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## Report of the Director of Environment and Neighbourhoods

### Scrutiny Board (Environment and Neighbourhoods)

Date: 11<sup>th</sup> May 2009

Subject: Draft Leeds Housing Strategy

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**Electoral Wards Affected:** All

Ward Members consulted  
(referred to in report)

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

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## EXECUTIVE SUMMARY

The Leeds Housing Partnership is a multi-agency partnership body, affiliated to the Leeds Initiative, which is responsible for overseeing and driving strategic housing development and delivery in the city. In 2008, the Leeds Housing Partnership agreed to update the existing Leeds Housing Strategy to ensure that it better reflected the current housing challenges for the city. The Housing Strategy and Solutions section, within the Housing Services Division, is leading on the development of the strategy.

The updated Leeds Housing Strategy will be closely affiliated to the Leeds Strategic Plan, especially the 'Thriving Places' and 'Health and Wellbeing' strategic themes.

The strategy is being developed in a period of economic upheaval which is affecting the functioning of housing markets and the delivery of housing services in a number of ways. The Leeds Housing Strategy sets out the Council's flexible and innovative approach to addressing the housing challenges.

The vision of the Leeds Housing Strategy is to 'Create opportunities for people to live independently in quality, affordable housing'. The three key strategic themes are:

1. Increasing the supply of affordable housing
2. Improving housing quality
3. Promoting independent living

## **1. Purpose of This Report**

- 1.1. The Leeds Housing Strategy forms part of the Council's Policy Framework. In accordance with the Council's Budget and Policy Framework Procedure Rules, the Executive's initial proposals for the Strategy shall be referred to the appropriate Scrutiny Board for further advice and consideration. The Scrutiny Board shall then report to the Executive on the outcome of its deliberations.
- 1.2 This report provides the background to the Leeds Housing Strategy . A copy of the updated draft Strategy is attached to this report for the Board's consideration.

## **2. Background Information**

- 2.1. The Leeds Housing Partnership is a multi-agency partnership body, affiliated to the Leeds Initiative, which is responsible for overseeing and driving strategic housing development and delivery in the city. In 2008, the Leeds Housing Partnership committed to updating the existing the Leeds Housing Strategy to ensure that it better reflected the current and emerging housing challenges and wider strategic context. The development of the updated Leeds Housing Strategy is being led by the Housing Strategy and Solutions section within the Housing Services Division.
- 2.2. The Leeds Housing Strategy is closely aligned to the improvement priorities, strategic outcomes and themes included within the Leeds Strategic Plan. The links between the 'Thriving Places' theme and the Housing Strategy are clear with shared ambitions relating to increasing the supply of affordable housing, improving housing decency and reducing homelessness. Housing and housing services also play a critical role in promoting the 'Health and Wellbeing' of the people of Leeds. Quality housing and housing services promote the capacity of vulnerable people to live independently and to exercise choice and control over their lives. The Council and partners are becoming increasingly aware of the negative impact that poor quality housing, overcrowding and fuel poverty have on people's health, wellbeing and life expectancy.
- 2.3. The Leeds Housing Strategy is being developed in an unprecedented economic climate and this is leading to a number of further housing challenges. Rising unemployment, deflationary pressure in property values, more restrictive mortgage lending practice, mothballed or discontinued housing development schemes, rising mortgage default and repossessions are some of the housing trends that have become increasingly evident in recent months. The Leeds Housing Strategy will set out how the Council and partners are responding to long-standing housing challenges and those that have emerged in recent months. The important principle is that the Council and partners must be flexible and innovative in order to respond to emerging challenges and opportunities.
- 2.4. The updated Leeds Housing Strategy will cover the period 2009 to 2012. The term of the strategy has been kept deliberately short so that there is greater flexibility to respond to change as required. The actions and performance targets set out within the strategy are the key element of the document and these will be monitored on an

ongoing basis by the Leeds Housing Partnership. The Housing Services believe that the key housing challenges remain relatively constant despite the changes that have occurred in recent months.

- 2.5. The city has a shortage of affordable housing options and has housing markets that do not always function effectively.** Affordable housing can be broadly defined as housing for people who cannot or do not wish to purchase or rent housing through the open market. It includes social housing rented through the council or housing association, intermediate renting where the rent is higher than social renting but lower than buying or renting housing on the open market, shared ownership/equity housing and housing for sale at a discounted price.
- 2.6. The Leeds Housing Partnership developed the concept of a 'housing ladder' to describe the different housing options that need to be available to people in the city with housing for market sale or rent on the highest 'ladder rung' and social housing for rent at the bottom. There is compelling evidence to suggest that the 'Leeds housing ladder' does not always function effectively for all the people of Leeds. There is compelling evidence to conclude that the 'Leeds housing ladder' is not functioning effectively for all the people of Leeds. The Leeds Strategic Housing Market Assessment (HMA) 2007 identified that a single person would need an annual gross income of £37k to purchase the average starter home in the city. The 20% reduction in average house prices in 2008 will have affected this calculation but nevertheless home-ownership remains difficult to secure for households unless they enjoy significantly above average income and/or considerable capital. Many households in the city have purchased properties at a cost that they are finding difficult to meet in the deteriorating economic climate. The continued contraction in the city's social housing stock, specifically that which is council owned, means that more people are finding it difficult to access social housing. It is not uncommon for 500 applicants to register a bid for a property advertised through the Leeds Homes' choice based lettings system. Research carried out by Re'new highlighted that housing association rental charges are increasingly unaffordable for people on below average or average incomes.
- 2.7. The city needs to improve the quality and sustainability of housing stock.** The Leeds ALMOs and other social landlords are working to bring all social housing stock up to the decency standard by 2010/11. A key challenge relates to investment options for continuing and improving stock condition. Another significant challenge relates to private sector housing as non-decency levels (33% or over 80,000 properties) are non-decent. The city has just under 20,000 back-to-back houses, which are difficult to improve to a decent standard of repair, due to inherent building design flaws. The most common challenge relating to non-decent private housing relates to excess cold. The rise in energy costs in recent years has meant that there was an increase from 19 to 24% in the proportion of the Leeds population who suffer from fuel poverty. It is estimated that two-thirds of existing housing stock will still be in use by 2050 and therefore the sustainability of current housing stock is a key challenge. The city needs to gear up to the challenge of making all housing carbon neutral by 2019. It is estimated that 46% of all carbon emissions relate to property.. The links between the quality of housing and health and wellbeing is compelling.

Excess cold is a major cause of a premature mortality and steep and narrow staircases in older housing stock increases the risk of falls and the need for hospital treatment/placement in residential care. Leeds has a relatively high rate of infant mortality, which NHS Leeds partly attributes to poor quality housing.

**2.8. Vulnerable people need to be assisted to achieve and maintain an independent living outcome if that is their choice.** The Leeds Strategic Plan includes strategic outcomes and improvement priorities relating to promoting the capacity of vulnerable people to live independently, to exercise choice and control over their lives through the provision of community based services and to reduce the level of homelessness in the city. There has been a recognition that the traditional approach to assisting people who are homeless or threatened with homelessness offered limited housing options and often missed opportunities to prevent homelessness. Services such as housing support, adaptations and assistive technology can play a crucial role in reducing dependency on day care services, residential care placements and hospital placements. There are significant 'invest to save' opportunities that can be generated through such services. Basic adaptations, such as installing handrails costing around £150, could be compared to the cost of around £50k to NHS Leeds of hospitalising an older person who requires a hip replacement. The Council has become increasingly aware that out-moded housing, such as some sheltered housing and hostel style housing for people with learning disabilities, does not support the drive to help people live independently and to exercise choice and control over their lives.

### **3. Main Issues**

3.1. The updated Leeds Housing Strategy is framed around the strategic vision: 'Creating opportunities for people to live independently in quality, affordable housing'.

3.2. The strategic vision includes three strategic themes:

- Increasing the supply of affordable housing
- Improving housing quality
- Promoting independent living

**3.3. Increasing the supply of affordable housing:** The Council has a target, through the Local Area Agreement, to deliver a minimum of 1500 affordable housing units in the two year period from 2009/10 to 2010/11. Affordable housing delivery is closely linked to wider housing development and the Council, again through the Local Area Agreement, has agreed to a target of delivering 6,800 additional new dwellings by the end of March 2011. The economic downturn has made these targets more challenging; however, Housing Services is confident that the affordable housing target will be met.

- 3.4. The cornerstone of the affordable housing delivery programme is the Affordable Housing Strategic Partnership. The partnership is the prototype of the Local Housing Companies that the government are advising authorities to establish in order to deliver more affordable housing. The release of 87 acres of council land has resulted in £45 million being secured from the Homes and Communities Agency and the private sector. It is predicted that 460 affordable homes will be delivered through the partnership over this and the next financial year. The partnership is also overseeing the development of the first new build council housing in the city since the late 1980s. The updated Leeds Housing Strategy commits to the exploration of opportunities to expand this fledgling programme over the next three years.
- 3.5. Greater emphasis is being placed on helping people to remain home-owners. The Golden Triangle Partnership has been reconfigured to provide a mortgage rescue scheme in the north of the city. The strategy recognises the importance of developing a city wide mortgage rescue scheme. The Housing Services division is exploring opportunities with private sector companies and the Homes and Communities Agency to bring empty properties in the city into use as intermediate rented housing. The formal implementation of the Affordable Housing Supplementary Planning Document will set out minimum thresholds relating to the proportion of housing development that will need to be affordable and the tenure split that is required within the five housing market zones in the city. The Strategic Housing Land Availability Assessment will identify public and private land that can be used for housing development, including affordable housing, up to 2024.
- 3.6. Improving housing quality:** the Leeds Housing Strategy commits to ensuring that all social housing meets the decency standard by 2010/11. The strategy also sets out the challenges and options relating to attracting future investment that can be used to maintain and further improve council housing stock after 2010/11. The strategy calculates the cost of bringing all private sector housing up to the decency standard at £250 million. The key housing quality challenge relates to addressing excess cold. The Leeds Housing Strategy sets out a recommendation to establish a 'Warm Zone' in the city similar to that which is in place in authorities such as Kirklees. A 'Warm Zone' involves the installation of cavity and loft insulation in every property in the authority catchment area. Particular emphasis will be placed on 'hard to treat' properties such as back-to-backs and the Council has commissioned independent research to identify how energy efficiency can be improved in such properties. The links between housing and health and wellbeing outcomes are explored in the strategy and it is noted that NHS Liverpool has given funding of around £9 million to improve private sector housing condition in the city. The Liverpool model needs to be tested and it needs to be identified whether comparable investment can be made in Leeds. The strategy will set out actions and targets relating to improving the sustainability of housing including developing new housing and refurbishing existing housing to achieve zero carbon emissions. The private rented sector will be an increasingly important housing option. Continuing to improve standards of landlordism and accommodation will be important priorities. Maximising the number of private rented landlords that are members of the Landlord Accreditation scheme and encouraging the letting of properties through the Leeds Housing Options Service

Private Sector Lettings scheme are some of the actions set out in the strategy to promote a thriving private rented sector.

**3.7. Promoting Independent Living:** the reconfiguration of the Council's homeless and housing advice services around a housing options model is a key priority. People who are homeless or threatened with homelessness will receive more personalised services that aim, in the first instance, to prevent homelessness. The service will use key homeless options, such as the youth mediation service, Sanctuary scheme, private sector lettings and a mortgage rescue scheme to maximise homeless prevention outcomes. The Leeds Housing Strategy sets out the challenges and actions that will result in an eradication of rough sleeping by 2012 and a minimum of a 50% reduction in temporary accommodation by the end of March 2010 from the position in 2004. Services such as housing support, adaptations and Telecare will assist vulnerable people to live independently. Research will be commissioned to establish the 'invest to save' benefits specifically in relation to health and wellbeing that are generated from such services. The strategy sets out the intention to develop an Accessible Housing Register, as part of the wider Leeds Housing Register, to improve the letting of adapted housing to disabled people. The strategy sets out the Council's ambitions to secure PFI Round 6 funding to modernise ALMO managed sheltered housing provision around a 'Lifetime Homes/Lifetime Neighbourhoods' model and to modernise housing provision for people with learning disabilities as part of the Independent Living Project.

#### **4. Implications for Council Policy and Governance**

4.1. The updated Housing Strategy will set out the key challenges and actions of the housing authority and partners over the next three years. The updated housing strategy will be presented to the Council's Executive Board in July 2009.

#### **5. Legal and Resource Implications**

5.1. The updated housing strategy will set out the investment requirements relating to the housing challenges facing the city. There is no legal obligation on the part of the Council to develop a housing strategy for the city. The updated housing strategy will have regard for all relevant legal duties relating to the authority.

#### **6. Conclusions**

6.1. The updated housing strategy will set out the key housing challenges for the city and the actions that will be taken to address these challenges. The Council and partners recognise that housing is a dynamic service area, and the Council and partners will need to be flexible to respond to evolving challenges. The Leeds Housing Partnership will monitor the strategy action plan on an ongoing basis.

## **7. Recommendation**

7.1. The Board is requested to

- (i) consider the updated draft Leeds Housing Strategy;
- (ii) submit any written comments back to the Executive on the draft Strategy

### Background Papers

None.