



**North West Leicestershire
Housing Strategy
2016 - 2021**

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1. Executive summary

Home is one of the most important factors in people's lives. Good quality housing that meets the needs of residents helps to promote healthy and fulfilled lives, and an increased sense of wellbeing and belonging. Our corporate vision for the district is that:

North West Leicestershire is a place where people and businesses feel they belong and are proud to call home.

This revised North West Leicestershire Housing Strategy 2016 – 2021 builds on the work of the previous strategy, and taking into account national and local factors, focuses on how the district council and strategic housing partners can work together to provide the best homes for our residents.

Themes for the Housing Strategy 2016-2021

1 Supply –

- Maintain and increase supply of good quality new homes of all tenures to support economic growth in the district.
- Maintain and increase the supply of affordable homes, in a challenging financial environment, including new build by NWLDC, and increase the proportion of one and two bedroom properties.
- The council, affordable housing providers and constructors to collaborate on addressing financial challenges in maintaining stock, and delivering new homes.
- Unlock the potential of vacant sites and empty homes.
- Make best use of existing housing stock, including selective asset disposals where necessary to re-invest proceeds.
- More flexible application of affordable housing obligations through planning to consider a broader range of measures to maintain delivery including NWLDC purchasing affordable housing units on new developments, renegotiating tenure mix and affordable housing numbers, increasing acceptance of commuted sums, providing subsidies to Registered Providers, and accepting serviced plots of land to be developed at a later stage.

2 Standards –

- Improve condition and energy efficiency of council stock through maintaining decency standards, and raising them where possible
- Explore build for life standards for new developments
- Commission a stock condition survey of private rented sector and owner occupied homes to establish current issues that will provide up to date information about the sector and inform what, and where, action is needed
- Work with private sector landlords and residents to improve the condition of private homes and make homes more suitable for frail elderly owner occupiers and tenants to live in

- Continue the Green and Decent Homes projects and make an informed decision regarding future suitability for tenants in council properties.

3 Support –

- Reduce fuel poverty in the social and private sector across tenures
- Prevent homelessness by giving timely advice and assistance to high risk groups
- Support those affected by welfare reform and encourage them to adapt to the changes
- Improve the understanding of the range of housing options and housing related support that are available
- Ascertain the type of housing older people wish to live in
- Work with partners to implement the guidance of the Care Act 2014: “Developing a local approach to preventative support should include the involvement of those responsible for public health, leisure, transport and housing services”.

2. Introduction by Councillor Bayliss, Portfolio holder for Housing

3. Purpose and context of the housing strategy

Our Housing Strategy for 2016 - 2021 describes how the Council and the Strategic Housing Partnership intends to meet the housing needs and aspirations of our residents. It links to the

Local Plan in setting out how to work together in new homes delivery and provision of housing services.

Recently there has been significant change in the planning system and the funding and delivery of affordable housing. There are skill shortages in the building trade which may impact on the future delivery of new housing.

This strategy replaces the Housing Strategy published in 2011 and sets out our proposals over the next five years. This strategy sits under the Local Plan which is in the process of being developed for publication in 2016/17.

The National Planning Policy Framework

In 2012, the Government published the National Planning Policy Framework (NPPF), which aimed to reduce the amount of planning guidance and simplify the planning process. The NPPF signalled a shift in emphasis towards a presumption in favour of sustainable development.

The NPPF requires councils to identify the full, objectively assessed need for market and affordable homes in the housing market area and respond positively to wider opportunities for growth. The NPPF makes it clear that it is Government policy that there should be a significant boost in the supply of housing.

The NPPF also sets a definition of affordable housing for planning purposes. This includes Social Rented, Affordable Rented and Intermediate Housing provided to eligible households whose needs are not met by the market. Planning Policy for Traveller Sites came into force at the same time as the NPPF and requires the Council to set pitch targets for travellers and plot targets for travelling show people.

4. National changes in housing policy in 2015

The 2015 Conservative government have introduced a number of key initiatives that have implications for housing provision and which this housing strategy must have regard to in order to deliver the identified priorities for the area over the next 5 years.

Right to buy

The right to buy scheme is being extended to include housing association tenants who have held a tenancy for three years or above. This scheme will require local authorities to sell their most valuable homes when they become vacant to compensate housing associations for the discount on homes sold under right to buy, and to fund the building of more affordable homes in the area.

Starter Homes

Local planning needs to take into account the provision of a statutory framework for the delivery of starter homes, new build properties which will be made available exclusively to first time buyers under the age of forty at twenty percent below normal market prices.

Full employment and welfare benefits bill

This bill will introduce the following measure:

- Removing 18-21 year olds' automatic entitlement to housing benefit
- Freezing working age benefits for a further two years for 2016/17
- Lowering the overall benefit cap locally from £26,000 per household to £20,000

1 percent rent decrease.

All social and council rents will be reduced by 1 percent per year for the next four years, starting from April 2016 . As a result, all Registered Providers of social housing are in the process of re-casting their business plans and are reluctant to make any new financial commitments. Previous commitments made by Registered Providers are also being considered again in light of their now restricted capacity. This has led to the prediction of a reduction in the number of affordable homes that will be developed.

Some Registered Providers have advised that they are no longer considering any schemes in 2016 and are only looking at schemes with completion from 2017 onwards, although others are unsure as to whether this will be beneficial in the long term regarding future capacity.

This situation is not just happening in NWL, conversations with the Homes and Communities Agency and other RPs and local authorities have highlighted the same challenges across the whole of the East Midlands region. Nationally, some RPs have announced they will no longer develop any affordable housing in future, whilst others have stated that they are taking advice on deregistering so the effectively become private bodies, free of any government regulation (including rent guidance).

North West Leicestershire District Council's position

Initial forecasts are that the effect on the council's rental income over the first 5 years of the plan will be a loss of £7.5 million. Registered Providers will no doubt be similarly affected. The strategy needs to consider this factor along with future efficiency savings that need to be made for maintaining decency of existing housing stock in the long term.

Market rents for houses where income is over £30,000 – "Pay to Stay" scheme

In North West Leicestershire, any household who has an income of £30,000 or over will no longer be entitled to pay an affordable rent and will have to pay full market rent for their council or housing association home. For council housing, the monetary difference between the discounted rent and the market rent will go to central government although registered provider landlords can keep the additional income. This requires primary legislation to be drawn up and the government says that it will consult and set out details in due course.

5. National picture for Housing in 2015

Localism Act

The Localism Act 2011 introduced a number of key reforms in relation to housing and planning with the primary objective of decentralising power to local areas. This provided the legislative framework to promote the delivery of the Government's policy priorities as set out in the national housing strategy, "Laying the foundations":

- Increasing supply; more homes, stable growth
- Social and affordable housing reform

- A thriving private rented sector
- Empty homes
- Quality of housing experience and support
- Quality, sustainability and design

National housing strategy

The Government's housing strategy, *Laying the Foundations*, published in 2011, set out a clear agenda to boost the economy by stimulating the housing market through building new homes. The strategy sets out a range of measures including the change to funding of affordable housing, requirements in relation to design, quality and improved environmental standards of new and existing homes; making best use of existing stock (including empty homes) and the introduction of fixed term social housing tenancies.

Funding of affordable housing through Affordable Rent

The introduction of the Affordable Rent model to fund new affordable housing has emerged since April 2011. This model requires providers of new build affordable housing to charge rents at up to 80 per cent of market rents and use the difference between the 'social rent' level and 'Affordable Rent' to fund future affordable housing development, in conjunction with much lower levels of grant.

Housing Revenue Account reform

The reform of housing finance with effect from April 2012 represents a core element of the Government's housing strategy. It ended the complex housing subsidy system by transferring the national housing debt back to the remaining stock holding councils enabling them to retain future rental income from council homes rather than handing a proportion back to the Treasury. Councils now have the opportunity to decide how they wish to use the rental income and, through their business plans, set their own priorities for the future management of their housing stock. It is a key ambition of our own Business Plan to increase the supply of affordable housing, including by directly building council housing.

Welfare reform

The Government's commitment to reform the welfare system has significant implications for both tenants and landlords in the private and social housing sector. A range of benefit changes have been introduced over the last four years, to housing benefit regulations and through the Welfare Reform Act 2012. The Act provides for a radical overhaul of the benefit system through the introduction of Universal Credit, a single benefit for people of working age, which will replace existing benefits such as Income Support, Job Seekers Allowance and Housing Benefit.

The implementation of Universal Credit is now expected to roll out in Leicestershire from September 2015. A number of other changes have taken place since 2011 that affect local residents. This includes the introduction of Local Council Tax Support and new regulations on Housing Benefit. These restrict and reduce the level of funding many households are able to claim, such as lower rates of local housing allowance for private tenants, a cap on the level of benefit for families, and size criteria for the homes of social housing tenants.

The Elphicke-House report

The 2013 review by Elphicke and House, into the local authority role in housing supply, brought forward the following core recommendation:

The local authority as Housing Delivery Enabler

Councils have a primary responsibility to assess and meet the housing needs of their local population as Housing Delivery Enablers. Councils should address and drive housing activity and housing delivery in their areas and for their local population

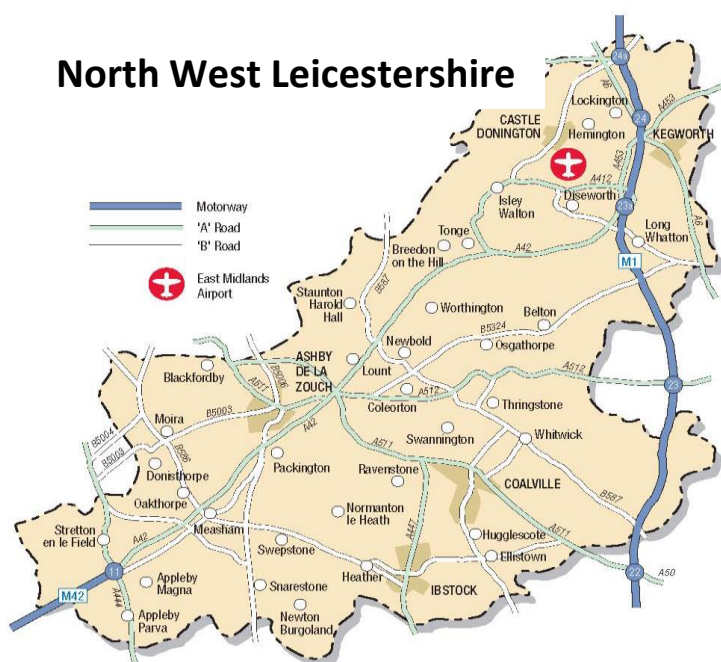
The role of Housing Delivery Enabler can be met through (i) community leadership and strategic clarity; (ii) creating housing opportunity; (iii) business leadership, (iv) management of housing supply, and (v) shaping a stronger housing finance market

Health and social care reform

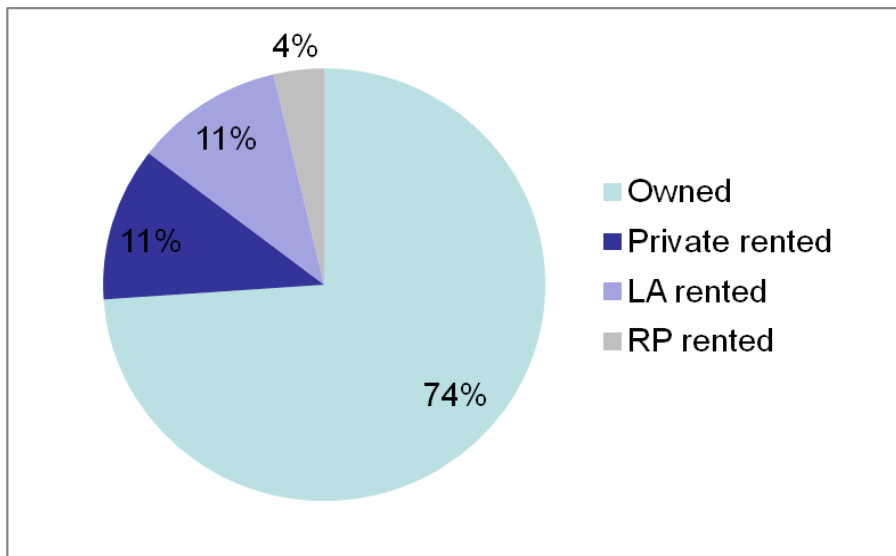
Primary Care Trusts (PCTs) were abolished in 2011 and Leicestershire County Council now has public health responsibilities for the county. The County Council has established a Health and Wellbeing Board to promote more joined-up commissioning of health and social care and public health services. The priorities for the Health and Wellbeing Board are:

1. Giving children the best start in life
2. Managing the shift to early intervention and prevention
3. Supporting an ageing population
4. Improving mental health and wellbeing
5. Tackling health inequalities

6. Local Strategic Overview



According to the 2011 Census, there are 93,468 residents in North West Leicestershire in 39,128 households. Below is a chart detailing the tenure split.



House types

North West Leicestershire comprises mostly of detached houses with concentrations of pre 1918 terrace properties. The district is predominantly rural and housing is spread out across small towns, villages and hamlets.

Leicester and Leicestershire Strategic Housing Market Assessment (SHMA) 2015

The SHMA calculates housing need in areas and is based on information from the Census 2011, demographic projection, house prices, rents, income information and a range of other local, regional and national databases.

Specifically in North West Leicestershire the SHMA indicates the need for an additional 209 affordable homes each year. The Council is currently undertaking public consultation as it develops its key planning document, the Local Plan, and it is intended that this Housing Strategy will feed into that plan, especially with regard to the future provision of affordable housing. The Local Plan is due for publication in September 2017 depending on the complexity of the consultation responses.

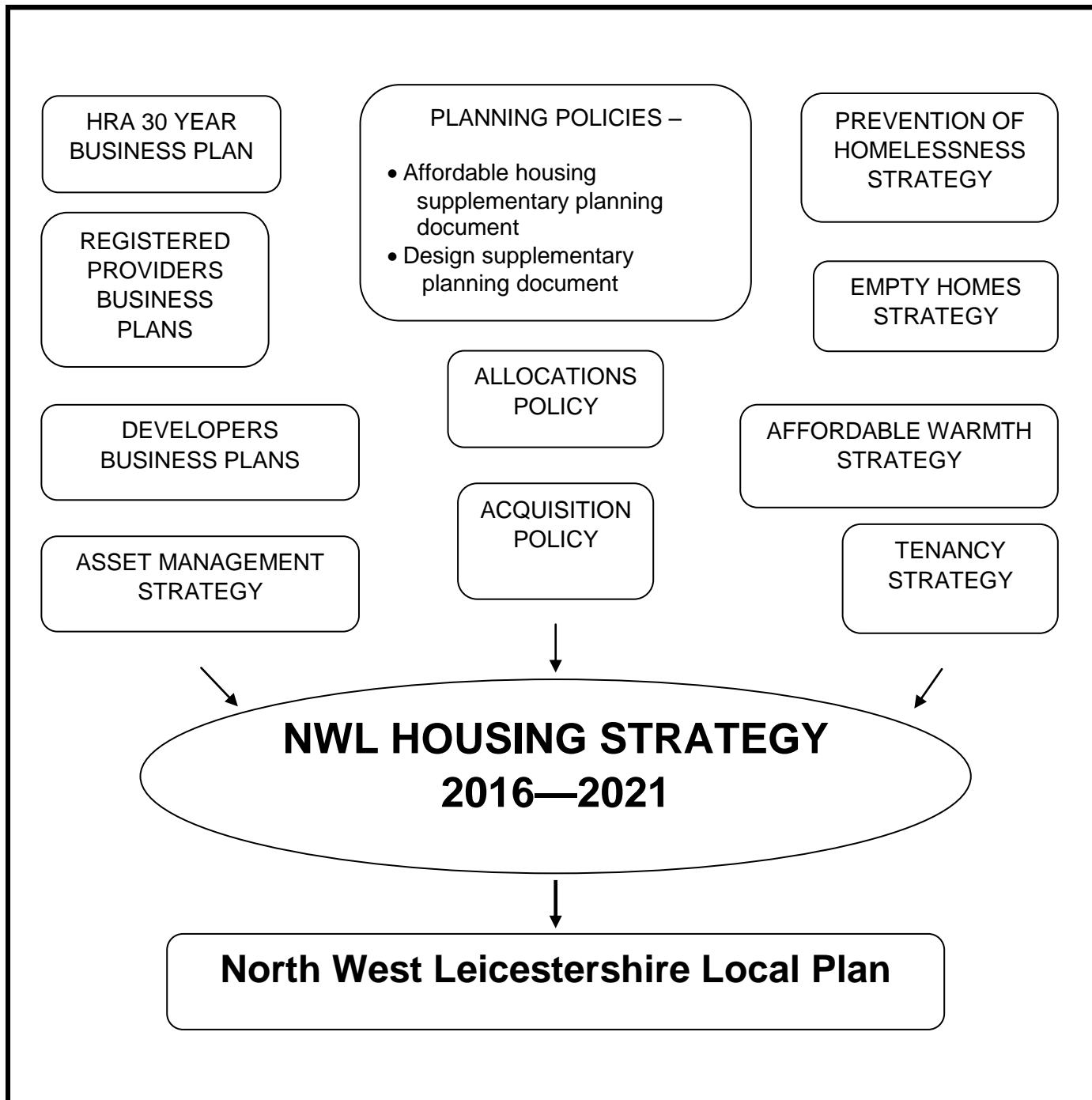
Demand for Affordable Housing

Demand for affordable housing in the district remains high. The housing register increased by more than 50% in the year from April 2014 (550 applicants) to April 2015 (840), despite more than 500 applicants being housed into social rented homes during the same period.

Other strategies and policies that are linked to the new housing strategy:

This strategy is an overarching document that coordinates other housing related strategies and helps us to address the housing needs of the district. We are committed to making sure that all or our housing work is aligned so that more effective and efficient services and outcomes are provided.

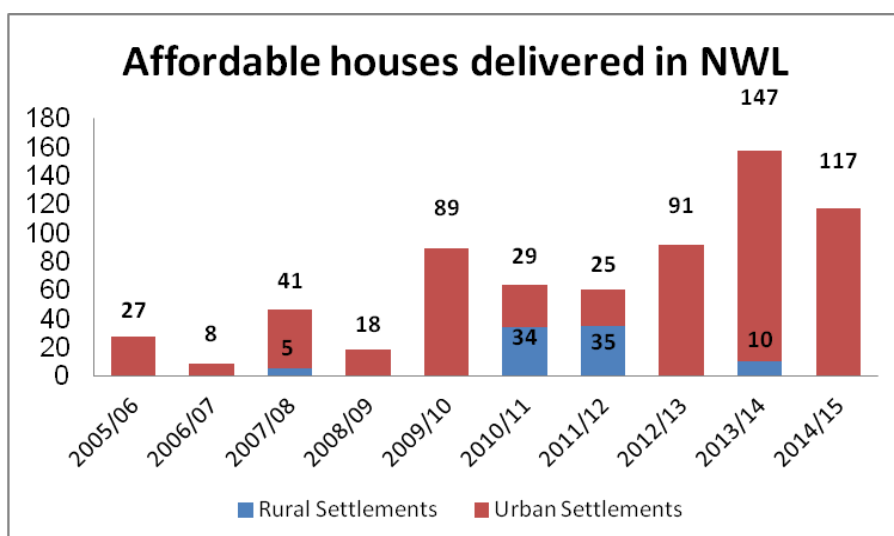
The NWL Strategic Housing Partnership also needs to consider the business plans of all partners and to coordinate objectives.



7. Key achievements from the previous Housing Strategy

Delivery of affordable homes

During the past 5 years there has been a programme of affordable homes provision in the district:



Rural need surveys and working with rural partners

In order to determine where homes in rural areas are needed, the council together with Midlands Rural have sent surveys to all people who live in settlements where there are less than 10,000 residents, in North West Leicestershire. As of 2015, twelve settlements have been surveyed by the council and eleven by Midlands Rural. These surveys help us to understand the current and future housing needs of rural communities so that we can make sure that suitable and appropriate housing is delivered where it is required. In the last five years there have been successful affordable rural schemes built in Breedon, Heather, Diseworth and Long Whatton.

Decent Homes programme

North West Leicestershire district council completed its' decent homes programme in March 2015 with 3,787 properties made decent. Of these:

- kitchens to 2,094 homes;
- bathrooms to 1,584 homes;
- new heating systems to 1,031 homes;
- full electrical rewiring to 574 homes;
- new doors or windows to 3,188 homes;
- new roofs to 452 homes.

Bringing empty properties back into use

The revenues and benefits team have worked together with the Housing Choices team and the Private Sector housing team to identify empty properties and work with owners to bring them back into use. Such properties were either sold on the open market, used for private let or in some cases purchased for social housing.

Date/Year	No of empty properties
Oct 10	498
Oct 11	485
Oct12	385
Oct 13	367
Oct 14	400

New homes bonus

The new homes bonus, a funding stream calculated on delivery of new homes, bringing empty homes back into use, affordable home delivery and net addition to the council housing stock has brought in £5.131 million to NWLDC over the past 5 years. This funding has been used to directly protect front line, public facing services across the council.

Renewal and changes to the housing register

The Sub Regional Choice Based Lettings Scheme (CBL) was introduced in 2011. Following the Localism Act 2012 our Allocations & Lettings policy was reviewed and approved by Members in March 2013, and is based on a common set of priorities developed by the Leicestershire Sub-Regional Choice Based Lettings partnership, consisting of seven Leicestershire District Councils. This system provides increased choice and transparency for all homeseekers applying for social housing across Leicestershire.

The current Allocations & Lettings policy March 2013 was implemented in April 2014 following an application renewal process in November 2013, a system upgrade in April 2014, and a full re-registration and banding process to update the applications in line with the current policy. When the review process started there were 1533 applicants on the Housing Register, after the renewal process 859 re-registration forms were sent out. 490 of those registrations came back and were live in April 2014. There are currently 840 applicants on the Register

Since then we have implemented and operated a rolling monthly renewal process to ensure applications remain up to date, so NWLDC have up to date information on current housing demand.

8. Our ambitions for housing in North West Leicestershire

Corporate Vision statement

North West Leicestershire will be a place where people and businesses feel they belong and are proud to call home.

Consultation

The Housing choices team have delivered workshop style consultation events with key stakeholders in the district to gain an initial understanding of key challenges and themes. These groups are:

- The NWL Strategic Housing partnership,
- NWLDC officers from planning, housing management, private sector housing, safer and stronger communities, housing repairs and maintenance, planning policy
- The Tenants and Leaseholders Consultation forum
- NWLDC ward members
- Parish Councils.

During these events information and data on housing, both nationally and in North West Leicestershire was presented to the groups who then identified challenges and discussed possible solutions.

Further consultation has taken place with parish councils and the general public through meetings and an online survey.

Challenges identified during the consultation:

Information on the Changing demographics and housing in NWL	
<i>Challenge</i>	<i>Solution</i>
<ul style="list-style-type: none"> • Ageing population that will require more care services and new housing solutions • More families that have members with disabilities and require adaptations 	<ul style="list-style-type: none"> • Gather information from tenants and partners regarding residents future care needs • Ascertain the type of housing older people wish to live in • Use needs information to implement preventative measures in homes, e.g. wide paths for people over a certain age • Undertake a housing stock condition survey across all tenures
Empty Homes	
<i>Challenge</i>	<i>Solution</i>
<ul style="list-style-type: none"> • Long term empty homes in the private sector can be tied up with legal processes and then become hard to let due to standard of the property • Some Council sheltered housing schemes are empty 	<ul style="list-style-type: none"> • Consider converting hard to let homes into houses of multiple occupation or 1 bed flats/bedsits • Consider more enforcement action against owners of empty properties in poor condition • Sell sheltered schemes to private developers, and re-invest proceeds • Convert sheltered schemes to create a Foyer system of supported housing for vulnerable people
Funding for affordable housing	
<i>Challenge</i>	<i>Solution</i>
<ul style="list-style-type: none"> • Viability can be difficult for small building firms regarding affordable housing provision • Rent decrease for social housing will likely lead to a future reduction in the numbers of new affordable housing being developed 	<ul style="list-style-type: none"> • Council work with RP's to consider most cost effective way of providing affordable housing on small schemes • All social housing providers to map the impact of rent decrease on their business plan and work together to mitigate the impact
Standards of housing across all tenures	
<i>Challenge</i>	<i>Solution</i>
<ul style="list-style-type: none"> • Rent decrease for council and housing associations may present challenges in 	<ul style="list-style-type: none"> • Active management of stock so alternative solutions found for properties with high

<p>maintaining decency standards in future</p> <ul style="list-style-type: none"> • Some owner occupiers find it difficult to source reliable and trustworthy trades people • Excess winter deaths in NWL are significantly higher than the national average which will in part be linked to fuel poverty • Some areas are off gas meaning that heating is more expensive • Aids and adaptations take a long time to implement 	<p>investment needs</p> <ul style="list-style-type: none"> • Set up council handyman scheme for low level work such as moving boxes, changing light bulbs, for elderly frail residents • Set up council trusted trader scheme for local trades people and linked to council website • Support the Lightbulb project • Consider plan for Off Gas areas with possibility of community collective payment for installation
Lack of support for vulnerable residents	
<i>Challenge</i>	<i>Solution</i>
<ul style="list-style-type: none"> • Leicestershire County Council have reduced funding for some key preventative services in adult social care, directly impacting on no of hostel spaces, domestic abuse support and homeless prevention support. (More detail in table below) • Voluntary sector provision over subscribed for low and medium level support, particularly for frail, elderly or disabled people's transport services to enable hospital visits or participation in social activities • Reductions in prevention funding have meant that Adult Social Care have had to raise their eligibility thresholds which has created a gap in low and medium level support 	<ul style="list-style-type: none"> • Consider warden based service type schemes • Use lettings and allocations policies to match properties with appropriate need • Provide tenancy support • Work with health partners to highlight the integration between good appropriate housing and emotion and physical wellbeing

Leicestershire County Council funding reductions:

Service	Previous amount	Reduced to
Overall Adult prevention services	9.4 million	5.9 million
Older persons budget	2.2 million	£240k
Domestic abuse	£144 k	£120 k
Homeless prevention	£1.3 million	£500 k

9. Housing strategy 2016 – 2021 themes and objectives

The initial analysis of the results of the consultation demonstrates certain key areas that have been identified by all stakeholders. Aligning these with national and local housing policies and changes, we have based the new housing strategy on the following three themes:

1 Supply –

- Maintain and increase supply of good quality new homes of all tenures to support economic growth in the district
- Maintain and increase the supply of affordable homes, in a changing financial environment, including new build by NWLDC, and increase the proportion of one and two bedroom properties,
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- Continue the Green and Decent Homes projects and make an informed decision regarding future suitability for tenants in council properties.

3 Support –

- Reduce fuel poverty in the social and private sector across tenures
- Prevent homelessness by giving timely advice and assistance to high risk groups
- Support those affected by welfare reform and encourage them to adapt to the changes
- Improve the understanding of the range of housing options and housing related support that are available
- Ascertain the type of housing older people wish to live in
- Work with partners to implement the guidance of the Care Act 2014: “Developing a local approach to preventative support should include the involvement of those responsible for public health, leisure, transport and housing services”.

10. FIVE YEAR PLAN

Annual action plans will be drawn up to develop the high level objectives detailed below. The plans will be developed and monitored by the NWL Strategic Housing Partnership.

SUPPLY – NWL HAS APPROPRIATE HOMES FOR ALL RESIDENTS	
Increase supply of good quality new homes	Implement the NWLDC new build project
	Bring all affordable housing providers together to address financial challenges with a collaborative approach
	Work with planning department to implement a more flexible approach to affordable housing
	Work with developers of market and affordable housing to increase proportion of 1 and 2 bed homes
Vacant sites and empty homes	Selective asset disposal to reinvest proceeds into empty social and council stock
	Earmark existing vacant sites and empty sites for redevelopment
	Work with private sector landlords to bring empty homes back into use
	Consider conversion of empty properties into houses of multiple occupation in private and social housing

STANDARDS – IMPROVE QUALITY OF HOMES ACROSS SOCIAL AND PRIVATE SECTORS	
Council stock	Maintain decency standard and decency plus where possible
	Implement green energy initiatives for tenants in council properties
	Set up council handyman scheme for low level preventative work
Private sector	Undertake a private sector housing stock condition survey
	Scope possibility for trusted trader scheme
	Explore build for life standards for new developments

SUPPORT – RESIDENTS IN NWL CAN ACCESS APPROPRIATE SUPPORT	
Care Act guidance	Work with partners to implement housing related preventative care and support
Excess winter deaths	Undertake private sector stock condition survey, scope and implement reduction in fuel poverty initiatives
Prevention of homelessness	Provide tenancy support in council and private sector

