) and (b) where public money is being deployed by way of grant, is there a mechanism to redeploy that money by way of a return-carrying investment.

(iii) Greater sharing of risk and reward between the public and private sectors

Traditionally, local authorities and other public sector bodies have tended to be regarded as being risk averse. In order to deliver some of the new funding models outlined in this paper, a greater degree of innovation is required than has traditionally been the case for many authorities. This innovation could potentially expose the public sector to a greater degree of risk. As some of these recommendations are explored, time should be given to understanding the various levels of risk inherent in the new operating models, and to looking for means of hedging those risks. At the same time, public bodies should look to structure an appropriate level of return into their investments to compensate for risk.

(iv) Greater use of public sector land and property assets

Many of the local authorities and public sector agencies for which the Strategy document will be relevant will have surplus land and property assets which could be redeployed successfully to deliver some of the outcomes required by the strategy. Much of that property portfolio will be known, whilst some of those assets will be "hidden" either because they are too small to feature in asset registers, or require assessment with a pair of fresh eyes. While the public sector is cash constrained, public sector land assets could have a very significant role to play in delivering these recommendations.

(v) Greater flexibility of approach

Many of the recommendations in the Strategy would require a more flexible and innovative approach than has otherwise been the case. As already highlighted, this is not a one-size-fits-all strategy, and it will be for local authorities and other public sector bodies to determine what is appropriate for their individual circumstances. Examples might include: greater flexibility in the application of s.106, community infrastructure levy or its successor; greater use of the Public Works Loan Board borrowing where appropriate; and the use of local authority reserve balances in support of housing outcomes.

4.2 Challenges and ambitions

In developing the Strategy we commissioned a Kent and Medway Strategic Housing Market Assessment (SHMA). Through this, we identified 6 key housing challenges facing the Kent and Medway area. Using our 5 principles we have also developed our ambitions in relation to those challenges:

Challenge 1 – How do we deliver homes and services that respond to changing housing need?

Our Ambition: *To support people with a greater diversity of housing need to fulfil their potential and live a high quality life through the provision of excellent housing and support services.*

Challenge 2 – How can we stimulate the supply of the right homes and provide choice?

Our Ambition: *To challenge the regulatory orthodoxy to create a flexible environment in which innovative approaches to finance and infrastructure can be used effectively to provide people with the homes they want, where they want to live.*

Challenge 3 - How can growth and regeneration be delivered?

Our Ambition: *To make the best use of public land and assets to drive Kent and Medway's economic growth through forging strong private and public sector partnerships and focussing on the delivery of key strategic development and regeneration sites to make a lasting impact.*

Challenge 4 - How can we improve the quality and energy efficiency of our homes?

Our Ambition: *To ensure that every person in Kent and Medway has a quality home that they can afford to heat and protect against the impacts of climate change, whilst benefiting local businesses.*

Challenge 5 - How can we respond to the specific needs of rural communities?

Our Ambition: *To provide people from rural communities with real housing choice, helping to keep local businesses alive and bringing a sense of community to rural areas.*

Challenge 6 - How can the skills required to deliver the Strategy be shared and enhanced?

Our Ambition: *To ensure that the public and private sector organisations involved in the delivery of the Strategy have the appropriate skills at their disposal to make it a success.*

- 4.3 Underpinning each challenge is a series of more specific recommendations. These recommendations are not binding on any organisation that signs up to the Strategy, as not every recommendation will have relevance to every area. Instead, we expect local authorities to seek to implement only those recommendations which are appropriate for them.

5. Next Steps

- 5.1 In consultation with Kent and Medway Leaders, the Strategy will be re-drafted to reflect the change in the external and legislative environment.
- 5.2 The aim is to have a finalised strategy signed off by Kent and Medway Leaders by October, ready to influence the next Comprehensive Spending Review, which is currently scheduled to take place in November.
- 5.3 It is proposed that implementation of the recommendations within the Strategy will be managed by Kent Housing Group, on behalf of Kent and Medway Leaders. Updates on progress against the Strategy will be reported to REDPOSC.

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Background Documents:
None