



Report of the Director of Environment and Neighbourhoods

Executive Board

Date: 22 July 2009

Subject: Response to deputation by 'Hands off our Homes'

Electoral Wards Affected:

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the re

EXECUTIVE SUMMARY

The Council has received a deputation from 'Hands Off Our Homes' concerning housing related policy in the city. The deputation requested that the Council embarks upon a large scale programme of council housing building and places significant emphasis on housing development generated through the private sector. The deputation questioned the Council's plans relating to affordable housing delivery, selective demolition of existing housing stock and the approach to bringing empty homes back into use. The deputation also raised concerns regarding the current management arrangements for council housing.

The report sets out the Council's plans to develop council housing in the city and the ambitious plans relating to affordable housing delivery and empty homes. The report affirms the Council's lead strategic role for all housing in the city, not only that owned by the authority. The report also sets out the Council's plans to continue to improve council housing management standards and to attract further investment that can be used to improve stock.

1. Purpose of this Report

1.1. The report is a response to the deputation made by 'Hands Off Our Homes'.

2. Background Information

2.1. The deputation by 'Hands Off Our Homes' can be summarised as follows:

2.1.1. The council needs to embark upon a large-scale programme of council house build through prioritisation of land and available resources.

2.1.2. An increased focus on addressing the number of empty homes in the city.

2.1.3. A moratorium on the demolition of properties within the city.

3. Main Issues

3.1. The Council is committed to increasing the supply of affordable housing in the city and has agreed, with government, demanding but attainable targets relating to affordable housing delivery through the Local Area Agreement. Developing new council housing in the city, for the first time since the late 1980s, is a key element of the affordable housing delivery programme. Whilst the Council is committed to delivering new council housing in the city, it is not feasible to commence a large-scale programme of council house building recommended by the 'Hands Off Our Homes' deputation.

3.2. The key obstacle to proceeding with such a programme of council house building is the availability of funding. The government has recently set out a number of policy initiatives, complemented by additional funding, which are designed to stimulate development of council housing. £100 million was earmarked in the April 2009 budget for the development of new council housing. In late June 2009, the government announced a further £1.5 billion programme, which it is believed could deliver a number of benefits including 20,000 energy efficient affordable homes (including new council housing), 10,000 private sector housing and 45,000 jobs in the construction industry. It is almost certain that a significant number of local authorities and housing associations will submit bids to secure a proportion of the available funding. Whilst this additional funding is welcome, it is insufficient to facilitate a large-scale programme of council house building, whether that be in Leeds or other comparable authorities. The government, whilst making a stronger commitment to council housing, has retained its long-term view that shortfalls in housing supply will be addressed through mixed tenure development.

3.3. Nevertheless, the Council is committed to taking advantage of opportunities to develop council housing in the city. Land has been earmarked to develop 25 units of new council housing through the Affordable Housing Strategic Partnership. This development has also been partly funded through commuted sums secured from wider development within the city. The council is determined that this development will be the beginning of an expanded long-term programme of council house building. However, this will undoubtedly depend on the availability of further funding through the Homes and Communities Agency and the outcome of the current review into the future structuring of the Housing Revenue Account.

- 3.4. Currently surplus income from the Leeds Housing Revenue Account is taken by government to off-set housing management deficits incurred by other authorities. Many local authorities have been lobbying government to permit authorities to opt out of the current pooled arrangement, as this could be an opportunity to finance new council house building. The government pledged in late June 2009 to issue a Parliamentary consultation document on Housing Revenue Account reform prior to the summer recess on 21 July 2009. It is assumed that local authorities could in future be able to retain all council rental income in return for a one off redistribution of housing debt. Leeds City Council will need to consider whether such a proposal is favourable for the city and whether it could facilitate the delivery of new council housing.
- 3.5. Home ownership is the preferred tenure for most people in the city and the local authority should put in place sustainable options to help people achieve their housing aspirations. The updated Leeds Housing Strategy does acknowledge that the practices of lending institutions have encouraged some households to take on financial commitments that have become unsustainable in the current economical climate. The focus of the council and partners is therefore to help existing homeowners to remain in their homes. The city has two Mortgage Rescue schemes in operation and the Leeds Housing Options service is geared up to provide enhanced advice to homeowners on the range of initiatives available to help homeowners threatened with repossession. Data released by the Minister of Justice shows that nationally there has been a 43% decrease in possession orders against homeowners in quarter 1 2009 from the position in quarter 4 2008.
- 3.6. In 2008/09, 3,835 new of homes were delivered, against a minimum target of 3,400. The target to deliver 10,200 new homes over the term of the Leeds Local Area Agreement (2008/09 to 2010/11) has been maintained; the target has not been reduced to 8,400. There are around 4,400 new homes currently being developed in the city. It is acknowledged that currently new property starts are around 100 per month; however, the Council has granted planning permission for approximately 10,000 housing units, which could be started relatively quickly if there is an upturn in the economic position.
- 3.7. The Council defines affordable housing as housing which is provided for people who cannot or do not wish to purchase or rent through the open market. The Council is committed to increasing the supply of affordable housing, whether that be social housing to rent, intermediate rental options or shared or other discounted home-ownership initiatives. It is acknowledged that the Strategic Housing Market Assessment Leeds 2007 identified that there was an annual need for 1,889 affordable housing units in the city for the next fifteen years. However, the target to deliver a minimum of 1,500 affordable housing units in 2009/10 and 2010/11 was a significant mark up on output in previous years.
- 3.8. The Council has been innovative in its approach to delivering affordable housing, especially in relation to the establishment of the Affordable Housing Strategic Partnership. The release of 87 acres of Council owned land will helped secure £45 million of Homes and Communities Agency grant, which will generate 460 units of affordable housing. The Council is currently in the process of replacing the existing Supplementary Planning Guidance with an Affordable Housing Supplementary Planning Document (SPD). An interim informal policy is in place until the SPD is agreed. The interim policy sets out targets, for development of at least 15 units, relating to affordable housing, and the type of affordable housing, in each of the five housing market zones.

Housing Market Zone	% Affordable Housing	Of which Social Renting	Of which sub-market/intermediate
City Centre	15%	40%	60%
Inner Areas	15%	0%	100%
Inner Suburbs	30%	40%	60%
Outer Suburbs	30%	50%	50%
Outer Area/Rural North	30%	50%	50%

3.9. Maximising use of existing housing stock is a key priority for the draft Leeds Housing Strategy. In 2008/09, 3,176 empty properties were brought back into use through some form of intervention by the Council. This is the best performance of any local authority in the country. There is no doubt that to date EDMOs have not been a key element in local authorities' package of options to reduce the number of empty properties. Only three interim EDMOs have been issued nationally. The Council is using the updated guidance on EDMOs and remains committed to using the options in its wider programme of reducing empty properties. Discussions are being held between the Council and the Leeds ALMOs regarding the feasibility of the latter taking a housing management responsibility for specific properties subject to an EDMO, especially 'Right to Buy' units. The Council is actively discussing, with developers and social landlords, the opportunities to use speculatively built empty properties as social or intermediate rental housing.

3.10. The Council is committed to exploring opportunities to continue to improve council housing management services and for attracting further investment in housing stock. Aire Valley Homes Leeds received a two star (good) rating from the Audit Commission and both West North West Homes Leeds and East North East Homes Leeds are working with the Council in preparation for re-inspection. Both ALMOs and the Council are confident that an improved inspection result will be achieved at re-inspection. The Council and the Leeds ALMOs have embarked upon an options appraisal to identify future investment for council housing. Tenants will be given the opportunity to have an active role in the options appraisal process.

3.11. Selective demolition has and remains an appropriate option for facilitating the development of new affordable, quality housing, which meets the needs of the people of Leeds, and to foster the wider regeneration of communities. The Council and partners have acted to demolish stock that has been characterised by low demand, perhaps because of housing type, design or quality, and that has served to blight the areas in which it is located. Cleared sites have been prepared for the development of new housing through initiatives such as the Affordable Housing Strategic Partnership and EASEL. The provision of cleared land for redevelopment has attracted new funding into the city, such as the £45m of Homes and Communities Agency funding secured by the Affordable Housing Strategic Partnership and the investment delivered through the EASEL programme.

3.12. As part of the programme to provide good quality mixed tenure housing in the EASEL area, the Council has established a vehicle with a developer to re-provide new housing in line with local needs and aspirations and utilise the sites that have been cleared of poor quality housing over the last few years. Like all major developments, EASEL has been affected by current economic circumstances, however the Council has worked with the developer to maintain a modest building programme (and associated apprenticeships) and following Executive Board approval is acquiring some of the first units for social housing. The Council is also

working with the Homes and Communities Agency to secure resources to maintain the construction programme and an associated local employment approach.

4. Implications for Council Policy and Governance

4.1. The themes, improvement priorities and actions within the updated Leeds Housing Strategy reflect the housing related themes, outcomes and improvement priorities set out within the Leeds Strategic Plan.

5. Legal and Resource Implications

5.1. In common with all other local authorities, the Council does not have available resources to embark upon the programme of council house building requested by 'Hands Off Our Homes'. The plans, set out in the Leeds Housing Strategy, relating to council house and wider affordable housing development have been costed and the requisite funding has either been secured or the Council is working actively to secure the funding. The Council complies with all legal duties relating to housing services.

6. Conclusions

6.1. The Council has developed a demanding but attainable strategic plan for addressing the housing related challenges facing the city. The Council is committed to developing new council housing in the city and to increasing the supply of affordable housing. The Council has a lead strategic role relating to all housing in the city, not solely stock owned by the authority. Home-ownership is the preferred housing tenure for most people in the city and the Council is committed to helping people achieve their housing aspirations. However, the Council has placed an emphasis on helping existing homeowners, who are threatened with re-possession, to stay in their homes if that is a viable option. Maximising the number of empty homes that can be brought back into use is a priority for the Council. The Council and the Leeds ALMOs are committed to continuing to improve council housing management standards and attracting future investment for improving stock.

7. Recommendation

7.1. Executive Board is requested to agree to the response to the deputation contained in this report.

8. Background Papers

8.1. The deputation made 'Hands off our Homes' is appended to this report.