

Notice of Motion to Full Council about Affordable Housing

It is recommended that the Council notes the following:

1. Home-ownership has fallen to a thirty-year low; the average home now costs 13.5 times the average annual pay packet in Chichester and 1.7 million households nationally pay over a third of their income each month to a private landlord.
2. Building more market-price homes can help lower prices only over the long term, so more supply alone cannot fix the problem or help thousands of families in Chichester District with the housing pressures they face now. The crisis requires action to build genuinely affordable homes at scale, and ensure a better balance in the new homes built.
3. Affordable housing is one of the best investments councils can make: not only does it create a home for a family, and regular rental income for the council as landlord, it reduces housing benefit spending in the more expensive private rented sector too. A recent report by Capital Economics confirmed that a national programme of 100,000 genuinely affordable homes a year “will deliver a sustained structural improvement to public sector finances”.
4. Investing in affordable housing creates jobs and boosts local economies. It’s estimated that every £1 spent on house building generates £2.84 in extra economic activity, and social landlords are also significant local buyers and employers: for every £1 million of housing output, 12 jobs are created.
5. There is a pressing need for urgent additional council, social and affordable housing in the District of Chichester as local residents face spiralling rents and house prices, meaning there is a grave shortage of affordable housing for families in the District, which may increasingly force residents’ children and grandchildren to move away from the area. This is an unacceptable situation which this council has a moral duty to act upon. There are currently 1358 households on the Council’s housing register; there are also currently 42 households in council-owned temporary accommodation and a further 18 households are in non–council-owned temporary accommodation.
6. Many of the residents on the District’s housing register will be in private rented accommodation, which costs the taxpayer greater amounts in housing support benefits because private rents are extremely high, and temporary accommodation, which means that this council has to spend money that could otherwise be used for other vital council services.
7. This council also notes that there is an additional cost to the Council in the difference between the housing benefit paid and what the council can claim back from government, based on Local Housing Allowance rates: in the last year this was estimated to be around £20K.
8. It is unacceptable for this council to fail to act positively to meet the housing needs this District has, particularly as significant investment in new council housing will in the long term make savings which will relieve the costs to this council in its duties as a local housing authority.

9. However, the council recognises that reactivating the Housing Revenue Account would be a task needing a considerable amount of work. Therefore, as national law permits councils to build up to 199 council houses without an HRA, **the council states the following:**

It is recommended that the Council resolves to:

1. Change the council's definition of affordability to that of the formula used for Social rent and Intermediate housing, which is pegged to local incomes.
2. Launch a review of our affordable housing target with a view to increasing the minimum in the Local Plan to 40 per cent.
3. In the medium term, establish a scrutiny panel to examine the viability of setting up a Local Housing Company (LHC) as an independent, arms-length organisation wholly owned by the council and operated on a not-for-profit basis.

However, in the meantime, it is recommended that the council resolves to:

4. Commit to building up to 199 Council Houses, available at affordable rent prices, and for rental income to be ring-fenced to reinvest in housing stock.