

Meeting of the Cabinet – 20th March 2013

Borough Housing Strategy 2013-16

Purpose of Report

1. The purpose of the report is to seek Cabinet's approval of the borough's Housing Strategy.

Background

2. The Borough's Housing Strategy 2013-16 sets out the Council's vision for housing in the Borough and provides an overarching framework for other policies on more specific housing issues. It covers all housing tenures.
3. Our strategic aims are:
 - To raise the standard of existing housing stock across all tenures.
 - To provide a mixed housing offer that will meet a range of housing needs.
 - To use the provision of new housing to increase local economic growth.
 - To provide a range of housing and support for vulnerable people to enable them to live independently in their local communities.
 - To reduce adverse environmental impacts and improve the health of residents by improving energy efficiency, reducing fuel poverty and building new homes that are healthy to live in.
4. It is heavily influenced by the Housing Market Intelligence Report data that was gathered in late 2011. The data includes information on housing need, housing conditions and future housing aspirations.
5. The Strategy also identifies the key housing challenges facing the borough which are:
 - The condition of the Borough's existing housing stock is good but work needs to continue to maintain this standard.
 - Making the best use of the borough's existing housing is a challenge as there is currently a high level of under-occupation.
 - The borough's housing stock profile is dominated by three bedroom houses. We need to build some smaller and larger homes (one, two and four bedroom + and to balance the housing profile.
 - Affordability is a key challenge - Low incomes and a lack of cheap entry level properties means that many newly forming households cannot afford to rent or buy.
 - Demand exceeds supply for social or affordable housing.
 - The welfare reform impacts have already affected many households and an estimated 4,000 working age households who live in social housing may be further affected by under-occupation rules from April 2013 if they claim housing benefit.

- We have an ageing population who may need help to remain living in their existing home or require specialist housing.
- We need to build specially designed homes to meet the needs of vulnerable people who wish to live in their own homes in their local communities instead of being in/or going into residential care, for example, people with learning disabilities.
- We need to capitalise on opportunities such as Green Deal and ECO (energy company obligation) to improve energy efficiency, reduce fuel poverty and improve the health of residents.
- We need to work creatively with agencies to fund and deliver new affordable housing in a tough and uncertain economic climate.

6. These challenges are identified and discussed in five chapters

Chapter 1) Responding to demographic changes

The challenges:

- There is more in-migration than out-migration but 20% of existing households and 10% of newly forming households are thinking of moving out of the Borough for employment/access to work reasons.
- The elderly population is growing.
- Many people live in houses that are now too large for them. Some equity rich homeowners may downsize if the right housing product for them was available. This would free up some family sized homes for re-use.

What we are going to do

- Deliver most of the new homes within the regeneration corridors linking to employment, economic regeneration opportunities.
- Further align health, social care and support for early intervention/prevention services to keep older people living in their own homes independently for longer.
- Build a further 200 Extra Care housing units.
- We will ask for some smaller housing units to be built and develop further services that will encourage people who are under-occupying to downsize.

Chapter 2) Balancing our housing market

The challenges

- Almost 75% of Dudley's entire housing stock is detached or semi-detached houses or bungalows. Most of these contain 3 bedrooms.
- Many homes are under-occupied.
- Affordability of housing is a key challenge. We need to provide a range of housing for those who can afford to buy and those who can't.
- To meet current known demand we would need to build over 600 units of affordable housing per year for the next 15 years. Our current delivery averages 186 units per year.
- We have a small privately rented sector that needs to be encouraged to grow.

What we are going to do

- We will help to deliver the 16,127 new homes as identified in the Black Country Core Strategy to be built between 2006-2026.
- We will deliver up to 715 new affordable homes between 2012/13 and 2014/15. This will be done by working with local housing associations and the Homes and Communities Agency.

- We will ask for small units (1 and 2 bedrooms) and larger (4 bedrooms+) to balance our social housing stock profile.
- We will make use of council owned land for housing developments.
- We will work to improve standards and encourage the expansion of the private rented sector.

Chapter 3) Affordability, access and making the best use of existing stock

The challenges:

- There is an affordability problem arising from the relationship between local incomes and the realistic supply of the cheapest housing in Dudley.
- Half of existing households and three quarters of newly forming households earn less than the national average income (£25,900 pa).
- The majority of the unmet demand for housing from concealed households is from grown up children still living with their parents as they cannot afford to rent or buy a place of their own.
- In order to access the owner occupied market an average income of £22,989 is required. 72% of concealed households cannot afford to buy in the local market.
- 70% of concealed households cannot afford to rent privately as lowest quartile rent levels range from £350 for a 1 bedroom flat to £675 per month for a 3 bedroom terraced house.

What we are going to do:

- We will look at options that bridge the housing affordability gap. These may include using council owned land, encouraging self-build schemes, mortgage indemnity or other low cost housing options.
- We will work collectively with other West Midlands social housing providers to work collectively to maximise housing resources, particularly focusing on helping those who will be affected by the welfare reform measures – West Midlands Best Use of Stock (WMBUS).
- We will review the Council's housing allocation policy and develop a tenancy strategy that sets out the types and duration of tenancies that will be used.
- We will monitor the impact of the Black Country Tenancy Strategy

Chapter 4) Improving the quality of existing housing stock

The challenges:

- There are over 3,000 empty homes across all housing tenures that could be bought back into use within the Borough.
- 90% of residents self reported that their housing was adequate for their needs but this varies across tenure with home owners reporting the highest levels of adequacy and those who rent privately reporting the lowest. Levels of inadequacy were highest in privately owned pre1919 or 1945-64 stock with particular pockets of inadequacy in the central Dudley and Halesowen areas.
- We met the Decent Homes Standard for council owned and housing association stock but considerable investment is required to maintain it to this standard.
- We need to use the Green Deal, ECO (energy company obligation) and other funding opportunities to increase energy efficiency, reduce fuel poverty and improve health.

What we are going to do:

- We will develop and implement a new Empty Homes Strategy.

- We will continue to help home owners through the Home Improvement Service.
- We will look to offer more advice and assistance to landlords and tenants to drive up standards in the private rented sector.
- We will invest around £35 million per year to improve the Council's housing stock and spend £24 million per year on responsive repairs and cyclical maintenance.
- We will develop a fuel poverty strategy designed to improve energy efficiency and reduce fuel costs for households of the Borough.
- We will work with other Black Country local authorities and Energy Savings Trust/Verco to finalise our approach to Green Deal.

Chapter 5) Meeting specific housing needs

The challenges:

- The levels of self-reporting of disability are higher amongst Dudley residents than the national average.
- Two thirds of disabled residents are aged over 60.
- There is a small but growing number of older people with dementia.
- Young people are finding it particularly hard to access housing in their own right due to affordability and the small supply of smaller homes.
- We need to build some specialist housing for people with disabilities and learning disabilities so that they can live in their local communities rather than go into residential care.
- Black and Minority Ethnic (BME) households report higher levels of inadequate housing or overcrowding.
- We have a good track record in preventing homelessness.

What we are going to do:

- We will build some more Extra Care housing and see if these can also meet the needs of older people with learning disabilities and people living with dementia.
- Demand for sheltered and older persons housing is strong but we may look at some of the less popular stock to see if it could be used better for others, such as young people.
- We will continue to invest in adapting homes for people with disabilities.
- We will expand the range of specialist housing that is available, including housing for people with learning disabilities, disabled people, single homeless and look at providing a youth hub/one stop shop for young people.
- We will work with BME households to improve their housing conditions.
- We will provide housing related support services and continue to provide a range of services that prevent homelessness from occurring.

7. The strategy reflects and supports the Borough's Community Strategy objectives and aligns with several key strategic documents including:

- Black Country Core Strategy
- Dudley Local Investment Plan 2011-14
- Dudley Borough Economic Development Strategy 2012 – 14.

8. The strategy has been developed by a multi-agency group consisting of various council Directorates and representatives from the Homes and Communities Agency (HCA).

9. The draft strategy has been widely consulted upon and has been discussed at the Housing Working Group (December 2012), and a Joint Area Panel Meeting (February 2013). Opportunities for consultation have also been made available to Members, the general public and other agencies. These opportunities have been publicised in the local press and through various communications with stakeholder/interest groups.
10. Consultation feedback indicates that there is a broad agreement with the Strategy's aims and the identified challenges. An action plan has also been developed to respond to these aims in partnership with key delivery partners.

Finance

11. The strategy does not affect already allocated funding as it continues with the same strategic investment priorities as the Local Investment Plan. The strategy by setting out our needs, aspirations and priorities provides a framework for future investment bids and for agencies looking to develop and invest in housing in the future.

Law

12. The Housing Act 1985 Section 8 states that local authorities must periodically review the housing needs of its area in relation to housing conditions and the needs of the district. Section 87 of the Local Government Act 2003 requires local housing authorities to have a housing strategy.

Equality Impact

13. An Equality Impact Assessment (EIA) has been undertaken in relation to the development of this strategy. A copy is available to Members on request.

Recommendation

14. It is recommended that:-
 - Cabinet approves the contents of the Borough's Housing Strategy.



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List of Background Papers
Housing Strategy