

Agenda item 4

For decision - Why Frome Town Council should declare a housing crisis

Author: Cllr Polly Lamb

Summary

This report proposes that FTC declares a housing crisis and lists some of the work that it could do to this end.

'A country faces a housing crisis when a significant part of the population doesn't have access to a safe, decent home that's suitable for their needs and that they can genuinely afford to live in' (CPRE, the countryside charity)

The term 'crisis' used to have temporary implications. A time of peak danger or a level of urgency which needs immediate attention.

Climate Crisis – The crisis is now but will go on for years as we try to turn around the mistakes we have knowingly and unknowingly made.

Cost of Living Crisis – An urgent moment in time which has global influences, but the government has the money, but not enough will power to solve.

Housing Crisis – Cost of living crisis with added specific problems, most of which are outside our control. How can we work within the national picture of planning and development with our limited powers to affect change?

Why we have a housing crisis in the UK

These are some of the factors that have led to the current crisis.

Supply - 70 years of restrictive planning policy aimed at protecting the countryside and the built environment has tightly controlled development. Greenbelt, density rules, environmental concerns etc have restricted new development meaning that building firms can't build wherever they want.

Right to buy social housing - The 1980s policy which allowed people to buy the council owned houses they were living in meant that the country lost much of its housing stock, and it wasn't replaced.

A lack of social housing stock pushed people into the Private Rental Sector (PRS) which pushed up rental prices. It also pushed up the housing benefit bill meaning that the government's spending on housing was taken up by the PRS, giving landlords more power.

With housing benefit frozen since 2020, the gap between PRS prices and the benefits paid to cover housing widened leaving renters vulnerable to poor quality housing and overcrowding in the private sector. Many landlords will not let to housing benefit claimants. Regulations to try to control PRS and keep tenants safe are unpopular and many landlords cite this as reasons to pull out, making rental properties even more scarce. Many landlords are selling their properties if they deem it too expensive to meet the energy performance standard in time for 2025/2028, for example.

Funding for social housing has not kept pace with costs of running the organisations leading to poor quality social homes that are not well-maintained. Further to that, social housing developers are forced to fund new builds by building market homes which are crowding out new social rent homes.

Affordability - House prices have quadrupled in the last 40 years. Interest rates have stayed low, and it has been easier to borrow money because banks have offered better access to credit. This good access to credit led to a big increase in housing buying so house prices rose and people saw it as a good investment.

Young people couldn't afford the deposit as the percentage of the house price required became a larger amount, even if their wages could cover the mortgage. Now interest rates have risen over the last 2 years, mortgages have become unaffordable for many young people and high rents make it tough to save for a deposit, so they stay locked out of the market.

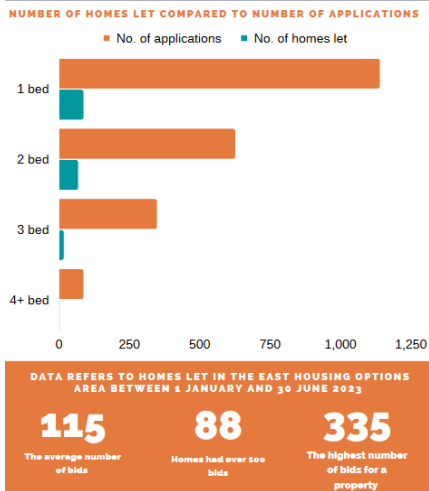
Data from ONS shows that the number of families in England and Wales with adult children living with their parents rose 13.6% between the 2011 Census and Census 2021 to nearly 3.8 million. In 2021, around 1 in every 4.5 families (22.4%) had an adult child, up from around 1 in 5 (21.2%) in 2011.

Particular housing issues in Frome

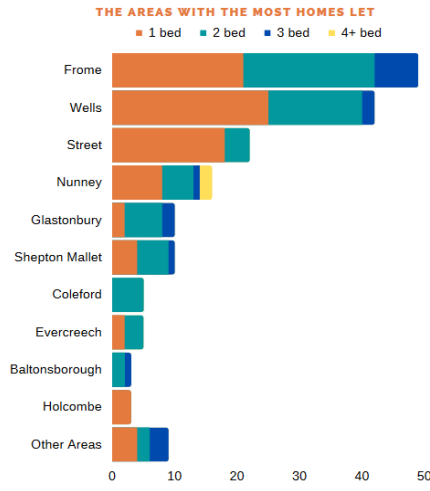
Within this national context, Frome has become very popular and has high profile in the national media. This has encouraged more people to move here, particularly in the Covid period as remote working became more possible. Frome has a higher than average house price and lower than average salary.

A recent University of the West of England report states that the south-west has a higher level of second homes than other areas of the country and is the 4th most expensive location for housing in England and it has lower than average earnings

174 homes were let in the East Housing Options Area from 1 January to 30 June 2023



Homes let in the East Housing Options Area from 1 January to 30 June 2023 by Area



Homefinder statistics above show many homes have been let in Frome from the waiting list and over 600 households are still in need of housing on the register. Many people don't register so the number in need is likely to be much higher.

What's being done about the housing crisis nationally?

'Addressing the chronic housing shortage must be a national priority. The LGA is calling on Government to give local government the powers and funding to deliver an ambitious build programme of 100,000 high-quality, climate-friendly social homes a year. As well as being fundamental to tackle the housing crisis, building 100,000 social homes a year would save the public finances by £24.5 billion over 30 years, which includes a reduction in the housing benefit bill and temporary accommodation costs. Research for the LGA and partners found that every £1 invested in a new social home generates £2.84 in the wider economy with every new social home generating a saving of £780 a year in housing benefit.' (Local Government Association)

The Social Housing Regulation Bill has just been passed in July which includes *Awaab's Law* – a clause named after two-year-old Awaab Ishak, who died from prolonged exposure to mould in a Rochdale Boroughwide Housing flat – requires social landlords to respond to and investigate repairs within certain timescales, which are yet to be set.

Labour, currently ahead in polls, is talking about *building on parts of the green belt* which are not environmentally sensitive. The party is also talking about responding to problems with short term and holiday lets, particularly in tourist and coastal areas.

Various parties are discussing *Land Value Capture* - buying farm land at its current value, not what it would cost once planning permission is granted. Local Councils could then afford to buy it for social housing and borrow against the rising value of the land to cover costs of new infrastructure.

No parties seem to be currently campaigning on measures to inject more funding into social housing maintenance to support the new bill or *training programmes* to upskill more people to meet the demand in the building industry.

How Frome Town Council could affect change

1. **Declare a Housing Crisis in Frome** - Raise the profile of the impact that poor housing has on health, education and prosperity by declaring a housing crisis and outlining problems that are particular to Frome.
2. **More Social Housing.** Become a housing provider and look for land or existing property that would suit the provision of social housing, particularly if Land Value Capture is rolled out.
3. **More Affordable Housing** Do more to support Frome Area Community Land Trust in its quest for building affordable homes. We can do this by helping to increase the Trust's membership, helping with land callouts and raising their profile. Only a community land trust can build a rural exception site outside the boundary.
4. **More influence over planning:** Commit to 40% affordable housing on all new residential planning applications which will influence the revised neighbourhood plan document. Because of the 5 year land supply ruling and the nutrient neutrality targets which affect protected sites in Somerset, Frome is under pressure to accept more housing for the region to reach targets. If we are to accept more development, we must be able to influence a higher level of social and affordable housing. We also need to influence developers to build more 1 and 2 bedroom properties to meet demand and to build more sustainably.
5. **Better use of existing housing.** Campaign for energy efficiency upgrades in rental stock so that landlords' properties achieve an EPC of C or above within the deadline. This could keep landlords from pulling out of the rental market, lower tenants' bills and support the climate crisis.
6. **More influence over second homes and holiday lets.** Lobby Somerset Council to review holiday lets by checking appropriate planning permission is in place, correct charges are being paid by holiday let owners and safety regulations are in place. This will discourage people from leaving homes empty and calling them businesses and it will protect Frome's genuine tourism providers who are so valuable to our local economy.
7. **Encourage more landlords to rent to social housing tenants** by promoting letting agents that manage properties with tenants from the housing register.
8. **Encourage more urgent action on housing** by lobbying Somerset Council to declare a housing crisis as it has greater control over planning and is a housing provider

9. **Be proactive on the difficult issues of land development** by inviting planning and ecology experts to talk with Frome residents about the impact of building or not building in various areas around Frome.

Recommendations

1. Declares a housing crisis.
2. Develop and implement an action plan based on the nine points in the report above