



Housing Insight Report 2023

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INTRODUCTION AND PURPOSE OF REPORT

It is widely accepted across the UK that there is a crisis in Housing. Ensuring enough decent and affordable housing is one of the biggest challenges we face as a society, and one of the most difficult to address, particularly in the East of England¹. The reasons for the current crisis are complex and inter-related and the scale extensive, centring around supply, demand, quality and affordability.

There is a plethora of different statistics and measures both locally and nationally in relation to housing, a complex system and an overload of information and no overall policy consensus within the housing sector. In this context, gaining an understanding of the overall issues and their relationship to our local context can be challenging.

Purpose of the report

This inquiry examines the scale and impact of the current situation, with local data and evidence selected where possible, to underpin national research findings. It has been a collaborative effort, involving insight and expertise from staff across the Council and its subsidiaries (the Council 'family'). Reflecting on our current position in relation to the crisis and taking a step back has enabled insight from our knowledgeable, professional, and committed colleagues to be co-ordinated and brought together across the Council family. This enables a holistic but broad view of the issues, how they affect the people we serve, our organisation and the system.

The primary purpose is to use this insight for strategic planning purposes, but of equal importance is to begin to raise the profile of housing, shining a spotlight on the issues concerned to enable Members and Officers to influence national policy and design local initiatives within a collaborative partnership culture that enables positive change and supports joint outcomes. There is a Housing Strategy for (2022-2027)² and a Homelessness and Rough Sleeping Strategy (2020-25)³ for Colchester, and this report will provide further insight for incorporation into future reviews of those strategies and consequent delivery planning, taking into account the current context. In addition, there is a lot of work going on to address the issues highlighted in this report within the organisation and with partners that is not contained within this report.

As is usual with inquiries taking such a broad view of a subject area, the information in this report is only a snapshot and will not capture all issues concerned. However, this is the first step of a realignment of thinking and purpose, which has enabled reflection and will provide future direction for planning in strategic housing. Further inquiry may be needed to enable a deeper dive into some of the issues, but this will depend on future priorities; as such this report can be seen as a 'gateway' project to enabling further, more focussed insight.

¹ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

² [CBC-null-Colchester's--Housing-Strategy-Colchester Housing Strategy single pages \(1\).pdf \(windows.net\)](#)

³ [Strategies · Colchester City Council](#)

A 'systems' approach

Commentators acknowledge that part of the issue with responses nationally and locally to the current crisis is that interventions made in individual organisations or parts of the system, do not always account for the impact on the other parts or the system. In addition, strategic planning and policy making can sometimes be made in a vacuum with interconnections not considered or exploited to enable added value.

In Colchester excellent partnership exist to facilitate systems working including the One Colchester partnership and The Health and Well Being Alliance in North East Essex. The Alliance have prioritised interventions to the wider determinates of health as a preventative approach to reducing inequalities, including improved housing. The Council and Tendring District Council are integral to the Alliance.

Whilst the findings from this report highlight that a primary issue is one of funding for us as a local authority in relation to affordable housing, it has also highlighted the need for us to focus on housing proactively within all strategies and policies and for leaders to build on the good work highlighted and proactively address the crisis with all partners. The following points provide a summary for any future approach to strategic leadership in Housing:

- **Housing issues are connected** with all of our strategic priorities, particularly in relation to the economy, the cost-of-living crisis and climate change. An example is the skills gap currently present in decarbonising housing through retrofitting homes. Addressing this in economic and housing strategies and delivery can enable joint outcomes to be realised such as net zero, health improvement and inclusive economic development and jobs creation.
- **Housing services cross a wide variety of organisations** and exist as part of a system and need tackling across that system.
- **Culturally, partners understand the need to continue with a systems collaboration approach:** to appreciate the perspectives and constraints of our partners, help them to understand ours, recognise the potential for conflicting objectives to arise within this system and acknowledge the potential for retracting into positional thinking when resources are scarce.
- **Much important work is taking place throughout the organisation with partners**, but due to the extent of the crisis, this will need enhanced leadership focus, particularly in relation to the future supply of affordable housing.
- **Many local partnerships enable the above** (the North East Essex Health and Wellbeing Alliance for instance and One Colchester) and these already successful partnerships can utilise this insight for future strategic planning purposes.

Current insight and data

One of the issues that has arisen during this inquiry is the existence of many sources of housing information and data, but a lack of a systematic *analysis* and use of this data across the system to enable joint strategic thinking on housing issues at a leadership level. This housing insight approach has been lost in recent years with inevitable budget restrictions, an example being that the last Strategic Housing Market Assessment (SHMA) which gives us analysis on social housing needs, was completed in 2013 (with an update in 2015). Whilst there are some excellent data reports and documents available, the use of these and the analysis of what they mean in the context of the current crisis needs considering across the system.

Because of the scale of this inquiry the report is lengthy, bringing together a lot of local information and national research. The Executive Summary is designed to give a clear understanding of the issues overall.

Inquiry questions

The scope of the project is outlined in the research questions below. The questions are primarily ‘why’ and ‘how’ questions in relation to the current crisis. As outlined, answering these will provide the insight for the ‘what’s next’ questions.

The questions this report attempts to answer are:

1. Why is housing important in its widest sense?
2. What are the current issues for housing, what are the causes of these and how do they affect people in Colchester?
3. Which of these issues or themes are local and which are widespread, either nationally or locally?
4. How do housing issues affect the Council and system (including our resources) and what are the risks we need to manage?

Methodology for this inquiry

This inquiry has used both qualitative and quantitative methods of research and analysis and included the following:

- **A literature review of current research reports and studies on housing**
- **Interviews with colleagues across the Council and Colchester Borough Homes and other system partners and further triangulation of findings**
- **A workshop with colleagues to identify the main issues and themes.**
- **Analysis of local and national data to support the themes highlighted in the interviews above.**

The strategic context: Why is housing important?

Although woven into the main text in the report, answering the question around the importance of housing merits a separate section.

The provision of enough suitable housing been identified as one of the primary determinants of health and wellbeing and addresses existing and worsening inequalities and quality of life. This is highlighted throughout the report and is of vital importance to a future system wide approach to tackling the current crisis.

Commentators suggest that housing can also be a main element in realising and enabling economic development and inclusive economic growth and is integral to how we plan, design and build our communities and enable growth in our city.⁴ The Chartered Institute of Housing and University of Glasgow’s 2023 Housing review suggests that a poorly performing housing system can:

⁴ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

“...contribute to economic instability, limit labour mobility and damage city competitiveness. Improving the housing system is therefore seen as beneficial not only in terms of housing standards and affordability but in helping to improve the UKs poor eco performance.”⁵

Participants in the staff housing workshop identified a number of reasons why housing is important as:

- *Security, safety, happiness – identified in Maslow’s hierarchy of needs.*
- *Enables net zero and helps address climate change.*
- *Develops a sense of community and place and contributes to Levelling Up.*
- *Provides jobs (particularly in retrofit, maintenance, building and construction).*
- *Cornerstone to everything in life - everyone needs somewhere to live.*
- *Part of the wider determinants of health and affects life expectancy.*
- *Has a cost to us and to the wider system.*

The Council’s Strategic Plan 2023-2028

The main objective in relation to housing in the Council’s Strategic Plan 2023-2026 is to ‘Deliver homes for those most in need’. However, it contributes to all our strategic objectives, including ‘Responding to the climate emergency’, ‘Delivering modern services for a modern city’, ‘Improving health wellbeing and happiness’, ‘Growing our economy so everyone benefits’ and ‘Celebrating our heritage and culture’ and underpins many of our partners strategies and outcomes.

See link to the Council’s Strategic Plan here: [The Council's Strategic Plan · Colchester City Council](#)

⁵ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

EXECUTIVE SUMMARY AND OVERALL FINDINGS

The below is a summary of the main elements of the report; sources and further information are contained within the body of the report.

Section 1: The context: Overall housing supply, Colchester populations and historical changes to tenure

- The long-term historical context is important for an understanding of the current housing crisis, particularly in relation to affordability and supply.
- Housebuilding peaked in the 1960s with 300,000 homes built a year between 1964-69, with a large proportion of those completions being from local authorities.
- In the 1980s there was a decline in housebuilding (following the introduction of Right to Buy as local authorities decreased levels) and policies that favoured home ownership were introduced.
- 2000s and 2010s saw rising property prices, driving those who could no longer afford to buy into the private rented sector.
- A recent report from EELGA suggests that if housebuilding stayed at the same level as in the 1970s there would have been as many as 4.2 million more homes constructed nationally in the past 40 years.
- The age profile of renting and home ownership has changed - today one fifth of private renters are aged 35-64 (was one in ten in 2009).

Population growth and demographics

- Census 2021 shows that Colchester's population grew 11.3% from 2011 to 2021, higher than that of England (6%) and the East (8.3%) and some of our nearest neighbours (Braintree: 5.5%, Babergh: 5.2%, Maldon: 7.4% and Tendring: 7.3%), with further growth of 6.4% likely to 2032. The proportion of Colchester households grew 11% from 71,600 in 2011 to 79,710 in 2021.
- Colchester had a slightly lower proportion of older people in 2021 than the rest of the East, but higher growth in the levels of those aged 65 and above the England average, at 25.6% (England: 20.1%)
- The changing housing needs of people with disabilities are closely connected to those of the growing older age population and therefore the growth in older populations will have a consequent growth in the need for disability adapted housing. At the 2021 Census, approximately 16.9% of Colchester's household population identified as being limited by long-term physical or mental health conditions or illnesses.
- For further detail on the supply of adapted homes see Section 9.
- Colchester had a rise in the proportions of non-white minority ethnic residents at 13% of the total population in 2021 from 8% in 2011. The Health Foundation suggests people from minority ethnic populations three times more likely to experience two or more housing problems.
- Colchester has a higher number of armed forces populations and veterans than the rest of Essex and a large proportion of students. Essex University is one of the most culturally diverse in the UK.
- There are also large numbers of Health and Social care workers in Colchester with employees from Colchester Hospital totalling 4,617 on 30 June 2023. NHS Key worker homes White Paper suggests lack of affordable housing is a major reason for problems with recruitment in the NHS. Colchester has a scheme led by Swan Housing which has 215 spaces for key workers (prioritised

for Hospital staff) – see also prevalence of Houses in Multiple Occupation (Section 2 ‘Private rented sector’ below).

Section 2: Home ownership and pressures in the private rented sector

Declining home ownership: affordability and barriers

- The decline in home ownership is largely economic and related to affordability (suggesting it is only about supply over-simplifies it). Recent issues caused by the economic downturn and cost of living crisis further exacerbate unaffordability.
- This is caused by a number of issues, for instance rising interest rates (up to 6%) restrictions to mortgages and high deposits mean that many are unable to afford to own their own home, this is particularly the case for young people and there have been cuts to benefits for low income homeowners which have had an impact.
- The current age of first time buyers is 33 in the UK and 33.4 in Colchester.
- Colchester house prices are higher than England average in February 2023 (Colchester average: £374,000, Eng £288,000 Lower quartile (smaller and flats) in Colchester are £250,000 on average.
- Wages have not kept pace with inflation for some.
- The decline in affordability of home ownership is shown by the rise in the ratio of lower quartile house prices to lower quartile earnings. In 1997 house prices were 4.1 times earnings, whilst in 2022 this had risen to 9.73.
- The future forecast for home ownership over the next year according to the Chartered Institute of Housing is that whilst there was gradual recovery in the numbers of new entrants to home ownership last year, this is now set to fall again in 2023.

Private rented sector

- The lack of affordability in home ownership has meant many who were owning are now privately renting.
- This has caused pressure on the private rented sector and there is also evidence that the huge growth in the private rented sector may be reducing as landlords withdraw as a result of a number of issues, including rising interest rates and according to commentators landlord taxation and regulatory changes.
- Demand is up 142% nationally (compared to a 5 year average) and supply falling 46%. Rightmove analysis also suggests tenant demand increased by 20% from quarter three of 2021 to quarter three of 2022 and listings have fallen by 40%.
- Rents in Colchester increased nearly 10% between 2019/20 and 2022/23 according to the Office for National Statistics (ONS).
- Rent increases have not been matched by rises in the Local Housing Allowance rates which have been frozen since 2020. This makes renting privately unsustainable for some on a low income. A recent House of Lords article suggests private renters pay a greater proportion of their income than any other tenure group.
- This is particularly the case for families, illustrated by an example of a family with two children claiming Universal Credit and living in a 3-bedroom private rented home at an average of £1300 per month, having to afford £452 from their own household income.
- Although still younger than other tenure households compared with 20 years ago, private renters are older now and are more likely to have children.

- Colchester has 345 live *licensed* Houses in Multiple Occupation (HMOs)⁶. Staff estimates suggest total numbers could be as high as 2000). This high prevalence could be in part due to student populations and some HMOs (around 60) being in the current Government's asylum seeker dispersal programme. Additionally, this can often also be the only affordable accommodation for many other residents, including lower paid 'key workers' (care work for example) and lower paid occupations such as hospitality and retail. It can also be used by the Council as temporary accommodation to assist homeless people into housing.
- Seven wards have above average percentages for private rented households compared to Colchester (21.5%) Essex (15.9%) and the Eastern region (18.2%). Castle highest at 42.4%, followed by New Town and Christ Church, Greenstead, Shrub End, Highwoods, Mile End and Old Heath and the Hythe. The ward with the lowest is Rural North at only 10% of all households.

Section 3: Affordability, the cost of living and current economic pressures

Affordability

- According to the Affordable Housing Commission *"Housing unaffordability is a significant cause of many of the nation's social and economic ills...lack of affordable housing so often lies behind the problems of poverty, homelessness, debt, family breakdown, mental and physical poor health"*.
- The National Planning Policy Framework (NPPF), affordable housing is *"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)"*.
- Different definitions exist for 'affordable' and 'social' rent. 'Affordable' rent is usually 80% market rent (used by Registered Providers). In comparison, social rent is approximately 50% of local market rent, based on a formula set by government, on the relative value of the property, relative local income levels and the size of the property.
- The Affordable Housing Commission suggest measures of 'affordability' need to be based on personal circumstances measure – households not paying more than one third of their net income for rent or a mortgage.

Cost of living crisis

- Pay is not keeping pace with inflation and fell in real terms by 3% from Dec to Feb 23.
- Food and energy price rises are the main driver and some staples have risen by 30% or more with suggestions that the current rate of 20% food inflation represents the highest rate for 45 years.
- The Foodbank in Colchester has seen month on month increases in numbers being fed: for instance, the number of adults fed in April 2023 was 1055 as opposed to 770 in April 2021 (37% higher); the numbers of children fed was 586 in April 2021 as opposed to 737 this April (25% higher).
- Energy and fuel poverty widen inequalities, and some studies (CIH) suggest 40% of those in social housing are currently in fuel poverty.
- 'Poorer' households spend more of household budget on energy (11%) than 'richer' households' (4%)
- People on low incomes and those with disabilities pay more for energy (for heat and charging devices for example) and are often in energy debt.

⁶ A 'House of Multiple Occupation' is one that is shared by 3 or more unrelated persons. A licence is only required where the home is shared with 5 or more persons. It is estimated that there are also 100 more licence cases being processed in addition to the 338 licenced (with this number changing constantly).

Section 4: Demand for affordable housing – the housing register

- Only 27% of households on the Council's housing register were permanently housed last year (702 lets out of 2,561 registrations).
- Although there is significant pressure for family accommodation due to the availability of properties there are also significant numbers of single households on the register.
- Only 5% with a 3/4 bedroom need were housed last year versus 43% with studio / 1 bedroom need.
- Across the Gateway to Homechoice Partnership, Colchester had the longest wait on average - 37.4 months, for a three bedroom for 2022/23.

Section 5: Homelessness and temporary accommodation

- The pressure on homelessness has increased recently due to assured shorthold tenancies (private rented sector) ending, landlords leaving the market and a backlog of court evictions following Covid19 restrictions on evictions.
- In addition, since 2017 there has been a duty for the service to 'prevent' and 'relieve' homelessness.
- This has led to a rise in the numbers accommodated in temporary accommodation, from 124 in April 2019 to approximately 304 at the end of June 2023 (approximately 2000 across Essex)
- There has also been an increase in those accommodated in Bed and Breakfast accommodation from 9 in April 2019 to 58 in June 2023.
- The majority of those in temporary accommodation are single, but it is very difficult due to the limited supply to accommodate families.
- Rents for temporary accommodation are much higher than those in the private rented sector and Local Housing Allowance does not cover this.
- Many in temporary accommodation have support needs and a number of supported housing projects have closed across Colchester placing additional pressure on supply.
- Colchester has several funding streams for Homelessness prevention, RSI, Refugee and Asylum seekers from Government and there are a number of schemes in place, but this does not cover all the increased need.

Section 6: Refugees and asylum seekers

- Refugees and those seeking asylum often have poor physical and mental health (including Post Traumatic Stress Disorder (PTSD), anxiety, a propensity to self-harm, and suffer from depression, substance abuse, occupational injury and other diseases; according to partners they are also often socially isolated.
- Refugee, Asylum seeker and Migrant Action, a campaigning and support group report that in Colchester they have seen a rise in vulnerability associated with housing problems from those they support, particularly for certain groups such those with no recourse to public funds, people leaving hospital or psychiatric care, those who are destitute, people fleeing domestic violence and those who's application status is subject to a national referral mechanism (for human trafficking – for which they say delays in processing can take up to three years).
- There are also delays to processing claims for asylum.
- Government Funding now exists to support the Council support refugee asylum seekers into accommodation, but there is a particular pressure on family accommodation.

- The Council have recently maximised Government funding to invest in 6 new Council properties ringfenced for Afghan families and Ukrainians covered by two of the Government's resettlement schemes.

Section 7: Housing Quality

Housing Quality and Health

- There are many aspects of poor-quality housing including: overcrowding, warmth, noise, access to outdoor space and more.
- There is a proven causal link between poor quality housing and poor health, including increased respiratory issues, pain and falls.
- A BRE 2010 report suggested a cost of £1.4 billion to the NHS in terms of treatment as a result of poor-quality housing and that there was an economic justification for investment. It suggested that the greatest health benefits would be gained by focussing on cost effective improvements to the poorest quality housing occupied by the most vulnerable and those on low incomes.
- The numbers in poor quality housing are rising nationally and children, older people, those with long term conditions and on low incomes are most affected.
- Non 'white' minority ethnic populations are more than three times more likely to be impacted by overcrowding than 'white' households.
- 70% of overcrowded families experience poor health.
- The private sector has the worst standards (it is estimated that 23% fall below Decent Homes Standards).
- Major changes are planned in the Renters Reform bill for the private rented sector as currently there is no private sector 'Decent Homes' standard. This includes a new ombudsman and enforcement action.
- In relation to the Council housing stock 9.32% is currently below the Decent Homes Standard (551 properties). This figure is expected to reduce by the end of year.

Energy efficiency and fuel poverty

- EPC ratings show energy performance of properties and are graded A-G. C is the minimum level for new private sector properties from 2025 (existing tenancies by 2028). For our Council housing the Government target is EPC C by 2030 (this is included in our HRA Capital programme).
- There are links between fuel poverty and poor energy efficiency, but this is not the only driver (others include energy prices and lower incomes).
- According to Essex County Council 44% of households in Colchester have a rating of C or above (highest in Essex) in October 2022 and 22% experience fuel poverty (fifth highest levels in Essex, indicating drivers other than EPC ratings at play).
- For Council stock 85.5% have a rating above EPC. This is high compared to a survey of other social housing providers (a HouseMark survey of 41 providers suggest an average of 68% of EPC C or above). However, even with a small proportion of homes below EPC C (14.5%), there remains a possibility of 'excess cold hazard' for those households.
- Work is underway with a successful Social Housing Decarbonisation Funding for those homes with the 'worst' energy efficiency - 105 homes Council homes (this includes £1.025m matched funded by investment from the Council's Housing Revenue Account (£1.625m). Improvements to the remaining homes is set to be funded through the HRA Capital Programme to bring all up to the EPC C target by 2030.

- A number of schemes exist (or are planned) for energy efficiency and decarbonisation in the private sector, with varying eligibility criteria (including fuel poverty). These include a boiler upgrade scheme, an insulation scheme and retrofit for off grid gas properties.

Section 8: Environmental concerns and Climate Change and Sustainability

Climate change and Government net zero targets

- 38% of global energy related gas emissions attributable to built environment so how we build and retrofit has a big impact on net zero. Currently our housing stock is outside our carbon reduction targets.
- There is a growing value for money case in building sustainable energy efficient homes and environmental measures and low carbon development are a key part of Homes England's (HE) new strategy.
- '*Sustainable Planning, built environment and green economy*' is one of Colchester's Climate Emergency Action Plan's strategic pillars with a range of initiatives underway to support delivery.

Future investment

- All suggest current Government investment falls short of what is needed to meet decarbonisation targets, with an 'imperative to invest' acknowledged.
- There is a recognition in the sector that to retrofit all properties will be beyond Council's budgets due to competing demands on finances (Housing Revenue Account pressures are discussed in Section 10) and individual households in the private sector will not be able to fund this alone. CIH suggest this will need 'comprehensive investment' by the Government to get to net zero by 2050.
- Modern Methods of construction (MMC) hailed by Homes England as a way of 'revolutionising the sector', driving efficiency, productivity and reducing emissions, but there are challenges and MMC can be expensive.

Section 9: Total housing delivery and affordable housing delivery

- Total housing delivery performance of 920 homes a year (Local Plan target) is very good, the CIH suggest there may be challenges for this year however, with inflation, labour supply pressures and increased costs in relation to environmental factors and energy infrastructure.
- Colchester has significant existing infrastructure challenges needed to support growth.
- The target for affordable homes is 350 homes by the end 2024, with 172 delivered in 2022/23), includes home delivered by Registered Providers and the Council at both social and affordable rent and shared ownership (and includes acquisitions).
- In terms of new build, there were 130 affordable housing units built in 2022/23 (47 at affordable rent, 20 at a social rent, 53 were shared ownership and 10 were first homes).
- 42 units were delivered as part of the Council's acquisitions programme in 2022/23.

Total existing social and affordable housing in Colchester

- There are 10,782 'social' and 'affordable' homes in Colchester (Council dwellings = 5,929)
- Supply is currently not meeting need for 'affordable' housing.
- The Public Accounts Committee point to viability challenges on new housing developments, including competition with infrastructure in s106 funding and reductions in the Government's AHP (60% reduction since 2012).

- Council owned dwellings decreased by over one quarter (26%) between 1994 and 2023, from 8,047 to 5,929, largely as a result of Right to Buy.
- On 1 May 2023, there were 1,992 homes in Colchester classified as empty. Of these, 1,891 were privately owned or owned by Registered Providers and 101 were owned by the Council. The reasons for empty homes are complex but include: pending sale or re-letting, undergoing repairs, awaiting probate on death of the owner, where an occupier has moved to residential care or prison, abandonment, in an undesirable location or under the requirements of a legal notice served by the Council.
- In terms of older person's Council housing stock there is currently a high vacancy rate (45 / 563 dwellings, but there may be future pressures from an ageing population).
- The Council requests 30% Category 2 (minimum) adapted homes on all developments with residential housing over 10 units. This means the units are fully adaptable for future use, apart from flats above ground floor. Where possible ground floor units are delivered at Cat 3 or Cat 2 enhanced standards to be fully wheelchair accessible. Of the 30% a minimum of 80% are required to be delivered as affordable or social rent and the remaining as an affordable home ownership product (either first homes or shared ownership currently). The Council also requests that 5% of the s106 requirements are Cat 3 standard (fully wheelchair accessible).
- Disabled Facilities Grants exist for residents in the private rented sector and owner-occupiers to enable residents to remain in their own home and enable independence. The Mandatory DFG is up to £30k and is means tested for those without children, but not for those with children. Colchester's annual DFG allocation is £1.45m, set until 2025.

Section 10: Resources: finance and delivery

Financial pressures

- The Government's 'Regulation of Social Housing' report unveiled issues around the complexity of financial structures and the housing sector's inability to deliver within the current resource. As a result, Parliament's Levelling Up Committee is currently undertaking an inquiry into Housing Finances.
- The Council's Housing Revenue Account (the rent account, responsible for maintaining and upgrading stock and development of social housing) is under increasing pressure, for example, for energy efficiency and decarbonisation, quality, standards and the compliance regimes outlined in the Government's Social Housing White Paper.
- The recent Government rent cap has meant an estimated £48m future loss in assumed rental income over the HRA Business Plan period of 30 years (and this is lost forever) and any borrowing undertaken now to develop or undertake will be considerably more expensive due to rising interest rates (3% was assumed in the HRA Business Plan but this has risen to 5-6%).
- Competing demands and the pressure from the rent cap may mean scaling back capital plans.
- The rise in temporary accommodation has put pressure on the Council's General Fund as many of the rents are above the Local Housing Allowance rate (amount that can be used to pay benefit).
- Both the East of England Local Government Agency and the Chartered Institute of Housing (CIH) suggest the Government needs to address Right to Buy and provide an 'expansive programme of social and affordable housing' (CIH) to meet the lack of affordable housing. The National Housing Federation suggest that although costly, this would provide a 'lasting social good' and 'generate savings in benefits' and that it is 'not unrealistic' to return to building 100,000 homes a year.

Further pressures, including systems pressures

- New Government regulations will affect Decent Homes Standards, mean revised monitoring and tenant satisfaction measures, the professionalisation of senior managers and a new housing ombudsman. This creates a significant risk for the Council and means pressure on resources to deliver.
- The Council has issues in relation to recruitment and retention of the workforce in Planning, Housing and Environmental Health and reduction in funding which will affect the ability to deliver.
- The current crisis puts pressure on the system as a whole and the Council's partners and both the voluntary and statutory sector's ability to deliver services. This is particularly the case in relation to the health and care needs of the population.

SECTION 1: THE CONTEXT

Overall housing supply, Colchester populations and historical changes to tenure

1.1 Overall housing supply

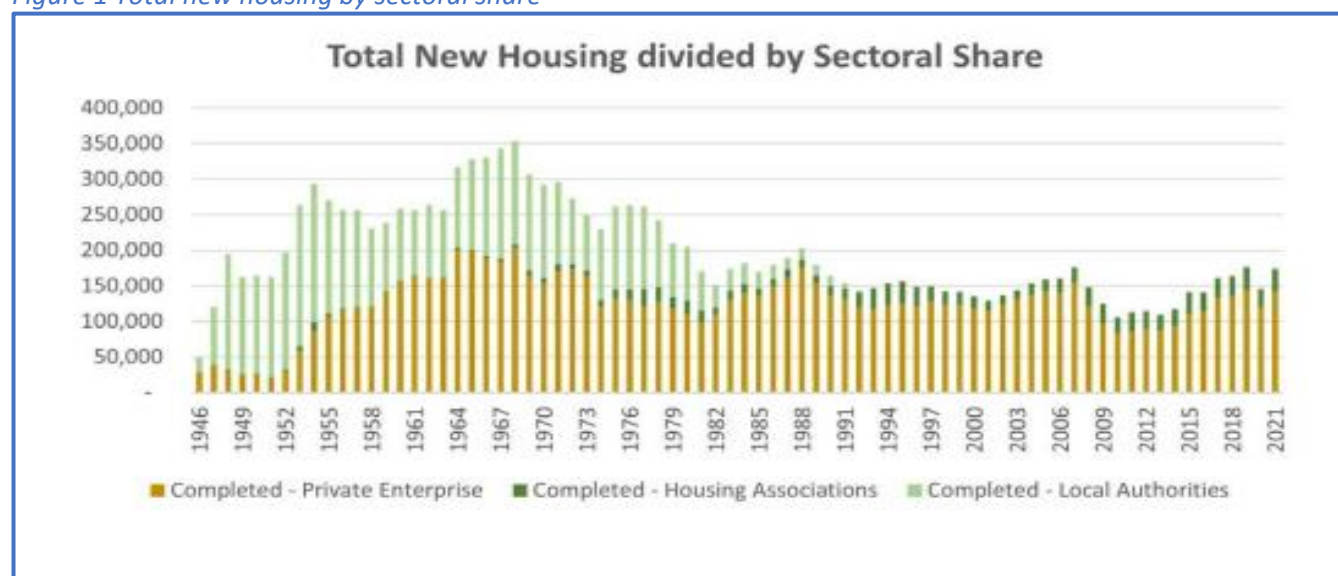
Provision of new homes – historical context

A recent report undertaken by the East of England Local Government Association (EELGA) estimates that although we have seen improvements in productivity and housebuilding technology in the last few decades, housebuilding peaked in the 1960s when 300,000 homes were built between 1964 and 1969. This is more than twice as many as have been built for the last 10 years in England.

The EELGA report suggests that despite the emphasis on housebuilding in recent years, there was a period of decline after 1980 where local authorities ‘stepped away’ from housebuilding due to subsidy reductions, spending restrictions and encouragement of tenants to buy their properties (Right to Buy)⁷. This has meant the level of housebuilding by Local Authorities dramatically reduced and has not recovered despite Housing Associations and other providers attempting to step in.

EELGA use an indicative calculation to suggest that England could have a deficit of approximately 100,000 homes a year (if using average housebuilding levels for the 1970s). If this is multiplied by the 42 years between 1980 and 2022, the figure is 4.2 million which, it highlights, is more than the total number of homes built between 1992 and 2020. They calculate that for the East of England this amounts to a 273,000 loss of homes.⁸ A good proportion of this is down to a decline in the share of Local Authority completions as is demonstrated in the graph below.

Figure 1 Total new housing by sectoral share



Source: East of England, Local Government Association, 2023

⁷Social rented housing (England): Past trends and prospects [CBP-8963.pdf \(parliament.uk\)](#)

⁸ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

Essex and Colchester position

For Essex, housing delivery across all tenures has reached 6,500 annually in the last 5 years, which compared favourably to a long-term average of 4,000 between (2001-2017).

For Colchester, in February 2021, Section 1 of the Colchester Local Plan was adopted. This confirmed the objectively assessed need for all housing as 920 dwellings per annum based on population growth. The Council has published an updated 2022 Housing Land Supply Position Statement for the current 5-year period. This demonstrates that Colchester has a sufficient supply of deliverable housing sites against the Local Plan target (920 dwellings per annum).⁹

The Council has a record of working with developers to support housing delivery throughout Colchester over a prolonged period. Since 2001/2, it has overseen the delivery of just under 20,000 new homes at an average rate of 940 new dwellings per year.

However, despite this track record, the historical context above shows that significant long-term trends have impacted supply. Further housing delivery in Colchester and potential future barriers to delivery, are examined in Section 9 'Total Housing Delivery'.

1.2 Colchester populations and growth

The overall population of Colchester has been rising over the last ten years (an increase of 11.3%, from around 173,100 in 2011 to 192,700 in 2021). This is higher than the overall increase for England (6.6%) and the increase for the East of England (8.3%). Nearby areas like Maldon and Tendring have seen their populations increase by around 7.4% and 7.3%, respectively, while others such as Braintree saw an increase of 5.5% and Babergh saw smaller growth (5.2%). Colchester is the 19th most densely populated of the East of England's 45 Local Authority areas.

Projected population change estimates suggest that between 2022 and 2032, the population of Colchester is expected to grow by 6.4% to 214,094 people. This is an increase of 12,946 people over a 10-year period and alongside the factors below (and other demographic changes) will need to be taken into account in planning for future housing needs.¹⁰

Households

Between 2011 and 2021, the number of Households in Colchester grew from 71,600 to 79,710, an increase of 8,110 or 11%. This growth in Households will have increased demand for all tenures of housing, including in the private rented sector which, as will be illustrated, has seen increased demand.

Older populations

Compared to England as a whole Colchester has a slightly lower than average proportion of older people (65 or older) in the population at 17.3% (the average for England was 18.6%). However, the proportion of people aged 65 or over has grown more rapidly in the decade to 2021 at 25.6% growth,

⁹ See table on page 8 for Housing delivery 2001/02 – 2021/22 [CBC-null-22-Housing-supply-statement-HLAA 2022 Complete Doc with Appendices for online upload.pdf \(windows.net\)](#)

¹⁰ [Colchester population change, Census 2021 – ONS](#)

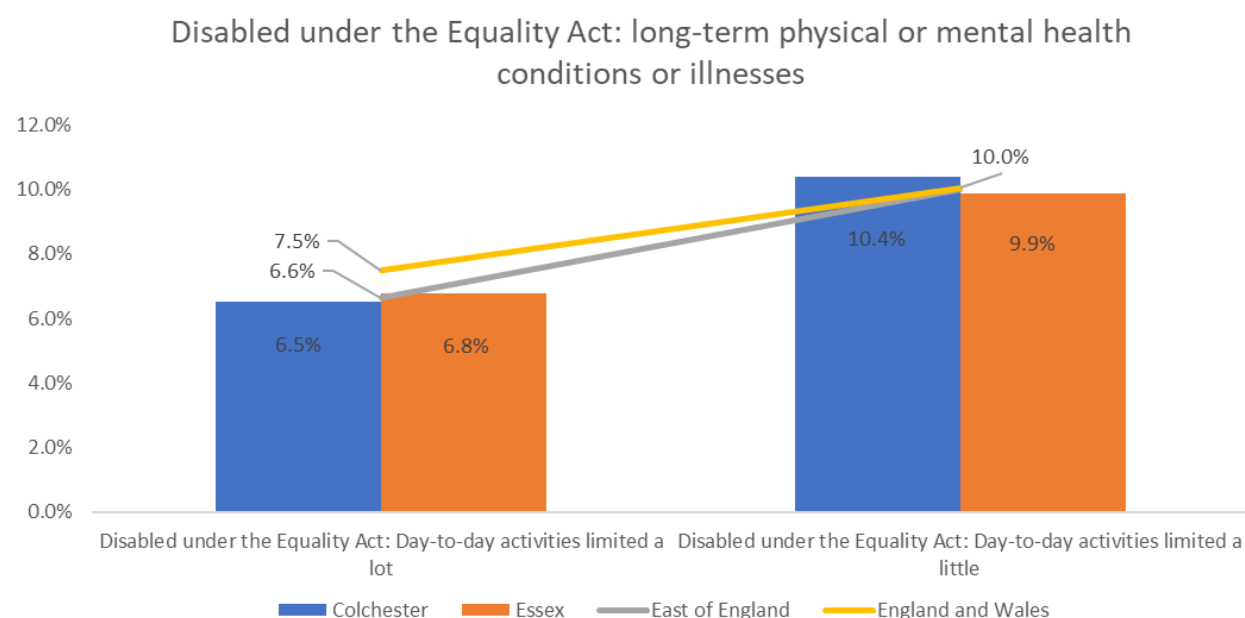
compared to England which had a 20.1% rise in the proportions of that age group.¹¹ This will have an impact on planning for future housing and the associated support needs of this section of the population.

People with disabilities

The changing housing needs of people with disabilities are closely connected to those of the growing older age population. Disability prevalence and the limitations on daily activities associated with it usually tends to be skewed towards older age groups and therefore the growth in older populations will have a consequent growth in the need for disability adapted housing. For further detail on the supply of adapted homes see Section 9.

At the 2021 Census, approximately 16.9% of Colchester's household population identified as being limited by long-term physical or mental health conditions or illnesses. An estimated 6.5% were 'limited a lot' by their conditions or illnesses. This was lower than England as a whole (7.5%) and slightly lower than the Essex (6.8%) and East of England averages (6.6%).

Figure 2 Disabled Under the Equality Act



Source: ONS Census Data 2021

Ethnic groups in Colchester

The Health Foundation suggest that just under half those from minority ethnic backgrounds are more likely to experience a housing problem, compared with 31% of those who state 'white' ethnicity in a recent report. Their research identified that 45.7% of people from minority ethnic backgrounds experience a housing problem, compared with 30.4% of those of white ethnicity. They also state that

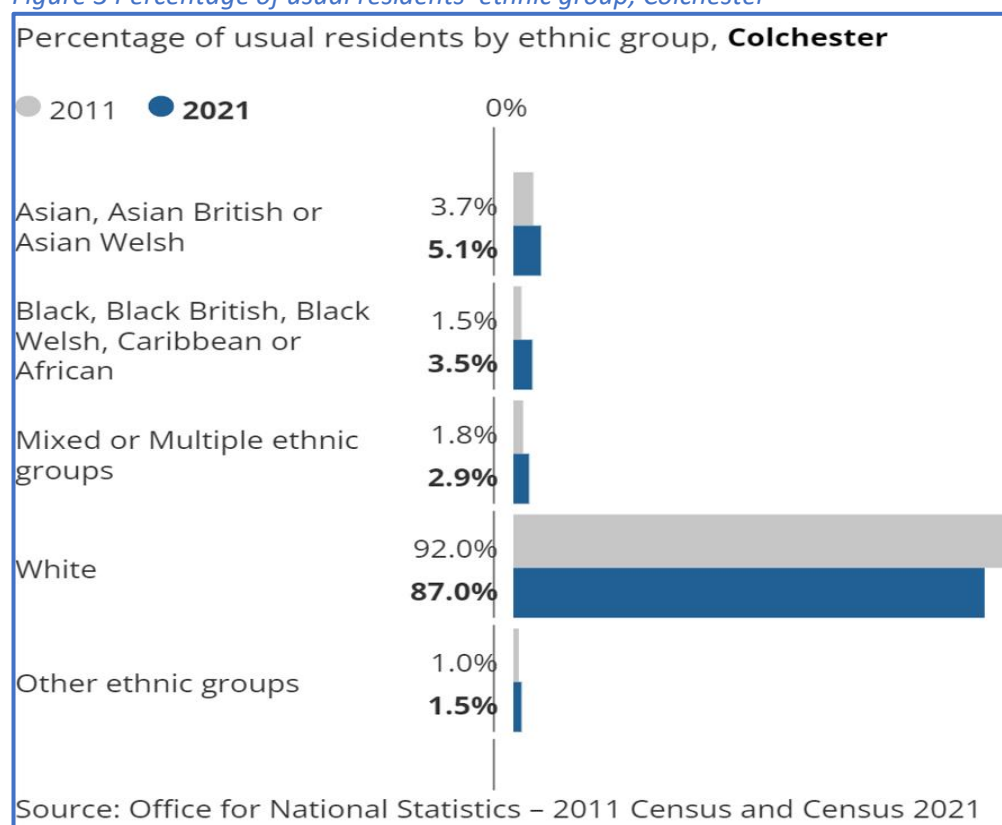
¹¹ [How life has changed in Colchester: Census 2021 \(ons.gov.uk\)](https://ons.gov.uk/publications/census2021/results/analysis/how-life-has-changed-in-colchester)

households ‘headed by people from minority ethnic backgrounds are also more than three times as likely to experience two or more housing problems’.¹²

In addition, ONS data reveals that in every socio-economic group and age group, ‘White British’ households were more likely to own their own homes than all ethnic minority households combined.¹³

The Census provides the most robust estimate of ethnicity at a local authority level. The graph below from the Census shows a comparison in the percentage of ethnic groups in Colchester between 2011 to 2021 and a summary of the difference.

Figure 3 Percentage of usual residents’ ethnic group, Colchester



Source: Office for National Statistics, 2011 Census & 2021 Census

In 2021, 13% of people in Colchester identified in the non ‘white’ minority ethnic group, compared with only 8% in 2011.

Colchester specific populations

Although this report cannot do a detailed analysis of specific populations and the effect on housing in relation to Colchester, the professionals interviewed for this report pointed to the impact of housing on specific populations in Colchester. For the purposes of this report, this relates to four groups in particular: the Armed Forces, student populations, those employed in Health and Social Care and those with disabilities. These have been identified as they have an impact on housing need and demand for housing (but it is acknowledged there are many more groups). Although these impacts are many and wide ranging, examples include a current deficit in numbers needed in health and social care

¹² [Inequalities in households experiencing housing problems - The Health Foundation](#)

¹³ [Home ownership - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](#)

occupations which influence debates around affordability and key worker housing, demand identified from student family populations and the housing needs of veterans and armed forces families.

Armed forces

According to Essex County Council's Armed Forces Needs Assessment 2022, Colchester has been a garrison town for hundreds of years and the development of a new modern garrison in the town has shown further commitment to Colchester by the Ministry of Defence.

In 2022, there were 3,110 serving personnel from all three armed forces in Colchester. In addition, Census 2021 data shows us that in 2021 there were 7,172 people in Colchester that had previously served in the armed forces. A number of these could be veterans that could need further support in relation to housing and social care.

The Essex Armed Forces Needs Assessment report 2022 also suggests that a way to capture those in need of further support at a local level is looking at Pension Recipients data. The table below shows the number of pension recipients with a registered Essex address.¹⁴

The report highlights that in 2022 there were 5,576 veterans receiving pension and 1,124 of them were receiving disablement pension, with the highest number of disabled veterans living in Colchester and Uttlesford (373 and 201 respectively). This group could have additional housing, health and social care needs.

Table 1 Location and number of pension and compensation recipients in Essex, 2022

Local/Unitary Authority	As at 31 March 2022			WPS recipients			AFCS Recipients		
	All [1]	Of which veterans [1]	AFPS Recipients [2]	WPS Recipients: Veterans (Disablement Pensioners)	WPS Recipients: War Widow(er)s	WPS Recipients: Other War Pensioners [13]	AFCS Recipients: Serving Personnel [6]	AFCS Recipients: Veterans [6,7]	AFCS Recipients: GIPs in payment
Southend-on-Sea	464	429	360	97	23	[c]	11	21	6
Thurrock	278	260	204	67	8	0	10	14	[c]
Basildon	345	326	256	94	7	[c]	10	24	4
Braintree	517	479	421	92	16	[c]	21	22	3
Brentwood	112	94	70	21	10	0	8	10	[c]
Castle Point	176	163	124	41	9	0	4	13	0
Chelmsford	380	352	290	76	19	0	9	24	6
Colchester	2718	2336	1590	366	43	[c]	339	665	32
Epping Forest	159	140	102	35	14	0	5	14	[c]
Harlow	178	169	132	37	5	0	4	14	4
Maldon	186	175	150	37	3	[c]	7	4	3
Rochford	206	191	156	48	9	0	6	11	[c]
Tendring	893	844	737	197	32	0	17	26	7
Uttlesford	474	412	271	49	10	0	52	134	6
Southend-on-Sea	464	429	360	97	23	[c]	11	21	6
Thurrock	278	260	204	67	8	0	10	14	[c]
Essex	6344	5681	4299	1093	177	6	482	961	71

1. Subtotals cannot be summed as an individual may fall under more than one scheme

2. All veterans in receipt of their pension under AFPS 75 and AFPS 05. Excludes pensioners in receipt of their pension under AFPS 15

6. Figures do not match other published AFCS statistics on lump sum recipients as this bulletin excludes those who have a date of death recorded on the CAPS

7. All individuals awarded compensation under the AFCS after leaving Service, and in-Service recipients of compensation who had later left Service as at 31 March 2022

13. Includes War Orphans, War Parents, Adult Dependents and recipients of a Child Allowance under the WPS

Source: [Essex County Council Armed Forces Needs Assessment November 2022 \(updated Feb 2023\)](#) [Armed Forces Needs Assessment 2022](#) / [Essex Open Data](#)

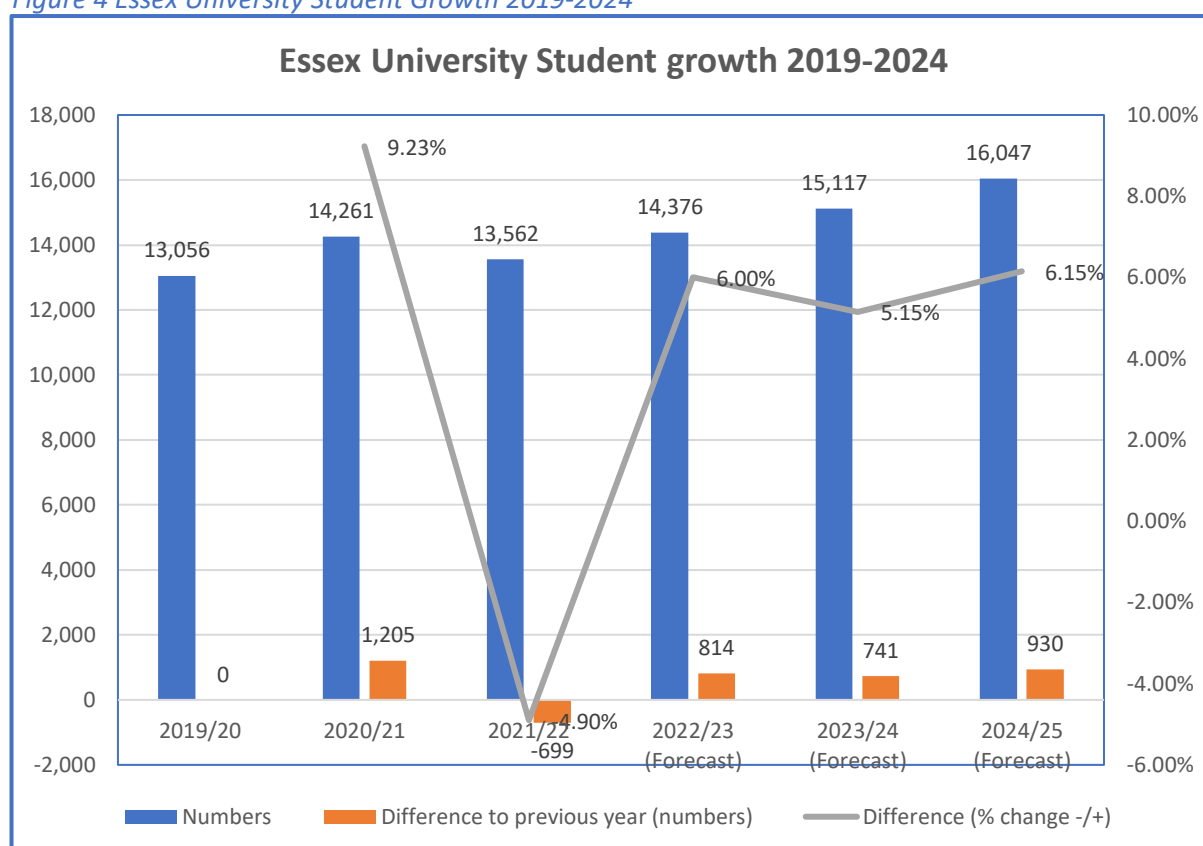
¹⁴ [Armed Forces Needs Assessment 2023 Updates V4.pdf \(essex.gov.uk\)](#)

Student populations

The largest education facility in Colchester with a residential element is the University of Essex. The Colchester Campus is two miles outside the centre of Colchester. More than 15,000 students attend Colchester Campus and there are around 130 different nationalities amongst the students, which makes Essex one of the most culturally diverse campus universities in the UK. The University has a large variety of accommodation for students and the city benefits greatly from having students. The extent to which the housing market is affected by students is unknown, but students not accommodated on campus will look elsewhere in the town for accommodation, in particular the private rented sector and houses of multiple occupation.

The table below illustrates the numbers of students and the expected growth year on year from 13,056 in the 2019/20 academic year to over 16,047 forecast student numbers for 2024/25; a projected 23% increase in student numbers which could have an impact on the future housing needs of the city.

Figure 4 Essex University Student Growth 2019-2024



Source: Essex University, 2023 Student population figures

Note: end of year FTE figures and the figures from 2022/23 to 2024/25 are forecasts based on internal data and targets and are subject to change

Key worker housing - Health and social care workers in Colchester

East Suffolk and North Essex Foundation Trust (ESNEFT) manages Colchester hospital and their latest published accounts stated that there are 4,617 employees in Colchester as of 30 June 2023.¹⁵

¹⁵ [FINAL-ESNEFT-Annual-Report-and-Accounts-21-22-Signed-v3.pdf](#)

A recent NHS Key worker homes white paper entitled 'A People-Driven approach. Delivering NHS Homes', identified that one of the most significant challenges for the NHS to overcome is the recruitment and retention of people, with the current shortfall of 154,000-plus staff which is set to more than triple over the next 13 years.

Housing is a critical part of this staffing crisis and more specifically, the lack of quality, available, affordable homes close to work for staff and their families. The report, published in July 2023 sets out a vision to increase good quality key worker housing for NHS workers, using the NHS estate including recommendations across finance, procurement, planning, design, sustainability, modern methods of construction and operations.

In Colchester, Swan Housing have 215 key worker accommodation units based onsite at Colchester Hospital. The accommodation is within easy reach of the town centre with good transport links. The accommodation is fully furnished and ranges from shared accommodation and one-bedroom flats to two and three bedroom family housing.

The scheme has been developed in partnership with the NHS to provide affordable rented housing which is prioritised for NHS key workers at Colchester General Hospital and those working in the emergency services and public sector.

Options for key workers with higher incomes, include accessing shared ownership housing (25/75% buy/rent), or through the government's new initiative First Homes which offers priority for key workers to purchase homes at 30% discount.

1.3 Historical changes to tenure

Due to a number of factors, home ownership rose consistently throughout the 20th Century. In 1918, only 23% of people owned their own home, with most people living in private rented accommodation. By the end of the 20th Century this had risen to 70% and private renting had fallen to around 10% of all households.¹⁶

Investment in council housing following the war, led to the rise of the social rented sector and the decline of the private rented sector. In the 1980s and 1990s, the government sold off council housing at a steep discount under Right to Buy and mortgages became more easily available which led to an increase in home ownership. The Private Rented Sector was often used as short-term accommodation for some younger people prior to moving into home ownership. In the 2000s and 2010s soaring house prices made it harder for people to buy homes, and the use of the private rented sector began to increase. In twenty years (up to 2020) the Affordable Housing Commission have identified an increase in the private rented sector from 1 in 10 homes to 1 in 5 homes.¹⁷

As the private rented sector has grown, the age of renters has increased. In 2019, around a fifth of people aged 35-64 lived in the private rented sector in England, up from closer to a tenth in 2009. As the BBC suggests 'today's mid-career renters are likely to become tomorrow's retired ones'.¹⁸

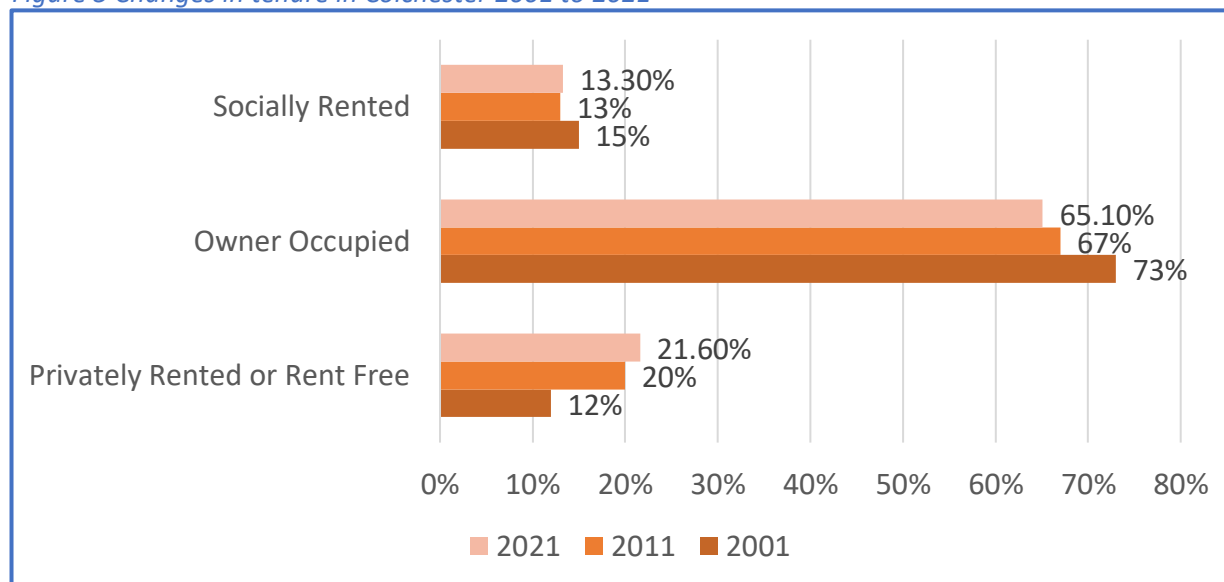
¹⁶ BBC Briefing Housing 26 February 2020 [PowerPoint Presentation \(bbci.co.uk\)](https://www.bbc.com/news/health-56888888)

¹⁷ Making Housing Affordable Again: Rebalancing the Nation's Housing System 2020 www.affordablehousingcommission.org

¹⁸ BBC Briefing Housing 26 February 2020 [PowerPoint Presentation \(bbci.co.uk\)](https://www.bbc.com/news/health-56888888)

The changes in tenure between 2002 and 2021 are shown in the table below, which illustrates that Colchester's proportion of owner occupiers declined from 73% in 2001 to 65% in 2021 (compared with a slightly smaller overall national decrease across the same period from 69% in 2001 to 62.5% in 2021). The proportion of households renting private significantly increased across the same period (from 12% in 2001 to 21% in 2021).

Figure 5 Changes in tenure in Colchester 2001 to 2021



Source:

ONS Census Data 2001, 2011 and 2021

The effects of these changes and the factors that have contributed are discussed more fully in the sections below, but as an overall summary they are likely to include: an increase in the older population, a growth in older households, and a generation of younger tenants who will have fewer options to move out of the private rented sector. This is largely due to a decline in the supply of social housing, a reduction in the ability of low and middle-income groups to buy their own homes and policies that place an emphasis on home ownership rather than low-cost accessible rented housing.

SECTION 2

Home ownership and pressures in the private rented sector

2.1 Declining home ownership: affordability and barriers

Economic factors

As exemplified by Figure 5 above, owner occupation is declining in Colchester. To assume that demand for owner-occupied housing is outstripping supply would simplify the issues and sever the link between housing and the economy. A recent cross-party commission (2020) argues that low home ownership is driven by 'global macroeconomic conditions', mortgage companies withdrawing mortgage finance to first time buyers after the 2010 financial crisis, affordability caused by slow wage growth, cuts to benefits and attrition of social housing stock.¹⁹

The commission report was written in 2020 and there is a consensus in the literature that the current economic downturn further exacerbates the issues of affordability, in both buying a house and being able to afford to keep it.

Rising interest rates

Rising interest rates mean that many people are now unable to afford to own their own home and if they do, may be finding it difficult to sustain mortgage payments. A recent Which report suggests that 700,000 homeowners in the UK missed or defaulted payments on a mortgage in April 2023²⁰.

The recent rise in rates, alongside rising costs has also made it difficult for people to access home ownership, as repayments may be unaffordable and saving for the necessary deposit more difficult, if not impossible. This particularly impacts younger people who are usually on lower incomes and living in areas of relatively high house prices such as Colchester.

At the time of writing, average interest rates on a new 2-year fixed mortgage (average for the better deals) are likely to rise to around 6%²¹ with a 10% deposit needed. At present some of the best deals are around 4.8%, but increasingly deals are being withdrawn by mortgage lenders as interest rates fluctuate.

Whilst rising interest rates impact all mortgagees, homeowners with larger variable mortgages are impacted more. This can often include families who live in larger homes with bigger mortgages.

Unavailability of mortgages

In addition to rising interest rates, the availability of mortgages has rapidly declined. During the economic boom years of 1996-2006, many banks were very keen to lend mortgages. They allowed people to borrow large income multiples (in some cases up to five times their income) and banks

¹⁹ Making Housing Affordable Again: Rebalancing the Nation's Housing System www.affordablehousingcommission.org 2020

²⁰ [About 700,000 UK households missed rent or mortgage payment last month | Renting property | The Guardian](#)

²¹ [Average two-year mortgage rate close to 6% - BBC News](#)

required very low deposits (with an increase in 100% mortgages). The ease of getting a mortgage meant that demand for homeownership increased. However, since the financial crisis of 2008, banks and building societies struggled to raise funds for lending on the money markets. Therefore, they have tightened their lending criteria, requiring a bigger deposit to buy a house. This has reduced the availability of mortgages and therefore demand.²²

House prices

The East of England Local Government Association (EELGA) illustrate in their recent report that average house prices have risen nationally far faster than inflation. They state that the average house price in the East was £363,779 in Dec 2022 and that this is 25% higher than national average and up from £104,203 in 1997.²³

Colchester's most recent Housing and Homelessness summary, produced by the Strategic Housing team, illustrates the average price of a home in Colchester between Feb 2021 and Feb 2023 and prices in the lower quartile (see table below).

The average UK price was £288,000 so Colchester's position is some £90,000 higher than the average for the UK and as shown, the price for a home for the lower quartile of the market in Colchester (the lower end of the market usually smaller homes and flats) was £250,000.

Table 2 House Prices in Colchester

Date	Feb 2021	Feb 2022	Feb 2023
Average price of home	£328,024	£339,571	£373,664
Lower quartile price	£222,000	£230,000	£250,000

Source: Hometrack

Income and affordability - home ownership

As will be examined more generally in Section 3, the current economic climate has had an impact on the affordability of home ownership. Demand for owner occupied housing is reliant on income and rises in earnings facilitate access to owner occupation.

The EELGA report suggests that an important factor for the East is that some groups have not seen wages rise higher than inflation and have been disproportionately impacted by Covid thus finding it harder to save at the same rate as previous generations, suggesting that it is *'disproportionately difficult for 1st time buyers to enter the market'*²⁴

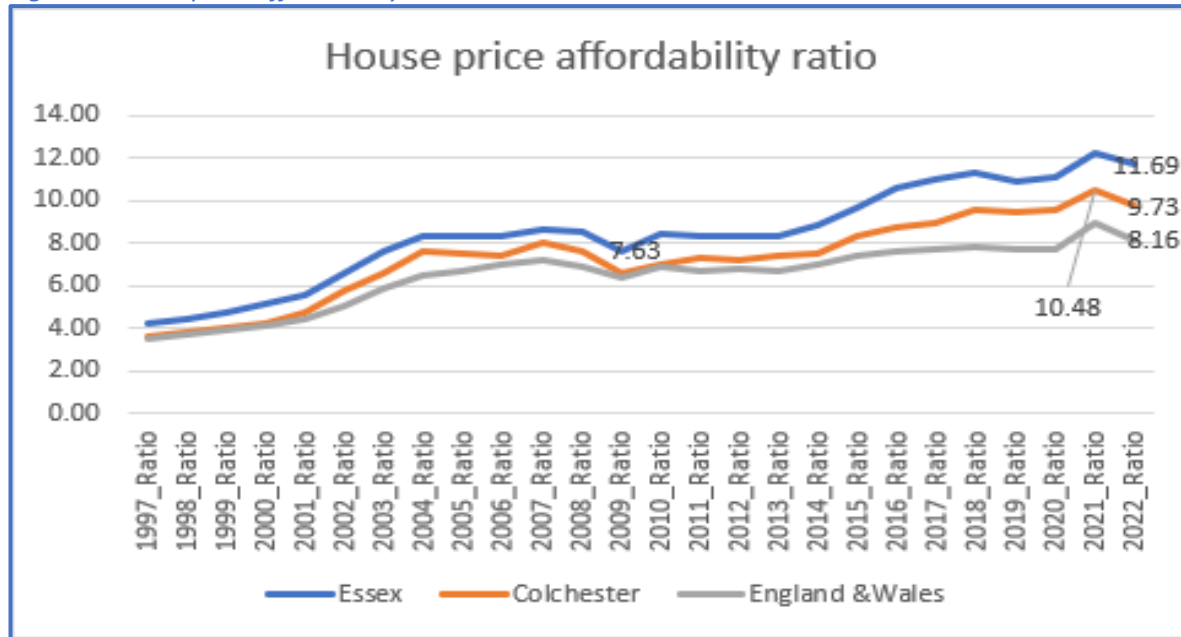
The chart below illustrates the rise in the ratio of lower quartile house prices to lower quartile earnings between 1997 and 2022 for Colchester. It shows that from a figure of lower quartile earnings being 4.1 times the lower quartile house prices in 1997, that ratio more than doubled to 9.73 in 2022. This suggests that for most of those earning in the lower quartile income bracket owning a house is usually out of reach.

²² Making Housing Affordable Again: Rebalancing the Nation's Housing System www.affordablehousingcommission.org 2020

²³ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

²⁴ ²⁴ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

Figure 6 House price affordability ratio in Colchester



Source: [Housing affordability in England and Wales - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/housingaffordability)

This data shows that 2017/18 was a year of peak unaffordability and that the Pandemic and general economic pressures are forcing house prices down.

However, real average weekly earnings adjusted for inflation and seasonality shows a 4% year on year fall in wages nationally so though wages are rising, they are not keeping up with inflation. This fall in real average weekly earnings is discussed further in Section 3 below. This is affecting the ability to buy in general but housing in particular and especially in East Anglia.²⁵

The typical maximum loan to income ratio (the amount that can be borrowed against income) with a 10% deposit is said to be around 4X the salary but depending on risk factors can be considerably less.

This would mean, to even be considered for a 25-year mortgage on the lower quartile price in Colchester a first time buyer could likely need to raise a £25,000 deposit (not accounting for other risk factors that affect the ability to secure a mortgage).

First time buyer in Colchester - illustration

For illustration purposes, if using a reputable mortgage calculator (www.moneysavingexpert.com) to borrow between £162,500 and £225,000 (below the lower quartile average house price of £250,000), for a fixed rate 2 year mortgage at time of writing, with a 10% deposit, a single first time buyer would likely need to be earning an annual pre-tax income of approximately £50,000 (based on a typical banks lending criteria according to the calculator). The likelihood of securing a loan also decreases between £162,000 and £225,000 as the loan to earnings ratio increases, so it would be likely that an even higher income would be needed to secure a mortgage for £225,000.

Based on the same calculation, for a couple to borrow a similar amount, presuming they both earned the same or similar income – they would need to be earning more than £32,000 each.

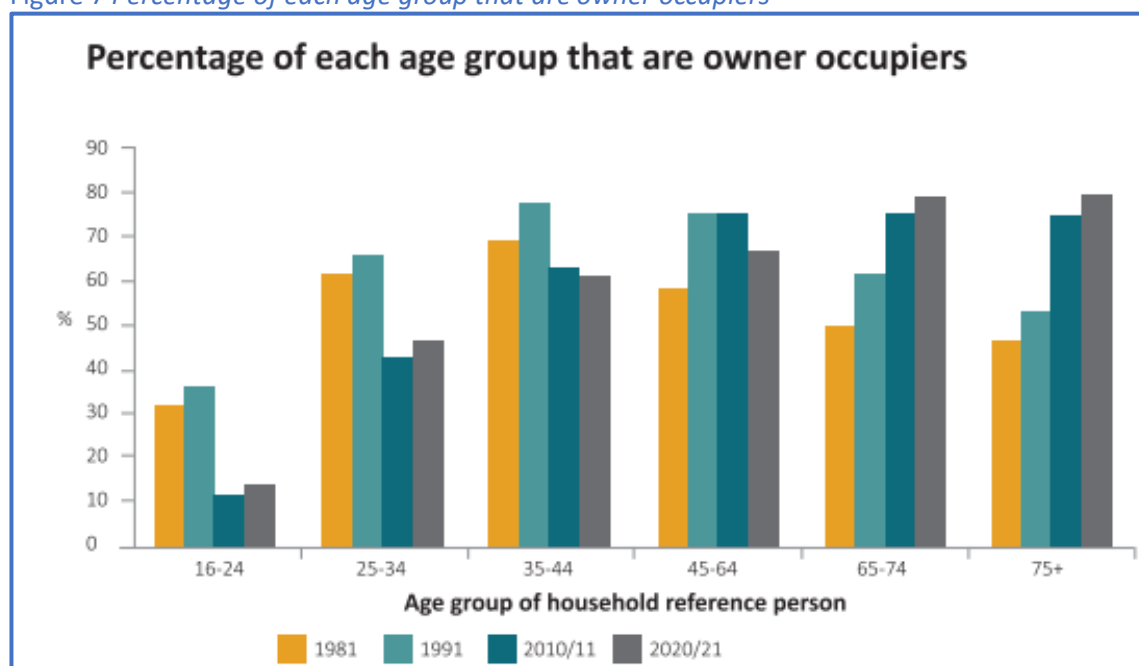
²⁵ [Will house prices fall in 2023? - Times Money Mentor \(thetimes.co.uk\)](https://www.thetimes.co.uk/article/will-house-prices-fall-in-2023)

Age of home ownership

Due to rising costs and the risks associated with rising interest rates, young people are particularly affected by the challenges facing home ownership as the sector shrinks and it becomes less affordable. This is highlighted in the age of home ownership. The chart below shows that the rates of home ownership among 25–34-year-olds have significantly decreased since 1981.²⁶

The Chart below illustrates the rates of home ownership by people in all age groups.

Figure 7 Percentage of each age group that are owner occupiers



Source: English Housing Survey

The above factors combined have delayed the average age of first-time buyers which in the UK has increased to 33, with 62% of them in the upper 50% of the income spectrum.²⁷

For Colchester the average age of home ownership is now 33.4 years.

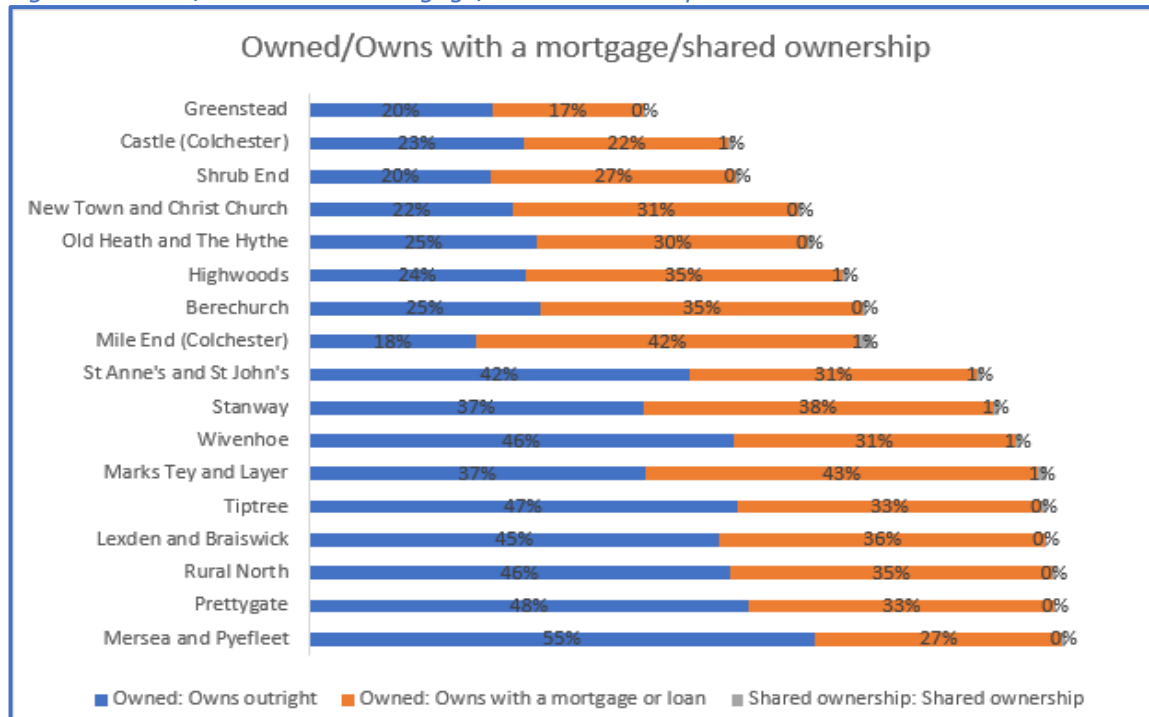
Home ownership by ward in Colchester

The below chart shows the proportion of home ownership from the ward with the lowest home ownership to the ward with the highest proportion of households who are owner occupiers. Greenstead had the lowest levels of home ownership in 2021 at 37% with the highest level in Mersea and Pyefleet at 82% of all households.

²⁶ [Home ownership is shrinking, private renting isn't working – what's next? \(theconversation.com\)](https://theconversation.com/home-ownership-is-shrinking-private-renting-isnt-working-what-s-next/)

²⁷ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

Figure 8 Owned/Owns with a mortgage/shared ownership



Source: Office for National Statistics Census 2021 Estimates

Government schemes for home ownership

Help to Buy Equity

The Government set up a number of schemes to help households into home ownership; one of these interventions is a low interest loan towards the deposit for a home. The new Help to Buy: Equity Loan scheme (2021-2023) was launched on 1 April 2021 and provided £4,000-£50,000 equity loans for first time buyers only. It includes regional property price limits to ensure the scheme reaches people who need it most. A version of the scheme has been running since 2013. In 2022 this helped 218 first time buyers in Colchester towards a deposit for a property.

However, this scheme is now ending, and the Chartered Institute of Housing (CIH) suggest that although the Government was committed to: 'helping Generation Rent to become Generation Buy' it is also ceasing Help to Buy in 2023.

First Homes

First Homes is a home ownership product that enables homes built on new developments to be sold at a discount of at least 30% of market value to first time buyers with a potential further discount at the Council's discretion (up to £250,000) – the discount agreed is passed on to all future sales of the property. Local Authorities can specify the criteria initially via an s106 (developer contribution) for the first 3 months of advertising, and this could include key workers (key worker determination can be agreed locally and could be anyone considered essential for functioning of an area). It can also include a local connection criterion giving priority to Colchester residents then expanding to neighbouring authorities, Essex and country wide. Colchester City Council is obliged to allow First Homes on new developments but as it was not included in our new Local Plan, Colchester does not have to agree to it on every site.

The First Homes product would require 25% of the affordable contribution to be allocated to First Homes; currently Colchester's policy requires no more than 20% to being allocated to Home

Ownership products. Effectively this would mean less affordable rented homes being delivered by 5%. Until a new local plan has been agreed the Council would consider First Homes on developments as an alternative to Shared Ownership.

A First Homes pilot scheme was conducted via Persimmon at the Cowdray Avenue site with funding from Homes England. 10 market homes on the site were converted to First Homes. This has now been successfully completed, with 9 of the 10 homes going to households with a local connection to Colchester.

For more information see [Housing and homelessness summary · Colchester City Council](#).

Additional barriers to home ownership

A number of other factors impact the ability of people to enter into and sustain homeownership. Fear of unemployment, consumer confidence in the economy and the fear of falling house prices due to a period of high interest rates will also cause lower demand for home ownership and may cause homeowners to have to (or even choose to) leave owner occupation.

This lack of affordability of home ownership has an impact on the supply and affordability of the whole housing sector, increasing demand for the private rented sector overall and increasing the cost of rents. The current rise in interest rates at the time of writing, means sustaining home ownership is likely to become more difficult, putting additional pressure on the private rented sector.

Future Forecast for affordable home ownership

The Chartered Institute of Housing (CIH) and University of Glasgow's 2023 Housing Review report suggests there are varying views on prospects for inflation, interest rates and house prices. Although there is a small decrease in house prices (as illustrated for Colchester in Figure 6) the CIH report suggests that for house prices to fall enough to make a sustainable difference to affordability, there would need to be a 20% or more drop. They also maintain that:

"Home ownership fell in two decades to 2021 and is likely to continue to fall in % terms. Lower house prices, which might help entry to the market will be counteracted by higher interest rates and lower real incomes"²⁸

The CIH suggest that the measure of 'market health' is the numbers of new people entering the market which although is gradually recovering after the financial crisis, fell again in 2022 and is likely to fall further in 2023. They suggest across the UK around one million first time buyers will delay buying a home, which will put further pressure on the private rented sector.

In addition, the CIH suggest it is politically difficult to allow a fall in house prices to restore affordability, which they suggest makes it difficult for Governments to introduce what they deem as 'fundamental reforms', suggesting that Governments instead have introduced:

"...poorly conceived demand side intervention...as short-term palliatives, often placing further upward pressure on prices"²⁹

²⁸ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

²⁹ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

2.2 Private rented sector

As illustrated, the inability of people to enter the housing market as first time buyers has had a significant impact on supply in the private rented sector and this is unlikely to recover in the short to medium term.

This has led to some experts suggesting 'post homeownership' is occurring across Europe and specifically in the UK, with private renting as the go-to alternative.³⁰

In relation to the private rented sector, CIH suggests the current debates around the private rented sector are focussed on three issues:

*'Landlord taxation, rent controls and minimum energy efficiency standards'*³¹

Supply and demand in the private rented sector

Although Section 1, Figure 5 shows the rise in the private rented sector (from 12% in 2001 to nearly 22% in 2022 in Colchester), due to substantial market driven but unplanned growth, suggestions are that this has now 'plateaued'³²

Britain's private rental sector is currently dominated by small landlords who bought during the buy to let post 1990 boom. However, tax and regulatory changes over the years have reduced this as a trend and the most recent Government survey suggested that almost a third of these landlords in the UK now plan to sell or reduce the number of properties they let.³³

Nationally, demand exceeds supply and interviews with professionals across the Council family suggests this is mirrored in Colchester. Demand for private rented housing in the UK is up 142% in the UK compared to the five-year average with a fall in supply of 46%.

A similar trend was also identified by Rightmove which stated tenant demand increased by 20% between quarter 3 in 2021 to quarter 3 in 2022. Listings have also fallen by 40% which has led to queues to view, and bidding wars being reported (adding to increasing rental costs).³⁴

The Renters Reform Bill is designed to improve conditions for renters, primarily by getting rid of no-fault evictions. However, experts warn that this won't fully mend the problem of declining supply and (or rising prices), that they suggest defines the private rented sector today.

In addition, landlords in many cases are asking for higher rents or guarantors, reducing the availability of stock for those on lower incomes and making it more difficult to secure and sustain tenancies.

³⁰ [The end of mass homeownership? Changes in labour markets and housing tenure opportunities across Europe | SpringerLink](#)

³¹ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

³² Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

³³ [English Private Landlord Survey 2021: main report - GOV.UK \(www.gov.uk\)](#)

³⁴ [Number of available rental homes falls by 40% | Property Reporter](#)

Rent increases and affordability in the Private Rented Sector

Private rental prices paid by tenants in the UK rose by 4.8% in the 12 months to April 2023, up from 4.7% in the 12 months to March 2023 and the Office for National Statistics (ONS) expects further rent increases over the next year.

Table 3 below shows the monthly median rental data for dwellings in England, the East of England and Colchester. Although the data suggests that Colchester's rents did not rise in the same way as national rents, they were already higher than average rents across England and just marginally below the average of the East as a whole. However, when compared with the market rent summary taken from Home.co.uk in Table 3 below which shows a snapshot of 14 days of advertisements for private rented accommodation, there is a significant gap, with the official ONS figures being closer to the average for a one bedroom property.

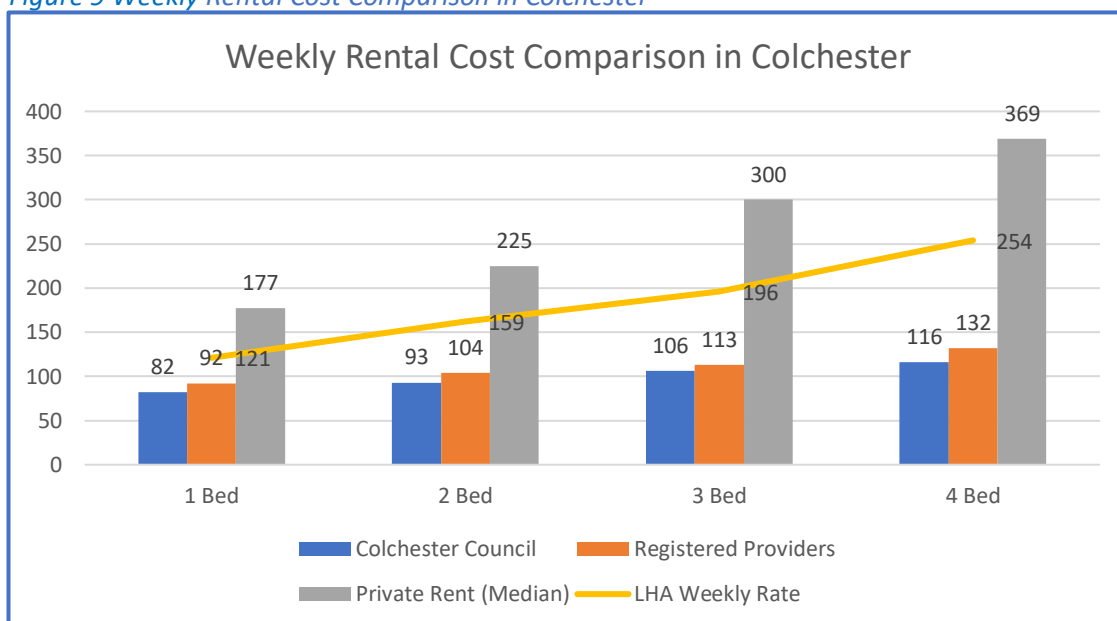
Table 3 Average monthly median private rental costs in England, the East and Colchester since 2019

Year (31 March- 1 April)	England	East of England	Colchester
19/20	700	795	775
20/21	730	800	805
21/22	795	865	850
22/23	825	900	850
Overall increase 2019 - 2023	17.9%	13.2%	9.6%

Source: Office for National Statistics Private Rental Market Summary Statistics and Index of Private Housing Rental Prices

The graph below shows a comparison of the weekly rental costs (in £) for properties owned by Colchester City Council, other Registered Provider properties and privately rented properties (using the median average private rental costs). The yellow line shows the maximum weekly contribution that households can receive from Local Housing Allowance (which falls significantly below the cost of renting privately). It also illustrates the increase in the gap between the rents of social and affordable housing providers and the private sector with the increase growing with the number of bedrooms.

Figure 9 Weekly Rental Cost Comparison in Colchester



Source: Hometrack and gov.uk Live Tables

Colchester Market Rent Summary

Whilst the above official figures from the ONS show this surge in rental prices, further insight can also be gained from [Home.co.uk](https://www.home.co.uk), which shows a snapshot in time, focussing on those properties 3 miles from the city centre and summarising the advertised rents for homes to let, calculated daily from the rental properties.

Table 4 [Home.co.uk](https://www.home.co.uk) summary rents for Colchester

Summary of Properties for Rent in Colchester	Total properties for rent in Colchester:	297	
	Properties for rent in Colchester listed in the last 14 days:	45	
	Average property rents in Colchester:	£1,426 pcm	
	Median rent:	£1,250 pcm	
Properties for Rent in Colchester by Price	Rent under £250 pcm	0 properties	
	£250 to £500 pcm rent	8 properties	
	£500 to £1,000 pcm rent	76 properties	
	£1,000 to £2,000 pcm rent	158 properties	
	£2,000 to £5,000 pcm rent	55 properties	
	Rent over £5,000 pcm	0 properties	
Property Rents in Colchester by Number of Bedrooms	No of properties	Average rent	Median rent
One bedroom	31	£883 pcm	£825 pcm
Two bedrooms	73	£1,106 pcm	£1,100 pcm
Three bedrooms	59	£1,428 pcm	£1,400 pcm
Four bedrooms	47	£1,854 pcm	£1,800 pcm
Five bedrooms	28	£2,139 pcm	£2,175 pcm
Property Rents in Colchester by Type	No of properties	Average rent	Median rent
Room	31	£882 pcm	£690 pcm
Flat	116	£1,120 pcm	£1,100 pcm
House	138	£1,766 pcm	£1,683 pcm

Source: [Home.co.uk](https://www.home.co.uk)

Note: The current rents for Colchester were calculated by sampling over all properties for rent in the [Home.co.uk](https://www.home.co.uk) property search within 3 miles of the centre of Colchester

The table above shows that the average property rents for properties within 3 miles of the centre of Colchester were £1,426 per calendar month, with the majority being in the £1,000 to £2,000 price bracket.

According to a recent House of Lords article, private renters now spend a greater proportion of their incomes on housing than any other tenure group, with one quarter finding it a struggle to pay their rent leading to 2/3 of them feeling they must cut back on essentials.³⁵

³⁵ Through the roof? Housing and the cost of living (March 2023) [Through the roof? Housing and the cost of living - House of Lords Library \(parliament.uk\)](https://www.parliament.uk/library/subject/through-the-roof-housing-and-the-cost-of-living)

Affordability – Local Housing Allowance (LHA) and private rented housing

If tenants rent privately and are eligible for benefits, the amount their benefit is based on is either the rent they pay, or more usually the Local Housing Allowance rate (if the rent they pay is higher). This is a set amount determined by the Valuation Office and based on broad market rents. Their benefit is also based on the number of bedrooms that it is determined the claimant needs. Although there are caveats to each of these, most claims are based on LHA rates.

In March 2020, the Local Housing Allowance (LHA) was increased to cover the bottom 30% of rents. In Colchester, the LHA rate has not increased in 3 years, and this has had a disproportionate impact on larger properties, making them unaffordable.

The Joseph Rowntree Foundation is calling for the government to reverse its decision to freeze LHA rates so that they are 'recoupled' to the real cost of renting. The current rates limit the support available for those living in private rented sector, leaving this as an unaffordable option for many, particularly with added pressures from increased cost of living.

Table 5 below highlights the gap between the LHA rates in Colchester (that is, what can be taken into account in a benefit calculation) and the average rents for a range of properties as of April 2023. As the table highlights, there is a considerable gap between rents in the private sector and rents for 'affordable' rented housing (rented from the Council or Registered Providers). In addition, all of the average weekly private rents are above the LHA level, meaning that this median rent would not be the basis for the benefit calculation, so tenants would have to make up a proportion of rent from very low incomes.

Table 5 Weekly average rents by tenure and bedroom for accommodation in Colchester

Bedroom Size	LHA weekly rates	Private Rent (median)	Council rented	Registered Providers	Difference between LHA weekly rates and private rent (median)
1 bed shared accommodation (mostly Houses of Multiple Occupation)	£71.34	£114.23			£42.89
1 bed	£120.82	£177	£82	£92	£56.18
2 bed	£158.79	£225	£93	£104	£66.21
3 bed	£195.62	£300	£106	£113	£104.38
4 bed	£253.15	£369	£116	£132	£115.85

Source: Private rental market summary statistics in England, ONS (1 April 2022-31 March 2023)

As the table illustrates, the gap grows disproportionately in relation to the number of bedrooms in a home. With people renting (usually families) at the 3- and 4-bedroom end of the sector, possibly having to find another approximately £116 a week. For those already claiming benefits, with inflationary increases this can prove unsustainable.

This means that a family with two children claiming Universal Credit; living in a 3-bed private rented home at an average rent of £1,300 would have to afford **£452.32** monthly from other income.

Age profile of private renters

As identified in the section on home ownership above, the age and demographics of private renting has changed. While there are still many young people renting (two-fifths of tenants are under 35), compared with 20 years ago, private renters are now older, on lower incomes and more likely to be living with children.³⁶

Houses of Multiple Occupation

Colchester has a relatively high number of Houses of Multiple Occupation (HMOs) (properties shared by 3 or more unrelated persons) compared to the rest of Essex. It is estimated by staff that the number may be as high as 2,000, as noted in the Local Authority Housing Statistics return.

In addition, Colchester has a number of larger HMOs that are required to be licensed (5 or more persons). There are currently (October 2023) 345 HMOs with a live licence, with approximately a further 100 licence cases being processed at any time.

HMOs are required to meet certain standards and require a higher level of management due to the shared occupation and increased fire risk. Poorly managed HMOs can present a risk to the occupiers and cause issues in the neighbourhood, for example, with regard to noise and refuse.

This higher prevalence in Colchester is in part due to the large number of students living off campus in Colchester from Essex University. There are also nearly 60 HMOs currently which each accommodate up to 6 asylum seekers under the Government's asylum seeker dispersal programme.

In addition, for many Colchester residents this is the only affordable housing option, particular for those relying on the LHA single person room rate to pay their rent. This type of accommodation can also be used by the Council as temporary accommodation, to assist homeless clients into housing.

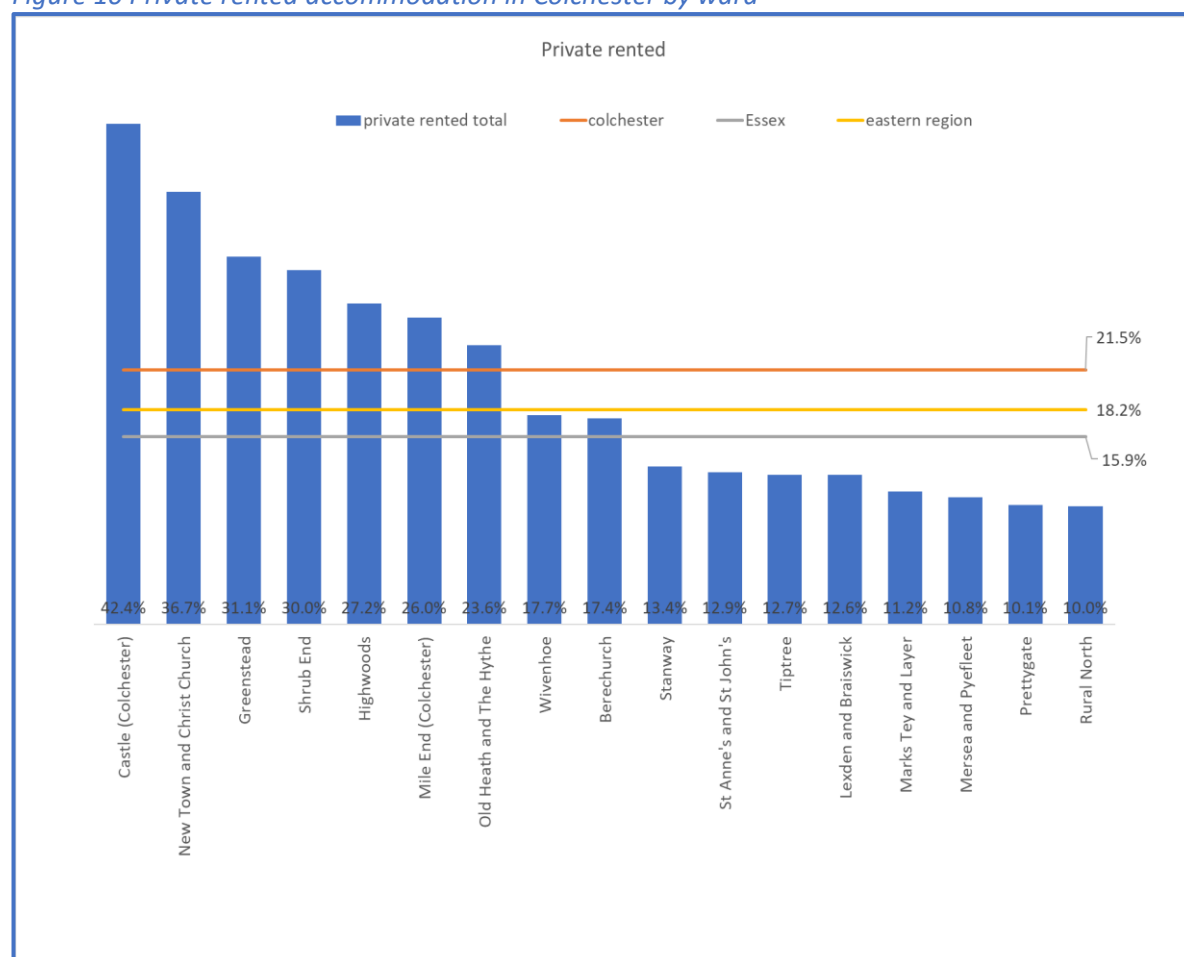
The Private Sector Housing Team is responsible for regulating the safety and standards of private sector housing, including the licensing of HMOs, note that the regulation and licensing of HMOs is a major area of work with 4 full time or equivalent officers focussed on this area of work.

Private rented accommodation in Colchester

The table below from the Census 2021 shows the wards with the highest proportions of private rented accommodation with Castle having the highest percentages at 42.4%. There are seven wards above the Colchester (21.5%), Essex (15.9%) and Eastern (18.2%) averages. These are: Castle with nearly double the Colchester average with 42.4%, followed by New Town and Christ Church, Greenstead, Shrub End, Highwoods, Mile End and Old Heath and the Hythe. The ward with the lowest proportions is Rural North at only 10% of all households.

³⁶ English Housing Survey 2021 (Private Rented Sector) [English Housing Survey: Private rented sector, 2020-21 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk)

Figure 10 Private rented accommodation in Colchester by ward



Source: Office for National Statistics Census 2021 Estimates

SECTION 3:

Affordability, the cost of living and current economic pressures

3.1 Affordability

The National Planning Policy Framework (2019) defines affordable housing 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 Affordable Housing Commission suggest that the unaffordability of housing is the most important issue in relation to the crisis in housing. Stating that:

Housing unaffordability is a significant cause of many of the nation’s social and economic ills. It is the lack of affordable housing that so often lies behind the problems of poverty, homelessness, debt, family breakdown, mental and physical poor health ³⁷

In addition, they suggest productivity, worker mobility and recruitment are affected as potential employees may be unable to move near to the workplace, and employers may not be able to recruit and retain staff, and people may have to live further away from the workplace.

Housing inequality is also cited as a “cause of inter-generational friction” with older owner occupiers who have property assets living comfortably and younger renters who are devoting a high percentage of earnings to increasingly unaffordable rents.

Definition of ‘affordability’

The definition of what constitutes ‘affordable’ rent is a debated topic. Currently, the definition of affordable rent is up to 80% of local market rent and can be set within Local Housing Allowance rates (this is the case in Colchester). Affordable rent is the model used by many Registered Providers to ensure new build schemes are viable. In comparison, social rent is approximately 50% of local market rent but based on a formula set by government, based on the relative value of the property, relative local income levels and the size of the property.³⁸

The Affordable Housing Commission suggest that the definition of affordability for both rents and sales (at 20% below market value) is not enough given the current ratio between wages and average house prices (see also Section 2 figure 6 above), suggesting a new alternative definition of housing affordability should be used in policy making which takes into account ‘personal circumstances rather than market prices’, suggesting an ‘affordability threshold’ of rents or purchase costs not exceeding one third of net income. It suggests any household should not pay above that for rent to be classed as affordable.³⁹

³⁷ Making Housing Affordable Again: Rebalancing the Nation’s Housing System www.affordablehousingcommission.org 2020 <https://static1.squarespace.com/static/5b9675fc1137a618f278542d/t/5e784fadf476076330c82344>

³⁸ [Policy statement on rents for social housing - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/social-housing)

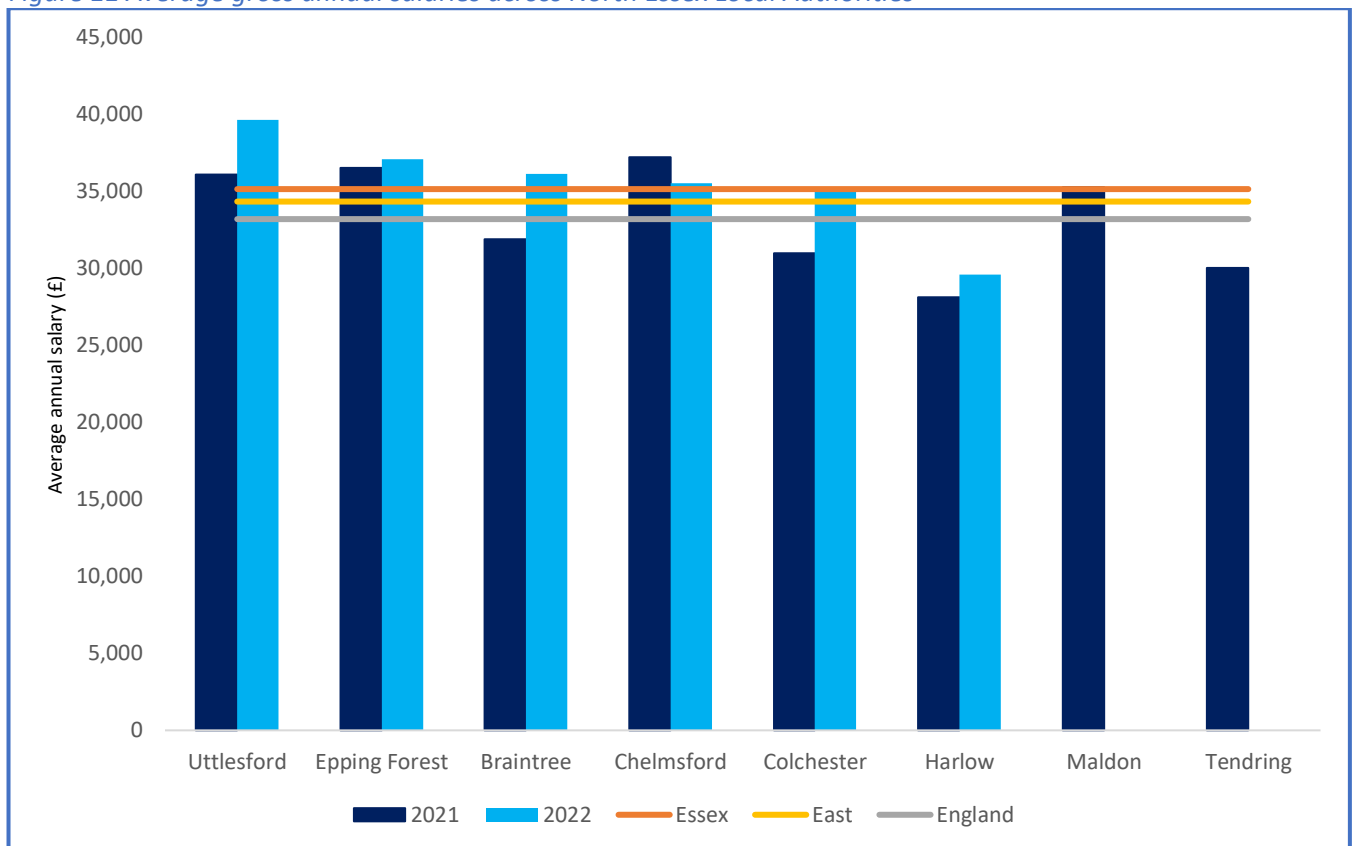
³⁹ Making Housing Affordable Again: Rebalancing the Nation’s Housing System www.affordablehousingcommission.org 2020 <https://static1.squarespace.com/static/5b9675fc1137a618f278542d/t/5e784fadf476076330c82344>

Earnings and affordability

As mentioned in relation to home ownership, wages have not risen higher than inflation for many. Labour market data shows total pay for employees rose by 5.9% December 2022 to February 2023. However, the Chartered Institute for Housing (CIH) suggest in real terms (adjusted for inflation) growth in total pay fell by at least 3% over the same period, with earnings not set to recover fully until early 2026.

The chart below shows the current levels of average gross annual salaries across the North Essex local authorities (where available) showing that Colchester was approximately average in relation to salaries across Essex in 2022.

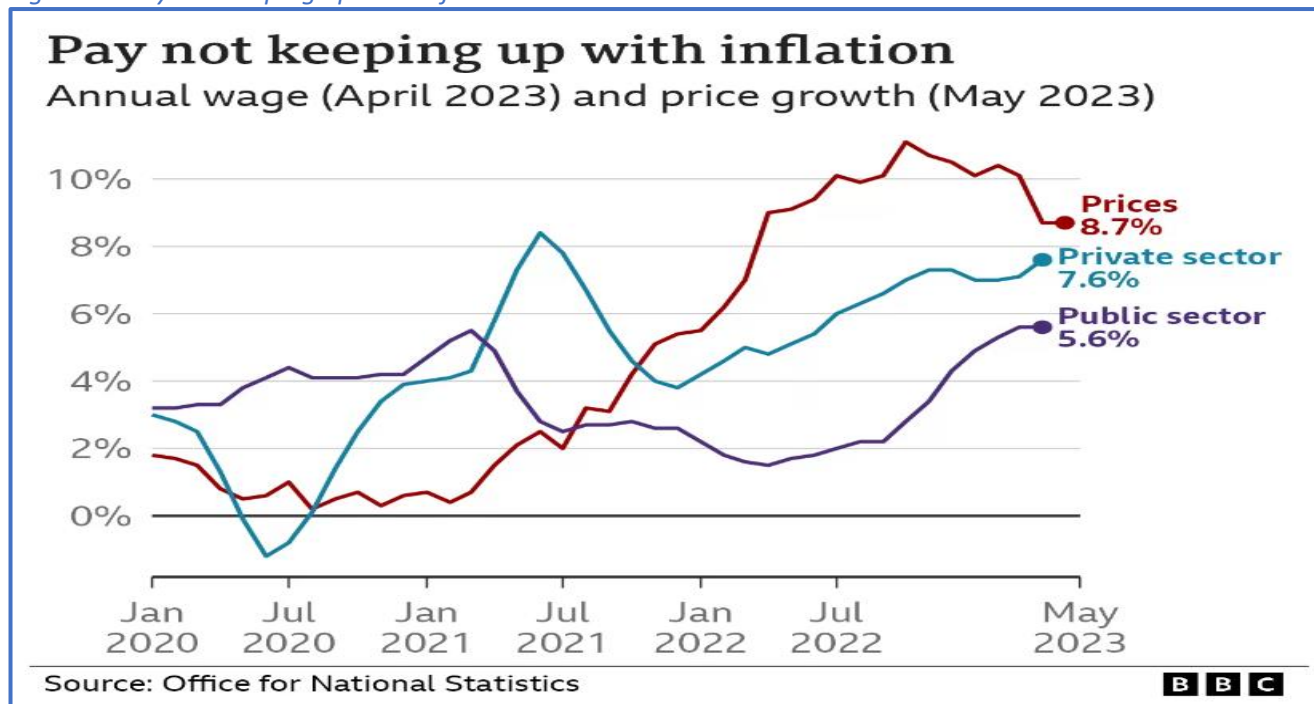
Figure 11 Average gross annual salaries across North Essex Local Authorities



Source: Essex County Council

Figure 12 below shows that pay is not keeping up with inflation rates of 8.7% (May 2023) with public sector pay lagging over 2% points behind the private sector rises at 5.6% and 7.6% respectively.

Figure 12 Pay not keeping up with inflation



Source: [What is the UK inflation rate and why is it so high? - BBC News](#)

The Affordable Housing Commission has estimated that there are over two million households in difficulty nationally and that 43% of households are devoting more than 40% of their incomes to renting in the private rented sector.⁴⁰

Private renters have also been most likely to fall into arrears on their housing costs over the last three months (to March 2023) with 15 per cent of social renters and 10 per cent of private renters in this position, compared to four per cent of mortgagors.

3.2 The economy and the cost of living crisis

In addition to falling earnings the current cost of living crisis has had a major impact on tenants, with many commentators suggesting that current benefits do not meet the gap particularly in relation to vulnerable groups.⁴¹

According to the Chartered Institute for Housing (CIH) housing review 2023, global and national economic events, such as the war in Ukraine has 'put to bed notions of build back better following the pandemic' with Government having to tackle inflation and protect households from energy price increases.

They suggest inflation levels are higher than in other western countries due to a reliance on imports, wholesale gas prices, worker shortages and wage rises. Although inflation is falling, it is still high, falling from a high of 10.4% in February to 8.7% in May 2023 and falling inflation does not mean prices are immediately coming down. Retailers claim that reductions in price levels will take time to work through to consumers, due to long term contracts with producers. This means prices are expected to

⁴⁰ Making Housing Affordable Again: Rebalancing the Nation's Housing System www.affordablehousingcommission.org 2020

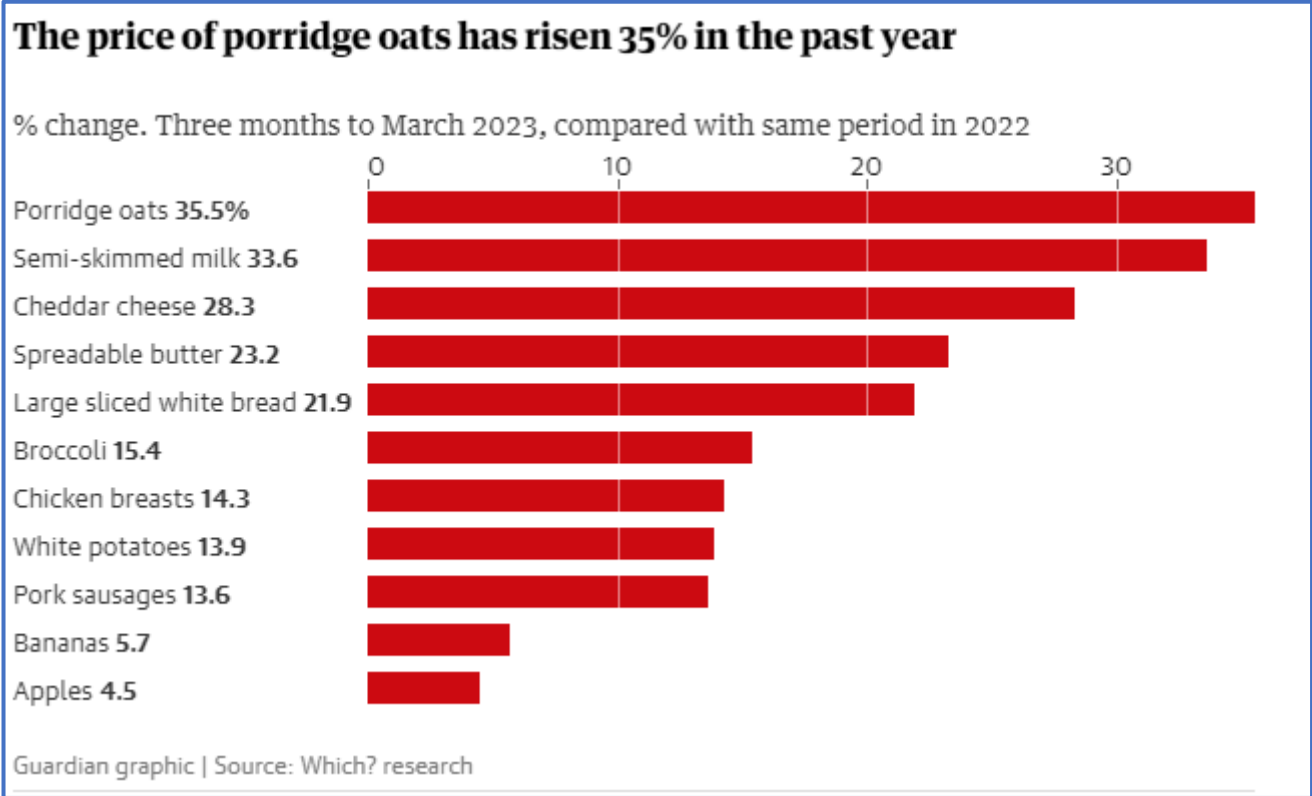
⁴¹Cost of Living Crisis: A spotlight on older people [0508-cost-of-living-crisis-v4.pdf \(cih.org\)](https://www.cih.org/0508-cost-of-living-crisis-v4.pdf)

stay relatively high over the next year. In addition, food price inflation was above the general CPI level, rising by approximately 20% in the year to March 2023 which was the highest rate in over 45 years.

The cost of food and energy also have the greatest effect on lower income families, further exacerbating housing unaffordability.

The figure below from a Which survey illustrates how the price of some staple foods increased significantly in the past year (to March 2023).

Figure 13 Weekly average rents by tenure and bedroom for accommodation in Colchester



Source: [Cost of British food basics increases by up to 80% in a year | Supermarkets | The Guardian](#)

As well as having an impact on the affordability of housing, according to the Joseph Rowntree Foundation, high food prices have a long-term impact on people’s health:

“The cost of food risks perpetuating this [cost of living] crisis long into the future, as families are increasingly unable to provide what they know they need to be healthy – regular, nutritious, cooked meals.”⁴²

Joseph Rowntree highlight that this affects those on low incomes the hardest. Evidence for this shows an increased reliance on foodbanks with a 37% increase in demand in 2022/23 compared to the previous year.

In Colchester the number of adults fed by the Foodbank rose to 1,055 in April 2023, compared to 884 in April 2022 and 770 in 2021. The number of children fed was 737 in April 2023 compared to 586 in April 2022 and 590 in April 2021.

⁴² [High inflation on essential goods causing long term harm | JRF](#)

Energy costs

Estimates suggest that although energy bills will fall this summer, annual energy bills will stay over £2,000 for the rest of the year. The Chartered Institute of Housing (CIH) suggest that despite support from government for energy price rises, people's disposable incomes could shrink by 7% in the next 2 years 'wiping out the previous 8-year rises'.⁴³

According to YouGov research, more than one quarter of people (29%) are currently in debt to their energy companies and over one in ten of vulnerable households (where someone is elderly or disabled) now have debts. The research also suggests more than half are worried they will not be able to save enough for the accumulated debt. This rises to 70% of lower income households.⁴⁴ Combined household energy debt will top £2.7bn by the end of June and an estimated 5.5 million UK adults are now in energy bill debt according to the Money Advice Trust.

A survey of registered housing providers by Aico and Inside Housing, suggests social housing tenants are continuing to be affected by high energy prices. Of those who collect the information 2/5 (38%) said that more than 40% of tenants are currently living in fuel poverty. 72% of social housing providers have said they have had to increase support given since 2022 and this is similar for Colchester City Council and Colchester Borough Homes who have provided a raft of support over the last year – see [Cost of living support · Colchester City Council](#)

Groups affected and people on low incomes

Although the cost of living crisis affects us all, as the above shows it affects those on lower incomes and some groups more severely. Energy prices affect poorer households the hardest because they spend proportionately more of their household budgets on energy (11%) compared to 4% of richer households.⁴⁵

The CIH illustrate in their series on the cost of living that people with disabilities often need more heating and extra electricity to charge devices and more petrol to get about if transport options are limited. Scope estimates this at £600 a month extra.

The latest government measures to help people pay energy bills introduced in May are 'generally welcomed' by the sector and will make a difference to low-income households according to the Institute for Fiscal Studies. However, some commentators suggested that more help should have been available for those on the very lowest incomes who are most affected by the rise in fuel bills and much more liable to use pre-payment meters. In addition, the Fuel Bank Foundation and CIH suggest that a longer term look at funding for energy efficiency is needed to address the reduction of energy bills (for insulation for example).

Although the government measures will help in the short term, Warm this Winter, a campaign group representing 40 Charities, are calling for the industry and charities to come together to find a solution to the problem in the longer term.⁴⁶

⁴³ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

⁴⁴ Cost of Living Crisis: A spotlight on older people [0508-cost-of-living-crisis-v4.pdf \(cih.org\)](#)

⁴⁵ Cost of Living Crisis: How is the cost of living crisis affecting social housing tenants [0508-cost-of-living-crisis-v4.pdf \(cih.org\)](#)

⁴⁶ [Rising energy debt creates mental health crisis for households \(warmthiswinter.org.uk\)](#)

Stress and energy debt

Warm this Winter, also report that this is having an effect on people's mental health, suggesting energy debt is 'causing mental health anguish for millions'. In a recent survey, one third of people are experiencing anxiety and 12% say the worry is making them ill with 33% saying they are forced to sacrifice essentials, 18% not being able to keep up with household maintenance and one in four people are skipping meals.

Benefits

A House of Commons Work and Pensions committee report into the cost of living has suggested that one of the root causes of the financial challenges faced by people are inadequate benefit levels. As a result, the committee have launched an inquiry into the adequacy of benefit levels in the UK to help inform current and future thinking.

The report suggests that benefits should not be just one-off payments but 'ongoing and regular payments' to address the crisis. They also suggest benefits are uprated to keep pace with inflation (the April 22 rise was based on the CPI rate from September 2021 for example, which meant a real term fall in income).

In addition, a specific mention is made of Local Housing Allowance which as mentioned above, has been frozen since 2020 and the committee suggest it is uprated to:

'Support people on low incomes to access secure and affordable housing'⁴⁷

They also state that over half of benefit claimants renting privately are in poverty, because the risk of poverty after housing costs increases for those in the private rented sector compared with those in social housing.

Income Deprivation levels in Colchester and links to Housing

In relation to low incomes, as well as the issues of affordability, those living on low incomes are more likely to live in poor quality housing and to have poor general health than those who don't, with half of those living in poor quality housing feeling that stress caused by rising living costs had worsened their health or the money they had to spend on rising heating costs had made their health worse.⁴⁸ Housing Quality will be discussed in more detail in Section 7 below.

According to the English Indices of Multiple Deprivation 2019, Colchester has 28 small areas (Lower layer Super Output areas or LSOAs) that fall into the top 40% of most deprived small areas in the county for the 'income deprivation'. These small areas are concentrated in the wards of Greenstead, Berechurch, Old Heath & The Hythe and St Anne's & St John's. Colchester had one small area in the 10% most deprived in the country, found in the ward of Greenstead.

The most deprived small area in Colchester by the income deprivation domain was Magnolia in the ward of Greenstead which is ranked as the 2,056th most deprived in England (out of 32,844 small

⁴⁷ House of Commons Work and Pensions Committee: The Cost of living; Second Report Session 2022-23 [The cost of living \(parliament.uk\)](https://www.parliament.uk/publications/54240/1)

⁴⁸ Trying Times: How people living in poor quality housing have fared during the cost of living crisis (April 2022) [Trying times • Resolution Foundation](https://www.tryingtimes.org.uk/)

areas nationally). Magnolia was however now the only small area to fall into the 10% most deprived in England by income deprivation. Meanwhile, Colchester had 10 small areas which fell into the 11-20% most deprived income decile. Greenstead had the highest number of small areas which fall into the top 40% most deprived in England by this measure, with six small areas, while Berechurch and Old Heath & The Hythe were joint second with four small areas each.⁴⁹

Wider impact of housing stress and cost of living

An extensive Cost of Living Survey conducted by YouGov and commissioned by the Health Foundation, Resolution Foundation and Intergenerational Centre revealed that approximately:

- *1.7 million (16 per cent) of adults across England in low-income families ate less or skipped meals for seven days in the past month.*
- *30 per cent of all respondents (16 million adults) stated that their health had been negatively affected by the rising cost of living (rising to 40 per cent for young people aged 25-34).*
- *This rose to 71 per cent among those who reported that their financial situation was a lot worse, and 77 per cent among those finding their debt a heavy burden.*⁵⁰

The Affordable Housing Commission has also illustrated that stress from housing issues has negative effects on life chances, local communities, the business and voluntary sector, the wider economy, and public spending.

⁴⁹ [The English Indices of Deprivation 2019 \(windows.net\)](#)

⁵⁰ Broome, M. Handscomb, K and Try, April 2023 (Resolution Foundation, The Health Foundation, Intergenerational Centre
Hoping and coping How families were faring in March 2023

SECTION 4:

Demand for Affordable Housing – the Housing Register

One measure of demand for affordable housing is the number of people registered on the Council's register for Council or Registered Provider Homes.

Households eligible to join the register are assessed according to need and 'banded' as to their priority for rehousing. There are six bands (A - F), depending on the assessed level of housing need; not everyone on the housing register will be offered a property.

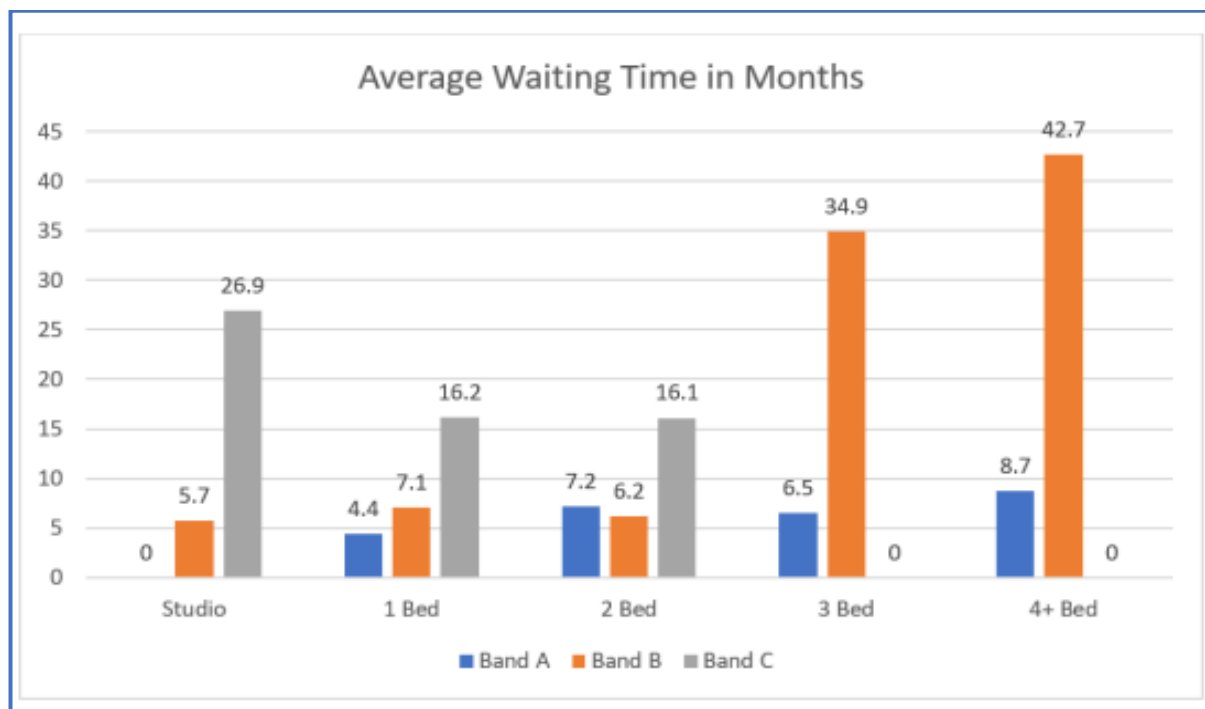
Numbers housed from the Housing Register

Last year (1 April 2022 – 31 March 2023) there were 702 lets of affordable housing compared to 2,561 households on the register; 401 of these were for Council housing and 301 were for Registered Providers.

As a percentage, only 27% of those with a housing need were permanently housed in 2022-23 which equates to a turnover of 6.5% of the total housing stock. Further broken down, 43% of those with a studio/1 bedroom need were housed whilst only 5% of those with a 4-bedroom need. The proportion of applicants housed between 1 April 2021 and 31 March 2022 was 16% compared to 11% between 1 April 2020 and 31 March 2021.

Average wait times

Average waiting times are helpful to show how long some households are waiting for permanent housing. The graph below only shows bands A-C and note the very large increase in waiting times for properties larger than 2 bedrooms.



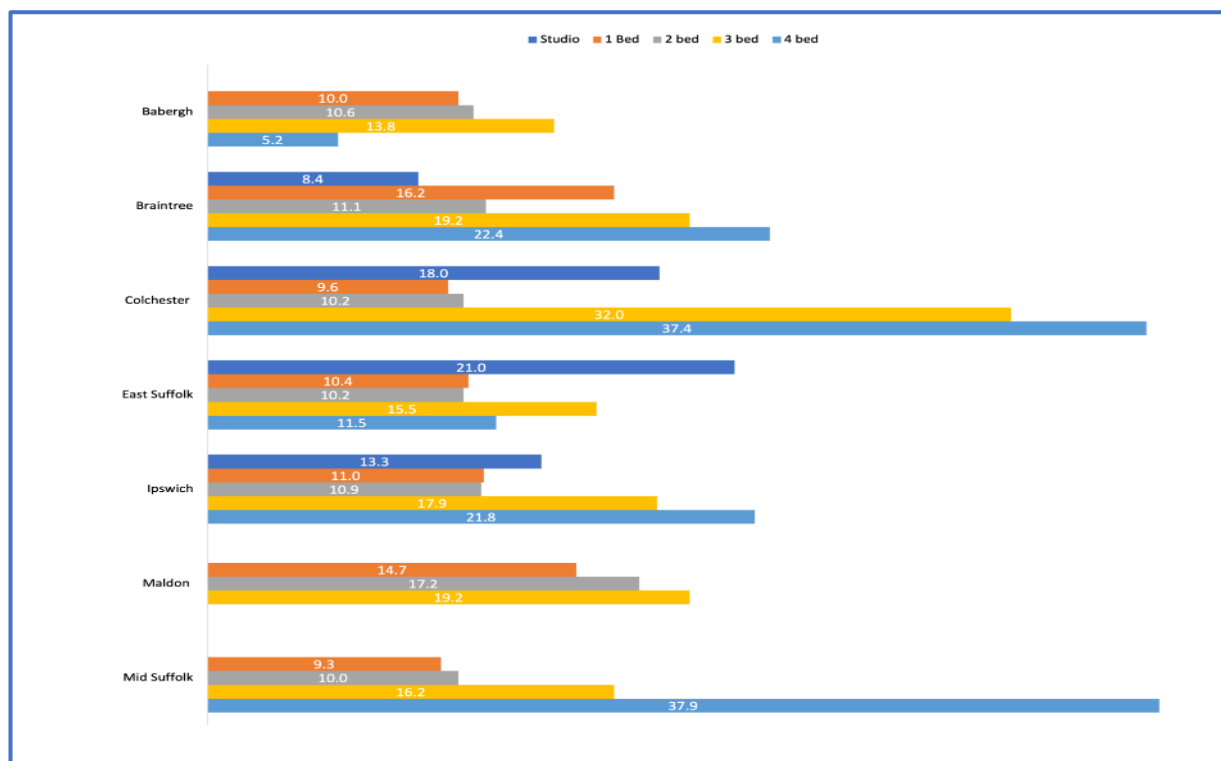
Source:

Gateway to Homechoice / Civica Council System April 2023

More information can be found in the Council's [Housing and Homeless Summary 2023](#) and the [Key Housing Needs Statics Report](#).

Gateway to Homechoice is a choice-based lettings system, where social housing properties are advertised in the local authority areas of Babergh, Braintree, Colchester, East Suffolk, Ipswich, Maldon and Mid Suffolk. The graph below is from the Gateway to Homechoice register annual report. It highlights the wait time in Colchester for a 3-bed home (37.4 months) compared with other Local Authorities within the Gateway to Homechoice partnership. Colchester has the longest wait time for 3- and 4-bedroom homes.

Table 7 Wait time by property size in months 2022-2023



Source:

Gateway to Homechoice Annual Report 2022-2023

SECTION 5:

Homelessness and Temporary Accommodation

The Affordable Housing Commission suggests that many Councils in England are faced with households being made homeless when their (shorthold) tenancy has been ended due to benefit reductions meaning they can no longer afford to stay in their private rented accommodation⁵¹.

Colchester has also experienced a backlog of people who have been evicted recently from privately rented homes as landlords were unable to evict tenants during the Covid pandemic, which was followed by Court delays.

Many evictions arise in the private rented sector as a result of new tax burdens on landlords who no longer find renting a home profitable or increases in rents to tenants which are not affordable for them. In addition, in relation to supply, the number of homes which become available to let is limited with an average of seven homes each week advertised through the Choice based lettings website HomeChoice.⁵²

Temporary accommodation and Homelessness Reduction Act

The number of households living in temporary accommodation have increased since 2019 which follows the implementation of the Homelessness Reduction act.

The Homelessness Reduction Act 2017 places a set of duties on housing authorities to intervene at earlier stages to prevent homelessness in their areas and to take reasonable steps to prevent and relieve homelessness for all eligible applicants, not just those that have priority need under the Act.

In practice, this means that those approaching their Council for help receive support in the form of a Personal Housing Plan (PHP), which sets out actions for both the individual and the Council to take to prevent their homelessness.

This extended eligibility prevents those threatened with homelessness from the risk of being street homeless and provides the shelter of interim accommodation whilst assessments are completed, and solutions are sought.

To prevent or relieve any homeless applicant from being accepted as homeless, solutions are sought which are required to be affordable and secure. Individual assessments are completed for every applicant to consider affordability and security. Security is considered as a home which will be available to them for at least 2 years.

⁵¹ [AMZ15030 Housing Report 28pp_v10.indd \(squarespace.com\)](#)

⁵² [\(gatewaytohomechoice.org.uk\). Annual Report 2022 - 23 - HomeChoice \(gatewaytohomechoice.org.uk\)](#)

Further broadening of homelessness eligibility

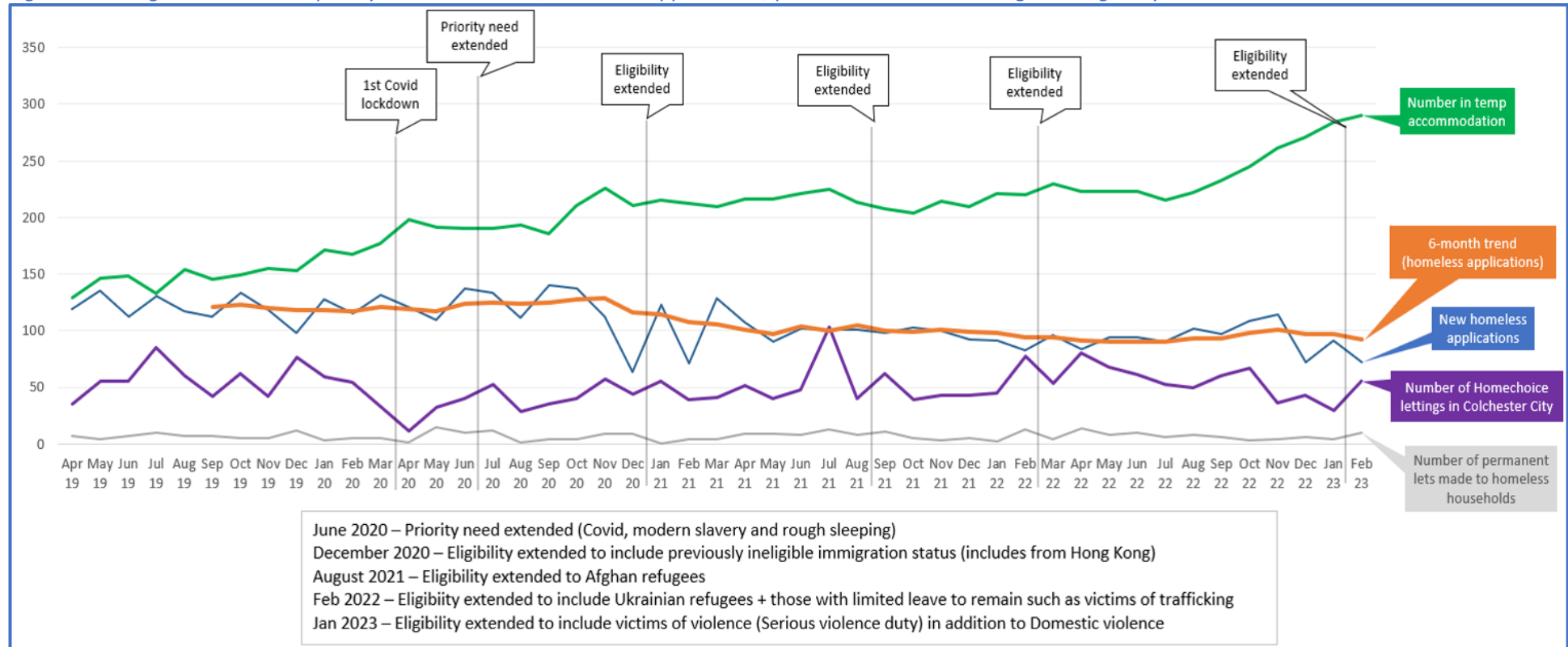
Following the Homelessness Reduction Act the national situation has changed leading to further amendments to legislation to broaden the scope of eligibility.

- June 2020 – Priority need extended as a result of the Covid pandemic (modern day slavery, rough sleeping and unsuitable hostel/shared accommodation)
- December 2020 – Eligibility extended to include previously ineligible immigration status (including those from Hong Kong)
- August 2021 – Eligibility extended to include Afghan refugees.
- February 2022 – Eligibility extended to include Ukrainian refugees and those with limited leave to remain (such as victims of trafficking)
- January 2023 – Eligibility extended to include victims of violence (Serious violence duty) in addition to Domestic abuse.

During the same time period, the supply of homes in both the private rented sector which are affordable, and lettings of affordable and social homes have reduced leading to pressures on the system.

Figure 14 below shows changes to the homelessness legislation to indicate pressure on demand particularly the rise in temporary accommodation.

Figure 14 Rising numbers in temporary accommodation, homeless applications, permanent lets and changes in eligibility since 2019.



Source: Colchester Borough Homes data and analysis

In addition, Table 8 below outlines the numbers approaching the Housing Solutions Team recorded at each point of the contact according to the duties outlined in the legislation.

As both the graph above and the table below indicate, numbers of those in temporary accommodation have increased. It is also worth noting that even if a main homelessness duty has not been determined, the local authority must still provide interim or temporary accommodation for those they may have a duty to at all stages of the process.

Table 8 Numbers approaching the CBH Housing Solutions Team

Year	Relieved	Prevented	No duty	Main homeless accepted	Advice only	Reasonable assistance accepted	Main duty discharged	No. in TA	No. of lets to homeless apps	Total lets in the year	New cases
2018/19	85	172	16	102	4	2	49	n/a	190	n/a	n/a
2019/20	142	278	20	224	9	32	168	177	140	658	1448
2020/21	136	187	57	186	4	15	119	209	90	474	1386
2021/22	108	190	26	177	468	11	145	230	182	644	1164
2022/23	94	246	6	190	234	6	136	298	213	601	1141
2023/24 (Apr/May only)	17	51	4	38	50	3	21	304	n/a	n/a	134

Source: Colchester Borough Homes data

Increases in temporary accommodation and approaches to the service

The rise in temporary accommodation is shown in the table above, rising from 177 households in 2018/19 to 304 households at the end of June 2023 of which around half (150) are accepted as homeless and will be waiting for a more permanent home. The majority of those staying in Bed and Breakfast accommodation are single people, however as more Ukrainian families become homeless, they have stayed temporarily in Bed and Breakfast accommodation.

The pressures of increasing numbers in temporary accommodation are not unique to Colchester. Currently in Essex more than 2,000 households are living in temporary accommodation. The supply of accommodation is becoming exhausted, and an additional pressure is placed on the system locally as hotels are being used for some immigration and refugee placements.

The increase in numbers in temporary accommodation will continue whilst the numbers approaching for assistance continues at the current rates. Whilst the 'Relieved' and 'Prevention' columns above numbers are fairly static this number is controlled by the resource that is available to interview and investigate applicants and the number of lets that become available.

The burden of placing households in temporary homes adds pressure to staff teams. Where households are placed outside of Colchester there is a statutory duty to inform the receiving authority. Moving people, particularly families around short-term accommodation is complex and leads to increasing enquiries and complaints and has a negative impact on those families who may be placed further from social networks, schools and jobs.

Table 9 below shows the increase in demand for temporary accommodation across Essex in September 2022 and February 2023 and the numbers in other local authority districts.

Out of the 14 Councils listed below, Colchester had the third highest percentage change increase in total numbers in temporary accommodation between September 2022 and February 2023 at a 37% increase behind Braintree at 39.5% and Maldon at 62%. However, Maldon had relatively few numbers to begin with, so this skews the results.

In terms of the numbers who are accommodated outside of the district our numbers had risen from 1 in September 2022 to 18 in February 2023.

Table 9 Essex Authorities Demand for Temporary Accommodation

LA	Total number of households in TA as at Sept 2022	Total number of households in TA as at Feb 23	% of change for total number of households in TA between Sept 2022 and Feb 23	TA in another local authority districts as at Sept 2022	TA in another local authority districts as at Feb 2023	% of change for TA in another local authority district as at Feb 23
Basildon	572	666	16.43	42	74	76.19
Harlow	256	269	5.07	1	0	-
Chelmsford	321	389	21.18	56	110	96.42
Thurrock	265	309	16.60	22	14	57.14
Southend on Sea	205	267	30.24	2	2	-
Castle Point	96	101	5.20	26	39	50.00
Colchester	211	290	37.44	1	18	1800.00
Rochford	79	81	2.53	18	13	-27.77
Brentwood	30	31	3.33	8	4	-50.00
Tendring	134	165	23.13	0	9	-
Epping Forest	99	113	14.14	11	11	-
Maldon	26	42	61.5	15	24	60.00
Uttlesford	26	22	-15.38	6	4	-33.33
Braintree	38	53	39.47	2	4	100

Source: Essex County Council

Families – supply pressures

There is a particularly limited supply of family homes for those requiring 3 bedroom or larger homes. The Council can choose to discharge our duty toward families accepted as homeless through allocation of an affordable secure home. This is not limited to Council housing and could be Housing Association, Affordable rent or Private sector letting with relevant security and affordability assessments. Family Homes acquired by the Council are restricted with a 'local letting plan' to Colchester homeless applicants to increase opportunities to move families to permanent homes.

The total Homechoice lettings also includes lets for existing tenants transferring, this is important to reduce overcrowding and under occupancy and to provide equality of access and opportunity for accepted homeless applicants.

Provision of temporary accommodation in Colchester

In Colchester, a range of accommodation falls under the “broad term” of temporary accommodation, including (in summary):

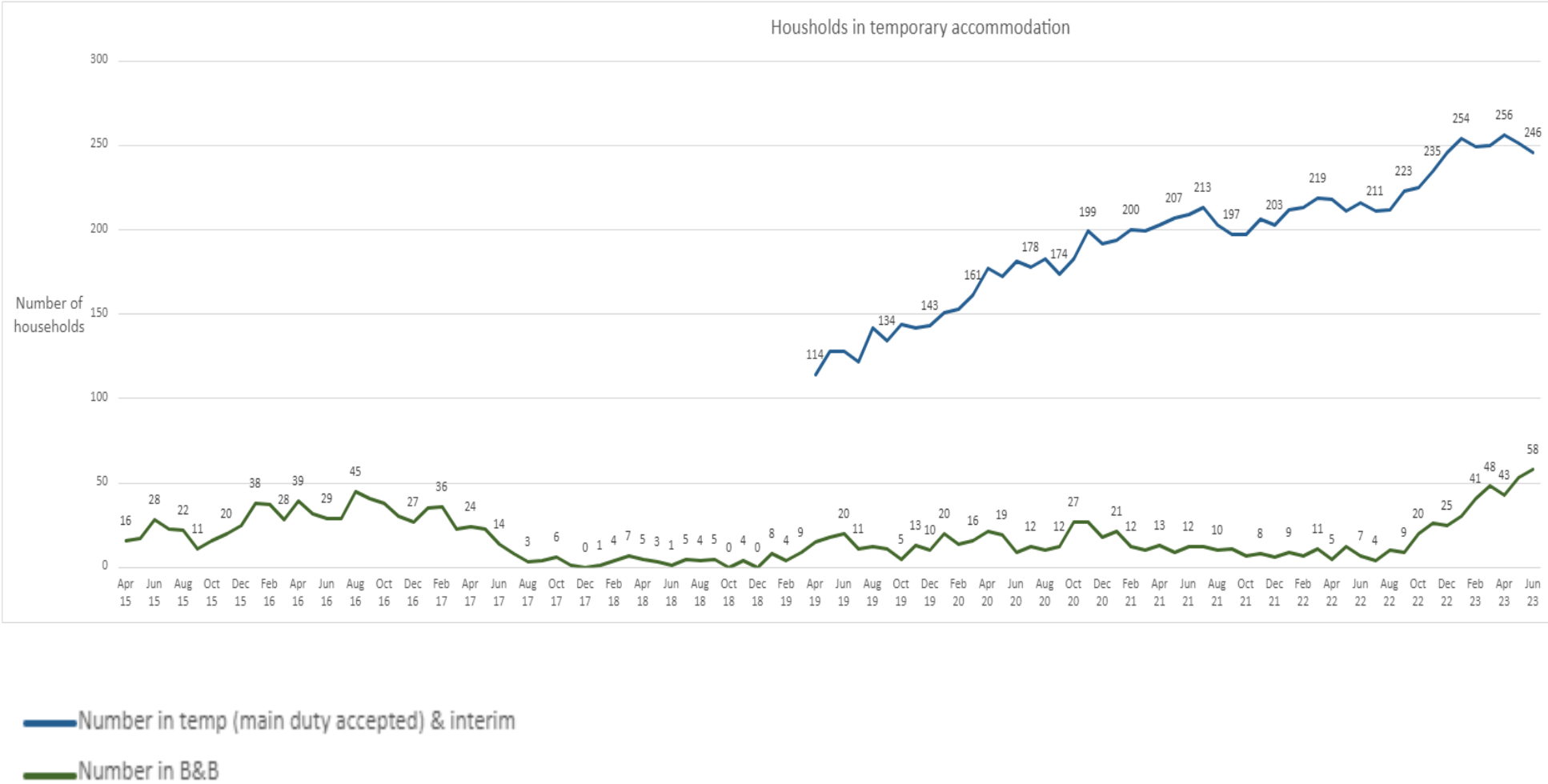
- 74 temporary homes (bedsits to 3 bed homes) provided and managed by Peabody – commissioned by Essex County Council. Low levels of support for the occupants.
- 70 temporary studio apartments leased from Steph & Philips.
- 42 homes owned by the Council (HRA).
- 36 private rented homes, leased by the Council.
- 10 MOD properties leased by the Council for families from Afghanistan.
- 6 one bed flats owned by the Council and used for those who were previously rough sleepers.

Where this provision is exceeded or where short-term temporary homes are required, additional accommodation is sought from bed and breakfast and holiday park accommodation. This is used on a short-term basis for up to 6 weeks generally to address emergency presentations or where no other suitable accommodation is available.

Bed and breakfast

Table 10 below shows the rise in the numbers of people in temporary accommodation and the rise in Bed and Breakfast accommodation between to June 2023. The numbers in Bed and Breakfast have risen to 58 at the end of June 2023.

Table 10 Households in temporary accommodation



Source: CBH Data

Support needs of those in temporary accommodation

Many of those now living in temporary accommodation are vulnerable and require support with day to day living. With several local supported housing projects in Colchester closing, the burden of supporting those people frequently falls on the homelessness service. In recent years, mental health support services have reduced, NACRO (for offenders or prison release) reduced their capacity, a mother and baby unit closed, accommodation for young people became more restricted and the local Women's refuge, Next Chapter, is not accepting local referrals. All of those who could have been living in supported housing are now passed through the homelessness system and live in temporary accommodation until suitable housing is allocated.

To address the support needs of many living in temporary accommodation, Colchester Borough Homes works in partnership with the voluntary sector and charities to provide more intensive support when it is required. For example: the Youth Enquiry Service (YES) supports young people with access to welfare benefits, education and work skills, finding affordable housing and pregnancy and young mother support: Catch 22 provide intensive support for families living in temporary accommodation, providing access to goods, education, welfare and social services to sustain their home and family.

Homelessness funding

Prevention of Homelessness remains a key objective of the Homelessness Reduction Act, and to support its implementation, the government have provided the Homelessness Prevention Grant to Councils, to support them to deliver services to prevent and tackle homelessness.

This maintains the significant investment of £315.8 million provided through the Homelessness Prevention Grant in 2022 to 2023. It includes an additional £24 million to cover the cost of new burdens associated with the expansion of priority need for those forced into homelessness by domestic abuse, following the landmark Domestic Abuse Act 2021.

The prevention funding grant is based on a calculation of the number of homeless applicants and cost of temporary accommodation. Prevention and relief cases are assessed with private rental costs. The grant is provided to Councils to ensure that they receive at least 90% of the 3-year average cost of temporary accommodation.⁵³

The grant for Colchester for 2023/24 is £934,744 and for 2024/25 is £945,692, with additional provision to support new burdens such as Domestic Abuse and support for Ukrainian refugees. From 2025, the assessment is to change and will be linked to performance with greater incentives to prevent homelessness.⁵⁴

Rough sleeping

Colchester City Council have successfully secured funding from the government's Rough Sleeper Initiative to prevent, support and provide accommodation for people who have been, or who are at risk of sleeping rough, since 2018. The Council has been awarded funding - amounting to £811,599 for the period 2022 to end March 2025. This funding continues to provide the ongoing resources to prevent and reduce rough sleeping in Colchester and supports accommodation projects such as a

⁵³ [Homelessness Prevention Grant 2023 to 2025: technical note - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/115444/Homelessness_Prevention_Grant_2023_to_2025_technical_note.pdf)

⁵⁴ [Homelessness Prevention Grant 2023 to 2025 allocations.ods \(live.com\)](https://live.com/allocations)

Housing Led scheme which is managed and supported by Sanctuary housing in addition to the Next Steps Accommodation managed and supported by Peabody and the Rough Sleeper Accommodation Pathway scheme which provides move-on accommodation managed and supported by the Rough Sleeper Team at Colchester Borough Homes.

SECTION 6:

Refugees and Asylum Seekers

Colchester has a number of people in residence under various Home Office resettlement schemes for refugees and asylum seekers over the last few years including for people from the Ukraine, Afghanistan and Hong Kong.

There is a particular pressure for finding family accommodation for refugees and those seeking asylum, due to the current demand for family accommodation in Colchester, however most of the asylum seekers in Colchester are generally single males living in Houses in Multiple Occupation.

The human impact of the current situation has been raised by colleagues in both the voluntary and statutory sector who feel they cannot be understated, particularly in relation to vulnerable migrants and their housing needs. These are particularly pertinent in relation to issues with mental and physical health and social isolation and can include Post Traumatic Stress Disorder, anxiety, depression, self-harm, substance misuse, occupational injury, diseases and many more issues. In addition, delays to processing of claims for asylum have meant they are taking up to 2 years to process.

RAMA (Refugee, Asylum Seeker and Migrant Action) in Colchester who support the resettlement schemes, point to a number of issues in their recent North East Essex Homelessness Strategy, stressing the health costs for individuals and the pressure on their support services. In addition, pressures on housing services are indicated above.

RAMA outlines the following issues in their strategy:

- Increasing numbers of vulnerable migrants with no recourse to public funds (including students, overstayers, those leaving hospital or psychiatric care, those who have left prison past the deadline to make applications).
- An increase in numbers of those who have exhausted appeal rights and are destitute with no recourse to public funds.
- Increasing numbers of domestic violence victims with no recourse to public funds while applications are made.
- Those groups with newly granted refugee status needing help to navigate the system.
- Clients who are having their application subject to a national referral mechanism (for human trafficking). Although these are small in number, it can take 3 years to gain an outcome from the National Referral Mechanism team (10 this year).

Funding for accommodation for refugees and asylum seekers

Before March 2022, there was no funding available to local authorities to cover the cost of supporting residents in either dispersed or contingency accommodation. However, funding has now become available for both capital schemes and temporary accommodation (see below).

The Council have recently taken up the opportunity to maximise Government funding to invest in 6 new Council properties ringfenced for Afghan families and Ukrainians that are covered by two of the Government Resettlement Schemes.

In March 2022, the Home Office announced the Asylum Dispersal Grant which included:

- a one-off payment of £57,750 which was £250 per asylum bedspace on the 27 March 2022 (this included bedspaces in contingency hotels)
- a one-off payment of £3,500 per new dispersed asylum bed space paid quarterly. So far, the Council has received a total of £330,750 (inc. the £57,750) with another £67,000 due for the last quarter.

In January 2023, the Department of Levelling up Housing and Communities (DLUHC) announced the Local Authority Housing Fund (LAHF) for councils in England to obtain accommodation for families with housing needs who arrived in the UK via Ukrainian or Afghan resettlement and relocation schemes. In June 2023, a second funding round was announced which included provision to partially fund properties to be used as temporary accommodation. In total, this has provided c.£1.9m of capital funding to Colchester's acquisitions programme.

In March 2023 the Home Office announced additional year 2 funding which includes:

- a one off £750 payment for each asylum seeker who is in Home Office accommodation on the 1st April 2023. This includes existing dispersed accommodation and beds in hotels. The payment will be made during quarter 1 of 2023/24
- one off payment of £3,500 per new bedspace in dispersed accommodation

SECTION 7:

Housing Quality

There has been an established causal link for many years between poor housing conditions and poor health outcomes. Many studies link damp in particular to health problems such as respiratory issues, physical pain, and headaches and it is noted that poor housing conditions particularly affect the health of children, older people and those with long term health conditions. Evidence suggests that nationally there are a rising number of children living in poor quality accommodation which is likely to affect their health.⁵⁵

The quality and condition of housing and its effects on health have had widespread media attention recently particularly in the light of the coroner's ruling on the death of two-year-old Awaab Ishak who died in 2020 as a direct consequence of health issues brought on by the existence of black mould in the flat in which he lived.

It is not only damp and mould that affects health. The Housing Health and Safety Rating System, the system used to assess housing hazards, identifies 29 potential hazards that may be present in the home environment that can contribute to health outcomes, and may have physical or mental effects on health and wellbeing. These include:

- Excess cold – excess winter deaths due to living in cold homes (this is particularly a risk for older people and those with additional needs and most prevalent in the private rented and owner-occupied sector)
- Falls (particularly a risk for children and older people)
- Crowding and space (too many people for the space)
- Fire

Many studies have shown benefits to health with improvements in the quality of housing. For instance, a study from the University of Liverpool found a reduction in hospital admissions following a range of interventions in Council housing for those aged 60 and above⁵⁶ The direct link between health and housing, also includes mental health with proven links found between poor quality housing and increased stress, including increased anxiety and depression, poorer school attainment in children and a risk of behavioural problems (for children living in overcrowded homes). In addition, the longer the exposure to poor quality conditions, the greater the impact on health.

Cold homes and fuel poverty contribute to the phenomenon of excess winter deaths. England saw an estimated 63,000 excess winter deaths in 2020–21. Estimates suggest that some 10% of excess winter deaths are directly attributable to fuel poverty and 21.5% are attributable to cold homes.

The cost of poor housing to the NHS and wider society was first illustrated by a BRE report in 2010 and this has been updated for 2023.⁵⁷ This estimates that the cost to the NHS of treating people affected

⁵⁵ See [Housing and health: a reading list - House of Commons Library \(parliament.uk\)](#) and [Emergency hospital admissions associated with a non-randomised housing intervention meeting national housing quality standards: a longitudinal data linkage study | Journal of Epidemiology & Community Health \(bmj.com\)](#)

⁵⁶ See [Housing and Health \(parliament.uk\)](#) and

[Better housing is crucial for our health and the COVID-19 recovery - The Health Foundation](#)

⁵⁷ [The cost of poor housing to the NHS - BRE Group](#)

by poor housing is £1.4bn annually. This paper gives an economic justification for investing in and improving existing housing stock to reduce the costs to the NHS.

The BRE report concludes that with limited budgets available, local authorities and other agencies would reap the greatest health benefits by focusing on the most cost-effective improvements to the poorest housing occupied by the most vulnerable people. Continuing to raise housing standards in the private sector, existing Council housing and new housing stock will accrue health benefits, which the NHS and society as a whole will benefit from.

Housing quality in the private sector

It is widely accepted that housing quality and standards are worse in the Private Sector (home ownership and private rented) than the social housing sector and the private rented sector has the worst quality housing. In addition, poor quality and energy inefficient housing exacerbates the financial pressures of the cost of living crisis with those on a reduced income impacted the most.

The English Housing Survey 2021/22 identified that 14% or 3.4 million occupied dwellings, failed to meet the Decent Homes Standard. The private rented sector had the highest proportion of non-decent homes (23%) while the social rented sector had the lowest (10%). Among owner occupied homes, 13% failed to meet the Decent Homes Standard.⁵⁸

Improving the housing quality of renters is a key priority of central government. The 'A fairer private rented sector' White Paper published in June 2022, set out the government's long-term vision for a private rented sector that is fit for the 21st century.

The Renters Reform Bill is set to fundamentally reform the private rented sector and level up housing standards in the UK, with the introduction of the revised Decent Homes Standard to be applied to the private rented sector, a compulsory private rented sector database / property portal of all private sector properties and landlords and a new private sector Ombudsman.

In addition, the Bill looks to introduce new regulatory powers around these new requirements for Local Authorities and to broaden the offences for which a Civil Penalty Notice can be served by Local Authorities.

Nationally, the CIH estimate that over 30% of homes in the private rented sector were built before 1919. It is also suggested that those people who are over 55 with little in the way of savings who are vulnerable to fuel poverty, live disproportionately in these types of property and that private renters over the age of 60 are far more likely to live in dwellings over a century old compared to homeowners and social renters. These dwellings are more likely to be of poor quality. In addition, housing quality for those in later life is worst for private renters, who have to ask their landlords to make alterations. It is also estimated that nationally over 1.6 million children live in privately rented homes that are damp, mouldy, excessively cold and overcrowded⁵⁹

In relation to Essex, Colchester has the second highest proportion of households in later life living in dwellings built before 1930 (Tendring having the highest).

⁵⁸ <https://www.gov.uk/government/collections/english-housing-survey#2021-to-2022>

⁵⁹ [More than one and a half million children in England live in cold, damp or mouldy private rented homes, Citizens Advice reveals - Citizens Advice](#)

Research by Essex County Council has also found that those on a reduced income may be impacted most by poor quality housing and fuel poverty. Essex found that almost 50% of private renters' walls were rated as poor or very poor, meaning their heating control systems and energy efficiency was poor. Those with a poor or very poor main heating system could expect on average energy bills that were approximately £515 and £863 respectively above the average yearly bill.⁶⁰

Housing conditions are assessed using the Housing, Health and Safety Rating System. In Colchester, the most prevalent housing hazards noted in the private sector are those relating to cold homes, damp and mould, crowding and space, falls hazards and fire.

Where poor housing conditions are identified, other issues may also be identified that require signposting to other agencies, such as welfare benefits or social care. Poor housing is unlikely to be the sole issue affecting a resident's health and wellbeing.

In 2022/23 nearly 600 inspections/visits/assessments were carried out in private rented sector homes, over 360 dwellings were made safer and over 300 serious housing hazards were removed through the intervention of the Council's team. However, this work is in the main reactive in nature due to the resources available within the team and recruitment challenges limiting this further.

Overcrowding

The national housing federation highlights the below in relation to overcrowding:

- More than 310,000 children (313,244) in England are forced to share beds with other family members.
- One in every six children is being forced to live in cramped conditions because their family cannot access a suitable and affordable home. This equates to two million children from 746,000 families.
- Households from minority ethnic backgrounds are three times as likely to be affected by overcrowding than 'white' households.
- Over two thirds (70%) of overcrowded families say they have experienced both poor mental and physical health as a direct result of overcrowding.
- A quarter of parents in overcrowded homes are regularly forced to sleep in a living room, bathroom, hallway or kitchen because of the lack of space.⁶¹

Decent Homes Standards – Social housing

Currently it is only homes that are in the social housing sector that need to conform to the Government's Decent Homes Standard. This standard is outlined as four broad criteria that a property should have: being above the minimum legal standard for housing with no category 1 hazards, be in a reasonable state of repair, have reasonably modern facilities and have a reasonable degree of thermal comfort (insulation and efficient heating).

At the end of May, the proportion of Council homes in Colchester that did not meet the Decent Homes Standards stood at 9.32% (551 properties in total). This number should fall towards zero as the year progresses and capital works that are required are completed.

⁶⁰ [Renting in Later Life - Housing Quality | Essex Open Data](#)

⁶¹ [National Housing Federation – Overcrowding in England](#)

Energy efficiency, housing quality and fuel poverty

Energy Performance Certificates ratings (referred to as EPC ratings) are ratings which show the current energy performance of properties and are graded from A to G (A being the most energy efficient and G the worst). The proposed plan for the private sector (which has yet to be enacted in legislation) is that EPC C will be the minimum level of energy efficiency expected by the Government for all new privately rented properties from April 2025, followed by all existing private rented tenancies from 1 April 2028. The target for our Council housing is for all properties to be EPC C by 2030.

Data for Colchester shows every domestic EPC registered since Jan 2008 to December 2022; 82,653 registrations. These are not split by tenure or the reason the EPC was created so this number includes all properties (owner occupied, privately rented and social rented).

In addition, the data is not perfect and should only be seen as indicative of the numbers of properties and associated ratings as they relate to registrations and not the property itself, so can include duplications.

Table 11 EPC registrations January 2008-December 2022

EPC rating	Number	Percentage
A	347	<1%
B	13,379	16.2%
C	28,063	34%
D	27,448	34%
E	10,252	12.4%
F	2,565	3.1%
G	599	<1%

Source: Energy Performance of Buildings Register DLUHC

Note: the above data should only be read as indicative as there may be repeat EPC registration certificates

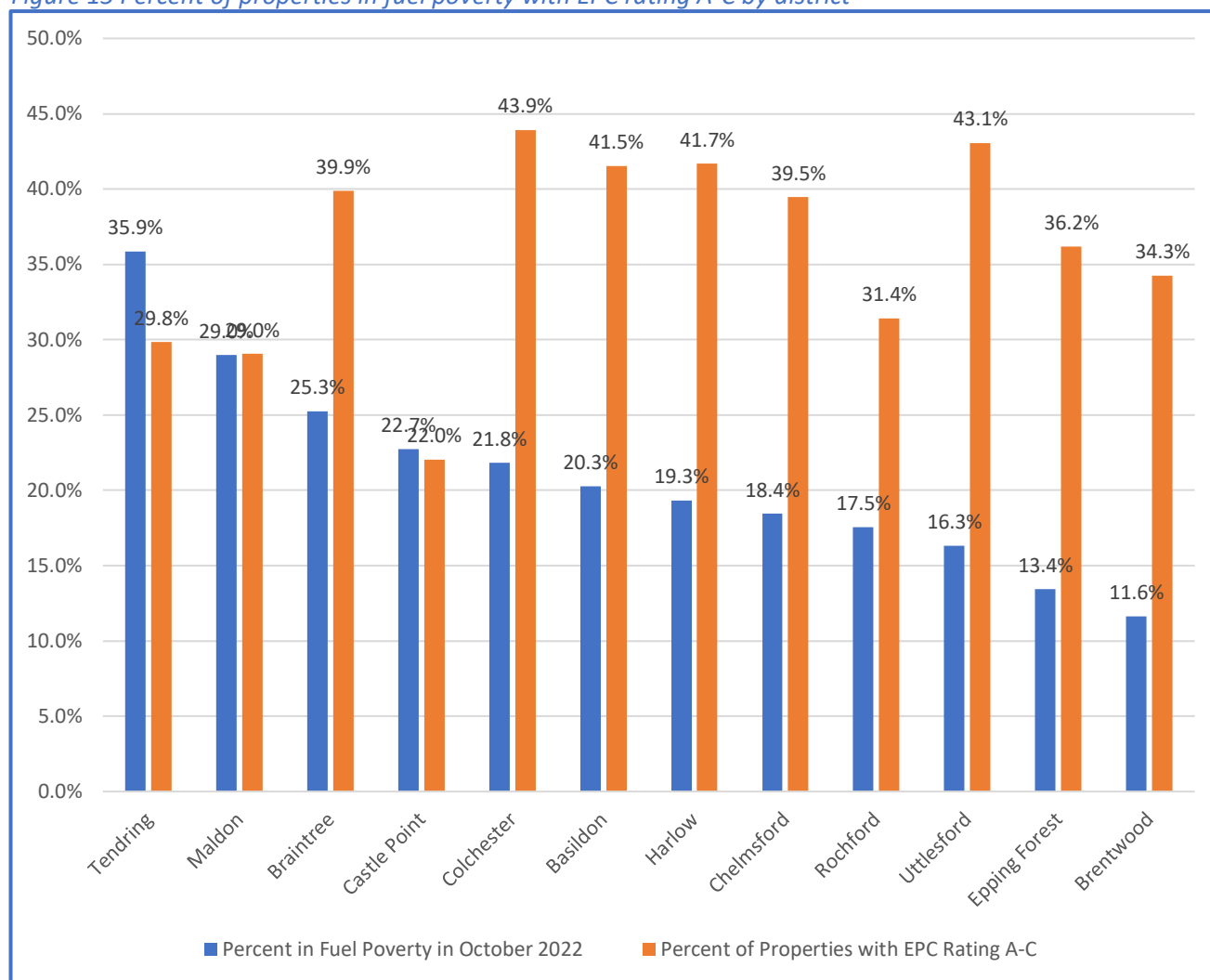
Fuel poverty and EPC ratings

Research undertaken by Essex County Council below shows levels of fuel poverty against the levels of EPC ratings. However, although a link has been found between poor energy efficiency and fuel poverty, as is expected, other factors (including high energy prices and low incomes) should be taken into account.

The graph below which illustrates both fuel poverty levels and properties with an EPC C or above rating, shows that some 44% of Colchester households have a rating of EPC C and above, which is the highest level of EPC C ratings across all Essex authorities (October 2022). The data above shows higher levels, and this is because there is limited assurance in the data above from DLUHC records above as noted.

However, as EPC ratings are not the only driver for fuel poverty, there is not a direct correlation, and Colchester does not rank the lowest for fuel poverty across Essex alongside the EPC ratings. In fact, Colchester has the fifth highest fuel poverty levels out of the 12 Essex Local Authorities at 22% of properties experiencing fuel poverty, indicating the energy prices and income drivers at play.

Figure 15 Percent of properties in fuel poverty with EPC rating A-C by district



Source: Fuel Poverty in Essex: 2022 Projections [Fuel Poverty in Essex: 2022 Projections](#) | [Essex Open Data](#)

EPC ratings in current Council housing stock

In relation to current ratings for energy efficiency for our own stock, the table below shows the percentage and number of Council owned homes against their EPC rating.

Table 12 Number of Colchester City Council homes by EPC rating (July 2023)

EPC Category	Number of Council homes	Percentage
A	130	2.2
B	1566	26.9
C	3285	56.3
D	786	13.5
E	62	1.1
F	2	0
G	0	0

Source: Colchester Borough Homes Data

In relation to Council owned homes, the percentage of properties that are at EPC C and above was 85.5% in Colchester at the beginning of 2023. This is high in comparison to many other social housing providers. Housemark, the leading data and insight company for the UK housing sector, has completed some research regarding decarbonisation in the social housing sector of which 41 councils and Housing Associations took part. The project ascertained that the average percentage of stock currently achieving an EPC rating of A to C was 68%, so Colchester is well above this benchmark.⁶²

New funding for Energy Efficiency in social housing

A recent successful £1.025m bid to the Government's Social Housing Decarbonisation Fund, jointly funded within the Council's (Housing Revenue Account) Capital programme will enable 105 of the worst performing homes to be retrofitted up to EPC C standard.

The Council's bid was based on achieving a minimum EPC C rating but also meeting a heat demand maximum of 90 kWh/m² / year which is deemed to be affordable, therefore helping to address fuel poverty concerns.

The total projected cost of the bid was £2.65m. Grant funding makes up £1.025m with the Council's Housing Revenue Account to fund the remaining £1.625m. This is taken from an allocation from Cabinet as part of the Climate Emergency Response Housing Investment Programme works, approved in 2020 to a total of £4.4 million. The remaining allocation will be used to help deliver the target of having all stock up to EPC C or above standard by 2030 (where practical, cost-effective and affordable), which will reduce energy usage, improving living conditions and helping to tackle fuel poverty. It will also help develop the green economy and support green jobs.

Funding for Energy Efficiency in private sector housing (owner occupation and privately rented)

There are several schemes available for both owner-occupier and private rental sector residents, including Landlords, with varying criteria. These include:

- **A Boiler Upgrade Scheme (BUS) for property owners:** A Government scheme available to property owners (including Landlords), providing varying levels of funding to replace fossil-fuel boilers with Heat Pumps or Biomass Boilers. Uptake has been below Government targets.⁶³
- **Energy Company Obligation Local Authority Flexible Route, Phase 4 (ECO4 Flex)** The Energy Company Obligation (ECO), is a government energy efficiency scheme for Great Britain, administered by Ofgem. This is for properties heated by all fuel types to improve the least energy efficient housing stock occupied by low income and vulnerable households living in fuel poverty. This has multiple eligibility routes. It is anticipated this will open in September⁶⁴
- **Home Upgrade Grant, Phase 2 (HUG2) for off grid gas properties Home Upgrade Grant, Phase 2 (HUG2)** Government backed scheme with Colchester part of the Greater Southeast Net Zero Hub consortia for delivery of this scheme. Colchester has been awarded funds to retrofit approx. 120 properties, through a managing agent, at an average spend of £18,000 per property, for owner- occupiers and private rental sector in areas identified by the indices

⁶² [Housemark shares key findings from decarbonisation research project – Housemark](#)

⁶³ [Government heat pump scheme misses first year target - BBC News](#)
[Boiler Upgrade Scheme \(BUS\) | Ofgem](#)

of deprivation and those on low incomes. The Council will contact people directly to invite them to apply for funding.

- **Great British Insulation Scheme (GBIS)** A Government backed scheme to widen availability of insulation measures to households, including general availability to households with income above £31,000. The scheme aims to deliver single measure insulation works. This scheme is currently going through Parliament; full guidance on how the scheme will be delivered and application routes are yet to be published.⁶⁵

Safety measures for social housing stock

In relation to other safety measures for Council stock, the current situation (June 2023) is as follows:

- 100% of properties have a valid gas certificate.
- 99.22% have a valid electric safety certificate.
- 98.97% have had a valid asbestos safety inspection.
- there have been 408 damp and mould inspections in the last 12 months (cumulative year to June 2022)

⁶⁵ Further details here: [Great British Insulation Scheme | Ofgem](#)

SECTION 8:

Environmental Concerns, Climate Change and Sustainability

Climate Change and Government net zero targets

It is estimated that 38% of global energy related gas emissions are attributable to the built environment and whilst overall emissions in the UK have reduced by 48% since 1990, emissions from residential buildings have only reduced by 14%. It is estimated that residential buildings count as one of the largest emitters of greenhouse gases (16% of UK emissions in 2021). This means that how we build and retrofit our existing buildings will have a big impact on any net zero national and local targets.⁶⁶ The Council's target in the Climate Emergency Action Plan is to be carbon neutral by 2030. This includes its main operational assets but does not include all of our general needs housing stock.

New build housing is usually more energy efficient than older housing, but the Chartered Institute for Housing (CIH) suggest there is much more the housing sector can do to improve the environmental impact of housebuilding, including improving energy efficiency further. This will require the sector to adapt quickly to meet the Government target of net zero by 2050.

They also suggest there is a growing value for money case in relation to finance and the economy to building 'sustainable, energy and resource efficient homes and places' and that this cannot be disconnected from Economic strategy. They state:

*"As the world transitions to a more circular economy, Environment, Social and Governance (ESG)-focussed investment continues to rise, and markets increasingly recognise the value of low carbon development"*⁶⁷

Homes England's latest Strategy puts climate change and sustainability as one of its main missions:

To enable sustainable homes and places, maximising their positive contribution on to the natural environment and minimising their environmental impact.

Homes England Strategy Delivery on the above mission includes the below points (summarised):

- routinely considering sustainability in the project approval processes for the Levelling Up Home Building Fund and the fund for brownfield, infrastructure and land
- considering carbon emissions, environmental impact and resilience to climate change across the life of homes, buildings and places at every stage of a project's progress
- supporting partners to prepare for, and comply with, rising legislative and regulatory standards and to go beyond these wherever possible by supporting exemplars and sharing best practice.
- working with the sector to raise standards for energy and resource efficiency, both in the construction and operation of homes and places
- supporting biodiversity and contributing to quality of life for residents by working with partners to protect, enhance or create new environmental assets.

⁶⁶ Homes England Strategic Plan 2023-28 [HE Brand Strategic Plan ARTWORK HR single pages DIGITAL LR.indd \(publishing.service.gov.uk\)](#)

⁶⁷ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

- speeding the transition to net zero in both in-use and whole life carbon by collaborating with our partners to identify innovative products and processes, embedding these within the market where possible.
- exploring opportunities to go beyond minimum regulatory requirements on our own land to achieve better sustainability outcomes.
- By encouraging our partners to do the same we will work to improve data collection and reporting, including continuing engagement in cross-government and cross-industry efforts to standardise reporting for whole life carbon.
- reporting on progress against our sustainability objective and our Greening Government Commitments in the annual report

Performance will be measured by the following indicators:

- Building performance – share of supported completions that are EPC rating B or above.
- Average percentage biodiversity net gain planned on supported schemes.
- Indicator to be developed on embodied carbon of Homes England supported development.

Colchester's Climate Emergency Action Plan also has 'Sustainable Planning, built environment and green economy' as one of its strategic pillars, with a range of measures completed, underway and being developed to support this theme and supporting Supplementary Planning Documents (SPDs) being either developed or adopted. A Biodiversity SPD was adopted on 12 June 2023 and a Climate Change and Sustainability and Active Travel are being developed with likely adoption by the end of this year.

Future investment

However, for both retrofit and construction, the CIH suggest that 'current investment levels are far short of both the scale and pace needed to meet the decarbonisation targets and state that there needs to be an 'imperative to invest' which they suggest is now being acknowledged by government to both build and retrofit housing.⁶⁸

The work the Council is undertaking on our own stock in relation to EPC ratings is a beginning, however further investment will be needed for full decarbonisation and there is a real concern in the sector that social and affordable housing providers have increasingly competing demands for capital investment (this is the case for our own finances via our Housing Revenue Account, which is discussed more fully below in Section 10). In addition, many individuals who are owner occupier or privately rent, may not be able to finance retrofit alone and although schemes exist, commentators concede that these may not go far enough to incentivise this kind of spend for retrofit. They suggest the sector will need further investment and 'comprehensive action' to get to net zero by 2050⁶⁹.

⁶⁸ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

⁶⁹ Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

Sustainable housing – issues to consider.

In addition, CIH and EELGA suggest a number of challenges in relation to climate change and sustainability and housebuilding, some of which are listed below:

These include:

- **Green skills for retrofitting and housebuilding:** a recent report by the MACE for Essex County Council identified a gap of 10,000 jobs in green skills for retrofitting and green construction in Essex.⁷⁰ With considerable growth planned in Colchester, this will need to be considered if Colchester residents are to gain the benefits of the jobs that this could bring.
- **Cost of retrofit:** EELGA suggests that further incentives are needed to ensure more EPC A homes are developed and that Government needs to ensure retrofitting older stock becomes a priority in order to reduce emissions in any meaningful way. They state that the cost to retrofit on this scale is:
*“...completely beyond what private investors and citizen owner-occupiers can manage and that local authorities lack resources to ‘assist in a meaningful way and that Government will need to intervene”*⁷¹
- **Nutrient neutrality:** This is a Planning measure to reduce pollution by balancing nitrogen and phosphorus in the water and reduce algae and other plant life that can harm aquatic wildlife and waterways. EELGA suggests that although this is to be applauded, it can add £6,000-£8,000 per house which could be ‘passed on through higher property costs, fewer affordable homes, or fewer overall homes’.
- **Biodiversity net gain:** This measure will also impact in the same way as nutrient neutrality in relation to the cost of housebuilding. In addition, ecologists will need to be recruited or utilised (which is already a concern for local authorities).
- **Future energy infrastructure and water supply:** Developments will need to ensure that housing is developed with the capacity of the grid accounted for so that new developments do not place a strain on the environment or energy infrastructure. In addition, there is a need to consider how to mitigate and adapt to climate change, including the potential for drought going forwards and there is a major carbon cost to pumping water and desalination.

⁷⁰ [Essex green skills infrastructure review, 2022 \(ctfassets.net\)](#)

⁷¹ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

SECTION 9:

Total Housing Delivery and Affordable Housing Delivery

9.1 Total housing delivery

As outlined at the beginning of this report, the Council has worked with developers to support housing delivery throughout Colchester over a prolonged period and since 2001/2 it has overseen the delivery of just under 20,000 new homes at an average rate of 940 new dwellings per year.

Future barriers to total housing development

Although the Council are delivering the target numbers of homes, commentators point to significant barriers to housebuilding in future and the increased pressure to accommodate different tenures for growing populations. In addition, 2023 will be challenging, with inflation, cost of living and the cost of borrowing as well as availability of finance, placing additional challenges on the delivery of housing.

The recent Chartered Institute of Housing (CIH) 2023 Review suggests that national debates are sometimes too narrowly focussed on supply or demand side changes to policy. For instance, in relation to supply, the national debate suggests policy deregulation to expand supply and ensure more housebuilding. They suggest that this is ‘hugely simplified’ and does not take into account barriers such as overcoming infrastructure costs². For demand side regulation, they highlight that the debates focus on property or land taxes which could be effective but are ‘politically contentious’ and have limitations.

CIH also suggest there is a case to increase the scope of Housing in Devolution agendas more clearly, increasing the power of regions and integrating ‘housing into economic strategies’ to address some of the identified barriers.⁷²

Infrastructure barriers

In terms of new development one of the key issues raised is the issue of having enough infrastructure to create a sustainable community (which is often raised by communities as an objection to future housing development). EELGA suggest that it would be helpful for the new Infrastructure Levy to work in a way that local authorities could apply for funding to build infrastructure to enable development and then retroactively generate the money required through new viable land for housebuilding.³ However, Planning colleagues suggest that this presents its own set of challenges; if development stalls or the law changes and funds are not received, infrastructure could be in place for growth that might not come forward. There is additional concern with this approach in that local authorities are not direct deliverers of infrastructure and costs are likely to be higher than for developers delivering infrastructure themselves. The approach also does not address issues such as staffing, i.e., a GP surgery can be provided but there is no guarantee of staff to operate the premises.

In addition, EELGA suggest water supply in the East is a concern with climate change and falling water tables and aquifers under threat from building homes, agricultural extraction and industry. They

⁷² Stephens, M, Perry, J et al **2023 UK Housing Review** (Chartered Institute of Housing, University of Glasgow)

suggest it seems likely that desalination plants, more reservoirs and pumped water transfer will all be required in due course.⁷³

The most effective approach to ensure infrastructure is both planned and delivered commensurately with the housing, is through an up to date Local Plan.

Homes England Strategic Plan – barriers and potential solutions

The latest Homes England Strategic Plan (2023-2028) states that:

“The housing sector is not currently delivering enough homes...[and] the sector delivers a relatively narrow range of housing types and not enough of them”.

It suggests the reasons for this are as follows:

- *a lack of deliverable and developable land in the places where demand is concentrated.*
- *a lack of investment or viability challenges in some parts of the country or on some sites*
- *town and city centres that have been unable to keep pace with changing economic purposes resulting in dereliction, blight and unfulfilled potential.*
- *the challenge of securing new supply through the planning system*
- *insufficient infrastructure to accommodate new housing and mixed-use development at the scale required by a sector that is dominated by a small number of housebuilders.*
- *a system that has not uniformly prioritised good design, beauty and sustainability*
- *a lack of capacity and technical capability in local and combined authorities to deliver regeneration⁷⁴*

Their strategy attempts to redress some of the above through more ‘placed based working and a focus on regeneration’ public and private sector partnerships, harnessing private sector skills and experience and capital, working with SMEs to deliver housing and regeneration and diversifying and building capacity across the sector as well as urban regeneration for towns and cities.

Specifically, they suggest the need for:

- Greater ‘competition, diversity and innovation’ to ‘disrupt the market’ and more focus on ‘creative models’ such as community led housing and custom build for example (which deliver only 13,000 homes a year).
- Focus and support for Small and Medium Sized Enterprises (SMEs) who face barriers to growth particularly in an economic downturn. (SME) housebuilders developed only 10% of new homes in 2020, down from 39% in 1988, which could further reduce the diversity of the sector and limit competition.

Insight from Planning colleagues indicates that although community housing is a laudable objective, some communities lack the capacity, resources and cohesion necessary to deliver the volume of homes required.

⁷³ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

⁷⁴ Homes England Strategic Plan 2023-28 [HE Brand Strategic Plan ARTWORK HR single pages DIGITAL LR.indd \(publishing.service.gov.uk\)](#)

Future Sites in Colchester

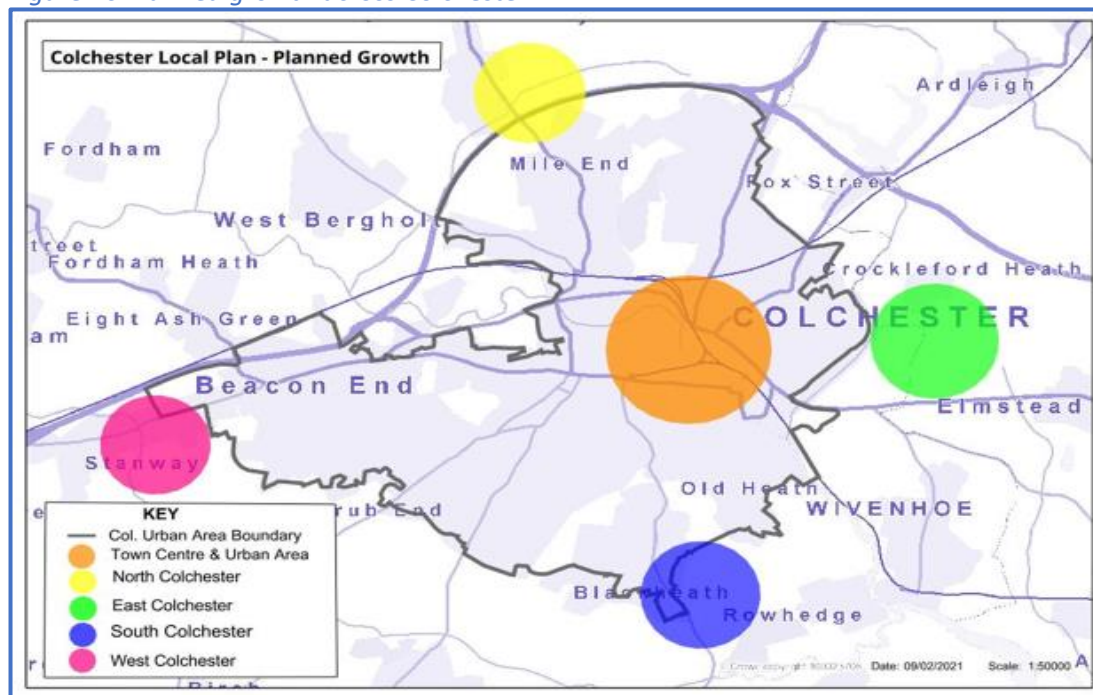
The Local Plan sets an ambitious vision for North Essex including Colchester, embracing significant growth in new homes, jobs and improved infrastructure. It strives to provide quality new homes, create new communities and strengthen and diversify local economies, including a Garden Community to the east of Colchester on the Border with Tendring and growth in the urban area with significant numbers of new homes planned and being delivered within and on the edge of the urban area of Colchester (the map below illustrates broad distribution).

Committed and planned new allocations in the Local Plan for new homes are:

- 7200+ new in Colchester's Town Centre and urban area
- 2200+ in Stanway
- 2500 in Tendring / Colchester Garden Community (Total beyond 2033 = 7500+ split between Colchester and Tendring)
- In addition, 2800+ in sustainable settlements around Colchester outside of the urban area

Jobs growth is planned to match the growth in new homes and new infrastructure is outlined to support the growth, including a Rapid Transit System associated with the Garden Community that will provide benefits to the city as a whole and beyond once implemented. The Garden Community Principles also seek to ensure upfront or early delivery of infrastructure which should help with some challenges and criticism of some of the larger schemes delivered at Colchester in the past.

Figure 16 Planned growth across Colchester



Source: Colchester's Local Plan

Build out

Many areas have issues in relation to developers 'banking' land and delaying build out for maximum return. This is not a major problem in Colchester, with no evidence of land banking, and consistent delivery managed to date against targets. It is recognised that there will always be peaks and troughs

in the housing market. During the last period of economic downturn 2008/9 – 2012/13, Colchester performed remarkably well, delivering the highest number of dwellings of any local authority within Essex.

Supply of adapted homes

As our populations age, their housing needs are likely to change. Reduced mobility and long-term health conditions potentially lead to the need for physical adaptations to homes to make them more suitable for people of all ages that have a disability. For example, by the installation of ramped access, a stair lift or bathroom adaptation.

Planning policy documentation for Colchester outlines that the Local Planning Authority will support provision of schemes providing higher levels of care for specialist groups including those eligible under Essex County Council's Independent Living Programme; disabled people; people with care needs; and other vulnerable people. New development proposals for these groups will be supported where there is a proven need; they are located within settlements; and are accessible by public transport. As provided in the Housing Standards policy, the Council will require a provision of dwellings constructed to meet requirements of M4(3) of the Building Regulations 2015 (wheelchair user dwellings), or subsequent government standard as appropriate, where there is proven need.

Section 5 of the latest Affordable Housing Supplementary Planning Document of Feb 2023 states that:

The Council has an ongoing need for affordable housing for wheelchair users. In accordance with Policy DM12, 95% of affordable housing should meet a minimum of Building Regulations Part M4 Category 2 and 5% of affordable homes should meet Part M4 3 (2) (b) or Part M4 3 (2) (a) as agreed with the Council in accordance with identified need.

The Council also requests 30% Category 2 (minimum) adapted homes on all developments with residential housing over 10 units. This means the units are fully adaptable for future use, apart from flats above ground floor. Where possible ground floor units are delivered at Cat 3 or Cat 2 enhanced standards to be fully wheelchair accessible. Of the 30% a minimum of 80% are required to be delivered as affordable or social rent and the remaining as an affordable home ownership product (either first homes or shared ownership currently). The Council also requests that 5% of the s106 requirements are Cat 3 standard (fully wheelchair accessible).

Disability adaptations

The Council assist in adapting housing by providing Disabled Facilities Grants (DFG) to those residents in the private rented sector and owner-occupiers who may be unable to afford to pay for such works, to enable residents to remain in their own home and retain or regain independence. The Mandatory DFG is up to £30k and is means tested. Applications for children with disabilities are not means tested and can also access up to £30k of funding. Colchester's annual DFG allocation is £1.45m, set until 2025.

All Councils also possess powers to broaden the scope of DFG and to offer alternative forms of discretionary grants and loans for disabled, elderly, low income and other vulnerable residents across Colchester by the introduction of a policy that details how this will be achieved. Under these powers, the Council has adopted four forms of discretionary financial assistance in addition to the Mandatory DFG:

Disabled Facilities Assistance Loan	Supports works that exceed the mandatory DFG; support people with their assessed contribution; support to move to a more suitable property.
Home Repair Loan	Assistance to eliminate or reduce significant risks to the occupiers' health and safety in the home.
Fast-Track Grant	Supports hospital discharge, admission avoidance and palliative need where adaptations are required urgently.
Stairlift Grant	Supports access to essential facilities within the home.

Backlog from Covid19 and Cost-of-living crisis impacts on Disabled Facilities Grant programmes

The Covid19 pandemic challenged Council's abilities to deliver DFG programmes and resulted in delays for adaptations. This, coupled with the health-related therapy services being inaccessible for prolonged periods, impacted disabled people negatively. Contractors undertaking adaptations also faced a backlog and the cost-of-living crisis has further compounded this, which continues to hit vulnerable and low-income groups and those with disabilities.

Extra resource was agreed to reduce the increased waiting times for inspection and grow resilience in the team, however, the team have been unable to recruit to a key role. This challenge is mirrored locally and nationally.

Despite the above, the Council's DFG programme continues to stabilise, achieving £295,000 of spend on adaptations in Quarter 1 2023/24, which is on target to spend the annual allocation.

Colchester Borough Homes also undertakes a programme of adaptations to Council owned stock. There is a total annual budget of £600k for stairlifts and major and minor adaptations.

9.2 Affordable Housing Delivery

Affordable Housing delivery in Colchester includes social rent, affordable rent and shared equity (shared ownership and equity loans), as well as other low-cost homes for sale and intermediate rent (homes for sale and rent at a cost above social rent, but below market levels).

The delivery of affordable housing in Colchester takes place primarily through Section 106 agreements within new developments which is currently outlined in the Local Plan and requires 30% of the total number of houses for site of 10 or more to be affordable with a tenure mix that consists of no less than 80% affordable/social rent and no more than 20% shared ownership. The Policy also requires 30% affordable housing on sites of 5 or more units in designated rural areas.

Total Affordable Housing delivered by the Council at social rent.

Currently all housing developed and acquired by the Council as affordable housing is let at social rent.

Excellent progress is being made on meeting the Council's target to deliver 350 new homes (including acquisitions) by the end of 2024. The Council is borrowing up to £75m in the Housing Revenue Account (HRA) to fund this.

Total affordable housing delivered across Colchester

This includes homes delivered by both Registered Providers and the Council across Colchester at both social, affordable rent and shared ownership. From 1 April 2022 to 31 March 2023, a total of 172 new affordable homes were delivered. The below table shows affordable homes completed per year.

The table below shows each affordable tenure type delivered over the past three years.

Table 13 Affordable Homes Delivered in Colchester between 2020 and 2023

Type of Affordable Housing	Number of Homes Completed		
	2020- 2021	2021-2022	2022-2023
<i>(Year 1st April to 31st March)</i>			
Registered Provider for Renting	35	29	47
Shared Ownership	7	10	53
Social Rent (Council new build and Acquisition)	59	78	62
First Homes	N/A	N/A	10
Total new homes	101	117	172
First Homes	N/A	N/A	10
Total homes completed	101	117	172

Source: Registered Provider Returns and CCC held data

New building across Colchester

During the latest published monitoring period (April 2022 - March 2023) 130 new build affordable housing units were delivered (Figures shown in table above minus acquired properties), 47 were affordable rent, 20 were social rent, 53 were shared ownership and 10 were First Homes. The comparable figures for the previous three years were 45 in 21/22 42 in 20/21 and 202 in 19/20. This demonstrates the second highest number of new build affordable housing units delivered in the last four years. 100 of the new build affordable homes were delivered through section 106 obligations and council grant funded unit additionality at Butt Road, 20 units were delivered via the Council's Development Company (Amphora Housing Ltd) and 10 homes were allocated to First Homes part of the Government new home ownership pilot scheme.

The developments where these homes were completed included Gosbecks Farm, Severalls, Eight Ash Green, Colchester Road, West Bergholt, Wyvern Farm, Butt Road, Cowdray Centre, and Military Road.

The Council is estimated to provide 350 additional Council homes by 2024 and as such would be the largest provider of affordable housing in Colchester over this period.

Outside of Section 106 and the Council's Development Company, a further 42 units have been delivered through the Council's acquisitions programme in 2022-23.

Total existing social and affordable housing in Colchester

There are 10,782 existing social and affordable homes to rent in the city of Colchester, as of 31 March 2023.⁹

The below graphs give an indication of the numbers of dwellings owned by the Council. The graph shows the stock decreased 26% between 1994 and 2023, from 8,047 to 5,929 dwellings in 2023.¹⁰

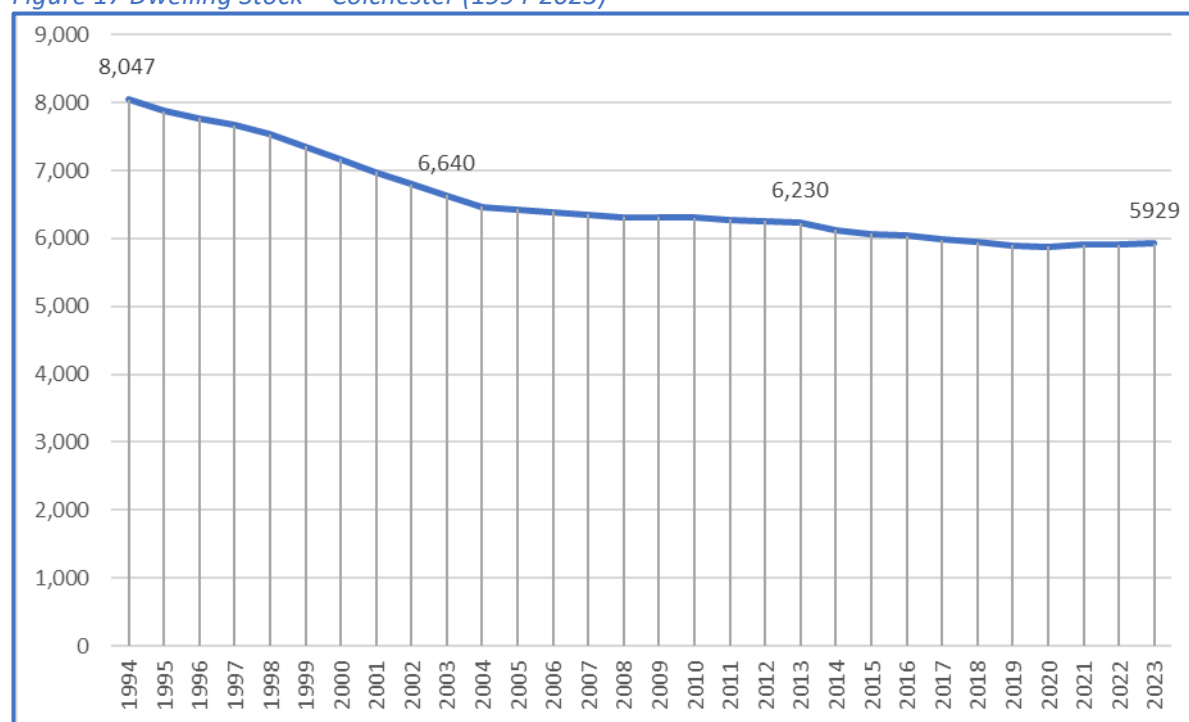
This is mostly due to Right to Buy (where tenants can purchase their council owned properties at a discounted rate). Some 2,020 properties were purchased under Right to Buy between 1994 and 2023.

As Figure 17 shows, the decrease in the stock has stabilised over the last three years due to the performance of the acquisitions and new build programmes, which are starting to replace some of the stock lost over the last 30 years, but these increases are not meeting demand and do not get anywhere near to past levels. In addition, further resource pressures indicated below in Section 10 could challenge future levels.

More of an increase will be seen in 2023/24 as there are a number of new builds and acquisitions planned and the grant funded Alms-houses and Elfreda House Sheltered Accommodation properties will come back into the stock.

However, the pressures on the Housing Revenue Account need to be taken into account and the balance between the need for new development and other pressures indicated in Section 10, including the implementation of new regulatory frameworks and retrofit.

Figure 17 Dwelling Stock – Colchester (1994-2023)



Sources: From 2011/12 Local Authority Housing Statistics (LAHS) Until 2010/11 Housing Strategy Statistical Appendix (HSSA) return or the Housing Investment Programme (HIP) Returns.

Notes:

- Figures in this table are provided by local authorities. Data before 2003/04 are more prone to errors as they were validated less rigorously. In December 2022, weighting was removed so some regional and England level totals were updated for 2003/04 to 2010/11. Imputation rules were applied consistently across the period between 2003/04 and 2021/22.
- The dwelling stock which includes all local authority owned dwellings within the area, including dwellings owned by other local authorities and dwellings outside the Housing Revenue Account.

Supply of current Council housing for older people

Colchester has a good housing supply of accommodation for older people, with 10% of its housing stock designated as 'Sheltered housing,' providing independent living with 24 hour care line support for those who are over 60 years old. This helps to provide opportunities for people to move from larger homes to a home with like-minded people in their local community. Our Sheltered housing programme has maintained high standards of accommodation which is in demand. The vacancy rate for Sheltered housing is relatively high (across a stock of 562 there were in 45 vacancies across 2022/23). There are relatively few people over 60 who become homeless and where this occurs their wait in temporary housing is likely to be no longer than six months, unless they have specific needs such as adaptations.

However, a growing older population as identified in Section 1 will need to be taken into account in future strategic housing plans.

Supply not meeting needs

Although the Council is making excellent progress on the targets identified, it is evident from the issues outlined in this report and from other literature that current affordable and social house building programmes from all providers are not meeting the increased affordability needs and demands across all tenures and Councils are unable to meet the total need and demands for affordable accommodation within current funding allocations.

According to the CIH, the Public Accounts Committee remains 'concerned that the number of homes being built for social rent is not enough to meet demand' This is primarily due to the financial viability of sites, with funding typically raised in one of three ways: 'by Government grant through the Affordable Homes Programme, 'section 106' - developer contribution, or the recycling of right to buy receipts'. It is also because of the diversification of new types of homes that the National Planning Policy Framework recognises as being within the mix of affordable homes.

There is an increasing pressure on section 106 for developments in relation to infrastructure. In addition, the Chartered Institute of Housing point to cuts to the Affordable Homes programme, which fell by 60% from 2012 onwards with both of these having had an impact on the construction of affordable homes, and viability becoming an increasing problem.

Shelter illustrates a net loss of 135,000 homes for the decade between 2010/11 and 2019/20 in social housing.⁷⁵ Similarly EELGA identify that 'for every new home built in the last 10 years, nearly 2 have been lost'⁷⁶. This is layered on top of increased population growth and the current cost of living crisis which all signal additional demand and need for both social and affordable housing.

As outlined earlier in this report, social housing for rent can be let at social or affordable rent levels, but social rent is set using a formula that considers local earnings and house prices, while affordable is set at 80% of market rent. In general, affordable rents are higher than social rents and the gap between them is bigger for bigger properties.

The CIH Review report includes a DLUHC appraisal which evidences that investment in social rented homes 'provides highest cost benefit ratio of investment in any tenure' and that for the Affordable

⁷⁵ [One step forward, two steps back: A decade of social housing decline | Shelter](#)

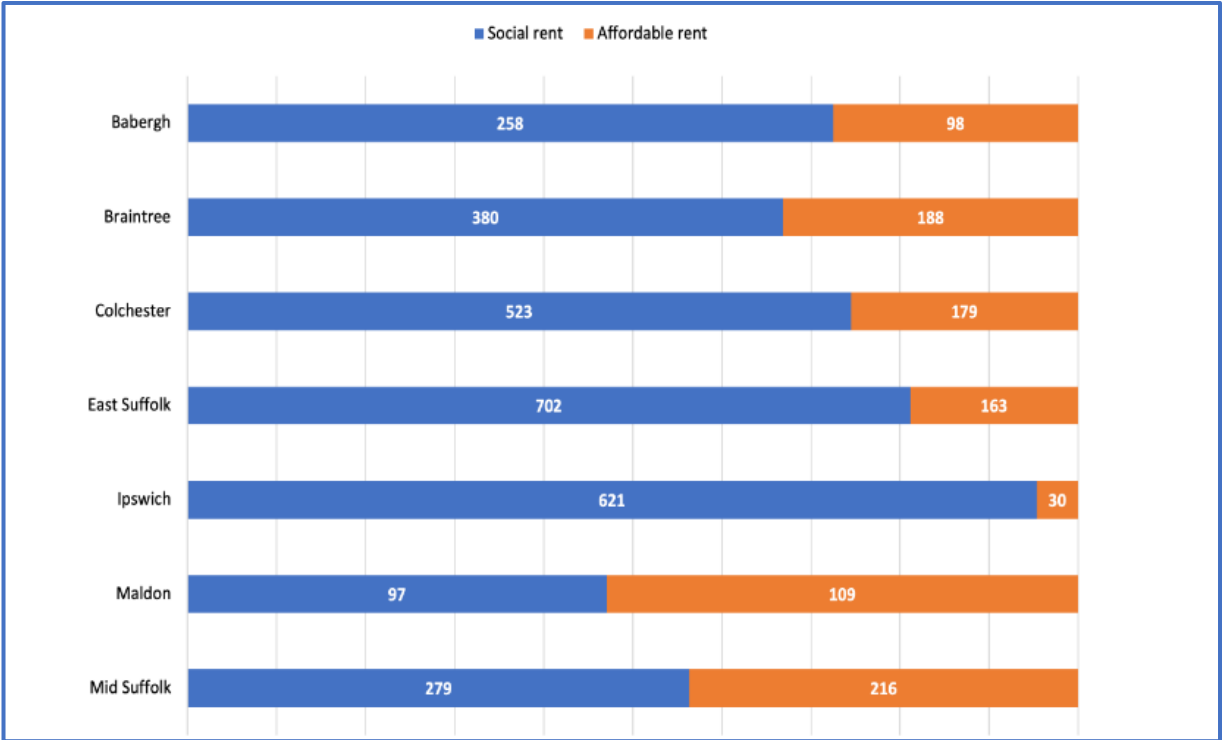
⁷⁶ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

Housebuilding Programme as a whole ‘every £1 spent produces £2.70 of benefits and that for social rent investment alone the benefits are as high as £3.40.’⁸

In order to ensure the viability of sites many local authorities are using ‘affordable rent’ levels for all new build properties as a policy as opposed to social rent as this ensures greater viability of sites for development. The CIH suggests that the current growth in completions of affordable rents as opposed to social rents delivered as a necessity by local housing providers due to the issues with viability may have added to issues created by the lack of affordability for some tenants across the country.

Figure 18 below outlines the numbers of both social and affordable lets in Colchester during 2022/23 next to a number of other Councils.

Figure 18 Social and Affordable Lets in Colchester and Neighbouring Authorities 2022/23



Source: Gateway to Homechoice Data (Civica/Colchester Borough Homes)

Modern Methods of Construction

Homes England’s new Strategic Plan suggests that Modern Methods of Construction (MMC) has the potential to ‘revolutionise the sector’ and particularly that it ‘could drive efficiency and productivity and reduce carbon emissions’ and it appears very much a focus for the sector currently.⁷⁷

However, there are currently challenges and risks to using MMC. Many MMC manufacturers are failing to gain the economies of scale needed, so risks for providers can be high. In addition, professionals suggest that costs can be higher than a traditional build in relation to quality measures such as fire safety and security and net zero build requirements.

⁷⁷ “ / Homes England Strategic Plan 2023-28 [HE Brand Strategic Plan ARTWORK HR single pages DIGITAL LR.indd \(publishing.service.gov.uk\)](#)

Use of current housing – empty homes

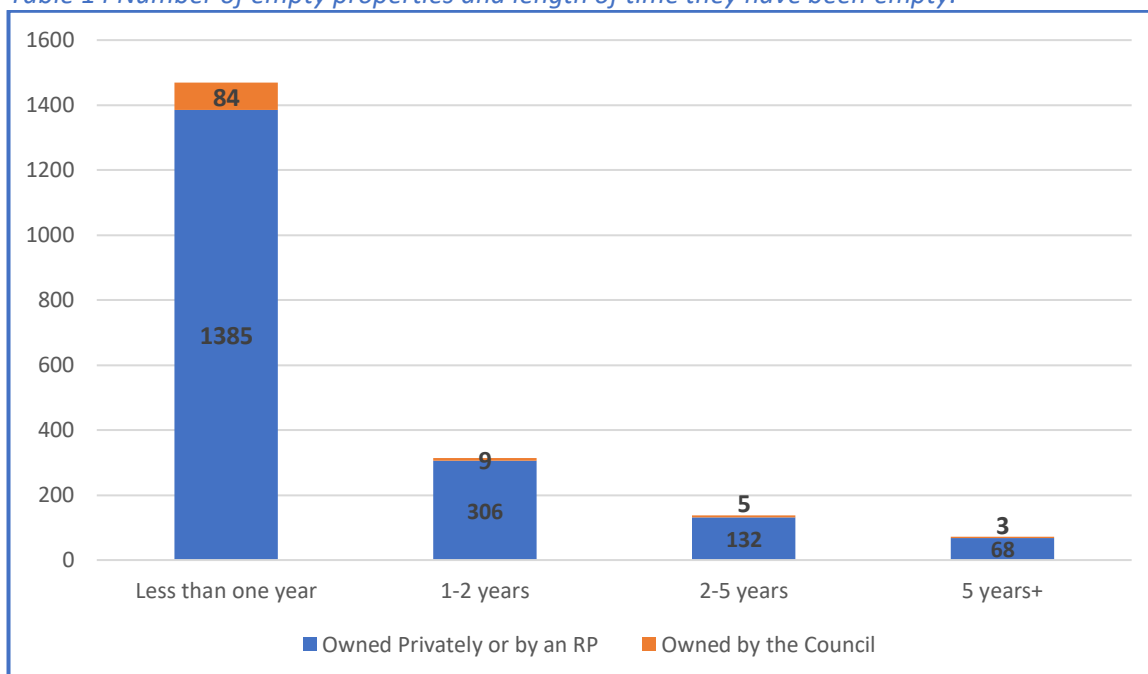
The definition of empty properties is 'Empty, Unoccupied & Unfurnished' which includes short term (possibly vacant between moves) and long term (uninhabitable/subject to Major Works).

As Table 14 illustrates on 1 May 2023, there were **1,992** homes in Colchester classified as empty. Of these, **1,891** were privately owned or owned by Registered Providers and **101** were owned by the Council.

The reasons for empty homes are complex but include for example, pending sale or re-letting, undergoing repairs, awaiting probate on death of the owner, where an occupier has moved to residential care or prison, abandonment, in an undesirable location or under the requirements of a legal notice served by the Council.

In terms of actual vacancies there were 166 vacancies in the year 2022/23 out of 5,300 for Council general needs housing stock.

Table 14 Number of empty properties and length of time they have been empty.



Source: CCC Empty Homes Data

For the private sector, whilst the Council has powers to deal with empty homes to bring them back into occupation, that work is resource intensive and with a small Private Sector Housing team the Council's focus is on improving the safety and standards in occupied properties.

There are other measures in place to discourage long term empty homes including Council Tax disincentives with additional premiums due depending on the length of time the property has been empty (200% of Council Tax payable for properties empty for 2 years, 300% for properties that have been empty for 5 years and 400% for those that have been empty for 10 years).

In addition, Colchester Borough Homes have incentives to take over properties and get them occupied under their Private Sector Leasing scheme.

SECTION 10

Resources and Pressures: Finance and Delivery

The issues with supply and affordability have been discussed throughout this paper with one of the major reasons cited in the literature as being a lack of funding to increase the supply of good quality, sustainable and affordable housing.

Additional pressures include the capacity of Council's to deliver, a planning system that can be complex and difficult to work in and the lack of viability of schemes in times of inflationary costs and high interest rates.

Some of the pressures faced by the Council and housing providers have been briefly outlined in relation to funding in the section on Housing Delivery above. However, more detail is provided below in relation to some specific pressures for funding both long term and temporary accommodation. These highlight the significant and severe pressures Councils are under across the country (and Colchester is no different in this respect).

10.1 Financial Pressures

The Housing Revenue Account – Council stock and new build / acquisitions

The Housing Revenue Account (HRA) is intended to record expenditure and income on running a council's own housing stock and closely related services or facilities, which are provided primarily for the benefit of the council's own tenants. Any local housing authority that owns 200 or more social dwellings are required to account for them within their HRA.

The workings and legislation around the HRA are complex and the detail is beyond the scope of this paper, however, the main features are outlined below:

- it is a landlord account, recording expenditure and income arising from the provision of housing accommodation by local housing authorities (under the powers and duties conferred on them by legislation)
- it is a ring-fenced account of certain defined transactions, relating to local authority housing.
- the main items of expenditure included in the account are management and maintenance costs, major repairs, loan charges, and depreciation costs.
- the main sources of income are from tenants in the form of rents and service charges.

Legislation sets out the rules for the HRA including a 'ring-fence' and there is no general discretion to breach the ring-fence. Local housing authorities cannot budget for a deficit and all borrowing within the HRA is in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code.

As part of changes made in 2012 Councils had to 'buy' themselves out of a national subsidy system in exchange for a one off redistribution of debt across the country. In return for not having to make an ever increasing annual negative subsidy payment to the Government (£4.66m in last year of subsidy system, i.e., 2011/12), any surplus from rents could be retained 100% by the Council. As part of this

'self-financing settlement' Colchester took on £74 million of housing debt in its HRA. This was determined as affordable by the Government.

Since 2012 any new investment and its affordability has been assessed as part of the update of the Council's 30 year HRA Business Plan (last agreed in January 2022). In 2018 the HRA 'borrowing cap' was abolished and Councils were no longer constrained by government controls over borrowing for housebuilding and are able to borrow against their expected rental income.

Pressure on the HRA

The HRA account is not only used for maintaining and upgrading our stock but for new build housing as well (aside and joint funded with any Government grants). However, with rising interest rates and competing and rising priorities to maintain and improve the quality of stock, alongside the reduction in rents imposed from the caps to rents from 2015-2019 and further in 2023/24, there is a growing and significant pressure on the HRA.

Effect of the Government 'rent cap' on HRA finances

The formula for raising rents yearly to meet inflation is set by the Government at the Consumer Price Inflation (CPI) level + 1%. This is only a guideline formula from Government and Local Authorities have the discretion to set rents up to the level of the rent cap. However, on recognising the cost of living crisis the Government applied a rent cap of 7% nationally. Our rents would have been raised to 11.1% without this cap. This was deemed necessary by all in alleviating the pressures of the cost of living crisis outlined in this report. However, the 30 year HRA Business Plan was based on this level and did not account for the current crisis and there is now a significant shortfall against the measures outlined at a time of increasing pressures, some of which are outlined below. Finance colleagues highlight that this has meant an estimated £48m is lost in assumed rental income over the HRA Business Plan period. They also outline that it could be substantially more than this and that this is lost income forever. The only way to recover this would be for Government to allow an increase in rents and local decisions made to increase rents significantly to recover this. This is extremely unlikely in the context of the current crisis as outlined above to those in low income households.

The Council have not been informed of a further rent cap for 2024/25 at the time of writing, which would again, have a further cumulative effect on the HRA. If the current crisis continues, with CPI assumed at the same level the rent increase for 2024/25 could be 7.7%; this would be a Cabinet decision to be made in January 2024.

Increase in borrowing rates in the HRA

In addition, any borrowing that is undertaken to develop or undertake capital works from that account has to be paid back. The rate the Council pay will be the rate on the day the money is borrowed, so that payback will vary. Colchester external HRA borrowing is low, (since HRA self-financing came in in 2012), but average rates were around 3% for that borrowing and this is what was assumed in the HRA Business Plan which appeared prudent and realistic at the time; just over a year ago borrowing for the HRA was at a rate of 1.2%, following the recent economic downturn this has risen to around 5% to 6%.

To give a simple sense of scale, the 2023/24 Housing Improvement Programme shows approximately £130 million of HRA borrowing over the next 5 years, so if the Council borrowed at the current rates of 6% compared to the Business Plan assumption of 3%, it would cost an additional £3.9m per year in interest payments on top of the £4.5m existing debt.

Our ambitious targets for increasing the supply of social housing in the City are funded primarily by new prudential borrowing and partially supplemented by the use of retained Right to Buy receipts.

Obviously Finance colleagues would try to secure the best long-term deals and would not wish to borrow long term at 6%. Many Councils are considering whether to scale back or hold back capital plans until rates start to drop, which could also affect delivery of all capital works.

Recent Government flexibilities to encourage supply

The Government are issuing some flexibilities to encourage the supply of social and affordable housing, allowing for instance, 100% of receipts from Right to Buy sales to be kept in 2022/23 and 2023/24 (Government usually requires a subsidy) and allowing a preferential interest rate, discounted at 0.4% for new build. However, even with the discounted rate 4.6% to 5.6%, this is still more than the 3% assumed in the HRA Business Plan, meaning only a £4000 saving a year for every £1 million borrowed in the short term. In addition, although welcomed, the short-term nature of the Right to Buy receipts flexibility is not thought by Finance colleagues to have significant impact on the overall finances in the HRA Business Plan.

Inflation and costs / shortages

High inflation levels have increased management and maintenance costs substantially and have had a significant detrimental impact on the 30 year HRA financial model since it was last agreed in January 2022. These include:

- pay and contractual price inflation.
- energy price increases and the impact they are having on the cost of repairs materials.
- Labour and contractual shortages (particularly in retrofit).

In addition to the above, the HRA (rents) are being asked to cover a lot more. There is a greater focus on existing stock by the regulator with new housing legislation coming into effect in April 2024 as part of the Social Housing White Paper which although positive for tenants, will need an increase in pressure on capital spending (and therefore may affect the delivery of future new affordable housing). The new regulations will include changes to compliance, building safety, decent homes and energy efficiency as outlined elsewhere in this paper. Further detail on the Social Housing White Paper is outlined below.

Recent Government restrictions on rent increases have restricted the viability of schemes and unless Local Housing Allowance is raised to allow for the inflation of private rents some schemes will not be viable for development by Registered Providers.

Pressures on the Council's General Fund finances

Outside of the HRA capital spend, temporary accommodation is only eligible to be funded through the Council's General Fund so any increases will have impacts on the whole of the Council's finances and ability to deliver services and strategic priorities.

Levelling Up Committee inquiry into Housing Finances

Due to the issues relayed in this report and following the Government's 'Regulation of Social Housing' report in July 2022, which examined conditions in social housing and unveiled 'appalling and unsafe' issues around mould, damp and leaks (as indicated in Section 7), issues were raised around the '*increasingly complex financial and corporate structures in the housing sector's ability to deliver within the current resource systems*'⁷⁸

As a result, Parliament's Levelling Up Committee has launched an inquiry into social housing finances and sustainability to examine the pressures and demands on the social housing sector, the financial resources and the support needed to meet those demands to 'ensure that we have the supply of good quality homes for the future'. The evidence sessions began in June this year.⁷⁹

Future resources for affordable housebuilding

The EELGA report suggests Government need to commit to greater resources for housing development through 'an expansive programme of social and affordable housing' to meet the current crisis and deliver safe, sustainable, affordable housing. As outlined at the beginning of this report local authorities were key to housebuilding in the 50s, 60s and 70s and that they could do this again if they had the resources and desire to do so.⁸⁰

Although this would be costly (the National Housing Federation suggest it would take £12.8bn a year to cease the housing crisis⁸¹) EELGA suggest that this would be 'money well spent' helping to end the crisis, creating 'meaningful and lasting social good' and generating savings through reductions in benefit and income through social rents for Councils and Registered Providers. The LGA supports this view and has suggested returning to the construction of 100,000 social homes a year – which the LGA suggest is 'not unrealistic'.⁸²

EELGA also suggest Right to Buy has created an incentive for local authorities to build fewer houses and the fact that this is sold at a discounted price makes it harder for local authorities to recover costs and make investments that are viable.

Their diagnosis is that:

*"...these barriers need to be fixed to create a system where local authorities feel it is worth the time, energy, skills and risk appetite to engage with the housing market again – or feel confident that they can work with Registered Providers to enable substantial build out"*⁸³

⁷⁸ [Levelling Up Committee launches inquiry on social housing finances & sustainability - Committees - UK Parliament](#)

⁷⁹ [Levelling Up Committee launches inquiry on social housing finances & sustainability - Committees - UK Parliament](#)

⁸⁰ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

⁸¹ [National Housing Federation - £12.8bn needed every year to end the housing crisis](#)

⁸² Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

⁸³ Opening the Door: Good quality, Available and Affordable Housing in the East of England, March 2023 [final-EELGA-Housing-Report-2023.pdf](#)

10.2 Further Pressures

New regulations

As outlined above, new regulations will create additional risks and resources in relation to the provision, maintenance and management of housing. Whilst it is beyond the scope of this report to identify all of these, a list of changes coming forward in the near future are outlined below.

Private sector housing – changes to legislation

As previously mentioned, tax reforms and the Renters Reform Bill could see private landlords leave which could further squeeze the market, meaning prices inflate as demand increases and supply drops.

Social Housing White Paper

The Social Housing White Paper was published in November 2020. It sets out the government's key objectives for housing, including 'a strong consumer regulator for tenants'.

The Housing Regulator intends to be proactive and hold all landlords to account for the services they deliver. Some of the relevant headlines for regulation are:

- A review of consumer standards, including a code of practice, which will require landlords to publish key policy documents such as Tenant Engagement and Domestic Abuse
- A desk top review of key performance indicators and complaints (especially any cases referred to the Ombudsman)
- Four yearly inspections and investigation where non-compliance is suspected.
- Local authorities will be held to greater accountability of ALMOs/TMOs or housing companies.

Measures include:

- A new set of Tenant Satisfaction Measures (TSM's) - submitted annually and published. This includes a perception survey of tenants (currently being carried out)
- Revised performance monitoring of Colchester Borough Homes to align with new regulation and tenant satisfaction measures.
- Revised consumer standards (consultation to follow)
- We will be subject to inspection from the Social Housing regulator at short notice.
- New Decent Homes Standard (see section 7 above - consultation to come out shortly)
- Professionalisation - legislation states - all senior managers to have necessary qualifications (at a level 4 or 5)
- Housing Ombudsman will be given new and additional powers, with the ability to make judgements on providers and set unlimited fines.
- Energy efficiency standards (as outlined in section 7 above)

To prepare for regulation Colchester Borough Homes have worked through an action plan recommended by the National Federation of ALMOs (NFA) and Councils with ALMOs group (CWAG). In addition, a review of Colchester Borough Homes preparedness for consumer regulation was conducted by Savills in 2022. The outcome was positive and identified some opportunities for continuous improvement that have subsequently been implemented.

The new regulatory environment is relatively high profile within the sector and at times in the national press meaning that any failings risk adverse publicity and reputational damage.

Planning departments

Funding for Planning has dropped during austerity and EELGA suggest have reduced by 43% on average between 2009/10 and 2020/21 in England. Although the East of England has not reduced as much as this (some 20% in both absolute and real terms), this in combination with high levels of inflation and a smaller workforce has led to pressures on Planning departments.

The use of external agency staff by many authorities to resolve staff shortages is a budgetary challenge as these costs are vastly greater than normal staff costs.

Housing and Planning - Workforce

The report also suggests that there is a shortage of both Planners and Housing Officers in the East of England.

In relation to Planners, there has been a 25% reduction in Planning Officers across England since 2009⁸⁴ The job of a planner can be stressful, and they are often caught between alienating the developers that are needed to build homes or having conflict with local people (and Councillors) according to EELGA. They suggest it is a 'stressful conflicted job and is only getting more difficult with less funding'. Some Planners are leaving to go into private sector jobs and there is widespread agreement that Planning departments struggle with recruitment and retention. EELGA suggest measures to attract planners are laudable and necessary but say that it does not fix the underlying problem. It is suggested that many Planning departments are 'poaching planning staff from neighbouring authorities' as they 'fight over the small pool of planners'.

The Local Government Association (LGA) is undertaking a workforce challenge project with the Essex Planning Officers Association (EPOA). This is seeking to identify the extent of the challenge across Essex and identify potential solutions to help address the resource issues faced in Planning. This has involved both Planning and Human Resources Teams at all authorities. A final Report is to be concluded and published later this year.

While not exempt from the workforce challenge in Planning, Colchester has been better able to recruit and retain Planning staff than many in the past. However, it gets increasingly difficult to recruit good professionals. The experience at Colchester more recently is that it has also been exceptionally challenging to recruit to the specialist Planning related professions which the authority has historically maintained such as Archaeology, Heritage and Ecology, as well as experienced Planners.

There are similar reports in relation to workforce issues in Housing where it has been equally difficult to recruit. EELGA suggest that this needs addressing as a matter of urgency through a government skills strategy to encourage recruitment through funding education in the East of England and encouraging colleges to plan for courses, with local authorities assisting by committing to a certain number of starts a year.

⁸⁴ [RTPI | Planning Agencies](#)

Environmental Health Teams

In February 2023, the Chartered Institute of Environmental Health (CIEH) has expressed concerns following a Local Government Association (LGA) survey which highlighted work pressures faced by environmental health teams across England. This relates particularly to our private sector housing teams and those involved in licensing and ensuring the quality of homes. Their report found that that 45 per cent of councils which run environmental health services were having difficulties recruiting environmental health officers and 43 per cent were having difficulties recruiting building control officers and the report also highlighted that environmental health teams are being asked to do ever more work with increasingly fewer resources.

10.3 Systems Pressures

Commentators in the literature and professionals interviewed suggest that the current crisis is not only the problem of local housing authorities, as it affects all of our partners' joint outcomes, putting pressure on the resources of both the statutory, voluntary and private sectors alike.

This includes the increasingly negative effect on the health and care needs of populations, which in turn affects the ability of those organisations supporting people with additional needs to deliver; with poor mental or physical health being both the cause and effect of low quality, inaccessible and unaffordable housing.

The lack of affordable housing, and associated rise in the use of temporary accommodation, brings with it other difficulties across the public sector, placing additional pressures on social care, health and police. Where individuals near the threshold of adult social care eligibility are made homeless, additional health and care duties may arise upon the Council for example and the health sector. 50% of children in temporary accommodation typically move schools, and most of the rest will face longer trips to school; both may contribute to mental health and behavioural issues.

Whilst this it beyond the scope of this report to examine this in detail, this has been highlighted in the relevant sections above and will need to be factored into discussions around the future delivery of the health, care and housing.