

Councillors Written Questions and the Responses

Full Council – 16 October 2024

Question to Councillor Ian Irvine (Cabinet Member for Housing) from Councillor Duncan Crow

At the Full Council meeting of 27 March 2024, a motion on the supply and affordability of social housing that I had submitted, was debated and then heavily amended by the Leader of the Council, with the following resolutions then agreed by a majority vote:
That the Full Council resolves to:

1. *Following the declared Housing Emergency declared for Crawley, fully explore all options with renewed vigour, including borrowing and using housing cooperatives, to maximise both the delivery and the speed of delivery, of new social housing for Crawley.*
2. *Notes the plans being brought forward by the Labour administration at Crawley Borough Council for approximately another 500 council and affordable homes anticipated to be delivered over the forthcoming two years of the next council.*
3. *Notes the failure of the national Conservative Government (a) to adequately support social and council housebuilding in the UK, (b) their lack of action and active attempts to suppress the replacement of housing stock lost to councils and (c) their continuing failure to respond to unsustainable levels of expenditure being incurred by councils such as Crawley on temporary accommodation costs by refusing to unfreeze housing benefit subsidy from 2011 levels.*
4. *Increase the rate of lobbying to all those who could potentially positively influence the outcome, to resolve the water neutrality restrictions that is negatively impacting the delivery of new housing in Crawley, and wherever possible, present a united cross-party approach in doing so.*
5. *To assist with affordability for future tenants, continue to share information and best practice with other local authorities, to see how more affordable rents for new properties can be realistically set at the lowest possible amount within the 50-80% range that is national policy.*
6. *Request a report to the Overview and Scrutiny Commission in 2025, to report back on social housing delivery during 2024, including what efforts and progress the council has made with regard to the first five resolutions of this motion.*

With regards to the resolutions of this motion, please state what actions have been undertaken and progress achieved during the last six months, with regard to Resolutions **one, four and five?**

Response

1. The Council continues to do all that it can to bring forward new social housing for Crawley. There is a significant pipeline in place, which includes pursuing opportunity acquisitions from the market as well as bringing forward Council-owned land. The blockages are water neutrality, funding and capacity.

Consideration of the adoption of the Local Plan at Full Council will be a major milestone, as Crawley is the first ever authority to navigate the planning inspection process under the water neutrality restrictions, demonstrating there is a way for development. This Council is also the only authority to have developed water credits at scale, having retrofitted over 2,400 homes within its Crawley Homes stock, producing capacity to unlock over 700 new homes. This means that the Council is uniquely placed to be able to bring forward housing development. However the process to bring forward development is now slower than previously. Water usage within planning applications are subject to significant scrutiny to ensure that they comply with relevant requirements. These delays should reduce over time as the system adapts but will add to development timeframes until restrictions are lifted.

From a funding perspective, the Council is seeking to maximise its accessing of grant funding. This reflects both the increased costs of development and the need to conserve General Fund Capital Reserves (Council-owned temporary accommodation stock cannot be paid for by the Housing Revenue Account). The Council is having some success on this front. It has recently secured £4.7m of the Government's Local Authority Housing Fund. This will increase the Council's ability to acquire properties for temporary accommodation use, and in so doing reduce the costs of temporary accommodation. Over recent months the Council has extended its own funding for acquisitions both in the General Fund and the Housing Revenue Account (Cabinet Reports CH/210 and SHAPS/090). The Council has also applied to the Brownfield Land Release Fund for demolition and site preparation costs in relation to the old Town Hall, Longley House and Deerswood Court. Indications through the process have been very positive and we hope to have positive news to share shortly. Current indications are that Homes England Affordable Homes Programme funding is at capacity. This avenue of funding is unlikely to be available until the next investment period commencing in April 2026. This will impact start on site for schemes that require this funding to be able to proceed. Officers continue to closely monitor the position to ensure the Council is best placed to access any programme underspend or additional funding should this become available.

In terms of capacity, the team responsible for delivery of all of our capital projects is being bolstered, recognising the additional workload the water neutrality processes are creating. The Council has also been exploring 'turn-key' arrangements where others are responsible for developments to the Council's specifications, however they are usually reliant upon the Council in relation to navigating water neutrality processes as the experience and knowledge sits with the Council. The Council remains open to any other arrangements that might come forward.

In terms of maximising delivery, we particularly welcome the positive changes brought in by the new Labour Government which have removed some unnecessary restrictions on funding, including removing the caps on the percentage of replacements delivered as acquisitions and the percentage cost of a replacement home that can be funded using these receipts, and giving councils the ability to combine Right to Buy receipts with section 106 contributions. This can only be welcome.

4. The Council never received a response to its Housing Emergency letter from the last Government. A further letter has now been sent, via Peter Lamb MP, which should prompt a response. More widely the Council has been very active in raising the issue directly with both MHCLG and the District Councils Network. In the case of the latter, Crawley Borough Council have been working closely with Eastbourne & Lewes and Hasting Councils to help shape the campaign. Temporary Accommodation has risen up the agenda over the past months, and this Council has played a significant role in this. The Council is also one of the stock holding authority endorsers of the report prepared by Southwalk Council, "Securing the Future of Council Housing" lobbying for changes that will better enable the HRA to deliver Council Housing.

This is not the only related lobbying that has been undertaken. The Leader of the Council, alongside equivalents from Horsham, Chichester and West Sussex, held a positive meeting with a DEFRA minister in May to discuss Water Neutrality. This was the day before the General Election was called, but nonetheless officers reported a shift in approach from Civil Servants. The same local authorities have recently written to the new government requesting a ministerial meeting with a view increasing traction. Further, and with the help of Peter Lamb MP, the Council has also established regular direct meetings with meetings with Southern Water to discuss what support they can provide in helping to navigate water neutrality restrictions. Peter Lamb has likewise secured a meeting with Natural England.

The declaration of a Housing Emergency also made specific reference to the Chagossian citizenship scheme. As the Council warned, this scheme, which sought to address a historic wrong, but was implemented without any impact analysis or planning, has started to have the impacts this Council predicted. The Council has already secured Home Office New Burdens Funding to cover the costs of meeting the Council's statutory housing duties. However, this funding is time-limited and the Council is lobbying for this to be extended beyond the current 2025 end date. Further, the Council is also lobbying for other related costs to be met.

5. The Council's approach continues to be that all new stock will be charged at social rent levels, i.e. 50%. The only stock charged above this level is when dictated by the terms of funding support the development, or when the development would not be viable otherwise. Looking at practice elsewhere, this Council's approach remains best practice but also open to considering financing of development to either reduce costs (and therefore questions of viability) or the need for grant funding requiring higher rent levels. Where Affordable Rent is applied the Council's policy requires rent setting to remain within Local Housing Allowance rent levels. In addition, Crawley Homes build programme seeks to exceed the sustainability standards of Building Regulations, to build more efficient homes to increase affordability for tenants.