

Chelmsford Housing Strategy Consultation

July 2021



Foreword

To our stakeholders, partners, residents and friends

Housing Strategy for Chelmsford, 2021-2026

Housing and the prevention of homelessness remain a top priority for this Administration. This is to invite your input into an emerging Housing Strategy, timely as we face the challenges of recovery from the COVID emergency.

Attached is a consultation document including some particular questions. There is reference to the Council's statutory duties but our vision is much more extensive:

- that everyone can reasonably aspire to having a home of their own that meets their needs, leaving no one behind; and
- which is affordable for them, be it market housing or from Social Landlords

The Strategy will overlap with other Council strategies and policies and with those of our partners and stakeholders – whether providing housing itself or support to residents. We aim that it will have wide support and a sense of ownership from the community.

The supply of homes that are affordable needs to increase:

Chelmsford is a growing, thriving city but for many of our residents, the housing market is not working, as the costs of buying or renting a home continue to grow faster than some local wages and incomes.

Too many have no home at all, with around 250 households in temporary accommodation because of homelessness, the majority families with children, and even more living in homes that are inadequate for their needs due to overcrowding, disrepair or lack of other facilities.

Support to residents needs coordination and to be ongoing:

To be appropriately housed may need more than just to have a roof over one's head. Many will need support to help sustain their tenancy or to respond to their particular circumstances, to enable their health and wellbeing.

Your input at this stage will be much appreciated – be it in regard to particular aspects or more generally. Please respond via the link <https://consult.chelmsford.gov.uk/kse/>, or by email, or also through direct conversations and workshops which time permitting, we may hold during the consultation period.

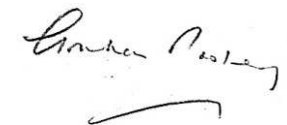
Thank you.



Stephen Robinson
Leader of the Council
Stephen.Robinson@chelmsford.gov.uk
01245 605888



Graham Pooley
Cabinet Deputy for Affordable Housing
Graham.Pooley@chelmsford.gov.uk
01245 606913



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Photo's pages 3, 4, 5, 9, 17 and right of centre front cover, City Park West, courtesy of Notting Hill Genesis

Photo page 11 courtesy of East light Community Homes

Photo's page 4 and 20 Beaulieu, courtesy of L&Q

Photo's centre front cover and contents page Barrack Lane and Cherry Garden Road, courtesy of CHP



Executive summary

Having a place that we can call 'home' is something that most may take for granted but for too many people this can be a cause for anxiety and distress. Ultimately, the lack of a home can lead to severe hardship and risks to health and welfare. Our fundamental aim is to ensure that everyone in Chelmsford has a place they can call home that meets their needs and those of their family.

To achieve this vision, the Council needs to address a number of challenges across the entire housing market. There is not a simple single solution to this. The Council is therefore considering a range of actions which, taken together, will help to address the current housing challenges. Understanding and responding to housing need and demand has always been complex; we appreciate the support of our partners and communities in developing our approach which is why we have begun to consult on ways we can achieve our vision. We have designed this document to encourage participation so our future strategy will not be something owned and delivered just by the City Council but by everyone who is able to make a contribution to our aims.

As the nation recovers from the Covid-19 pandemic, this consultation is more important than ever before, helping us understand through feedback from others the impact of changes which no one would have anticipated two years

ago. Some organisations may now be experiencing additional challenges or new opportunities, and we hope that this consultation gives everyone the chance to explain these, so we are realistic with our ambitions.

We are proposing the following areas as priorities for action:

1. Increasing the supply of affordable homes with a focus on larger units

The shortage of affordable housing is felt most by those who become homeless and must be housed in temporary accommodation. Currently the Council is at a critical stage of being at risk of being unable to meet its statutory duties to some of those in most urgent need, particularly families with children, so our priority must be to improve the supply of larger, affordable homes for rent.

- The lack of supply of affordable homes, and
- Achieving the right type of affordable housing

We therefore need to be very clear that just setting a target for more homes that are affordable is not sufficient. The right number but of the wrong type of affordable homes is a waste of resources and a lost opportunity and just compounds an existing backlog of need. Our Local Plan will be the main way we increase

overall housing supply but we want to understand and put into action ways of creating an additional supply of homes that are most needed.

2. Increasing the supply of affordable homes from the existing housing stock

In developing this consultation document, the Council recognises how the majority of supply to meet new needs should always come from the existing stock, creating a sustainable source for the future. This means that in addition to new build affordable homes for those falling into housing need, we have to secure a better and more predictable supply from the existing stock. Appendix 1 to this consultation shows how without first achieving a balanced supply, the contribution of additional new affordable homes meeting our priorities can be reduced or even almost eliminated.

3. Achieving a better balance of tenures

A better supply will only help if it is also affordable to those in need; the term 'affordable housing' has extended since the 1980s from social rent to a wider range of options including homes for sale on the open market at a discounted price. Our aim is clarify not just the number and size but also tenure needed to achieve a better balance.



There may be a need for intermediate affordable homes (homes that cost more than affordable homes for rent but less than their open-market equivalents) but there is an important distinction between those that meet local housing need and those that help stimulate demand. Where there are opportunities to influence the type of intermediate affordable homes, the Council would want to enable the development of those that have the greatest potential to address housing need as well as demand.

4. Support for landlords and tenants in the private rented sector

We cannot overlook the rise of the privately rented sector. This has replaced the affordable housing sector as the second most common type of tenure since the start of this century in Chelmsford and many other towns and cities in the south and east of England. It is usually unplanned, usually a conversion of tenure from home ownership, driven by market forces and housing demand, with significant levels of investment by individuals and regulated in a very different way to social housing.

The Council's Strategic Housing Service relies on this sector to meet 25% of the housing need of those who are at risk of homelessness. With a far greater number of private landlords than social landlords in Chelmsford, and a much more diverse range of properties, engaging and supporting both landlords and tenants in this

sector will require us to work in a different way from how we work with housing associations but we need to make sure that both sectors are working as best they can to meet the housing needs of Chelmsford.

5. Enable the right supply of specialist and supported accommodation

Some of the most vulnerable people in our city need more than just a property as a home – whether through ageing, disability or for other reasons, their home may need adaptations to help them retain their independence and, for some, others visiting or even working alongside them to provide support. In 2020, the Council worked with partners including those in the voluntary sector to provide an additional supply of more than 40 homes for those who were single and homeless, including those who had been sleeping rough. In 2021, all local housing authorities will be required to provide an adequate supply of 'safe accommodation' for those who are at risk of domestic abuse, and we have identified other vulnerable groups who also need a better supply of specialist housing which we want to enable through this strategy.

6. Reduce energy consumption

Our homes are one of the main sources of energy consumption. We have the opportunity to set standards for the construction of new homes,

but we must not overlook that most of the existing housing stock is far less efficient. So to create a greener and sustainable Chelmsford, we will also work with landlords, developers and homeowners to promote ways of reducing energy consumption, especially for those where this would help overcome the risks of fuel poverty and poor health.

7. Monitoring and Working with Partners

Housing is affected by, and can affect, such a large number of external factors that it is impossible to predict with any certainty what the ideal supply would be for an area as large as Chelmsford in the long term. Looking ahead, this strategy will not only be the launch of new initiatives but, with constant monitoring of trends and performance review, will also help us keep our finger on the pulse, spotting changes in need and supply, so we respond quickly.



We want to hear from you

Our Housing Strategy needs the engagement and support of our local communities and of local and national organisations. So we really do need to hear from you. This document has been published for consultation and we would like your feedback which will help us shape the final strategy.

After each section there are questions to help gain feedback and inform the final version of our Housing Strategy which will include an action plan.

We think that our Housing Strategy will need to be something that is not just reviewed regularly to monitor our progress, it also needs to create continuous communication amongst us all, helping each other recognise and respond to new opportunities, changing trends and better ways of working collaboratively. We hope that this will not just be a one-off contribution but the start of an ongoing conversation.

You can provide your feedback through the Council's Consultation Portal through the following link: <https://consult.chelmsford.gov.uk/kse/>

Alternatively email your comments to planning.policy@chelmsford.gov.uk or send by post to:

Housing Strategy Consultation
Spatial Planning Services
Chelmsford City Council
Duke Street
Chelmsford
CM1 1JE

The consultation closes at 4.00pm on Wednesday 15 September 2021.



1. Purpose and scope of consultation

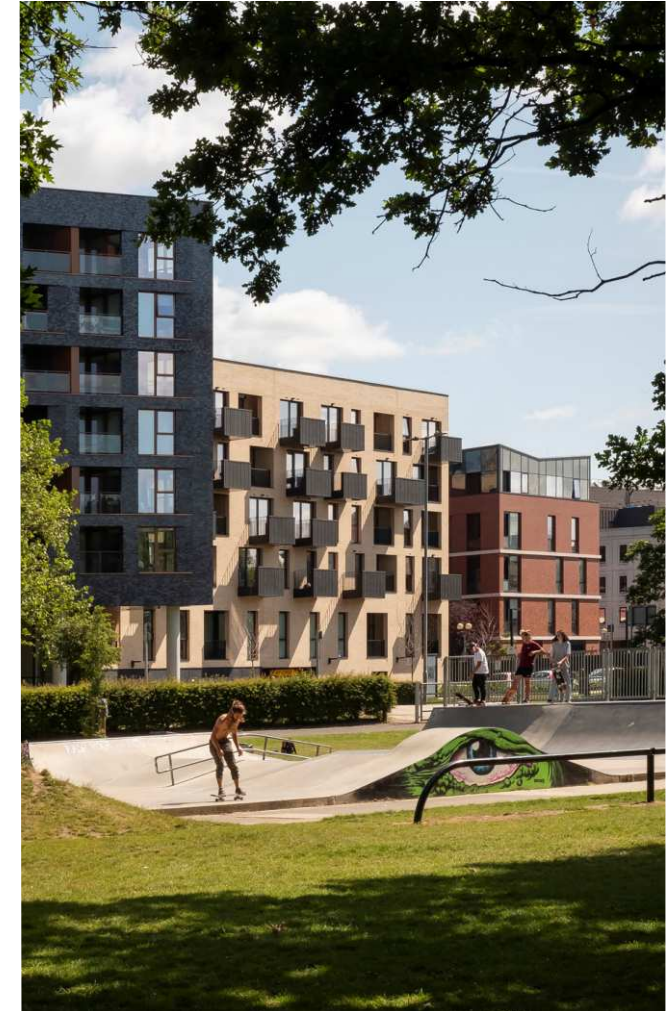
1.1 The purpose of this consultation is to set out a vision for housing in Chelmsford and identify priorities and actions for consultation with partners, stakeholders and residents. This will help us understand the needs, challenges and opportunities over the next five years (2022-2027) and allow all partners in the process to align their focus.

1.2 Our aim is not to have a Housing Strategy just for the Council, we want to collaborate with everyone who could play a role in helping us meet our vision. Your response to this consultation is the first step to help us achieve that.

1.3 We have identified how the type of affordable homes needed is just as important as the number, and how important it is to not overlook the supply that comes from the existing housing stock. These two issues have been identified as key priorities for future action. We believe if we were able to tackle these two areas, the length of time people currently spend in temporary accommodation would be reduced.

1.4 Following consultation, we want to have a strategy that will enable additional numbers of larger affordable homes, which will in turn improve the overall supply from the existing stock to meet housing need, reducing the use and cost of temporary accommodation.

1.5 We will monitor through relevant targets and indicators. We will also build a database of indicators that will help us track our progress and monitor external factors that may tell us when it may be necessary to review some of our plans.



2. Our proposed vision

2.1 We have been assessing the housing challenges we face in Chelmsford and engaging with key stakeholders through our Housing Working Group. This has led to our proposed vision for our housing in Chelmsford.

Change the way the housing market in Chelmsford works to address the needs of all of its residents, so everyone can reasonably aspire to having a home that meets their needs and no one is left behind.



3. The Chelmsford housing and policy context

3.1 Every year, new affordable homes are built in Chelmsford because of policies in our Local Plan requiring developers to build a proportion of the homes in their development as affordable. For many local authorities including our own Council, this supply fails to keep pace with the growth of the local population and need.

3.2 The proportion of homes that are rented from private landlords has grown, meeting the needs of those who can afford to rent and are unable to access social housing, along with the demand from those who can't afford to buy a home in Chelmsford.

3.3 All new homes, whether for sale on the open market or to be rented as social housing, supplements the majority of supply which comes from the existing stock but in Chelmsford the supply of existing social housing from re-lets has declined and now accounts for only around 50% of the supply used to meet the most urgent cases of housing need.

3.4 We believe that one of the reasons for this is the lack of larger affordable homes, especially 3 and 4 bedroom properties, creating a backlog of families in smaller overcrowded social housing. In turn, this blocks movement and leads to a reduction in the overall supply to meet the needs of those who become homeless.

3.5 Enabling an additional supply of these larger affordable homes would remove this bottleneck, improve the churn from the existing stock and reduce the need for families to spend time in temporary accommodation.

3.6 We therefore want to hear your views on ways we can not only develop an additional supply of new 3 and 4 bedroom homes for social rent (the most affordable type of social housing) but also increase the supply from the existing social housing stock as well.

3.7 More detailed information about the tenure of homes in Chelmsford, how these have changed and the impact of having an imbalanced supply of social housing is provided in Appendix 1 to this consultation document.

3.8 We have to take in to account how the demand and supply of other tenures has an impact on the need for affordable housing in Chelmsford, so this document also outlines suggestions to help those with reasonable aspirations for owning their home and ways we can work with landlords and tenants of privately rented homes.

Our Chelmsford Our Plan

3.9 The Housing Strategy that we develop based upon this consultation will play an important part in supporting the wider aims of our corporate plan:

- Fairer and inclusive Chelmsford - Develop and implement a new strategic approach to improve the supply and accessibility of affordable homes
- A safer and greener place - Develop a new environment plan, promoting a sustainable approach to growth, development and everyday living and a low carbon future and ensure that residents feel safe and adequately protected
- Healthy, active and enjoyable lives - Promote activities and initiatives to improve the physical and mental wellbeing of Chelmsford residents
- Connected Chelmsford - Bringing people together, empowering local people and working in partnership to build community capacity, stronger communities and secure investment in the city.

3.10 The Council also has other strategies which will sit alongside our new Housing Strategy:

Chelmsford Local Plan

- Identifies the current and future need for homes in Chelmsford and policies that will help provide affordable homes and specialist housing



- Policy DM1 – developments of 10 or more homes should provide a mix of homes that reflect local need and demand, 5% of new affordable homes should be suitable for users of wheelchairs, and developments of 100 or more homes are expected to make a contribution towards the provision of specialist housing in addition to the need for affordable homes
- Policy DM2 – developments of 11 or more homes must provide or make a contribution to affordable homes of which 22% should be affordable homes for rent and 13% some other form of intermediate affordable homes, e.g. shared-ownership or discounted sale
- Supplementary Planning Documents providing more detailed information to help meet our policy requirements, including how new housing developments can contribute towards a greener and sustainable Chelmsford through layout, design and use of materials.

Chelmsford Health and Wellbeing Plan

- Improving poor housing, including fuel poverty, enabling people to age well and alleviate loneliness and isolation
- Addressing the need for support for those experiencing domestic abuse and other households in need of temporary accommodation

- Providing help and assistance to those who need adaptations to their home through the Disabled Facilities Grant programme.

Chelmsford City Council's Homelessness and Rough Sleeper Strategy

- Reducing the need and cost of temporary accommodation
- Enabling the development of specialist and supported accommodation for those at risk of homelessness
- Increasing the supply of accommodation for rough sleepers and those at risk of having to sleep rough in Chelmsford.

Chelmsford Climate and Ecological Emergency Action Plan

- Chelmsford City Council declared a Climate and Ecological Emergency in July 2019
- The declaration represents a commitment to take appropriate action to make the Council's activities net-zero carbon by 2030
- The action plan focuses on 15 areas of priority areas of work for the Council which includes integrating on-site renewable energy within new developments in particular the role the Council can have to help deliver low carbon affordable housing.

3.11 In developing an action plan for our Housing Strategy we will also take in to account our range of powers and duties including:

- Planning Acts – requires the Council to assess current and future housing requirements and create a Local Plan that will meet these needs and demands
- Building regulations – ensures that new and existing homes are safe and meet current standards including the reduction of carbon
- Housing Acts – gives the Council power and duties to regulate landlords, ensure there are suitable policies for the allocation of social housing that are effective in prioritising those in greatest need and develop a strategic response to homelessness
- Homelessness Reduction Act – expanding the duty of the Council and others to prevent and relieve homelessness across a wider group
- Localism Act – enables and encourages local authorities and communities to adopt more flexibility and innovation including making better use of buildings to meet local need.



4. Our priorities and proposed strategy

4.1 Our vision is that every household in Chelmsford has, or can reasonably aspire to having a safe, secure place, suitable to their needs as their home.

4.2 We are proposing seven priorities for our proposed Housing Strategy:

- 1) Increasing the supply of affordable homes with a focus on larger units
- 2) Increasing the supply of affordable homes from the existing housing stock
- 3) Achieving a better balance of tenures
- 4) Support for landlords and tenants of privately rented homes
- 5) Enable the right supply of specialist housing to meet local need
- 6) Reduce the energy consumption of homes
- 7) Monitoring our performance, local trends and working with partners

4.3 The success of our strategy over the next five years will be assessed by our ability to respond to these priorities through the strategy's action plan and provide the following outcomes:

- Increase the overall supply of new affordable housing
- Increase the supply of larger new affordable homes
- Improve the level of 'churn' within the existing affordable housing stock
- Meet specialist housing need

4.4 By achieving the above, it will reduce the time people spend in temporary accommodation as this the most telling indicator of the lack of supply of suitable affordable homes.

4.5 The Council and our partners already have in place some plans and actions, which a strategy will help co-ordinate and support, in addition to the new actions which we are considering and others that we hope will come forward as a result of this consultation. We want the discussions which begin with the consultation on this strategy to continue beyond the completion of the final version, making this a living document.

4.6 We will review our progress with the strategy's action plan each year but will also monitor a number of other indicators beyond our own performance. This will help us demonstrate how effective our plans are in meeting our aims. This wider set of indicators will also help us identify changing trends, policies and

opportunities, so the strategy remains as relevant in five years' time as it is today.

4.7 The following sections set out the actions by housing tenure to achieve our priorities.

Affordable housing (Priorities 1, 2, 3, 6 & 7)

4.8 Delivering more of the right type of affordable housing are key priorities. This is because it can help the greatest number of vulnerable households and has the best potential for collaboration between partners to deliver outcomes to meet local need.

4.9 We can look ahead to project the supply of affordable homes that will be gained through the planning system. We also know that there is a need to work with our partners not just to deliver this pipeline but to also create opportunities to supply additional affordable housing.

4.10 We propose to work with local housing associations (also known as registered providers) to do whatever we can to increase the churn and supply from the existing stock. Through our Homelessness and Rough Sleeping Strategy 2021-24 we are working hard to reduce need by preventing homelessness in the first place. However, we know we will also need to find ways to provide new, larger affordable homes to reduce the backlog of need.



4.11 The Council has a duty to help those in housing need who are unable to buy or rent a home, especially to those at risk of homelessness. In some cases, we may be able to help people retain or access a privately rented property, with financial assistance if necessary. This is outlined in the Council's Homelessness and Rough Sleeper Strategy 2020 – 2024.

4.12 In 2020, almost the same number of cases were prevented from becoming homeless as the overall number of general needs affordable homes that were available to let. As mentioned above though, it is not just a matter of having the right number of homes, they have to be the right type.

Social and affordable rent

4.13 The term affordable housing essentially means there is some form of subsidy. However, to meet our priorities we think our Housing Strategy needs to focus on affordable homes for rent as they meet more need.

4.14 Social rent homes are those where the rent charged is based on a national standard, depending on the size of the property, with weekly rents ranging from below £100 to approximately £160. In some cases, there may also be an additional service charge.

4.15 Affordable Rent homes have replaced social rent homes over the last decade. The

rents can be up to 80% of the local market rent for a similar property but the Council requires this to be within Local Housing Allowance levels, so there is no risk of homelessness should tenants lose their job and be reliant on benefits. Although Affordable Rents are slightly more than social rents, they do include service charges.

4.16 Often in smaller properties and apartments, the overall weekly cost can be similar if not slightly lower than social rent. This means that in some cases, where there is a mix of apartments and houses, the most affordable mix for the residents could be apartments at an Affordable Rent and houses at a Social Rent but we appreciate the complexity for other partners in providing this.

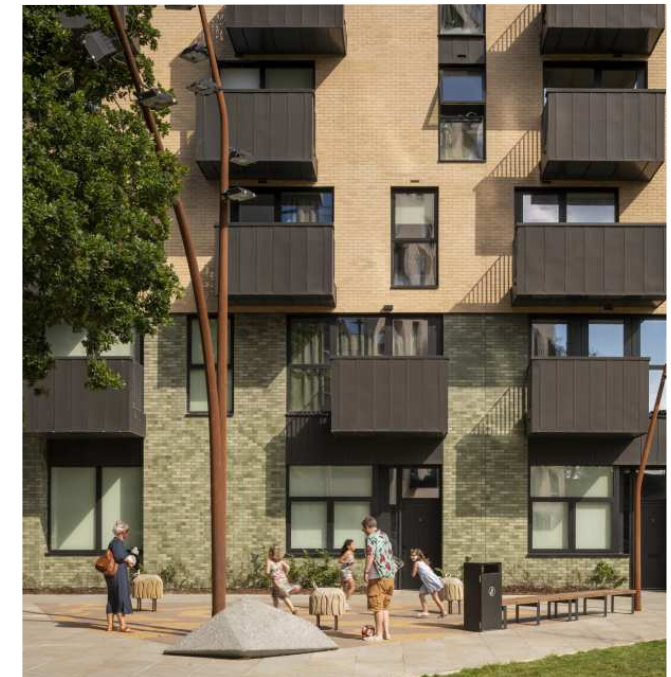
4.17 Welfare reform also has an impact on affordability, even for affordable homes; the introduction of the benefit cap for families means that Affordable Rent levels for larger homes, and in some cases for social rent, may not be fully covered by benefit payments. To reduce this risk, we will wherever possible encourage Registered Providers to provide larger homes as social rent.

Affordable housing supply

4.18 The majority of the supply of affordable homes comes from the existing stock, as tenants move on and homes become available to re-let to someone from the Council's Housing Register. To meet the growth in population, a proportion

(35%) of new homes on development sites of 11 units or more are also required to be affordable – 22% for rent and 13% some form of intermediate affordable housing e.g. shared ownership.

4.19 If the Council has a duty to accommodate but no suitable property is available then we may need to provide temporary accommodation, usually self-contained, until a suitable property becomes available. It is inevitable that a small number may always need to be placed initially in temporary accommodation while enquiries are made.



4.20 In mid-2017 there were more than 360 households in temporary accommodation waiting for an offer of a settled, affordable home. At the end of 2020/21 this number had reduced to 250 but this was mainly due to improvements in preventing homelessness and reducing the number needing to go into temporary accommodation. More information about how the Council responds to homelessness can be found in our Homelessness and Rough Sleeper Strategy 2020-25.

4.21 Each year there are additional new affordable homes built as a result of our planning policies but this does not create a corresponding increase in the overall number of homes becoming available to let for several reasons:

- Not all types of affordable homes that the Council is required to develop are suitable for those in greatest need, e.g. shared-ownership and discounted sale;
- The supply of new homes is linked to the delivery and therefore demand for market homes and therefore the fluctuations of the housing market;
- There has been a decline in the number of existing affordable homes being re-let so supply is less than anticipated; and
- An increase in the supply of smaller affordable homes in the past to meet the need of the time has led to rising need for larger homes.

The consequences of these variables are shown in the following table, showing the planned delivery of new affordable homes, the number that were actually available to let and the number of households in temporary accommodation.

Size	Planned delivery 2019/20	New build available to let 2019/20	Total lettings	Households in temporary accommodation 2019/20
1 bed	91	45	121	45
2 bed	114	60	138	140
3 bed	60	18	52	65
4 bed	4	1	6	22

Source: Chelmsford City Council Strategic Housing Services KPI monitoring

4.22 The number of households in temporary accommodation is a helpful indicator as to how well planned and actual delivery of affordable homes is meeting the most urgent cases of housing need in Chelmsford. Both planned and actual delivery of one-bedroom homes meets the need of those in temporary accommodation, hence all households in this group can expect to be permanently accommodated within a year.

4.23 Our aim is to create a supply of larger homes that will reduce the time spent in temporary accommodation to less than a year. Providing an additional 8 four bedroom homes a year could meet the need of all those in

temporary accommodation within two or three years but continuing this would mean we then have a supply that also begins to meet the need of other families who are in need due to overcrowding. These larger units will release more existing homes, as families move from a 3- to a 4-bedroom home, so we then start to see an additional supply from the existing housing stock as well.

4.24 We think that a relatively small additional increase in the supply of larger homes is so important as it helps us deliver three important outcomes: a reduction in the number of families needing temporary accommodation, a reduction in the length of time spent in temporary accommodation, and eventually a reduction in the number of families in other types of inadequate housing (see the appendix for more information about this).

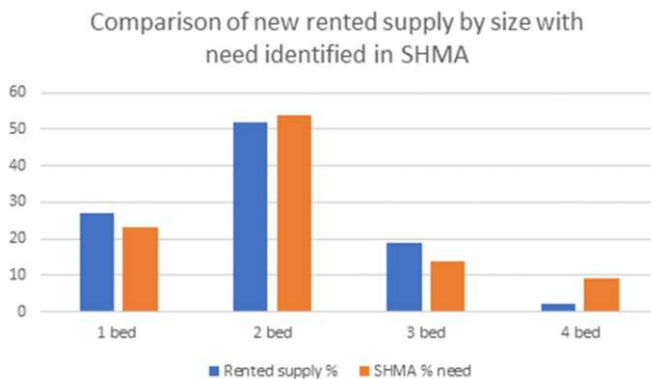
4.25 The Council's update to its Strategic Housing Market Assessment (SHMA) in 2015 accurately anticipated that the majority of one-bed need would eventually be met from existing supply. That stage has now been met but we shall continue to monitor the need as well as the supply of one-bedroom affordable homes as we are concerned about the possible level of 'hidden homelessness' in Chelmsford. These are people, usually single, who need a home and are staying with friends, 'sofa surfing'. As they are 'hidden' it is inevitably difficult to quantify the scale of need.



4.26 Responding to those who lose their accommodation, or present to the Council as homeless is something that is covered by the Council's Homelessness and Rough Sleeper Strategy 2020 – 2024.

4.27 Others may be in less urgent need and could be helped through a combination of advice about their options and more analysis of the level of need and demand from this group.

4.28 The monitoring information collated by the Council's planning service shows that the supply of larger new affordable homes for rent during 2015 -2020 has been significantly below the requirement identified by the SHMA, which has contributed to the problems of churn within the existing social housing stock.



Source: Chelmsford City Council Strategic Housing Market Assessment

4.29 The supply of two-bedroom homes is comparable with the backlog of need but as this is so similar, it means that households will inevitably have to wait a year before moving from temporary accommodation in to settled housing. A slight increase is needed to reduce this and also address the need of those who are overcrowded in one-bedroom homes. Moving forward it is critical that the new greenfield sites in the Local Plan provide affordable homes for rent in the proportions set out in the SHMA, especially for the three and four bed dwellings.

4.30 Creating an additional supply of larger homes for rent must be a priority:

- ✓ To meet the backlog of households in temporary accommodation
- ✓ To meet the need of those in affordable homes who are overcrowded, and
- ✓ Improve the overall supply of homes as properties with overcrowded households become available for re-letting to others

4.31 An additional 10 3-bed homes and 8 4-bed homes a year over five years would clear the current backlog of need and help re-establish a better flow of supply from the existing stock more closely aligned to current needs. Accelerating this additional supply will reduce the risk of an improved supply being overtaken by increasing need.

4.32 We cannot risk relying on just one method to achieve this so we will aim to increase supply in a number of ways, ranging from identifying opportunities for development in addition to that in our Local Plan, to working with our partners to help improve the movement and thereby supply from the existing stock and have included these proposed actions below.

4.33 Enabling a more balanced supply will reduce the need for households to be housed in temporary accommodation but this reduction can only come at the pace of progress of improving the supply. The Council has managed to maintain a steady reduction in the use of temporary accommodation, reversing the national trend but we must bear in mind the risk of rising homelessness so we will continue to monitor both the need and the cost of temporary accommodation and opportunities to reduce the cost.



PROPOSED ACTIONS

Encourage RPs to provide larger affordable homes for social rent to reduce the impact of the benefit cap identifying the need for subsidy where necessary on existing developments

Identify opportunities for the development of additional larger, affordable family homes on sites owned by the Council, other public bodies and Registered Providers

Monitor and evaluate pilot scheme to help older residents down-size to homes that are more appropriate to their needs

Explore the possibility of joining sub-regional choice-based lettings scheme to give more choice to local residents and make best use of local housing stock

Work with local Registered Providers to identify opportunities for additional development of larger homes on existing estates

Work with Registered Providers to improve our understanding of the reasons for the lower level of re-lets in Chelmsford compared with neighbouring districts

Explore the potential for development as an exception to policy necessary to provide an

additional supply of larger affordable homes and the possibility of available sites

Work with Eastern Community Homes to implement a programme of work to support for communities to build housing that meets local need

Continue to monitor the need for temporary accommodation by bedroom size and opportunities to reduce the cost

Consider ways to identify and respond to the need of single people with options to respond to this need

Secure the percentage of three and four bedroom affordable homes for rent on new development in the percentage proportions set out in the SHMA.

Consultation questions

1. **Do you have any suggestions as to how the Council could provide more larger affordable homes?**
2. **If you are a housing association, how could you help improve the supply of the existing stock and how could the Council help you develop larger family homes?**
3. **Is there anything else you would like to add?**

Renting your home privately (Priorities 4, 6 & 7)

4.34 Most of the homes that are privately rented in Chelmsford were not built with that intention. This has been a growing sector from the start of this century and in some areas, such as London, new homes are built specifically for this purpose in response to demand and the rising cost of home ownership. Most are a conversion of tenure from owner-occupation, whether through buy-to-let, inheritance or other lifestyle changes.

4.35 The Council has duties through its regulatory powers to deal with complaints of poor management and disrepair, and the licensing of Homes in Multiple Occupation (HMOs). The growth of this sector means it is increasingly relevant to meeting both housing demand and to a lesser extent housing need.

4.36 The rising cost of home ownership has led to a rising number of households renting instead of buying homes on the open market. Between 1997 and 2020 the proportion of households renting from private landlords nationally rose from around 10% to 30%. Usually this would be through the conversion of homes that were previously occupied by homeowners.



4.37 For many, privately renting a property provides households with a home that they can afford, for the short to medium term, with flexibility should their circumstances change but for some the lack of certainty about the longer term can be a cause of anxiety.

4.38 In recent years there have been additional regulations aimed at improving the quality of homes and management in this sector and we want to support both landlords and tenants in meeting these standards.

4.39 The growth in privately rented accommodation has become invaluable in helping the Council meet its duties to those in housing need, with around 100 households a year helped into private rent accommodation as a way to prevent homelessness, highlighting the growing strategic relevance of this sector.

4.40 Privately renting a home can provide choice for those unable to buy but average monthly rents in Chelmsford are not dissimilar to monthly mortgage repayments and some may find it difficult to meet these costs and save for a deposit for a property to buy, hence concerns about 'generation rent' becoming trapped in this tenure as house prices rise quicker than income.

4.41 Better promotion of intermediate affordable homes could help some make a move from renting to home ownership and provide a settled home.

PROPOSED ACTIONS

Establish a private landlords' forum to give support and promote best practice

Provide guidance on renting your home to inform tenants and others of their rights and responsibilities

Determine the most effective way to identify the risks of poor condition and monitoring of housing stock

Identify opportunities for tackling fuel poverty and reducing energy consumption in privately rented sector.

Consultation questions

4. **If you are a private landlord or letting agent, what type of support would you like to see from the Council?**
5. **If you are a tenant renting from a private landlord, how would you suggest the Council could help you manage your tenancy?**
6. **Do you have any other ideas or suggestions as to how the Council could help support this sector to meet local housing need?**
7. **Is there anything else you would like to add?**

Specialist Housing (Priorities 5, 6 & 7)

4.42 Some of our most vulnerable residents have a need for specialist housing, homes designed to help them retain their independence if they have physical difficulties, homes that provide support to help them manage and adjust to significant changes to their lifestyle, or both.

4.43 Through the policies of our Local Plan a proportion of new homes will be developed to meet the needs of those with limited mobility, conventionally this has often been provided as one-bedroom ground-floor properties and whilst this is helpful for single people, it overlooks the need of households with disabled children or single people who need a live-in carer.

4.44 Disabled Facilities Grants (DFGs) can be used to adapt existing properties to make them suitable for larger households but as highlighted above, the limited supply of larger affordable homes creates a barrier to housing options, especially if the existing home is not suitable to the adaptations that are needed.

4.45 We will therefore seek to achieve a mix of new homes designed to help those with physical disabilities and seek to identify ways of making best use of DFGs to meet the housing needs of those needing adaptations including those in homes not suited to the adaptations required, including those needing temporary accommodation.



4.46 Policy DM1 (C) (i) of the Local Plan requires developments of 100 or more homes to make a contribution to the need for specialist housing taking account of local housing needs. This is in addition to the requirement to contribute to need for affordable housing.

4.47 In order to ensure this is aimed at meeting housing need as opposed to demand that may be provided through other types of development aimed at those who can afford to meet their housing need, it is expected that the presumption will be that most of this specialist accommodation will also be provided at rental level below local housing allowance to ensure it is affordable.

4.48 The groups that have been identified in the Plan evidenced by Essex County Council are older people and people with a learning disability. Neither present as a significant need in terms of local housing need based on applications to our Housing Register nor as groups at risk of homelessness, so we will work with colleagues at Essex County Council to quantify and detail the housing requirements in addition to existing supply for both these groups in Chelmsford.

4.49 The other specialist requirement that has already been identified in our Local Plan is the need for gypsies, travellers and travelling show people and provision is already being planned to meet these needs.

4.50 By looking at the support needs of those who are in housing need, in particular those at risk of homelessness (including rough sleepers) and those in temporary accommodation we are able to identify other groups who require specialist accommodation.

Single Homeless / Rough Sleepers

4.51 In 2019 we calculated a need for an additional 30 to 40 units of accommodation with support to help eliminate the need for anyone to sleep rough in Chelmsford based on the incidence of newly arising cases being 50 to 70 per annum. In the summer of 2020, following the success of the 'Everyone In' programme we submitted a bid for funding from MHCLG which has helped us work with partners to deliver an even greater number of places by the end of 2021.

4.52 We will continue to monitor and review the need for specialist accommodation for this group but anticipate that the majority of unmet need will have been catered for in the lifetime of our new Housing Strategy. This is based on an average stay of 12 months before moving on to live independently and we want to maintain this momentum to meet the need for other groups. The highest needs are:

Mental health

4.53 There is an average of 53 cases a year of people who lose their accommodation in Chelmsford and have a need for support to help them manage a mental health condition. For approximately half of these cases, the support can be, or is already provided by services based in the community but we identified on average 26 a year who either have no support or are waiting for this to be provided and in the meantime have a need for specialist support to help them manage their current situation and plan for recovery as well as moving on to live independently. We have therefore set a requirement for 26 additional units.

Physical Health

4.54 There is an average of 21 cases a year of people who become homeless who have a physical disability. For most of these, the provision of suitable adaptations to their temporary and permanent home is the main requirement with other support being provided by other agencies such as social care. There is therefore a need to ensure the Council can meet the needs of those with physical disabilities who may have to be housed in temporary accommodation.

4.55 We shall also monitor the supply and demand of new homes provided by our planning policies for people who need homes that are



designed specifically to meet this need to make sure that we achieve a proportionate mix that reflects the need of the size of the property as well as the need for special design.

Domestic Abuse

4.56 Unfortunately, this has been one of the more common reasons for homelessness in Chelmsford for a number of years. Some cases, often with children, will need intensive support as well as safe accommodation to help them manage trauma, understand and manage risk, develop skills for living independently and safely in the future. There is a need for 14 two-bedroom units to meet the need for this group and more accommodation for those who are single with more complex needs. The new Domestic Abuse Act is now in place and as part of this, the Council will be working with partners to assess the impact this will have on our housing duties and we will work with Essex County Council as the lead authority to identify the need for additional specialist accommodation.

Young People

4.57 Not only are young people, including those who have been in care, more vulnerable and at risk of exploitation, we also know that when housed they have a much greater risk of becoming homeless again, especially within the first year of starting a tenancy. For this reason we need to enable the development of

accommodation with support for 20 young people in Chelmsford to help them acquire skills to manage living alone before they have a home of their own.

Older People

4.58 Essex County Council has identified a need for additional specialist accommodation for older people who need support, distinct from the need for accommodation that provides clinical and personal care. In terms of homelessness or urgent housing need, there are very few (less than five a year) older people who have to be accommodated by the Council.



4.59 As local housing authority we need to understand more about the distinction between those who need accommodation to access support, and those who need accommodation with support because they have a housing and

support need. With such a possible variety of options, including help to remain in your current home, we also want to work with others to understand not only the current and future need of housing for older people but the most suitable options as well.

4.60 With the exception of the need for specialist accommodation identified by Essex County Council for older people, the current need for specialist housing for other groups adds up to a shortfall of between 70 to 80 units of specialist accommodation. On the basis that the average length of stay is between 12 to 24 months, a gross additional supply of around 90 units would create a sustainable supply as residents move on creating an ongoing supply in the future.

4.61 In cases where it is not feasible to provide specialist accommodation on site, converting the requirement in Policy DM1 (C) (i) into a commuted sum in lieu of on-site specialist residential accommodation provision on new development would enable flexibility to meet the range of housing need identified above to be delivered by Registered Providers, housing charities and others; flexibility in the location of the specialist residential accommodation to meet the different needs; as well as the ability to align revenue funds to match this capital contribution towards the identified housing needs.

4.62 In order to ensure future provision is effective in meeting identified need, we will need to make sure that our Housing Service has



nomination rights for new developments. We also require, to meet these needs, that the accommodation is affordable for those who are unable to work, often due to the need for support, and rents should therefore be set at or below Local Housing Allowance levels. We recognise that this will limit the income and present a challenge in meeting the additional cost of providing support so we will work in the meantime with providers of specialist housing to identify ways of making future developments financially viable and sustainable.

4.63 We will also continue to monitor the need for specialist accommodation for these groups to support our Planning Service in maintaining up to date knowledge of the local need for specialist accommodation.

PROPOSED ACTIONS

Prepare a Planning Advice Note which summarises the identified local housing need for specialist residential accommodation and identifies a flexible way in which the variety of specialist needs identified in this Strategy could be delivered using Policy DM1 (C) (i)

Prepare a Planning Advice Note setting out the need for different size new build wheelchair accessible affordable accommodation for rent on an annual basis.

Ensure new build homes designed for people with physical disabilities meet the need of all household types based upon information from the Housing Register

Explore the possibility for working with partners to make best use of DFGs to meet the need for housing as well as adaptations for those with physical disabilities including for those who may need to use temporary accommodation

Work with ECC to quantify and understand the future housing requirements for older people and people with a learning disability

Identify ways to develop an understanding of the housing needs of an ageing population and the most effective way to plan for this

Identify opportunities to combine resources to meet shared objectives in this and Essex County Council's Housing Strategy for the development and commissioning of specialist housing including options for commissioning and funding the cost of support

Continue to monitor both the need and provision of specialist housing, identifying opportunities for capital and revenue funding to support providers of this accommodation.

Consultation questions

8. **If you are a landlord, what could the Council do to improve the ability to use Disabled Facilities Grants to make homes more accessible?**
9. **Do you think it would be helpful if the Council worked with others to develop a more strategic approach to meeting the housing needs of older people?**
10. **If you are a landlord or provider of specialist accommodation what are the issues the Council should be aware of regarding the development of specialist accommodation?**
11. **Are there any other groups that should be considered? If so, what evidence should the Council look at to understand this need?**
12. **If you are a local community group, would you be interested in the possibility of helping to develop affordable homes to meet local need, e.g. within a local area or for a particular group?**
13. **Is there anything else you would like to add?**



Owning your own home (Priorities 4, 6 & 7)

4.64 We support home ownership through the allocation of sites in the Local Plan which predominately reflect the demand for homes, the majority of which will be sold on the open market.

4.65 Home ownership is the most common tenure. However, over the last 20 years this has been gradually reducing, especially amongst younger households who are unable to afford rising prices and there has been a corresponding increase in the number of homes being made available for renting by private landlords.

4.66 During this period, the ratio of affordability of the value of a home compared to local earnings rose from around 4% in 1997 to above 11% in 2019. This means that if we compare the average household wage for residents of Chelmsford with the average cost of a home, potential home buyers with no existing equity would now need to borrow 11 times their annual income. In 1997 it was four times their annual income. This is a very broad indicator but as it is one that is applied nationally it is helpful highlighting areas such as Chelmsford where buying a home is more costly in relation to local wages.

4.67 Inevitably more people are now finding it harder to afford to buy a home of their own and in 2021 the government is introducing the First Home scheme, providing homes for sale at a discounted price as part of the provision of affordable homes on new housing developments.

4.68 This could make new homes that currently require an annual income of around £50,000 affordable to those with an income of £35,000 (assuming original value of £250,000, 25-year mortgage with 5% deposit and 5% interest)



4.69 The details of the First Homes programme are still being finalised, including proposals for the role of local authorities in approving applications and setting priorities for eligibility but once clarified, this could help meet some demand from local residents who are unable to buy a home of their own in Chelmsford.

4.70 A small proportion of new homes could still be provided as shared-ownership, part-buy and part rent, which requires an even smaller mortgage and deposit but this is offset by still needing to pay a rent based on the value of the unsold equity. This may still be something that helps meet local demand and helps Registered Providers of affordable homes improve the financial viability of new developments.

4.71 Most property owners either live in their property or rent it to others, a small number will have homes that are empty whilst undergoing repairs, renovation or pending sale or transfer. An even smaller number may become empty for longer periods, possibly even falling into disrepair as a result.

4.72 The Council will continue to monitor empty homes, encouraging owners to bring them back in to use and taking enforcement action including the option of compulsory purchase.

4.73 In response to the growing interest in opportunities for people to build or have more input in the design and layout of their own home,



we will use the policies in our Local Plan to ensure a proportion of plots on larger developments can be used for this purpose. We shall monitor with interest to see what the level and type of demand is from individuals and local community groups to see if there may be opportunities in the future to provide more help and support, and to see how it may be helping to meet local housing need as well as demand.

4.74 We will also examine how other options such as First Homes, shared-ownership and other schemes such as rent-to-buy could help some tenants who are renting in Chelmsford move on to owning a home of their own, releasing rented homes to meet future demand.

PROPOSED ACTIONS

Clarify the implications for the Council's Housing and Planning Services of the policy for First Homes, the resource implications for allocation and possible link to local priorities

Consult with RPs and others (Homes England) on impact of First Homes, retaining option for shared-ownership and how this may affect future viability of affordable housing provision.

Consultation questions

14. **Do you think the Council should be using its resources (land and money) to help people become home-owners as a priority if it means it is less able to meet its duties to those who are homeless?**
15. **If the Council is able to nominate people to schemes such as First Homes, who should be prioritised, for example key workers, those moving on from social housing, those wanting to move in to Chelmsford to access employment? Any other groups?**
16. **Do you think the Council should do more to explain and promote 'intermediate' affordable homes such as shared-ownership and rent-to-buy?**
17. **How would you like to see the Council tackle empty homes – what ideas or suggestions do you have for how they could be used to meet local need and demand? What information would you like to know about empty homes?**
18. **Is there anything else you would like to add?**

Monitoring and working with partners (Priorities 1 - 7)

4.75 As a stock-transfer authority we value the contribution that Registered Providers, housing charities and other organisations can make to helping us meet our housing needs. We also need to be aware and understand the challenges they face and work in collaboration to help them so they can help us.

4.76 Over the last year, some have had to review their plans for developing affordable homes; we also know that the high cost of housing in Chelmsford means that not only is there a greater need for affordable homes than in some other parts of the county but the cost of land and development is also higher so we need to work in partnership to understand how we can overcome these particular challenges as part of the consultation process for this strategy.

4.77 Many Registered Providers have experience and expertise in developing support for local communities as well as homes, helping improve the quality of life for their residents and others in the community. Examples include community hubs, home improvement agencies, floating support, initiatives to tackle anti-social behaviour and support for local community groups.



4.78 This support for local communities is something we welcome and would support local Registered Providers who can provide this as additional value to the homes they provide.

4.79 We must not overlook the fact that the majority of supply will always come from the existing stock but we cannot take for granted that all existing homes will always remain fit for purpose. As difficult as it may be to accept that some homes are no longer financially viable to retain, working with Registered Providers to improve the condition of the existing stock where feasible and consider alternative options where necessary could help create new opportunities for developing homes of a better standard that are better suited to current needs.

4.80 Government agencies such as Homes England and the Ministry of Housing, Communities and Local Government (MHCLG) have also played an invaluable role in the past, helping contribute both funding and expertise to help us enable the development of homes and we want to continue to build rapport and understanding to help us generate a supply of homes in addition to those delivered through the Local Plan.

4.81 With support from Homes England and MHCLG last year, we have been able to help smaller housing providers double the number of homes with support for single homeless and

rough sleepers, meeting the shortfall we identified in 2019. This has helped us identify new ways we can work with smaller housing associations and voluntary groups who have expertise in providing specialist support to acquire properties on a smaller scale to meet some of the need for specialist housing mentioned above and we want to continue to see if possible to maintain this as an additional source of supply.

4.82 The response to the national Everyone In scheme launched at the start of the pandemic in 2020 has triggered both a recognition of the need for affordable and specialist housing and the wide range of organisations willing to help make a contribution to tackling homelessness and local housing need. We want to maintain this momentum of collaboration and innovation and will use this strategy as a way of encouraging engagement with other public bodies, faith groups, charities and investors to help us meet the housing need of local residents.

4.83 This includes local community groups who may already have identified a need that complements our own identified requirements for housing. The Council has contracted support from the Eastern Community Hub, launched in March 2021 from a collective of rural community councils, which offers tools and support for groups interested in community-led housing.

4.84 Where it is not viable or feasible to provide affordable homes or specialist accommodation on smaller developments, the Council may consider a financial contribution which can be used to support the acquisition or development of homes through these other means elsewhere in the district.

PROPOSED ACTIONS

Establish routine monitoring meetings with local RPs to improve understanding of local need, opportunities for new developments, issues relating to stock condition and opportunities to bring additional benefits to local communities

Identify with RPs properties that require additional investment or redevelopment to help both organisations plan for improvements or redevelopment, ensuring that this fits with local housing requirements

Develop regular contact with Homes England and MHCLG to identify opportunities for investment in new homes for Chelmsford

Work with smaller housing providers to help them understand and develop homes to meet identified need in Chelmsford



Establish an annual briefing for all partners interested in meeting housing need in Chelmsford, including progress with implementing this strategy, beginning with the launch of this strategy in 2021

Implement a programme of work to support for Community Led Housing opportunities to be realised.

Monitor expected and received receipts to fund a capital programme to provide an additional supply of affordable family homes and specialist housing in accordance with identified need

Monitor proposed developments that provide affordable homes to ensure they comply with the requirements of the Council's Strategic Housing Market Assessment or when there is an identified change to local housing need or priorities, the proposed provision is amended to reflect this.



Consultation Questions:

19. Are there any other partners the Council should be working with?
20. Any other comments or suggestions?



5. Monitoring and Review

5.1 Progress with the delivery of the strategy's action plan will be reviewed continuously by the Council's Housing Working Group including an annual review.

5.2 Sitting behind this will be a range of information that will help provide information and context as to the relevance of our actions and the impact that they have in achieving the outcomes we expect. These include:

- The supply by size and tenure of new affordable homes as new build and re-lets
- The number of permissions for developments of affordable and specialist homes including those that are in addition to existing sites allocated in the local plan
- Funding made available for investment in housing in the district from the Council's own resources and external sources
- The number of Registered Providers and others with resourced plans for development of affordable and specialist homes to meet identified local need
- The number and proportion of cases referred to the Housing Ombudsman involving local Registered Providers
- The number of existing social homes refurbished to meet improved energy standards

- The number of long-term empty homes including the number identified for enforcement
- The number of adaptations provided by the Council's Disability Facilities Grant programme
- The number of households in temporary accommodation by household size
- The need for specialist accommodation based on the support requirements of those in temporary accommodation
- The number of households inadequately housed due to overcrowding by size of home required
- The number of households helped by the Council to access privately rented accommodation
- Current median and lower third cost of privately renting a home in Chelmsford by bedroom size
- The current median and lower third cost by bedroom size of homes for sale on the open market in Chelmsford

5.3 By monitoring this data, we will be able to see both how our performance is addressing local housing need and how local trends may be changing to prompt any need to reconsider our plans and priorities.

PROPOSED ACTIONS

Agree targets, key indicators and key performance indicators that will show how effective the strategy is meeting housing need and demand

Agree with partners how progress is to be reported

Progress of the aims of the strategy and action plan to be routinely reported to elected members through the Council's Housing Working Group including an annual report

Consultation Questions:

- 21. Are there any other indicators you think the Council should consider?**
- 22. How do you think the Council should keep you informed of the progress of delivering this strategy?**



Glossary

Affordable Homes – defined by the National Planning Policy Framework in 2019 as: “housing for sale or rent, for those whose needs are not met by the market - including housing that provides a subsidised route to home ownership and/or is for essential local workers”. The National Planning Policy Framework then provides further definitions of the following types of affordable housing - Affordable housing for rent; Starter Home; Discounted market sales housing; Other affordable routes to home ownership.”

Affordable Rented Homes – often used as an alternate description of social housing, homes usually owned and managed by housing associations which charge a slightly higher level of rent but this also includes any service charges as well, the rent should be no more than 80% of the local market rent for a similar property but often it is required that the rent will not be above local benefit levels to make sure that a loss of income does not lead to homelessness.

Benefit cap – a maximum amount of benefit payment a person or household is entitled to receive, for a couple or single parent outside of London this is set at £20,000 including housing costs / rent.

Community Led Housing – housing developments, instigated and led by local community groups to provide homes for local people, often from a particular area such as a village, or a particular group such as ex-services, or older people.

Choice Based Lettings – a way in which affordable homes are allocated to those in greatest need, by advertising homes that are available to be let, applicants chose which ones they would like to be considered for, making the allocation of homes more transparent and giving choice to those who are eligible to apply.

Disabled Facilities Grant – financial assistance to help meet the cost of adapting a home if there is a need, for example providing stair-lifts, level access showers, etc often as the result of the recommendation of an Occupational Therapist.

Homes England – a national government organisation that provides funding to Registered Providers to help them meet the cost of providing affordable homes where they are either providing more than is required by local policies, or in some cases where it is not otherwise financially viable to meet local policies for affordable homes.

Housing Register – a list of people needing affordable housing in Chelmsford, managed by the Council. Applicants are given priority according to their circumstances. Often still referred to as a 'waiting list' but this is no longer accurate as those with lower level of need may never be offered accommodation despite how long they may wait.

Local Housing Allowance – benefit that is paid to help meet the cost of renting a home.

Ministry of Housing, Communities and Local Government (MHCLG) – government department responsible for housing and local government, often provides advice, guidance and funding in particular to help reduce homelessness.



Planning Advice Note – guidance from the Council's Planning Service, often on technical matters, to help explain how policies are applied in practice.

Registered Provider (of social or affordable housing) – landlords registered with the Regulator of Social Housing who provide affordable homes, most are housing associations but there are also some for-profit organisations and developers who are also now Registered Providers.

Rent to Buy – a type of affordable housing where people move in and pay an affordable rent and then, after a period of time are given the opportunity to buy the home, sometimes at a discounted price or with a financial payment to help meet the cost of the deposit.

Shared-ownership – a type of affordable housing where part of the home can be bought, often a minimum of 25% and a rent is also charged based on the amount of unsold equity. It is possible to staircase to outright ownership by buying additional shares in the home.

Strategic Housing Market Assessment – a study of the demand and need for housing in an area, compared with the current supply, showing where there may be an over- or under-supply of a particular type of housing. This is used to inform planning policies for local councils.

Social Housing – homes owned and managed usually by a not-for-profit organisation, such as a local council or housing association.

Temporary Accommodation – homes that are provided to those who have become homeless, need to be provided with permanent housing that is suitable and affordable but because nothing is available so have to be accommodated temporarily until an offer can be made.



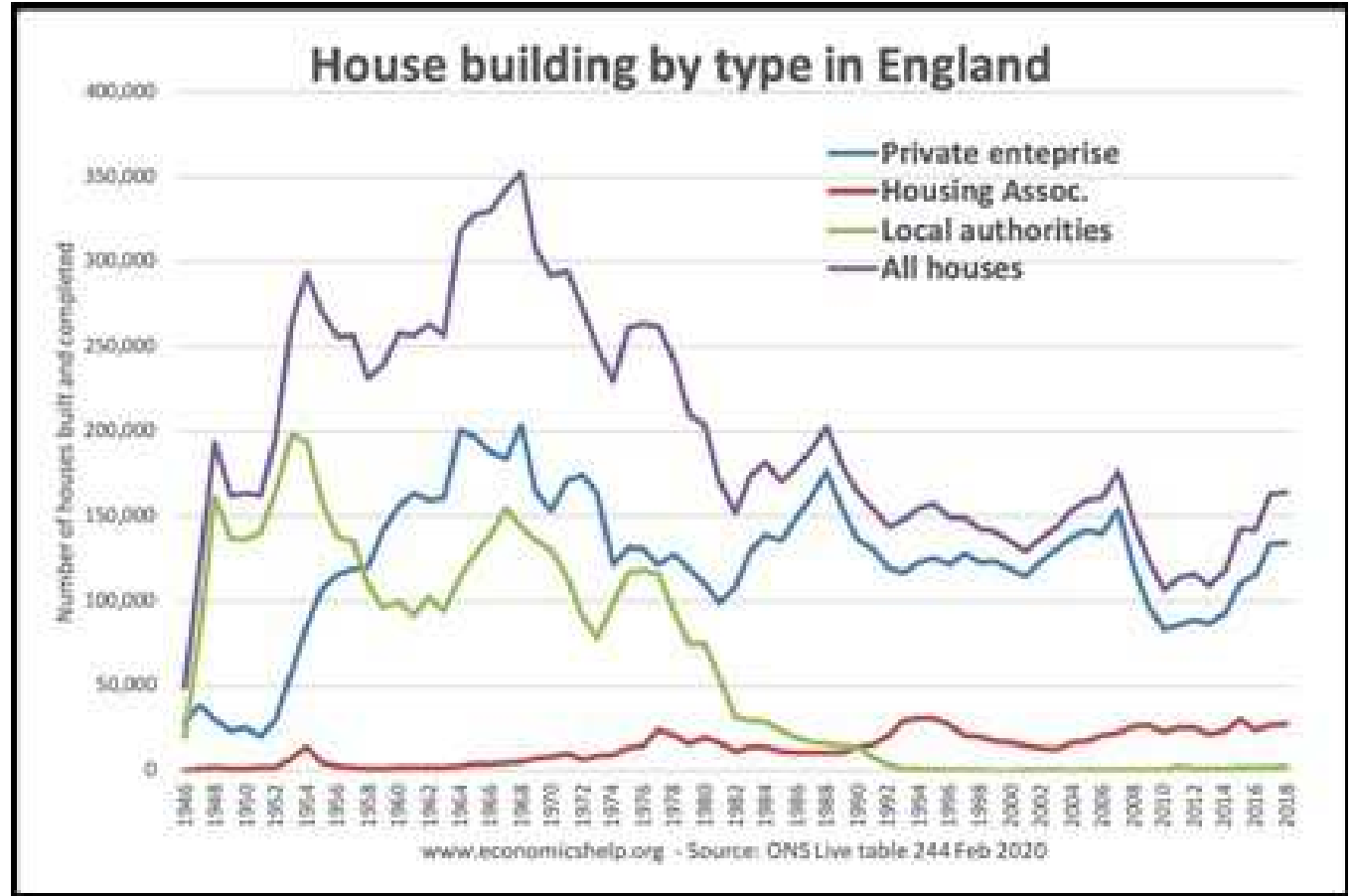
Appendix 1 - Evidence Base

There are approximately 80,000 homes in the district of Chelmsford, of which 11,000 are affordable provided by Registered Providers (housing associations) and we estimate a slightly higher number to be rented by private landlords. The largest tenure type remains private ownership, although this has reduced in percentage terms in recent years. On average 1,000 new homes are built every year in Chelmsford.

The Council does not own any Council housing, other than properties used for temporary accommodation, as it transferred its housing stock to CHP nearly 20 years ago, who are therefore the largest social landlord in Chelmsford. Since the 1980s until recently, very few affordable homes have been developed by Councils and most have been delivered by housing associations as requirements of planning permissions. The Council, however, still retains responsibility for administering the housing register and managing homelessness. This is done in partnership with the Registered Providers that operate in the City area.

Table 1 shows how since the 1980s housing associations have replaced local authorities nationally as the main source of new affordable homes.

Table 1



Despite a growing number of new homes in Chelmsford, of all tenures, affordability has affected a growing number of people as the cost of buying or renting a home has risen, often at a rate faster than most people's income, reducing the number who can afford to buy on the open market, who then rent instead. For some on lower incomes, they have found that they can no longer afford to rent from a private landlord and so for them the only option is 'affordable' accommodation.

This shift in tenure is shown in the Table 2 below, showing how over the last 30 to 40 years the proportion of social or affordable homes has almost halved and the proportion of private rent has nearly doubled. Levels of home ownership have remained stable but a growing proportion of owner-occupiers no longer have a mortgage showing the ageing profile of home-ownership.

Table 2 - Proportion of Tenure in England 1961-2011

Year	Owner Occupation%	Social Housing%	Private Rent%
1961	43	23	34
1971	51	29	20
1981	57	32	11
1991	68	23	9
2001	70	19	10
2011	66	17	17

Source: English House Condition Survey

www.gov.uk/government/publications/50-years-of-the-english-housing-survey

From 2009 and 2019 the number of homes in our district increased from 70,950 to 77,063. The proportion of affordable homes in Chelmsford increased from 9% to 13% but there remains a significant shortfall as the solution to meeting the housing needs of the city is more nuanced than just an additional number:

Between 2018 and 2021 there were an additional 333 new affordable homes built in Chelmsford that were let to people from the Council's Housing Register. Over this period though, the overall number of lettings per year, which includes re-lets from the existing stock, only increased from 316 in 2018/19 to 335 by the end of 2020/21.

To improve the overall supply to meet Chelmsford's priority housing needs we need to re-balance the supply of new affordable homes and use this as a catalyst to improve the greater supply from the existing stock.

As predicted by the Council's Strategic Housing Market Assessment (SHMA), there is now an adequate supply of affordable one-bedroom properties. This has been supplemented by an increase throughout 2020 in the number of specialist bedspaces for single homeless people including rough sleepers.

However, this is not the case with larger affordable homes and the more limited supply of these is affecting the Council's ability to meet its statutory duties to those who become homeless and those who are inadequately housed as shown in the following Table 3 below.

Table 3: Housing need and supply in Chelmsford

Size	No. in Temp. Accommodation April 2020	Overcrowded/ not homeless	Annual lettings of affordable housing	Need met in 12 months
1 bed	64	0	130	66 (100%)
2 bed	127	91	145	73 (66%)
3 bed	56	86	56	86 (40%)
4 bed	20	15	6	29 (17%)

Source: Strategic Housing Services Monitoring 2020 – note does not include age-restricted and intermediate affordable homes



We believe that this imbalance is restricting the supply, or 'churn', from the existing stock of affordable homes in Chelmsford which may be why, despite having comparable levels of affordable homes with other districts in Essex, the number of homes becoming available as re-lets is lower. Enabling an additional supply of homes that help unlock this logjam would create a larger, overall supply.

Table 4: Annual social housing churn as percentage of social housing stock (includes new build and sheltered accommodation)

Local Authority	2015/16	2016/17	2017/18	2018/19	2019/20
Braintree	5.6	5.2	5.6	6.5	6.2
Chelmsford	3.3	4.6	3.8	3.3	3.5
Colchester	6.3	4.4	5.4	5.9	5.9
Maldon	6.4	3.9	3.9	2.2	5.0
Babergh	6.4	6.4	5.7	5.3	6.6
Ipswich	7.8	6.0	5.4	5.1	5.0
Mid Suffolk	7.7	7.5	7.0	8.7	8.6

Increasing the supply of 3- and 4-bedroom affordable homes, even by a modest amount of 10 additional 3-bed homes and 8 additional 4-bed homes each year for five years, could eliminate the need for any families to stay for anything more than a short time in temporary accommodation and the go on to also meet the needs of those who are in housing need for other reasons, e.g. due to overcrowding.

Table 5 shows how once the need of those in temporary accommodation is met, meeting the needs of those who need to move on within social housing helps improve the supply from the existing stock by enabling an additional supply of 90 homes of the right type.

Table 5: Cumulative effect of additional 10 3-bed and 8 4-bed p.a. for 5 years

4 - bed	Households in TA	Households in Band 3 and 4
Year 1	10	29
Year 2	2	29
Year 3	0	23
Year 4	0	15
Year 5	0	7
Total new build = 40 Additional supply = 22 Total supply = 62		

3 - bed	Larger homes becoming available	Households in TA	Households in Band 3 & 4
Year 1		49	100
Year 2		39	100
Year 3	6	23	100
Year 4	14	0	99
Year 5	22	0	77
Total new build = 50 Additional supply = 23 Total supply = 73			



2 - bed	Larger homes becoming available	Households in TA	Households in Band 3 & 4
Year 1		119	107
Year 2		103	91
Year 3		87	75
Year 4	1	70	5
Year 5	22	32	(23)
Additional supply = 23			

By providing an additional 90 homes of the right type, the overall supply created including by those able to move within the existing stock is 158 with no one in the lower bands of 2 and 3 needing to wait more than a year for a 2-bedroom home. Obviously this assumes that all other variables remain constant but even if needs increase, this must be the most cost-effective way to provide an additional 68 affordable homes.

The market response to meeting the demand from those who can no longer afford to buy and therefore rent on the open market has meant a change in tenure, mainly within existing privately owned homes, as properties that a decade or so would have been sold to owner occupiers are increasingly likely to be rented. This has helped to meet some of the need for affordable homes; in 2018/19 the Council helped 40 households access privately rented accommodation relieving the pressure on the demand for affordable homes in Chelmsford, by the end of 2020/21 this had increased to 108 helped by an increase in the level of Local Housing Allowance that can be paid to assist with the cost of the rent.

The gap between Local Housing Allowance and average private rent costs in Chelmsford means that this is not always suitable for those households who are not working, or at risk of becoming unemployed. The cap to welfare payments of £20,000 also means this option would not be affordable for example to a single parent with three or more children who is not in work. Table 5 shows the gap by the size of property between Local Housing Allowance and average rent levels.

Table 5: Local Market Rents compared with Local Housing Allowance

Monthly Rent	July - September 2021			
	1 bed	2 bed	3 bed	4 bed
Average rent	£805	£1,150	£1,300	£1,750
LHA Rate	£650	£795	£985	£1,295
Shortfall	£155	£355	£315	£455

