

## **WIRRAL COUNCIL**

### **ECONOMY AND REGENERATION SCRUTINY COMMITTEE**

**22<sup>ND</sup> November 2010**

### **REPORT OF THE DIRECTOR OF CORPORATE SERVICES**

### **DRAFT HOUSING STRATEGY AND UPDATE ON THE CONSULTATION PROCESS**

#### **1.0 EXECUTIVE SUMMARY**

##### **1.1** The purpose of this report is to

(1) provide Members with an overview of the draft Housing Strategy 2011 – 2026 (full document attached) and

(2) to provide members with an update on the process and progress of the first phase of the consultation programme which is currently underway and due to finish on 10<sup>th</sup> December 2010.

#### **2.0 BACKGROUND**

2.1 Wirral Council's current Housing Strategy 2005 – 2010 was developed in line with the then Office of the Deputy Prime Minister 'fit for purpose' standard and supporting strategy guidance. It had also been aligned to the former Regional Housing Strategy and former Regional Spatial Strategy to ensure Wirral's local needs were considered within the wider context of national and regional priorities. Members approved the Strategy on 3<sup>rd</sup> August 2005 (Cabinet, 3 August 2005, minute 126 refers).

2.2 The strategy was supported by a clear Action Plan which has been updated and monitored every six months by the Housing Strategy Team, enabling it to respond to needs identified and local, sub-regional or national policy changes. This Action Plan has been reported to the Strategic Housing Partnership and has previously been reported to Members via Virtual Committee.

2.3 As the current Housing Strategy is approaching the end of its lifespan, officers are now in the process of preparing a new 15 year Strategy which will run from 2011 and will identify a more long term vision for housing in the Borough. The Strategy will need to align with the Council's Sustainable Community Strategy and will also need to reflect the outcome of the wider Wirral consultation exercise regarding the future of Council services in Wirral in the investment planning.

2.4 Over recent months, a number of significant changes have occurred impacting on the development of a new Housing Strategy including those changes and implications arising from new Coalition government policy i.e. the end of Local Area Agreements, the replacement of the national indicator set with a single comprehensive list of data requirements which will start with effect from April 2011 and the recent announcement by the Secretary of State of the intention to rapidly abolish regional strategies.

2.5 More recently, a High Court judgement in 10 November 2010 (Cala Homes (South) Ltd v Secretary of State for Communities & Local Government) has ruled that current legislation could not be used to revoke all Regional Strategies in their entirety. The effect of this decision is to re-establish the Regional Strategies as part of the statutory development plan. However, the Department of Communities and Local Government has since written to the Local Planning Authority to advise that the Ministerial Letter dated 27 May 2010, which gives notice of the Government's intention to abolish Regional Strategies in the Localism Bill, continues to a material consideration in the making of

planning decisions. The Localism Bill is expected to begin its passage through Parliament before Christmas.

- 2.6 Although the Regional Spatial Strategy sets the average housing target at 500 net additional dwellings per annum, in the light of local circumstances Cabinet has resolved that an annual average housing requirement figure of 250 net additional dwellings be applied in the period until future planning policy in the Core Strategy for the Local Development Framework is adopted (Cabinet 22<sup>nd</sup> July 2010, minute 89 refers). While the figure of 250 dwelling per annum has been put forward in the current public consultation as the Councils preferred option on the scale of new housing to be provided in the future, this will have to be ratified through the Core Strategy adoption process, which is scheduled to be completed by 2012.
- 2.7 Whilst these changes, along with the immediate changes to Government spending programmes and priorities will affect the future nature of the Housing Strategy Investment Plan, officers are moving forward with the development of the new Housing Strategy to set the strategic framework for future policy and investment requirements. Cabinet members approved the draft Housing Strategy 2011-2026 for public consultation 14<sup>th</sup> October minute 172 refers.

### **3.0 THE CURRENT HOUSING STRATEGY 2005 - 2010**

- 3.1 The vision for the current Housing Strategy is a simple one, 'to create sustainable communities across the whole of the Borough in which people choose to live and stay'. It is supported by four key strategic priorities, each with detailed solutions and action targets designed to achieve them:
- Delivering Urban Renaissance
  - Providing Affordable Homes to Maintain Balanced Communities
  - Delivering Decent Homes in Thriving Neighbourhoods
  - Meeting the Needs of Communities and Providing Support for those who need it.
- 3.2 To ensure the Strategy and in particular the Action Plan remained relevant and responsive to the changing environment, a review was undertaken half way through the term of the Strategy. An extensive consultation exercise was undertaken with key stakeholders, including communities across Wirral to 'reality check' the Strategy priorities and to identify any emerging local housing related issues.
- 3.3 The majority of those consulted, supported both the vision and the strategic priorities and felt that these addressed all of their housing and related issues. In particular residents identified improving the housing offer, increasing the supply of homes and building more affordable housing as the key housing issues for Wirral which needed to be addressed. All of these priorities are currently included in the existing Strategy and Action Plan. Some additional suggestions to respond to these issues were also put forward and have, where appropriate, been included within the existing Action Plan for example building more homes and bringing empty properties back into use.
- 3.4 The 2005 – 2010 Strategy originally contained 117 action targets developed to meet its four strategic priorities. A further 84 actions have been added over the life span of the Strategy to respond to needs identified and local, sub-regional or national policy changes. As of April 2010 89% of all these actions have been fully completed with 7%

not yet fully achieved. Work is continuing to ensure that all appropriate targets are fully completed, including:

- the Beechwood redevelopment scheme, where only 78% of the units had been completed due to the economic impact on the housing market, however a number of Homes and Communities (HCA) initiatives targeted at the housing market have been secured to deliver the remainder of the scheme;
- four action targets have not been achieved due to the ongoing development of the Merseyside Sub-Regional Choice Based Lettings (CBL) Scheme. The Merseyside scheme is anticipated to be fully implemented by 2011.
- The target to decrease Wirral's household energy consumption by 30% has achieved a level of 24% and a further update on this measure is currently taking place.

3.5 As a result of changes to either service delivery or funding availability 4% of the action targets have ended as they are no longer relevant. Where required, new action targets have been introduced to respond to changes to services.

### **Key Achievements as at April 2010**

3.6 The current Housing Strategy Action Plan has seen a significant number of projects and programmes delivered, meeting the borough strategic housing priorities and vision. These include:

- In partnership with RSL's, private developer partners and other key agencies, clearance of over 580 older, obsolete and poor standard homes undertaken to make way for new, decent standard and affordable homes that better meet the current and future needs of Wirral residents.
- Improving our street scene and neighbourhoods for local communities through other initiatives such as the provision of 2060 alley gates and the installation of 108 CCTV cameras to help reduce crime.
- Increasing the decent homes standard levels of private sector homes through over 7000 improvements made to existing owner occupied and private rented homes across Wirral, complimenting the work being undertaken by RSL's in the social rented sector to bring all social housing stock up to the decent homes standard by 2010.
- Delivering over 1400 affordable homes for rent, homebuy or discounted market sale to offer greater choice for residents with differing income levels.
- Delivering over 280 new homes specifically to meet the identified needs of vulnerable residents in the Borough such as extra care housing for older people and those with cognitive problems, adults with learning or physical disabilities, teenage parents or care leavers.
- Ongoing delivery of home energy initiatives to promote and improve energy efficiency of dwellings and reduce energy consumption has resulted in over 45,000 households receiving advice (exceeding the target by 354%) and 5982 interventions to improve thermal comfort of homes (Cosyhomes 4203, Health through Warmth 1279, Heating Grants 182, insulation grants 226 and Warm Streets 92)
- Introduction of the Wirral wide free insulation initiative.

- Homelessness decisions have reduced by 87% between 2005/06 and 2009/10 as a result of refocusing the Housing Options Team towards homeless prevention and interventions.

#### **4.0 THE HOUSING STRATEGY 2011 – 2026**

4.1 Following a review of the achievements of the current Housing Strategy and in response to the issues identified in 2.3 – 2.5 of this report officers have drafted a new long term Housing Strategy for Wirral, which will run up to 2026.

4.2 The focus of this strategy will be achieved through the delivery of a housing investment plan which is measurable, realistic and achievable, enabling the Council to deliver its key priorities, respond to changes in market conditions, new opportunities and also introduce new perspective as changes happen. This approach will also ensure that shared outcomes around health, social care, education, community safety and the economy are addressed and developed.

4.3 It is proposed the Investment Plan will be monitored every six months, reported to members annually on progress and will be reviewed every three years in line with the Governments Comprehensive Spending Review process. This means the work undertaken to deliver the strategy whilst flexible enough to be responsive to new challenges and policy direction as they arise, will also be aligned with future investment opportunities.

4.4 An exercise has been undertaken to identify and capture all of the key evidence to identify those key issues which we know will affect housing policies and initiatives both now and in the future. These issues have been focused into seven broad areas and are supported by robust evidence:

- **Responding to changes in the long term population make up of Wirral, in particular its increasing ageing population**

4.5 The Office of National Statistics indicates Wirral's overall projected population is predicted to continue to decline over the next 25 years, the opposite of what is predicted to happen to the UK as a whole. Wirral's decrease is projected to be 1.6% over the period 2008 to 2033, with more people leaving the Borough than moving in, while the projected UK increase in population is 16.6% over the same period.

4.6 Overall population change is not, however, the biggest issue for housing policy in Wirral. Wirral's Strategic Housing Market Assessment has identified that the make up of households is changing with household sizes becoming smaller, most notably in non-pensioner households without children, leading to a predicted 8.3% increase in the number of households by 2029.

4.7 There is therefore a need to consider the type and size of homes we currently have in Wirral. We need to ensure we not only make better use of existing homes and support people to move to properties which better suit their needs, but we also need to ensure the challenging targets set to deliver new homes are appropriate and support the predicted rise in household numbers.

- **Increasing the availability of new homes including affordable homes**

- 4.8 In Wirral, being able to afford a home is still a major issue, which is worsening particularly for first time buyers who increasingly have to purchase at the lower end of the housing market. Typically this is further exacerbated by larger deposits required for a mortgage, often in the region of 25%. In Wirral this can equate to £25,000.
- 4.9 An increasing number of newly forming households (63.4%) are unable to afford general open market homes for sale. Around 47% of the requirement for new housing is for market accommodation, of which over 80% should have two or three bedrooms. About 19% should have one bedroom but mostly of types designed to cater to older people which must be of the right quality and standard. The majority (87%) of new intermediate housing should have two or three bedrooms. Nearly half of new social rented accommodation (47%) should have three or four bedrooms.
- 4.10 With the number of applicants registering on the Wirralhomes database for social housing increasing over the last year and the number of those people in urgent need of rehousing also increasing, we need to work with our partners to both make best use of existing homes as well as identifying opportunities to increase the provision of suitable housing to meet needs.
- **Making better use of existing stock to meet housing needs**
- 4.11 Tackling long term empty homes in Wirral is important and will help to improve the quality and desirability of our neighbourhoods. It is estimated that a run-down empty home can reduce neighboring house prices by 18% and is a wasted asset for the owner. The number of empty homes within the borough has increased by 20% since 1995 with a total of 6099 homes empty in April 2010.
- 4.12 It is important to recognise that the problem exists across the whole of the borough, not just in areas of deprivation and affects newly built and existing housing stock which could be better used to help to meet the housing needs of the Borough.
- 4.13 Wirral's Strategic Housing Market Assessment (SHMA) has identified that 2,185 households currently live in unsuitable homes due to overcrowding, as well as 57,167 households who appear to be under-occupying their homes irrespective of whether they live in a home they own or rent. We need to focus on linking housing need and demand more strategically to existing homes and develop innovative solutions to bring these issues together. This work needs to focus in the future on looking at our changing population and household make up and linking this with the potential to target work to re-shape the existing housing stock in Wirral to meet the needs arising from this.

- **Improving homes and making areas more attractive to live**

- 4.14 Wirral's housing stock consists of 73% of homes being owner occupied, 15% social rented and 12% rented from a private landlord. Although the tenure breakdown is broadly similar, the social rented sector is slightly lower than both the North West (19%) and National (18%) average.
- 4.15 In the social rented sector, homes continue to benefit from major improvement works ensuring that they meet the 2010 decent homes standard, with 94% of these homes classed as decent as of April 2010.
- 4.16 The biggest challenge in Wirral is to improve housing conditions in the private sector (owner occupied and private rented) and to balance the housing market offering greater choice. The overall number of vulnerable households (those people on a means tested benefit) living in this sector has increased from 26,200 in 2003 to 28,000 in 2008 with the percentage of vulnerable households living in a decent home increasing from 55% to just over 60%. It is estimated that of those 28,000 vulnerable households living in the private sector, 11,200 (40%) do not meet the decent homes standard. Although we have worked hard to improve some of the existing poor quality homes in the borough, particularly in our Housing Market Renewal Area, there is still more to do. High levels of unemployment, poor health and poor quality homes still exist and we need to be innovative in the future about how we address these issues, given the likely reduction in future funding available to do this.
- **Reducing fuel poverty in the borough, particularly focussing on the health and financial inequalities in those areas with higher than borough average rates of fuel poverty**
- 4.17 Although excess winter deaths have decreased by 15% in 2009, excess cold remains a big issue in Wirral, particularly with fuel poverty levels rising due to increasing energy prices. Over Private Sector Stock Condition Survey indicates in particular, 39% of private sector stock fails the decent homes standard of which 23.4% fail due to a poor degree of thermal comfort and 16.1% of homes fail due to having Category 1 hazards in the home, the main reason being excess cold. Whilst considerable work has been done to tackle affordable warmth with over 5900 measures installed since 2005, there is still much work to be done to ensure those most vulnerable households live in a warm home.
- **Responding to the housing and support needs of vulnerable people**
- 4.18 Our Strategic Housing Market Assessment which is carried out at a point in time estimates 29,741 (21.7%) households in Wirral with one or more members identified as being vulnerable or having a special need, exceeding the national average of 14% however the predominant vulnerable groups are households with a physical/learning/sensory disability, frail older people and a high number of people with a mental health illness.

4.19 Socially excluded groups including homeless people continue to need appropriate support and accommodation to meet their needs. In 2009/10, of those homeless applicants who were eligible, unintentionally homeless and in priority need, the highest percentage of applicants (63%) fell within the 25 – 44 age group and 24% in the 16 – 24 age group.

4.20 The housing strategy recognises that there is a need to continue to support those who can be most vulnerable in society and ensure that everyone where appropriate has the opportunity to live independently.

- **Supporting the economy through housing programmes**

4.20 Whilst Wirral continues to have the capacity to undergo continued economic growth, the level of unemployment amongst residents in the Borough increased by 47.6% between March 2008 and March 2009. From March 2009- March 2010 the increase in unemployment levels has slowed with a 2% increase and since March 2010 levels have continued to fall with an 11% reduction to August 2010. However overall from March 2008 to date there has been an increase in unemployment by 31%. Inevitably, household income and employment status have an impact on housing choices and options.

4.21 Since 2006 Wirral and its partners have secured over £53 million in funding to develop over 720 new affordable homes, helping to create employment and training opportunities for local businesses and people.

4.22 The housing strategy recognises that there is a need to continue to develop new initiatives that respond to the housing needs of the borough alongside employment opportunities.

## **5.0 CONSULTATION PROCESS**

5.1 It is proposed that a two stage consultation programme is undertaken, with stage one specifically testing the draft strategy and gaining views on all of the key issues which will inform housing policies and initiatives for the future, which have been set out. This part of the consultation process commenced on 22<sup>nd</sup> October 2010 and will finish on 10th December 2010.

5.2 Consultation is taking place with a wide range of key stakeholders, members of the public, formal Partnerships and Forums with over 340 stakeholders formally being contacted direct to ask for their views. The Draft Housing Strategy and questionnaire has also been published on the intranet and is available for completion via the One Stop Shops and public libraries. The questionnaire is available for completion on line and to date there has been 167 completed. Council Staff in the One Stop Shops and libraries

are also helping members of the public complete forms with over 160 completed and are currently being input into the computer system. Monitoring of responses is being undertaken with geographical areas being targeted by staff within the Housing Strategy Team where responses are lower than others.

5.3 Following this consultation period and once the responses received have been collated, officers will during December 2010, start to develop the Strategy further along with a supporting Housing Investment Plan. A further consultation stage will then take place on the Housing Investment Plan. The Plan will then be used and monitored to respond to annual budgets and funding regimes such as the Comprehensive Spending Review, highlighted in 4.3.

5.4 It is anticipated the final draft Housing Strategy 2011 – 2026 and supporting Housing Investment Plan, will be reported back to Members early 2011, ready for implementation from 1<sup>st</sup> April 2011.

## **6.0 FINANCIAL IMPLICATIONS**

6.1 There are no direct financial implications at this stage in respect of the draft housing strategy. Any future requirements and actions arising from the new housing strategy that have any financial implications would be subject to further consideration by Members prior to implementation.

## **7.0 STAFFING IMPLICATIONS**

7.1 There are no specific implications arising from this report.

## **8.0 EQUAL OPPORTUNITIES IMPLICATIONS/EQUALITY IMPACT**

8.1 The draft housing strategy recognises the needs of vulnerable people as one of its seven key areas of focus.

## **9.0 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no specific implications arising from this report.

## **10.0 LOCAL AGENDA 21 IMPLICATIONS**

10.1 There are no specific implications arising from this report.

## **11.0 PLANNING IMPLICATIONS**

11.1 There are no specific implications arising from this report, but the Housing Strategy will need to be closely aligned with the Council's emerging Local Development Framework to lend further support to the delivery of the Borough's housing priorities.

## **12.0 ANTI-POVERTY IMPLICATIONS**

12.1 There are no specific implications arising from this report.

## **13.0 SOCIAL INCLUSION IMPLICATIONS**

13.1 There are no specific implications arising from this report.

## **14.0 LOCAL MEMBER SUPPORT IMPLICATIONS**



14.1 The draft Housing Strategy will have an impact on the whole of the Wirral area, affecting all Wards.

15.0 **BACKGROUND PAPERS**

15.1 Cabinet 3<sup>rd</sup> August 2005 - Wirral's Housing Strategy Statement 2005 - 2010

15.2 Cabinet 14<sup>th</sup> October 2010 – Wirral Strategic Housing Market Assessment Update and Affordable Housing Viability Assessment – Key Findings and Policy Implications for Wirral.

15.3 Cabinet 14<sup>th</sup> October 2010 – Draft Housing Strategy

16.0 **RECOMMENDATIONS**

16.1 The views of the Scrutiny Committee on the draft Housing Strategy are sought.

Kevin Adderley

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