

**Report of Director of Environments and Neighbourhoods**

**Report to Executive Board**

**Date: 12<sup>th</sup> October 2011**

**Subject: Submission to Homes and Communities Agency 2011-15**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Leeds Housing Investment Plan (LHIP) is a document through which the city's housing investment requirements are articulated to inform its collaboration with the Homes and Communities Agency (HCA).
2. This report advises Executive Board of the development of the Leeds Housing Investment Plan, its purpose and the investment priorities it identifies.

**Recommendations**

3. It is recommended that Executive Board approve the investment priorities set out in the Leeds Housing Investment Plan as highlighted in sections 4 and 5 of this report.

## **1 Purpose of this report**

- 1.1 This report advises Executive Board of the development of the Leeds Housing Investment Plan (LHIP), its purpose and priorities.
- 1.2 Approval is sought for the investment priorities set out within the LHIP.

## **2 Background information**

- 2.1 The Leeds Housing Investment Plan is a document through which the city's housing investment requirements are articulated. It is being developed in conjunction with the Homes and Communities Agency (HCA), who view the Investment Plans as the main route through which local authorities can identify and prioritise their investment needs and for the HCA to help shape their business plan and programme.
- 2.2 The LHIP document indicates the strategic context for housing investment; priority areas and investment themes linking it to needs and equality issues; employment and economic growth as they relate to housing; the broad resources requirements to support delivery and delivery routes.
- 2.3 The LHIP has been developed in draft form with the HCA and was subject to a peer review by colleagues from the North East regional office. Given the outcomes of CSR and the changing role of the HCA as an investment partner and enabler in delivery, the Plan has been revised to be shorter and simpler and based on schemes and projects that have a realistic chance of being supported. Whilst the plan is a council document, it is consistent with the view of the Leeds Housing Partnership

## **3 Main issues**

- 3.1 The Investment Challenge in Leeds
- 3.2 The Leeds population figure according to the Strategic Housing Market Assessment (SHMA) recently commissioned by the Council (carried out by consultants GVA and Edge Analytic) identifies population growth in Leeds of approximately 93,000 (12%) between 2011 and 2026. It describes a changing demographic profile of the city with a growing BME population, an increasing number of older people and an increase in younger households whose housing requirements will need to be addressed.
- 3.3 The projected rise in population brings a continued requirement for growth in accessible and affordable housing and for improvements to existing public and private sector stock. It is anticipated the need for more accessible housing across a mix of tenures will increase as the gap between average incomes and average house prices widen and as access to finance remains an issue for many people and businesses. Leeds is amongst the least affordable places in the region to buy or rent accommodation suggesting that scarcity of new housing is a real issue and that we need to provide new homes and jobs for the growing population.
- 3.4 The SHMA research estimates that the city will need something in the order of 1100 new affordable homes a year to meet current and projected demand and an overall annual housing requirement of over 4000 homes. In order to achieve the Council's

vision of becoming the best city in the UK, it is recognised that more good quality housing needs to be available across all communities in the city and that housing has a key role to play in ensuring the ongoing prosperity of Leeds. In providing new homes to achieve the scale of growth needed, the capacity and existing urban and rural fabric of communities will be taken into account. Neighbourhood across Leeds need good quality and sustainable properties which compliment local distinctiveness.

### 3.5 Purpose of the LHIP

- 3.6 The plan is used by the HCA for scoring funding bids brought forward by Registered Providers and developers through the Affordable Homes Programme Framework and the Firstbuy programme, which together form the new investment regime for 2011-15.
- 3.7 The Affordable Homes Framework emphasises local authorities' strategic and enabling role hence the emphasis on Local Investment Plans. The programmes are flexible and the allocations portable which means that over the 4 years resources can move across the operating region. It is important therefore that Leeds has an effective plan to help capture resources for housing over the lifetime of the programme.
- 3.8 Although the plan refers to identified housing resource requirements, it is intended to be an evolving document which is able to be refreshed. As new tools and investment strategies for the city emerge the plan will need to reflect them and pointers are already included to acknowledge some of these. The plan complements the broader investment approaches being developed for the city and form one element of the overall strategy for investment and growth.
- 3.9 Leeds' shared housing priorities are articulated by the emergent City Priority Plan (CPP) for Housing and Regeneration, overseen by the Housing and Regeneration Board of the Leeds Initiative. The Investment Plan will sit alongside the CPP providing a route to help deliver these priorities and describing the need and rationale for investment to support the city's priorities.

## **4 Leeds Housing Investment Plan Priorities**

- 4.1 The following sets out the thematic and spatial priorities for investment set out in the LHIP.
- 4.2 Thematic Priorities
- 4.3 New housing provision including mixed tenure and affordable housing

The city as a whole has a significant requirement for new housing of a variety of types and tenures to meet need and aspiration and the address the significant affordability problems which may people are experiencing. A number of specific investment requirements are discussed in more detail within the spatial priorities.

#### 4.4 Public sector stock

Leeds has approximately 58,000 council homes, 96% of which have reached the “Decency” standard following considerable investment delivered through the Arms Length Management Organisations. Council housing provides good quality, affordable and accessible housing for a large proportion of the city’s growing population and it is a vital element of the housing offer in the city.

Ongoing investment in the stock is therefore critical to maintain its function in providing good quality homes to meet the city’s needs. A 30 year investment plan has been developed to maintain standards and includes investment in specific property types such as sheltered housing stock.

#### 4.5 Private sector stock

Leeds has a large and diverse private-rented sector, which accommodates around 41,600 households, 44% of which do not meet decency standards. The challenge of improving quality in relation to older stock, especially back-to-backs, remains a key focus of activity for Leeds. The Leeds Private Sector Stock Condition Survey 2007 estimated a total investment backlog at £1.4 billion, needed to address issues of disrepair, non-decency and deficiencies in back-to-back housing – of which Leeds has 19,500. Poor thermal efficiency is a key factor in private sector housing and in particular the terraced stock and measures to address energy efficiency along with works to bring properties to adequate standards of repair are required.

#### 4.6 Housing for Older People

A key priority for Leeds is to improve and modernise the housing offer for older people. Leeds, in line with national trends, has a growing older population.

Research carried out in the preparation of the “Lifetime Neighbourhoods for Leeds” PFI Round 6 bid indicates a current shortage of around 300 units of accommodation for older people and the requirement is predicted to rise to as high as a 1000 units.

The expectations of older people are also changing, increasingly they require support tailored to their needs, to be delivered in their own homes and to avoid premature entry into residential care. In line with the personalisation of service provision, older people want to remain independent for as long as possible.

In order to meet expectations of increased choice and quality housing, the council is interested in developing a range of housing products to meet diverse levels of need across age groups. This is coupled with pressures on social care budgets, means that there is a need to identify ways of alleviating the requirement for expensive forms of care (other than in cases of high and complex need).

Existing Council housing stock such as sheltered schemes require investment and improvement to bring them up to modern standards and to meet the expectations and lifestyles of older residents. In view of this and following an agreed strategy in respect of council owned care homes and day care centres, the council is now

working with public, private sector and 3rd sector partners to develop approaches to new housing provision along with targeted universal services to meet this growing need. Given the changing profile of housing need in the city and financial constraints a comprehensive approach to providing, enabling and commissioning housing and care is being developed. Leeds has a significant investment need in terms of its sheltered and residential provision and work is underway to identify solutions for sites (including those within the former PFI programme) and funding opportunities to bring forward schemes to improve the housing offer to older people across the city.

#### 4.7 Empty properties

Addressing the level of empty properties within Leeds is a particular priority and the city is currently developing a comprehensive approach to bring empty properties back into use. The Leeds Housing Strategy and the Empty Properties Strategy provide the overall framework to effectively manage empty properties within both the public and private sectors, working with owners and landlords.

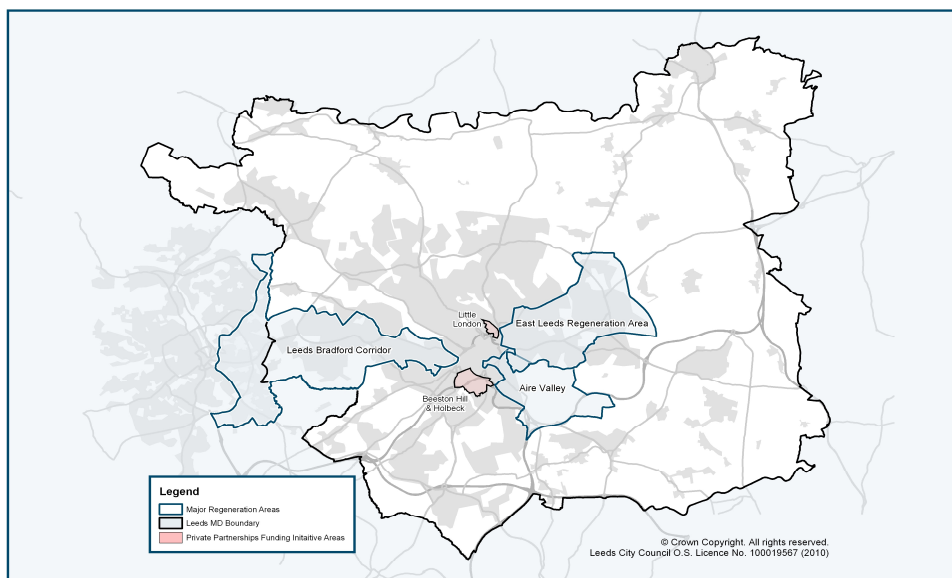
Leeds also has a strong track record of working in partnership with a range of developers and housing providers including 3rd sector and community led organisations including a new collaborative approach to addressing empty properties a local housing association and supported housing organisation.

#### 4.8 Provision for Gypsies and Travellers

The Council is in the process of identifying pitches of accommodation primarily for Leeds based families, although development will be dependent upon securing requisite funding and planning consent. In principle, an emphasis will be placed on the development of small sites, comprising no more than 10 pitches per site, with any development planned on an incremental basis.

### 5 Spatial priority programmes

5.1 Leeds has defined target regeneration areas which are priorities for investment, particularly in new housing to act as a basis and catalyst for broader regeneration interventions. The map below indicates the location of these.



## 5.2 South Leeds.

A range of regeneration activity is taking place and is being planned across the South Leeds area. This involves the delivery of major housing development schemes in Beeston Hill and Holbeck through the Private Finance Initiative which will entail the refurbishment of a large number of existing Council homes, construction of new homes and significant environmental improvements. There are also significant investment opportunities in Middleton which has also seen significant new private sector housing development.

## 5.3 New East Leeds

East Leeds is a major regeneration programme with the primary aim of creating sustainable and vibrant communities by transforming some of the city's most deprived and underperforming neighbourhoods. The programme is underpinned by investment in housing

There is in excess of 60 ha Council-owned land which is available for investment. The combined scale and variety of development opportunities in the area provide the potential to shape places and neighbourhoods in a sequenced, integrated and sustainable manner. Immediate investment opportunities exist in neighbourhood including Halton Moor, Gipton and Seacroft including the site to the rear of Seacroft hospital which is a key site to deliver a new housing offer in a central part of east Leeds

## 5.4 Aire Valley Leeds

Aire Valley Leeds (AVL) is one of the country's largest regeneration and development schemes. Primarily an economic growth programme, AVL does include residential areas and the majority of the localities directly surrounding the area are within the country's 10% most deprived nationally.

Whilst new employment land and job creation is a key focus of the programme, there are associated proposals for significant new housing development. AVL has been identified in Leeds City Region's strategic documents as an Urban Eco-Settlement, with potential to develop as a sustainable, low-carbon community and national exemplar of best practice for sustainability. All future development within AVL will be expected to have high standards of energy-efficiency and will reflect current good practice in design quality. The first of this new development has been at Yarn Street, whilst a pilot energy efficiency project is underway at Cross Green.

## 5.5 Leeds Bradford Corridor,

The Leeds Bradford Corridor has a number of sites available for investment, located mainly in inner West Leeds which is a gateway to the city and an area with significant economic and housing growth potential. Investment opportunities include land in Armley and Wortley.

## **6 Corporate Considerations**

### **6.1 Consultation and Engagement**

Consultation about the LHIP has included discussions with senior elected members of the Council and presentations to key city-wide partnership groups, including the Narrowing the Gap Board, the Leeds Affordable Housing Partnership and the Worklessness Strategic Outcomes Group. The HCA has been a partner in the development of the plan which involved a peer review of the documents in Autumn 2010 by colleagues in the North East of England.

### **6.2 Equality and Diversity / Cohesion and Integration**

To ensure that due regard and proper consideration to equality is given in line with extended equality groups and new general duties required by the Equality Act 2010, an Equality Impact Assessment of the LHIP will be undertaken. A number of the spatial and city-wide programmes making up this plan have all either undergone similar assessments (e.g. East Leeds, PFI Round 5 Housing Projects) or, where they are not as well developed at this stage, will undergo them in the near future.

The document includes a section which summarises the evidence in respect of the housing needs of equality groups, which in turn informs the investment priorities.

### **6.3 Council Policies and City Priorities**

The LHIP is one route through which resources may be secured to support the housing investment priorities of the council which in turn supports the city's ambition for growth contained within the Vision for Leeds and the Housing and Regeneration City Priority Plan.

### **6.4 Resources and Value for Money**

The LHIP has no direct financial implications for the council but forms the basis for future negotiations with the HCA for resources for ourselves and partner housing providers.

### **6.5 Legal Implications, Access to Information and Call In**

There are no specific legal implications associated with the LHIP

### **6.6 Risk Management**

There are no specific risks associated with the LHIP.

## **7 Conclusions**

The Leeds Housing Investment Plan 2011-15 has been drawn up to support dialogue with the HCA to maximise resources for housing investment through this source.

## **8 Recommendations**

- 8.1 It is recommended that Executive Board approve the investment priorities set out in the Leeds Housing Investment Plan as highlighted in sections 4 and 5 of this report.

## **9 Background documents**

- 9.1 A full copy of the investment plan will be made available separately for Board Members. For all other interested parties, copies are available from the report author identified on the front of the report.