

**NORTH WEST
REGIONAL HOUSING
STRATEGY
2005**

North West Regional Housing Strategy 2005

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1 INTRODUCTION

- 1 This revised Regional Housing Strategy (RHS) builds on the one that the Regional Housing Board published in July 2003. It has been prepared during a time of significant developments in national and regional policy together with changes in our regional housing markets.
- 2 The responses to our consultation paper, and our own research and evaluation, confirmed that the fundamental needs and priorities identified in the 2003 RHS remain sound. They continue to provide a framework for the delivery of good solutions for the different housing issues facing the region. It is clear that now is not the time to make major changes and RHS 2005 is therefore presented as an update and development of RHS 2003, reflecting some shift to /in priorities rather than a fundamentally new strategy.
- 3 A key part of the review process has been the input from stakeholders who provided a rich and diverse body of views for the Board to digest. A summary of the consultation process and written responses have been published on the Board website (www.nwrhb.org.uk).
- 4 In a region as diverse as the North West where we face many competing challenges and finite resources we did not expect consensus. We continue to be clear that the Board's primary role is to be as inclusive as possible but that in doing this we will not wish nor be able to attempt to build a regional consensus. Rather, its role is to take difficult decisions taking into account the views of housing stakeholders, the Regional Spatial and Economic Strategies, the policy environment, and the lessons learned from what has been delivered so far.
- 5 Our aim was therefore to produce a Regional Housing Strategy that:
 - Sets out a comprehensive view of the strategic housing issues facing the North West;
 - Establishes foundations for the forthcoming Regional Spatial and Regional Economic Strategies to build upon, and which responds to the Northern Way Growth Strategy;
 - Develops and makes more explicit spatial and thematic priorities for the region to better direct investment decision making;
 - Is grounded in the growing understanding of the housing markets in the North West and their relationship with both economic drivers and social and environmental sustainability;
 - Sets long-term objectives for the region against which shorter term priorities for action can be established; and

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- Identifies where the Board and its partners can make a demonstrable positive difference.
- 6 Our annual Regional Housing Pot (RHP) resources are not going to increase in the immediate future. Although this RHS is designed to guide housing investment in the North West, it is clear that delivery agents will increasingly need to look at smarter ways of working and achieving efficiencies if our priorities are to be tackled. Some suggestions are included later in the RHS, but we will look to our delivery partners to build on these ideas and to create a shared body of good practice.
 - 7 The solutions to many of our challenges are no longer exclusively, or even mainly, for the public sector to resolve alone. The private sector is a crucial element in the delivery of balanced housing markets in the region. Most new housing will be developed without public funding or intervention and most improvement to the existing stock is the result of investment by individuals. It is where this is not happening that the development of closer partnership working across all sectors must continue. To help drive this forward, the Board has welcomed new members representing the financial and construction sectors.
 - 8 The ability of the training and skills sector to provide a workforce that can deliver the changes we envisage will also be crucial. The Board will look to assist the Construction Industry Training Board in their work to ensure the availability of sufficiently skilled personnel to deliver the physical works relating to the regional priorities set out in this strategy. Given the scale of investment required, demand for people with the right skills should continue to expand. This will offer both an opportunity to spread the direct economic benefits of this investment into the community, provided that the skills base is able to rise to the challenge
 - 9 We are also mindful to ensure that rural housing issues are not ignored. Although 89% of the land area in the NW is rural, 88% of the population live in urban areas and so a concentration on the issues faced by these areas in the RHS is inevitable. We have also taken the view that the challenges facing rural areas clearly need to be identified, analysed and tackled at a very local level. We have therefore ensured that specific rural needs are highlighted in the relevant sections of the RHS, rather than adding them as a separate section or priority.
 - 10 In addition to the focus on specific housing priorities, we have also been engaged in a wider debate on how the RHS can be aligned with the Regional Economic Strategy (RES) and Regional Spatial Strategy (RSS). This is a crucial step in ensuring that individual interventions are co-ordinated to maximise impact on the ground. This RHS starts the process of drawing out and developing the links with planning and economy that will be taken forward in the current reviews of the RES and RSS.

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2 VISION

- 11 The basis of our RHS for achieving long-term housing goals, so far, has been the vision for the North West set out in the 2000 Regional Housing Statement. This has served us well in guiding housing investment since 2000, but has now been reviewed to take account of the importance of aligning housing with spatial and economic strategies. The vision for the 2005 RHS is as follows:

“Our vision is a region working together to deliver a housing offer that will promote and sustain maximum economic growth within the region ensuring all residents can access a choice of good quality housing in successful, secure and sustainable communities.

The North West should be a region that:

- Involves people and communities in planning their futures,
- Invests in sustainable neighbourhoods,
- Provides a range of high quality properties for sale and rent,
- Supports the development of mixed communities,
- Rejuvenates our urban areas so they are the first choice for all kinds of households,
- Promotes sustainable rural communities,

Replaces obsolete housing and promotes new development in a planned and balanced way to support economic growth”

- 12 The RHB is working closely with NWDA and NWRA to ensure that the RES RSS and RHS strategies align as they come forward for publication. In the near future we will agree a detailed shared vision to drive all three Regional Strategies. In the meantime, the Board shares the joint ambition of the three regional agencies set out below and will ensure that our vision for housing will be delivered in a way that will support it.

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“The Government Office for the North West, the North West Regional Assembly and the North West Development Agency recognise that it is critical for the success of our region to align our Housing, Spatial and Economic Strategies with common over-arching aims.

We share a vision of a region of mixed, prosperous and sustainable communities that offer employment and a choice of good quality housing at a price that they can afford. We will work to make the North West a region that engenders civic pride, in which people choose to live, work and enjoy leisure time.

Through our housing, spatial and economic strategies we will promote urban renaissance, building on the region’s assets, making the most of the region’s heritage whilst developing a 21st Century economy, and replacing obsolete buildings in a planned and balanced way. We will also work to sustain rural communities and enhance their economies.

We recognise that economic, social and environmental development must be coordinated, integrated and complementary if we are to make the most of our opportunities for improving the Region’s prosperity and quality of life”.

3 CHANGING POLICY CONTEXT

- 13 In preparing the RHS2003 we outlined the way in which we had taken account of the many national and regional policy documents that form the framework within which we work. Since then there have been a number of important new policy developments at both national and regional level which we have taken account of in the review of our strategy.
- 14 Several of these changes have occurred very recently, or are evolving. We have built the RHS around them as far as possible. In some cases we can do no more at this stage than identify a need for other strategies, processes or agencies to take the agenda forward as more detailed information emerges. Our aim is to produce a RHS that set clear priorities and key messages that will enable this process to happen.
- 15 The following short analysis focuses on the changes that the Board consider to have the most implications for the North West. This is by no means intended to represent an exhaustive list of all the issues that the Board discussed in relation to these documents. In most cases the RHS was already moving in the right direction and the Board did not consider that major adjustments were needed

The national context

Sustainable Communities: Homes for All

- 16 “Homes for All” is a 5 year plan building on the Sustainable Communities Plan, which seeks to sign-post a step change in housing quality and supply, encourages wider home ownership, promotes mixed communities, encourages greater choice for renters and promises greater support for the homeless. Of particular interest to the North West is the confirmation of additional funding for areas outside the pathfinders, specifically including West Cumbria and Furness.
- 17 Most of these themes are already being pursued through the RHS2003 priorities. The Board welcomes the continuing commitment to reviving communities and housing markets and the additional funds for Housing Market Renewal (HMR) activity outside the current pathfinder areas. The Board also welcomes the increased emphasis on mixed communities, better quality housing supply and tackling rising homelessness.

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Delivering Stability: securing our future housing needs (The Barker Review)

- 18 The Barker Review highlights the need for more responsive housing markets to avoid problems with affordability; to close the wealth gap and to facilitate labour mobility. Key recommendations cover the provision of social housing, setting affordable housing targets and merging the Board with the regional planning body.
- 19 The Board has already expressed support for the merger proposals and has always emphasised the need for more responsive housing markets in all circumstances, including those experiencing low demand. The Board also believes that the objective should be to enhance economic performance to address the economic prosperity gap within the North West as well as between regions.

Rural Strategy 2004

- 20 The Rural Strategy identifies three priorities for rural policy - economic and social regeneration, social justice for all and enhancing the value of our countryside. There is also specific reference to the issue of affordable housing and to the problems it can cause for local people and key workers. The Rural Strategy will inform the Government's rural policy and the operation of delivery mechanisms for the next 5 years. The Board considers the affordability issues facing rural communities in detail in Priority 2 of this RHS.

The regional context

- 21 Developments in regional policy have been no less significant: and have been a key element in the review of the RHS.

Alignment with the RSS and RES

- 22 A key objective for the Board has been to work with the North West Development Agency (NWDA) and North West Regional Assembly (NWRA) to ensure that the RHS, RSS and RES are aligned. The RSS will replace the existing Regional Planning Guidance, RPG13, which was issued in March 2003 and will set out a framework for the development and use of land within the region. It will also set out the overall scale of housing provision in the North West, its distribution throughout the region and guidance on the proportion of homes that will need to be affordable. The RSS will provide a context for Local Planning Authorities as they prepare their Local Development Frameworks. The RES seeks to provide a vision of the region's economy and identify the interventions required to improve economic performance.
- 23 The RHS is the first of these strategies to be published and the Board will work to ensure that completed suite of documents align with one another. The

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NWRA and NWDA are represented on the Board and the drafting teams for all three documents have been working closely together throughout the RHS review process. They will continue to do so as the RSS and RES evolve.

Northern Way Growth Strategy (NWGS)

- 24 The NWGS sets out how the North can unlock the potential for faster economic growth and bridge the £29bn output gap with the Southern part of the UK. Success will depend on whether the North is seen as a desirable place to live and invest. More responsive housing markets are an essential component of this growth Strategy. The NWGS focuses on developing eight city regions across the North, which are the main population centres. The Strategy's city regions in the North West are Liverpool, Manchester and Central Lancashire.

- 25 The Board supports the development of the Northern Way Strategy and agrees that housing has a central role in supporting and driving economic development. We accept that the quality and range of housing currently available in parts of the North West is not good enough. There needs to be a supply of good quality, attractive housing of a type necessary to attract and retain the skilled workforce needed to sustain economic development. The prevalence of obsolete housing may deter investors or lead to locational decisions which result in unsustainable long distance commuting patterns. The Board also recognises that the shortage of affordable housing can also make recruitment difficult, adversely influence economic investment decisions, and again lead to long distance commuting patterns or, in rural areas, jeopardise economic revival and diversification. The Board therefore considers that it's primary contribution to this and the Sustainable Communities agendas must come from directly tackling obsolete housing, providing affordable housing in areas of current need and improving the quality of the existing sustainable stock for the benefit of all communities. The Board considers that the emerging 3 North West City Region Development Plans align well with the RHS priorities, although clearly these priorities cannot be confined to the City Regions alone. The RSS and RES must take this work forward by addressing the longer term issues of spatial growth and land use restructuring.

- 26 The Northern Way Growth Strategy will influence the development of the RSS. The RSS will look at likely demographic trends in the region, taking account of the ageing population, the fall in the proportion of working age population, and the migration implications of different economic growth scenarios. This will then form the basis of the RSS housing allocations throughout the region

4 HOUSING MARKETS IN THE NORTH WEST

27 There are no easy ways to summarise the complexities of the housing market in the North West region and no quick or simple solutions to the opportunities and challenges they present. Research has continued since the publication of the 2003 RHS and, whilst these are complex matters, the Board has gone as far as possible in the current circumstances towards analysing and addressing them.

28 It is important to start any analysis of our housing market by recognising that:

“In much of the North West, the housing market operates effectively as a means of delivering the right homes in the right mix, quantity, location and at the right cost to meet the needs of most local households”

In a document such as a Regional Housing Strategy, we inevitably focus on the very real problems parts of the North West face, but we need to acknowledge that those problems are by no means universal.

29 To strengthen the evidence base that underpins the RHS, the Board commissioned the Centre for Urban and Regional Studies (CURS) at the University of Birmingham to build on their earlier work on housing markets in the region. Their full final report is available on the Board’s website (www.Nwrhb.org.uk). The report used evidence relating to 2002 – 2003, but more recent figures suggest that the trends identified have continued.

Housing market changes

30 The key headline from the CURS study is that

“The housing market in the North West has clearly entered a phase of change after a period of stability. This has occurred at a point when central government, local authorities and other bodies have embarked on the most substantial programme of market intervention for decades”.

31 The main changes can be summarised as :

In 2002-2004

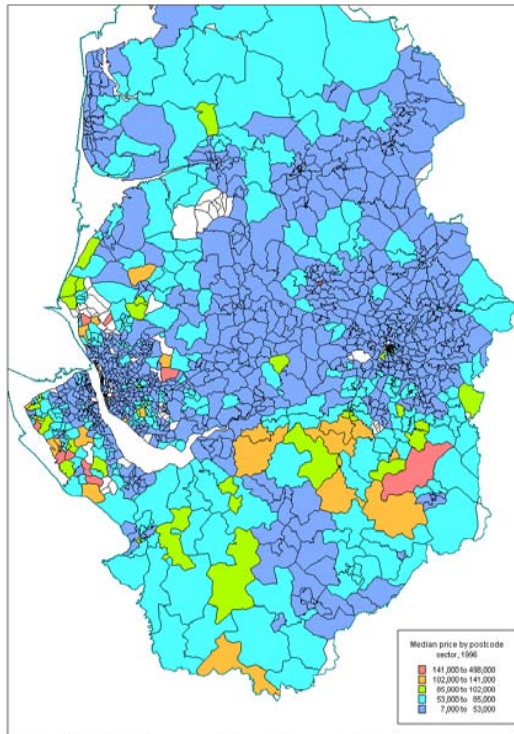
- There were comparatively sharp increases in prices across the North West and prices were still rising steeply at the end of this period.

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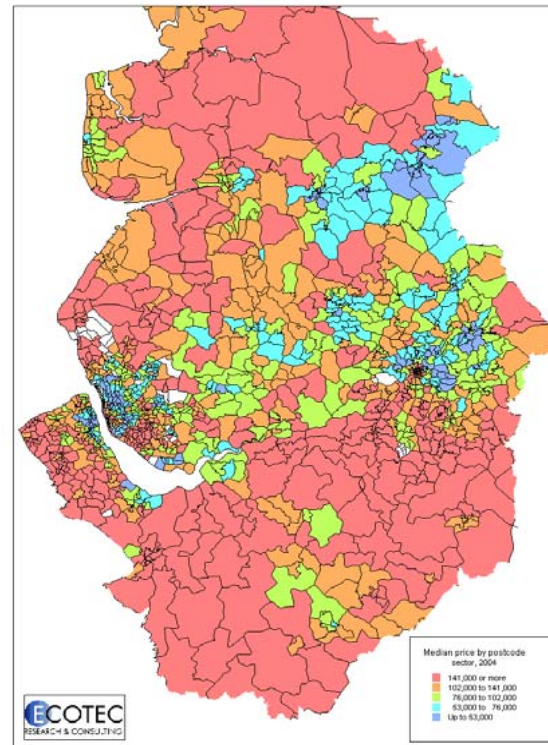
- Higher priced areas experienced the greatest increases, so the gap between higher and lower priced areas has widened.
 - Despite rising prices, the North West lost ground against the rest of the Country over the 1996-2004 period.
- 32 The maps on the following pages illustrate the impact of these changes.
- 33 CURS concluded that most of the drivers for these changes were national in impact, rather than specific to the region. These include rising real incomes for many, underpinned by stable economic growth, enabling households to pay more for housing; historically low interest rates; strong demand from first time buyers; and increasing demand for “buy to let”.
- 34 Wider consultation has confirmed that “buy to let” is now making a significant impact across the regions housing markets – pushing up prices in areas of low demand, capturing much of the city centre markets and finding many new build schemes an attractive investment. The Board is alert to the problems that the unpredictable, short-term nature of this sector has begun to cause and has commissioned work to consider how best to monitor market changes and inform future policy responses. References are made later in the priorities section of the strategy to this issue.
- 35 Overall, however, the Board considers that the CURS work has brought the needs and priorities set out in the 2003 RHS into sharper focus, rather than suggesting that a new direction is called for.

Links with the economy

- 36 The Board supports the cohesive arguments made in the NWGS on the interdependence of housing and economic growth – get the housing offer right and it is an important economic driver, fail to address weaknesses and housing will act as a drag on growth potential. The Board shares the NWGS view that the role of housing in achieving urban renaissance and rural regeneration has not always been clear, understood or acted upon. The Board welcome the opportunity to begin to address this and has placed the economic growth agenda at the heart of RHS priorities.
- 37 The Board wish to ensure that the RHS contributes fully to the delivery of the region’s target for 40% uplift in GVA and in particular to the Northern Way Growth Strategy. It will achieve this through its prioritised investment framework designed to support appropriate growth in supply and to deliver a transformation in the quality and choice of the regions housing offer. Although at an early stage, the work emerging from the 3 North West City Region Development Plans has begun to distinguish between locations with strong demand and economic drivers where housing growth is required to create quality and choice, and those with weaker economic conditions where there is a need to address an over supply of unpopular housing types.



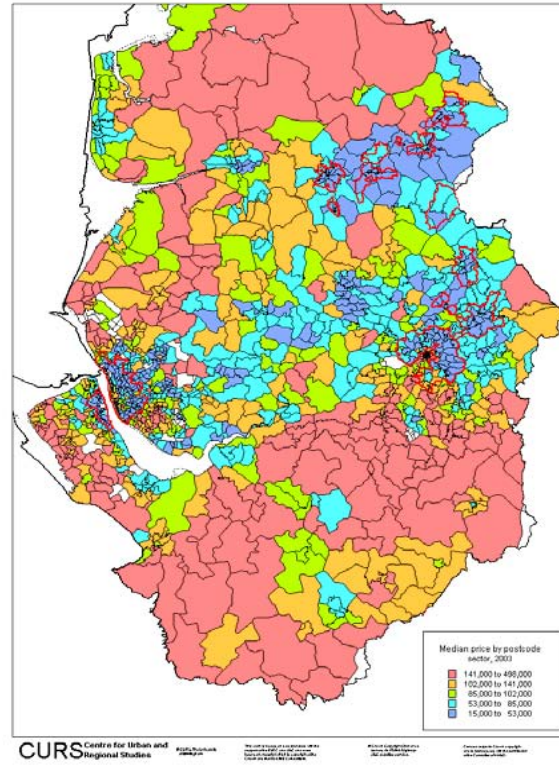
CURS Centre for Urban and Regional Studies



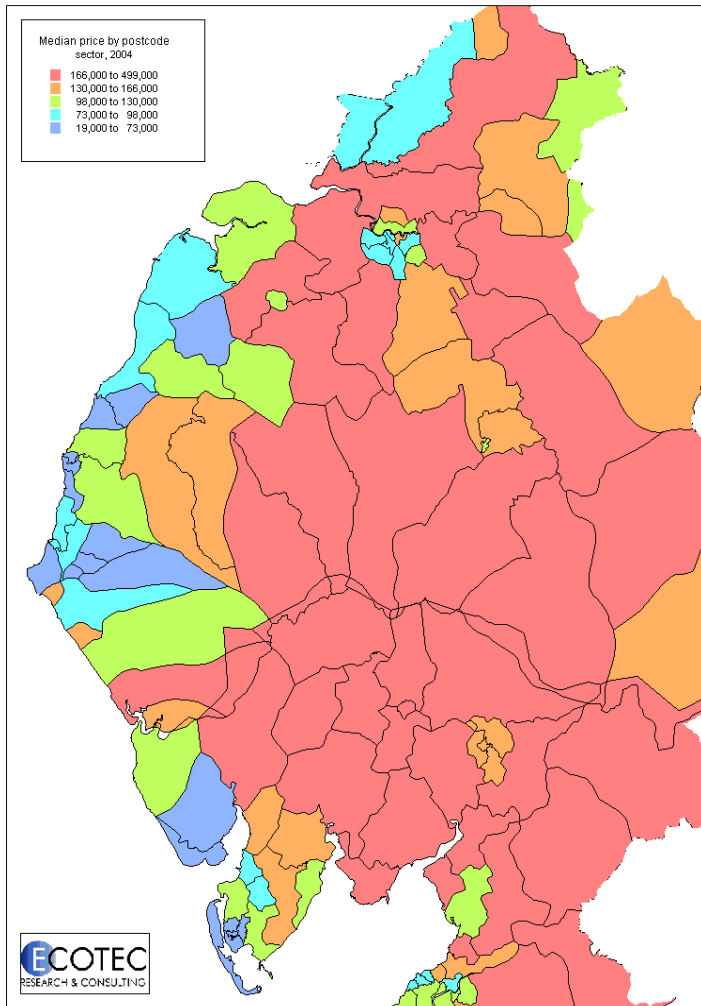
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Source: HM Land Registry, Crown Copyright Reserved

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MAPS ILLUSTRATING HOUSE PRICE CHANGES IN SOUTHERN PART OF NORTH WEST REGION 1998 - 2004



Source: HM Land Registry, Crown Copyright Reserved

38 The Board recognises this distinction and supports the broad policy direction. However, there is still much to do in this field. The research stemming from the Pathfinders and the Northern Way is now contributing greatly to our understanding of the inter relationship between the regional economy and spatial, transport and housing policies.. More time is needed to reflect on this research and to think through the implications of regional economic trends for housing investment and all of the other policies that contribute towards building sustainable communities. However, the implications of this research will feed in to the formulation of the Regional Spatial Strategy and future versions of the Regional Housing Strategy.

- 39 The importance of the alignment of the three strategies has already been stressed and is something all the Regional Agencies are signed up to. The Board has also acknowledged that the sequencing of the production of the RHS, RSS and RES has not facilitated the achievement of the overarching strategic framework needed for economic growth.
- 40 There have been significant differences in sub-regional performance since 1995, in particular:
- The turnaround in the performance of Merseyside and Greater Manchester, with most growth occurring on the southern side of the conurbations.
 - Southern Manchester has become the fastest growing part of the region creating serious supply and affordability problems.
 - Cheshire and Warrington are no longer the sole drivers of growth.
 - Cumbria has been the worst performing sub-region in England, with the declining manufacturing industries of West Cumbria and Furness being a particular concern, and;

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- Parts of East Lancashire continue to decline and remains over-dependant on the manufacturing industry.
- 41 As the City Regional Development plans (CRDPs) are indicating, future areas of strong employment growth are likely to be in the urban centres with a trend towards higher skilled jobs and with a continued decline in an already limited manufacturing base. This throws out a number of challenges for future strategies:
- How to link areas of strong growth to areas of labour availability and relative deprivation.
 - How to improve transport links within urban cores.
 - Identifying sites that are capable of providing housing that meet the aspirations of higher occupation groups in urban areas or in suburbs with good transport links.
 - How to address the strain on existing pinch points in transport and housing especially in Greater Manchester but also in North Cheshire and around Chester, and:
 - How to address the region's poor-quality, low-demand housing remains important not only to tackle deprivation but also to improve the image of the older urban area.
- 42 There are also implications for supply and location of employment land:
- Increasing amounts of brownfield land will be released by manufacturing that may well not be desired by future businesses – where there is a clear evidence base that the location is sustainable more of this should be used for housing.
 - With evidence of big productivity gaps in trade services – future major employment sites need to have access to international airports and skilled workers, and;
 - The need to support economic development should influence the choice of housing land allocations in Local Development Frameworks.
- 43 At the heart of the discussion is the need to establish a clear vision for the role or function of different parts of the region in the future, and the implications that has for economic trajectories and the patterns of housing needs, aspirations and demand. This is where the 'over-lapping circles' of the Regional Housing, Economic and Spatial Strategies intersect, and we feel this strategy begins the process of optimising the opportunities this presents.
- 44 There is a further aspect to the links between housing and economy which needs recognition within this strategy and that is the contribution made to the

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regional economy by the construction industry. In 2003 the housing element of the construction industry in the North West amounted to over £3.4 Billion, of which £1.5 Billion is attributed to new building and £1.9 Billion to repair and maintenance. Housing creates approximately 21,000 jobs. Housing investment therefore makes a significant contribution to the North West's GVA. |

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5 THE GEOGRAPHY OF HOUSING

- 45 Housing markets and conditions are far from uniform across the North West and a priority for the Housing Board has been to improve understanding of the differences between different parts of the region in order to develop more explicit spatial priorities.
- 46 A starting point to this understanding was the development of the Housing Market Typologies included in our consultation paper published in January 2005. This analysis has enabled the Board to focus on differences in market drivers and circumstances across the region. It has also focused attention on issues which, whilst outside the immediate remit of this Housing Strategy, will need to be resolved in the Regional Spatial Strategy.
- 47 It is important in considering this analysis to recognise that the broad areas mapped here cannot reflect the detailed mosaic of factors impacting at a local and neighbourhood level. In developing the sub-regional description set out below, the Board recognises that in developing their local housing strategies, authorities will need to recognise these local variations within the broadly defined areas shown on the map. Full descriptions of the different typologies are given in Annex A. The following paragraphs describe how they relate to the different sub-regions identified by the NWRA in developing the Regional Spatial Strategy and reflect the city regions identified in the Northern Way.

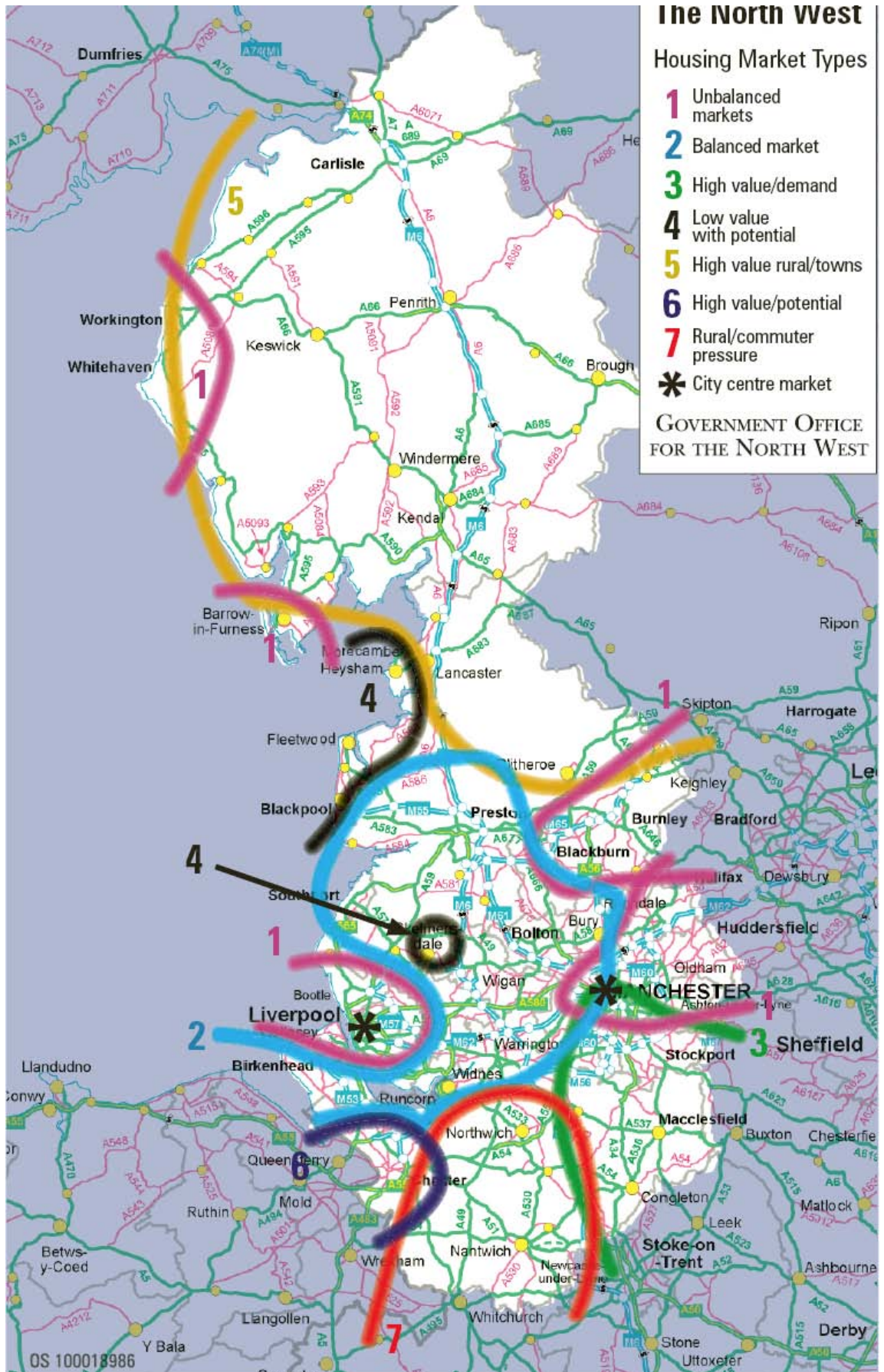
Central Lancashire City Region

- 48 The core of this sub-region, with Preston at its centre, comprises a broadly balanced market where demand and supply are roughly in equilibrium, though with pockets of local low demand and/or affordability.
- 49 To the east, unbalanced market conditions predominate with the Elevate Market Renewal Pathfinder at its core. To the west, a different kind of market becomes apparent, where there is a predominance of older poor quality housing needing to be improved or replaced as part of Blackpool's regeneration.
- 50 The CURS analysis suggests broadly balanced markets in much of north and south Lancashire sub-region, with pockets of affordability needs and a gradual transition into higher cost/value rural markets towards the north of the county.
- 51 Planning and housing policies will need to reflect these differences. They should find ways to provide more affordable housing, both owner occupied and socially rented, in the high cost hot-spots, to provide a mix of housing and tenures to support economic growth, whilst ensuring a balance of clearance and replacement in the low demand areas. The latter will be essential in supporting Elevate's market renewal ambitions, with the Office of Deputy

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Prime Minister's(ODPM) Housing Market Renewal funding being complemented by resources from the Regional Housing Pot.

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Cumbria (Including the Lake District)

- 52 Most of the sub-region exhibits the characteristics of a high value/high cost housing market and planning and housing policies will need to reflect this. Affordability is a key issue in both rural and urban areas. The Board will be particularly keen to support innovative schemes to provide affordable housing in the towns and villages of the Lake District.
- 53 However, parts of Furness and West Cumbria exhibit the characteristics of unbalanced markets and low demand. This has been recognised by the Government which has asked the Regional Housing Board to develop, with local authorities and other partners, the strategy to transform the housing market in West Cumbria and Furness to one better able to meet the economic and social needs of the area. The Deputy Prime Minister announced additional Housing Market Renewal funding for the area on 22 March 2005. Complementary, economic and planning policies balancing supply with demand will be an essential component of the market renewal process.

Liverpool City Region

- 54 Whilst much of the inner core of the city region is identified as requiring market renewal, patches of high demand exist in Southport and parts of south Liverpool. The CURS report also indicates a thriving city centre market, comprising relatively high density property proving attractive to the “buy to let” market.
- 55 The priority for the Regional Housing Strategy will be urban regeneration across much of this sub-region, including stock renewal and replacement and improved tenure mix. Complementary planning policies which recognise the interrelationship between the neighbourhoods experiencing low demand and those with potential to grow will be crucial to the success of the Market Renewal Pathfinder. More radical measures may be required in Skelmersdale, possibly including stock improvement or replacement to better match the type of stock available with demand

Manchester City Region

- 56 The sub-region shows a mix of characteristics with buoyant markets and affordability problems south of the conurbation centre and a mix of balanced and unbalanced markets elsewhere. Though this area is complex, unbalanced markets tend to predominate to the north and east of the conurbation centre with more balanced markets further north and to the west. The city centres of Salford and Manchester have developed a thriving market

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in relatively high-density dwellings based to a large extent on a relatively new” buy to let” market.

- 57 A mix of complementary planning and housing policies will be needed to address these issues. The affordability issue needs to be given the highest priority in the areas south of the conurbation centre, including much of east and north Cheshire also (see South Cheshire). The urban renaissance issue and low demand problem should be given highest priority elsewhere. Whilst much of the low demand area is included in the Manchester/Salford and Oldham/Rochdale Pathfinders, there is need to address similar if smaller scale problems in other parts of the conurbation. Complementary planning policies which recognise the interrelationships between areas suffering low demand and neighbouring areas and authorities will be essential in support of Market Renewal objectives.

West Cheshire

- 58 This sub-region is recognised as a discrete market area with significant linkages to North Wales and having strong economic potential. Planning and housing policies will need to address the high levels of affordability problems and support the economic growth of Chester.

South Cheshire

- 59 There is another high value market area, south of the Manchester City Region, increasingly subject to long distance commuter pressure, especially from Greater Manchester. These links are sufficiently strong for Macclesfield and Congleton to be referred to in our Manchester City Region designation. To the extent that it is not covered elsewhere, the priority in this market area should be to address rural affordability whilst also recognising the regeneration needs of some urban areas.

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6 THE BOARD'S PRIORITIES

Introduction and Summary

- 60 This is the heart of the strategy, setting out the key housing needs and priorities for the region as a whole. The priorities build on the work commenced by the Regional Housing Statement in 2001 and the 2003 Regional Housing Strategy. The Board has now had the opportunity to consider the feedback from public consultation as well as testing the validity of the strategy against clearer evidence.
- 61 The North West economy has seen an unprecedented period of sustained economic growth in recent years. The impact of this can be seen in the transformation of the centres of our major cities and towns. The challenge for this Housing Strategy is to create a housing offer in the region that will support our economic potential.
- 62 The housing market in the North West is generally robust and capable of meeting the diverse needs of the majority of those living and looking to live in our region. Where the market is functioning properly it is a clear driver and supporter of economic growth and our housing stock is one of our most important regional assets. In increasing parts of the region, however, as illustrated in the housing typologies section, demand now over stretches supply, pushing up prices to create severe problems of affordability. There is concern that without appropriate growth this displacement will weaken the sustainability of the region's economy. At the same time there still remain too many areas where the housing stock is unpopular, socially or physically obsolete and unable to meet the modern day needs of communities. Although the reasons are different, the outcome is the same - housing is holding back our economy.
- 63 There may be potential for use of Off Site Manufacture (OSM) to increase supply of affordable homes, building low cost energy-efficient quality homes that do not compromise build quality but significantly reduce development times.
- 64 Over the next few pages, we set out the North West's four strategic priorities for housing intervention to address these issues. It is important that the priorities are not read in isolation or considered discrete – they are interdependent in helping the region achieve the aims of this strategy. In descending order these are:

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Priority 1 – deliver^{ing} urban renaissance. This has 4 sub-priorities

- 1.1 To maximise the positive impact of the 4 Housing Market Renewal Pathfinders in their broader housing markets.
- 1.2 To maximise the positive impact of the emerging market restructuring work in West Cumbria and Furness
- 1.3 To support cohesive strategic activity to tackle the inappropriate supply of housing in Blackpool and Morecombe currently acting as a drag on local economic regeneration.
- 1.4 To support cohesive strategic activity to prevent low demand, tackle inappropriate supply and support Neighbourhood Renewal in other areas at risk of market failure, applying and adapting lessons from the Pathfinders.

Priority 2 – provid^{ing} affordable homes to maintain balanced communities.

To tackle the shortages of affordable housing in areas of the North West where demand for additional housing is high, and where this impacts adversely on social inclusion and the sustainable growth of local, sub-regional and regional economies.

Priority 3 – deliver^{ing} decent homes in thriving neighbourhoods.

To improve the condition of housing stock with a sustainable future as part of broadly based regeneration strategies, particularly in areas of concentrated unfitness and disrepair

Priority 4 – meet^{ing} the needs of communities and providing support for those who need it.

- 4.1 To ensure that action under priorities 1 – 3 contributes to meeting the housing needs of the North West's diverse communities and those individuals needing support.
- 4.2 To encourage and support specialist housing provision to meet community and individual needs via targeted action at a local level.

65 Although the order remains identical to that of the 2003 Strategy, the significant shifts in the regions housing market referred to earlier means that the Board wishes to place a greater emphasis on the importance of affordability than it has ^{done} previously.

66 To have real impact on the issues we outline here, we need to influence a much wider range of activity and interventions than can possibly be funded

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from the Single Housing Pot. This section therefore identifies priorities for action going beyond those funded through RHB resources and is not restricted to actions requiring capital investment. It also identifies opportunities for better sharing of good practice and networking, which may not involve extra expenditure, but will help deliver the vision.

- 67 Each section covers the headline priority, explains its importance, details the Board's approach to delivery and highlights the expected outputs. We have also drawn attention to areas where we acknowledge that more work is needed and welcome partners on going views and contributions on this.
- 68 Finally, the Board would like to stress that the region should be proud of the considerable achievements made in delivering real improvements to housing quality and choice since the last strategy – we have highlighted a number of case studies throughout this section to illustrate this.

PRIORITY 1 - Delivering Urban Renaissance

North West Strategic Priority 1:

Priority 1.1

To maximise the positive impact of the 4 Housing Market Renewal Pathfinders in their broader housing markets.

Priority 1.2

To maximise the positive impact of the emerging market restructuring work in West Cumbria and Furness

Priority 1.3

To support cohesive strategic activity to tackle the inappropriate supply of housing in Blackpool, Fleetwood and Morecombe currently acting as a drag on local economic regeneration.

Priority 1.4

To support cohesive strategic activity to prevent low demand, tackle inappropriate supply and support Neighbourhood Renewal in other areas at risk of market failure, applying and adapting lessons from the Pathfinders.

THE ISSUE: LOW DEMAND – WRONG SUPPLY

- 69 One of the greatest challenges we face in bringing about urban renaissance comes from having the highest concentrations of housing market weakness in the country. The original CURS M62 study showed that over 50% of properties nationally considered to be in low demand were located in the North West. Since this study, however, subsequent research and experiences with market intervention have shown how difficult it is to tackle this problem rather than just identifying it.
- 70 As the 2004 CURS report for the Board showed, whilst house prices have generally risen strongly in the region, the rate of increase in absolute terms has heightened the differentials between the strongest and weakest markets.
- 71 Price, however, is not the sole indicator of obsolescence. The impact made of speculative purchasing by investors and by the increase in the buy to let market has added a new dimension to this issue. Areas that a few years ago were characterised by empty properties that could not be sold now face growing problems of homelessness and affordability and yet the stock remains

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poor, with income and demographic profiles unchanged. There is also the recent phenomenon of properties being bought up by private landlords and being let out on short term tenancies, which is counter productive to the aim of supporting sustainable communities.

- 72 The problems of housing obsolescence are especially acute in neighbourhoods adjacent to the centres of our city regions. Over the last 10 years those who could afford to move out have done so, leaving behind extraordinarily deprived communities. Such neighbourhoods offer their residents a quality of life that is not acceptable today. The Board has not underestimated the importance of addressing these problems.

Case Study: [Refurbishment/New build](#)

Field Street, Salford will provide the setting for an ambitious and radical Urban Splash project. 349 terraced properties will be remodelled [and](#) refurbished providing a range of new house types and layouts, choice and diversity of accommodation. The project seeks to offer a sustainable pattern of delivery and a sustainable community not seen before

The project will seek to meet residents aspirations for added security, defensible space, gardens and uniqueness that is not generally found in traditional terraced areas.

50 units will be designated [as](#) affordable housing and it is anticipated the scheme will attract 450 – 500 new residents

- 73 A more recent issue to come to the fore is that of the weakness of the housing markets in our coastal towns, in Blackpool, Fleetwood and Morecombe in particular. Here, as tourism has declined, many former large hotel or bed and breakfast properties have been converted into houses in multiple occupation with extraordinary turnover levels. [For example](#) in Morecombe, those in receipt of housing benefit move on average 3 times a year and the churn in Blackpool's schools averages over 50% per year. House prices do not currently reflect the fundamental problems this stock profile is causing in both economic and social terms. Whilst this is an area that requires further research and alignment with emerging economic strategies, the Board are committed to helping develop a more balanced market in these towns by building on the good work commenced under the Commissioning Projects
- 74 The region's 4 Housing Market Renewal Pathfinders have made encouraging progress in addressing these failing housing markets and it is expected that the national recognition of the deep problems of the housing market in West Cumbria and Furness will help further in this task. The scale of the structural weaknesses we are trying to rectify, however, has come about as a result of a long history of inappropriate housing development and policy. [There](#) is no quick fix solution and the Board are committed to supporting long term solutions.

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- 75 The negative impact on the regions economic and social well being of low demand – wrong supply is clear and measures to tackle this remain the region’s highest priority for housing investment.

KEY FACTS

In 2004, the average lower quartile house price across the North West market renewal Pathfinder local authorities was £50,775 compared with a regional average of £69,950. (ODPM)

Half of the wards in the Pathfinders fall within the 10% most deprived in England, compared with 21% in the North West as a whole. (Index of Multiple Deprivation 2004)

60% - 80% of the house sales in the Pathfinders are below the regional lower quarter threshold, that is around three times as many as would be expected if prices were evenly distributed (CURS 2004)

The life expectancy of a private sector home would currently have to be 1600 Years to keep up with demand (Ecotech)

OUR APPROACH

- 76 The context for our approach is set out in the Government’s 2005 “Sustainable Communities Plan; Homes for All” [which](#) sets out targets for tackling low demand. It seeks to reconnect pathfinder areas with neighbouring functioning housing markets and to close by a third the gap between house prices in the pathfinder areas and the rest of the region by 2010. The long-term aim is to eradicate the problem of low demand by 2020.
- 77 Our regional strategy and subsequent resource allocation will support the achievement of these targets through complementing, integrating and adding value to the [four](#) 4 North West Housing Market Renewal Pathfinders and the work now underway in West Cumbria and Furness. In addition, we need to ensure that areas where there is a potential for the market to fail are supported in their preventative strategies. With such a prevalent problem of low demand in the region, much currently masked by buy to let, resources must be directed to those areas not just at risk but where failure to act will undermine wider economic or Pathfinder activity.
- 78 Our approach is clear. Delivering urban renaissance is not just about funding. Pathfinder activity, in particular, has brought into sharp focus that the relationship between housing and planning policy is as critical to success as resourcing issues. Put simply, planning policy needs to address the position in areas of market imbalance where there are the wrong number or wrong type of homes to meet the housing needs and aspirations of current and future communities. It also facilitates a joined up approach to the many problems of low demand areas by ensuring that other types of development such as employment and infrastructure go hand-in-hand with housing improvement or renewal.

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- 79 To achieve this, the Board will seek to ensure that RSS encourages the recycling of brownfield land to allow housing development in locations that support economic growth and improve community sustainability. We must also make sure that, where necessary, we now replace, rather than simply add to, the regions housing stock. This is about extending the choice and raising the quality of the housing offer of the North West for future generations whilst avoiding repeating past mistakes of over-supply of some types of housing in some locations. RSS will need to set out land use policies that compliment and not work against strategies to restructure markets. Where there is evidence of a risk of demand being displaced away from the pathfinders and other areas of low demand, this will mean continuing to exercise restraint in neighbouring areas, although there may be a need for some new development early in the renewal process to support clearance activity. The RSS should build on the housing market typologies identified in the RHS and set out clear land use policies that enable the region to respond to the need to create balanced housing markets.



Case Study :Adactus

This new vision for terraced houses won the prestigious award for innovation at this years Affordable Home Ownership Awards. Four terraced houses in Preston,` remodelled in loft style accommodation, show the North West's terraces can still be adapted

- 80 The Board is clear that demolition has a key role to play in delivering urban renaissance. In tackling housing obsolescence and enhancing the quality of life of residents, we need to ensure that homes are fit for modern living standards. In many cases this can be achieved by refurbishment or conversion of existing homes. In neighbourhoods where the housing has reached the end of its useful life there is no alternative but to demolish the outdated stock to make way for well designed modern new homes. Some previous interventions have focused on the renovation of existing properties rather than the integrated restructuring of whole markets and have failed as a result.

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Case Study : Woodward Place, New Islington

This is one of seven Millennium Communities managed by English Partnerships. This particular scheme has been designed by FAT architects working closely with the residents.

The external façade is intended to communicate on a number of levels:

- Urban** – forms a grand urban street frontage.
- Symbolic** - the house shapes are more decorative than the houses behind them because they symbolise the idea of home.
- Personal** - on top of the facade is laid a whole series of symbolic elements of home (from bird boxes to hanging baskets)



- 81 In rebuilding our towns and cities, the Board believes it is vital to promote good urban design. Good design is important everywhere, but has a key role in bringing rundown areas back to life and **creating** areas where people want to live and work. Urban design should cover not only the design of buildings but also the spaces in between them, streets, parks, public open space and transport infrastructure. The planning system has a vital role to play here, but the Board looks to developers to show vision and commitment to quality. The Board recognises that no two places are identical, and urges Local Planning Authorities and developers to build on the distinctive character of each area and avoid standardised designs in order to achieve a sense of place and enhance civic pride.
- 82 In developing design policies in development plans and more detailed design guidance the Board looks to Local Planning Authorities to engage with local communities and civic societies and where appropriate to seek the views of bodies such as Commission for Architecture and the Built Environment (CABE) and English Heritage. The Board will work with these organisations on the sharing of good practice.
- 83 It is essential that the lessons learnt by the intensity of activity within the Pathfinders be used for the broader benefit of the region. The Board will actively seek to ensure that the Pathfinders' enhanced understanding of market drivers, market assessment methodologies and new regeneration tools is widely disseminated and is of practical benefit to a wide range of regional stakeholders.

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DELIVERING CHANGE

- 84 As we have already stressed, the Board believes that addressing housing market weakness is vital to the economic and social well being of the region. We also believe that the most effective way of achieving this is to prioritise resources into the Pathfinder areas now together with West Cumbria and Furness.
- 85 Typical activities will include:
- Master planning
 - The development of holistic strategies for areas of which housing is one element but where all others are planned and delivered
 - Clearance
 - Relocation packages for existing tenants and residents
 - Creation of quality open space and the introduction of other appropriate uses
 - Provision of housing for those displaced by clearance
 - Provision of more appropriate housing to meet local needs
 - Provision of new housing with the aim of diversifying tenure and offering choice
- 86 These priorities and activities will be delivered by a combination of mainstream investment (reconfigured where necessary) and other activity by local authorities, the private sector, housing associations and many other local and sub-regional players, including the market renewal Pathfinders themselves. At regional level, the North West Development Agency, English Partnerships and a variety of Government and European programmes, such as New Deal for Communities, delivered by the Government Office and its partners, will all have important parts to play.
- 87 The Board undertook to be more spatially explicit in this strategy. In light of the scale of the issue of low demand and wrong supply in this region and the static mainstream Regional Housing Pot, this is difficult but necessary to avoid spreading resources so thinly they have minimal impact. To achieve this the Board has adjusted the wording of this priority and has increased the number of sub-priorities to four.

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- 88 The planning system at regional and local level will also be crucial if the objective of transforming housing markets is to be achieved. The Board looks to RSS to reflect these regional priorities. We also look to Local Planning Authorities to reflect proposals for housing market intervention in these Priority 1 areas to be reflected in their Local Development Frameworks so that they are integrated with other development and land use policies. Neighbouring authorities also will need to incorporate policies which complement rather than compete with the Priority 1 areas
- 89 The Board will seek to influence and co-ordinate other strategies, decisions and investment impacting on the urban renaissance of the North West, including economic development, transport, education, health and the forthcoming Regional Spatial Strategy, to maximise their collective contribution to these priorities to help achieve sustainable, successful urban communities.

OUTCOMES

- 90 The programme of collective interventions, including the Board's own contributions, is intended to help secure outcomes including:
- A reduction in the incidence and impact of low demand for housing to reconnect pathfinder and other areas of low demand with neighbouring functioning housing markets.
 - Alignment of local and regional strategies to secure the delivery of services and other investments that complement the RHP and Housing Market Renewal funds.
 - Reducing the gap between house values in pathfinder areas and the regional average by a third, by 2010, and similarly reduce the level of vacancies
 - Working with the Pathfinders to ensure that they achieve the objectives in their prospectus and the scheme updates.
 - An improved housing offer in all sub-regions.
 - Tackling low demand without simply exporting it elsewhere and without causing affordability concerns.
 - Preventing low demand from occurring in 'at risk' areas.
 - Stabilising and strengthening of local communities.
 - Building integrated communities across social, racial and faith divides
 - Improving the design and quality of the built environment.

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- Improvement in the design and condition of the housing stock, and resulting benefits in:
 - Improved energy efficiency and reduced fuel poverty
 - Improved public health through reduction in incidence of damp, cold, overcrowded and unsanitary living accommodation
 - Contributions to the achievement of Decent Homes targets

RHS - NEXT STEPS

91 The Board recognise that more work is needed on:

- Integrating and influencing RSS and RES
 - Ensuring that the RSS reflects the RHS priorities in allocating new housing between different parts of the Region
 - Ensuring that RHS and RSS priorities are reflected in local planning authorities Local Development Framework
 - Influencing the RES so that it underpins the settlement pattern in RHS and RSS
- Developing common regional and sub-regional methodologies of the assessment of housing markets
- Greater alignment and practical cross working between the Pathfinders
- Building skills and capacity
- Impact of buy to let
- Identifying sustainable revenue streams to support capital programmes
- Sharing skills, experience and good practice across the Region
- Ensuring that the purpose and rationale behind our work is more clearly understood by communities and the media

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PRIORITY 2 - Providing affordable homes to maintain balanced communities

North West Strategic Priority 2 :

To tackle the shortages of affordable housing in areas of the North West where demand for additional housing is high, where this impacts adversely on social inclusion and the sustainable growth of local, sub-regional and regional economies.

ISSUE

- 92 There are many areas across the North West where affordability is a major problem. The consequences of such disparity within the housing market results in increased levels of community displacement and imbalance. The need to provide affordable housing is essential for achieving sustainable communities.

Defining Affordable Housing

Source: "Planning for Mixed Communities - Consultation Paper" - PPG3 consultation document (ODPM, January 2005)

Affordable housing

Non-market housing, which can include social-rented housing and intermediate housing.

Social rented housing

Rented housing owned by local authorities and registered social landlords for which guideline target rents are determined through the national rent regime set out in the 'Guide to Social Rent Reforms' published in March 2001.

Also rented housing owned by other persons and provided under equivalent rental arrangements to the above as agreed with the local authority or funded with grant from the Housing Corporation, as provided for in the Housing Act 2004.

Intermediate housing

Housing at prices or rents above those of social rent but below market prices or rents. Can include sub-market renting, low-cost home ownership and shared ownership.

Key worker

For the purposes of PPG3, the definition of key workers only includes those groups eligible for the Housing Corporation funded key worker programme as defined in the Housing Corporation's Capital Funding Guide available on the Housing Corporation's website at www.housingcorp.gov.uk

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KEY FACTS

Across the North West there has been a 94% increase in the number of people accepted as homeless between 2001 – 2004. There have been particularly stark increases (over 165%) in Carlisle, Barrow, Pendle, Sefton, Warrington and Ellesmere Port. (ODPM)

It needs a household income of £50,000 to buy an averagely priced semi-detached house in Trafford, but in 2002 only 15% of Trafford households had an income of £40,000 or more. Effectively the housing market is inaccessible to 85% of the population. (Roof)

The average price for a first time buyer in the North West was £90,744 in 2004. House prices paid by first time buyers rose last year faster than those paid by existing

THE CASE FOR ACTION

- 93 There is no definitive assessment of the number of affordable homes needed in the North West. The Government is setting up a national unit to provide advice on affordability issues and future revisions of this strategy and RSS will take account of this. In the meantime, evidence to support both this strategy and RSS demonstrates how affordable housing needs vary across the region.
- 94 Despite a continuing focus on areas of low demand for housing, demand remains high in many parts of the North West. Severe demand pressures are evident in these areas, as is made clear in the original 2003 CURS report. Mapping mean dwelling price to mean income illustrates clearly the main 'hot spots' including much of rural Cumbria and north Lancashire, much of Cheshire and the south of Greater Manchester, north Sefton and parts of south Lancashire .
- 95 In these areas, the case for action is focused on the need to maintain sustainable, balanced, mixed communities ensuring that people with lower incomes, especially the young and the old, are able to access local housing at reasonable cost. Underlying this concern about the social mix and cohesion of affected communities is the longer-term impact on local economies if local people on even average incomes are no longer able to afford to live and work in those communities. Already demand for 'key worker' housing is evident in parts of the North West.
- 96 The original CURS Research and the 2003 Regional Housing Strategy sketched a picture of a region where affordable housing was, with a number of mainly rural exceptions, in plentiful supply. The more recent 2004 CURS research makes clear that this is no longer the case, with house prices rising considerably in the last couple of years. While simple comparisons of income to house prices can gloss over the importance of low interest rates, easier access to higher levels of mortgage credit and increased support from family

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members to first-time buyers, nonetheless owner-occupation in the North West is now a much less affordable proposition.

- 97 It is important to consider the position in both rural and urban areas, since although there are common themes; each presents a different set of issues.

Rural affordability

- 98 Rural communities, including many market towns face a range of challenges. Rural housing markets are under pressure from long distance commuters and those seeking retirement homes, second homes or holiday homes, especially in the more scenic areas or areas accessible from the main urban centres. With property values being driven up by higher income households from outside the local economy, the lower income levels common to most rural areas makes owner-occupation a distant prospect for many local households especially newly-forming households. Homelessness is an increasing concern. The existing affordable housing stock becomes a vital resource for local people seeking to remain within their own communities, but is often subject to high levels of Right to Buy sales. The scarcity and expense of development sites contributes to new affordable housing provision failing to keep up with the losses of social rented stock.
- 99 The outcome is a position which can threaten the viability of local services and the economy more generally, as the labour force finds itself priced out of the local housing market. For example, there is long distance commuting of low paid workers in the health, social care and tourism sectors into the Lake District National Park from the west coast of Cumbria. The Cumbria Strategic Partnership is working with the North West Development Agency and other partners to investigate the links between affordable housing and the local economy in different areas, barriers preventing effective action, and potential models for overcoming these barriers.

Case study: ODPM model of good practice in rural community involvement and sustainability.

Eden Housing Association, with funding from the Housing Corporation have provided six houses and flats for rental, and two houses for shared ownership in the expensive Lakeland village of Pooley Bridge

The scheme supports a mixed community including people on low incomes who work in the locality and much of the success has been attributed to close working with local community

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Urban areas

- 100 Vibrant economies in urban areas such as Trafford, Stockport or north Sefton are driving up demand for housing, leading to increasing concerns about housing affordability. Their attractiveness as places to live has meant that house prices have been driven higher. The contrasts between these sections of the housing market and lower demand, lower cost areas relatively short distances away are acute.
- 101 The Board view progress toward an urban renaissance in the [Housing Market Renewal Pathfinder](#) areas and elsewhere as a vital contribution to achieving a long term solution to the pressures these areas face. However, this does not address the immediate issues of social exclusion apparent in high demand urban areas, where, as in the rural areas, access to social rented housing and high land values make new affordable development difficult to achieve.
- 102 Affordability can also affect low demand areas, where residents may be unable to afford new dwellings when their existing homes are being demolished.
- 103 The Board therefore considers that support for the provision of affordable housing is needed in urban as well as rural areas, with priority being given to parts of Southern Greater Manchester, North Cheshire, North Merseyside and South Lancashire if these areas are to retain sustainable communities.

Getting a foot on the property owning ladder

- 104 Home ownership remains the tenure of choice for most people. As a result of rising aspirations, wealth and the introduction of the Right to Buy (RTB) scheme in the 1980s; it today stands at almost three-quarters of the region's housing stock.
- 105 However rising house prices across the region is creating a divide between those who are already property owners and likely to benefit from rising values, and those outside the market who are finding it harder to get a foot on the property owning ladder. Price increases have been highest in the already most expensive sub regions – most notably Chester, Congleton, Eden, Macclesfield, Fylde, Ribble Valley, South Lakeland, Stockport, Trafford, Warrington West Lancashire.
- 106 More work is therefore needed in the region to:
- Identify key workers and areas where lack of affordable housing is constraining local economies.
 - Promote sustainable home ownership products that meet aspirations and preferences, and are integral to creating sustainable communities by providing choice. These include Low Cost Home Ownership and shared equity products, and the new First Time Buyer (FTB) initiative.

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- 107 In "Homes for All", the Government set out plans to offer a greater choice of routes for social tenants into home ownership. The bedrock of its proposals is an extended Homebuy scheme, which offers extra help for those social tenants who want to buy their existing home but cannot afford the cost of Right to Buy, or Right to Acquire for housing association tenants. The scheme is voluntary and is expected to be up and running by April 2006.
- 108 For the FTB initiative, the Board will be asked to provide advice to ODPM on the groups and areas where the FTB initiative should be targeted in our region
- 109 The First Time Buyer (FTB) initiative, will offer first time buyers an affordable way into home ownership by giving them a share in their first home. Initially, most of the new homes will be built on public land so helping to keep costs down.

Linkages with Regional Spatial Strategy (RSS)

- 110 Both this Housing Strategy and the RSS will need to set out complementary delivery mechanisms that recognise the different levels of need between and within districts.
- 111 RSS will assess the overall scale of housing provision in the region, its distribution between the region's local planning authorities and proportion of dwellings that may need to be affordable. RSS will provide the context for local planning authorities in drawing up their Local Development Frameworks which decide how many houses will be built and where they should be built, integrating house building with other types of development. Local authorities' Local Housing Strategies will support delivery of Local Development Frameworks.

DELIVERING CHANGE

- 112 There are a number of tools available to the Board and others to address this issue.
- 113 The Housing Corporation traditionally invests in the provision of affordable housing through housing associations. The Northern Way Growth Strategy has called for a restructuring of the Housing Corporation's role in the North "from being an allocator of grant to being a provider of gap funding [and seeking] cost effective and socially successful outcomes from complex negotiations".
- 114 Local Planning Authorities (LPAs) can use the planning system to deliver affordable housing where there is a local need. They can set out targets for the provision of affordable housing in their Local Development Frameworks, and then negotiate with developers to provide a mix of affordable and general market housing on specific sites to meet local needs.

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- 115 These activities should be part of a comprehensive strategy for maintaining mixed communities within high demand areas. The market town “health checks” and subsequent action plans being supported by the Countryside Agency, the North West Development Agency and the Housing Corporation are one example. In urban areas, they need to be part of a broader sub-regional approach, encouraging urban renaissance where demand is currently low to help reduce the pressure on hotspots of high demand.
- 116 Regional Housing Board funding should be focused only on requirements that exceed the capacity to deliver through the above routes.
- 117 The Board will investigate best practice in the use of the planning system to achieve further affordable housing development, including the potential for a more strategic approach to the use of Section 106 agreements. The Board will also encourage local authorities, housing associations and other partners, including the private sector, to develop alternative approaches to affordable housing provision.

Effective use of planning

- 118 Local authorities will need to make full use of the planning system, including the use of Section 106 agreements to require the provision of affordable housing in new developments to meet local needs. They should continue to consider the need for affordable housing when preparing development plans (or local development documents under the new guidance) and adopt policies to make sure that this will be delivered.
- 119 The Regional Spatial Strategy should call upon local planning authorities to assess local housing needs and to work with neighbouring authorities to set sub-regional targets to reflect need. The Board will encourage the exchange of best practice in the use of planning tools for the provision of affordable housing, particularly in areas where prices are rising the fastest.
- 120 Development plan policies for affordable housing should be underpinned by a Local Housing Assessment providing the evidence base.
- 121 The PPG3 Consultation Paper draws attention to the importance of affordable housing provision in rural areas to meet local needs and deliver sustainable communities. LPAs need to ensure that sufficient land is made available to meet this requirement. They should also include a rural exceptions policy in their plans to allow dwellings on rural sites not allocated for housing if there is a pressing need.
- 122 In negotiating affordable housing requirements on development sites, LPAs need to ensure they are maximising delivery but are not placing unrealistic demands on house-builders that risk the supply of affordable homes. Therefore, Fair, transparent, and effective negotiation of affordable housing

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requirements on sites will therefore be important. Sharing good practice is also essential.

- 123 LPA's should prepare planning briefs for the development of residential sites and should seek to supply a mix of homes to create or enhance viable local housing markets and should seek to supply a mix of homes to create or enhance viable local housing markets and supply any missing rungs on the housing ladder
- 124 In the high value, high demand, high pressure market areas, LPA's should encourage the development of land and buildings for affordable home ownership, or to fill any remaining gaps in the social rented housing market where Housing Corporation funding is likely to be available. Wherever possible, brownfield sites should be used first, followed by greenfield sites, all within the settlement boundary.
- 125 The Board considers local authorities should be encouraged and helped to use Compulsory Purchase powers where alternative means of site assembly have failed. In high demand areas, negotiations with owners to acquire sites suitable for affordable housing are often protracted. Historically, some of the region's local authorities have been wary of using Compulsory Purchase procedures for planning purposes. Changes introduced by the Planning and Compulsory Purchase Act 2004 have clarified the circumstances in which these powers may be used. The Government Office North West will offer procedural advice on the use of compulsory purchase procedures, without prejudice to the merits of individual cases.
- 126 The architectural quality of much recent development in the region is uninspiring, relying on a corporate style of a kind to be found all over the UK. Unless planners are clear and assertive about high standards of design, either the thoughtful use of styles and materials sympathetic to the local context, or good, genuinely contemporary design, Redevelopment will do little to enhance the appearance of towns and villages in the short term. In the longer term, re-development may simply re-create the problems it was intended to solve. The aim should be to build places of distinction.
- 127 In high demand areas, high quotas for the provision of affordable housing would help to meet the local needs with a minimum of public funding, so long as they did not undermine the viability of developing the site. Any such targets should be underpinned by evidence from Local Housing Assessments. In some locations, a minimum requirement of 50% may not be too high - there are examples of such percentages being exacted in high value markets elsewhere in the country, e.g. York and Harrogate.

Innovation

- 128 In recent years, we have seen real innovation and good practice in delivering affordable housing in the region. This has included exploring alternative sources of funding, such as the Private Finance Initiative (PFI), and utilising the reduced Council Tax discount on second homes.

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- 129 There may be potential for use of Off Site Manufacture (OSM) to increase supply of affordable homes, building low cost energy-efficient quality homes that do not compromise build quality but significantly reduce development times.
- 130 Local authorities and other public bodies need to use their corporate asset management planning to identify surplus sites which could be made available for affordable housing, subject to normal planning controls. Authorities should also look for opportunities to convert existing buildings to residential use and to convert space above shops to flats.

Regional Housing Board funding

- 131 It will be important that sub-regional housing partnerships work with the Housing Corporation to determine investment programmes for use of the Regional Housing Board's Single Housing Pot that meet remaining affordable housing requirements.
- 132 Housing Corporation programmes will be delivered through designated partners who, through improved and innovative procurement procedures, better supply chain management, and use of their substantial asset base, will deliver affordable homes at unit costs below those in the 2004-6 programme. The new programme will be delivered almost entirely through partners, with the capacity to land bank, borrow at excellent rates and forward fund projects providing a high degree of certainty in programme outputs and delivery. The opening up of the ADP to non-RSL developers will drive down costs and increase competition.
- 133 Registered Social Landlords (RSLs) within partnerships will still be able to deliver high quality local management and knowledge, but within a partnership frameworks which provides economies of scale and sharing of resources
- 134 The minimum eco homes standard for ADP schemes will be increased from "good" to very good". Partners will also need to achieve a high proportion of schemes using modern methods of construction to enhance quality, delivery and sustainability. 75% of the current programme utilises elements of modern methods of construction.
- 135 Investment will be targeted in order to make the maximum impact and working to local authority and sub-regional priorities, where there is clearly evidenced need, and where housing investment can be aligned with other spend on regeneration, infrastructure and other market interventions.

OUTCOMES

- 136 The overall package of interventions, including the Board's own contributions, will seek to secure outcomes including:

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- Stabilisation and strengthening of diverse local communities in sustainable locations within rural and urban high demand areas
- Supporting the rural economy and rural services
- Building integrated communities across social, racial and faith divides
- Improvement in the design and condition of the housing stock, and resulting benefits in:
 - Improving energy efficiency and reducing fuel poverty
 - Improving public health through reduction in incidence of damp, cold, overcrowded and unsanitary living accommodation
 - Contributing to the achievement of the Government's Decent Homes targets
- Improvements in the design and quality of the physical environment in high demand areas
- The adoption of Lifetime Homes principles will be encouraged.

RHS – NEXT STEPS

- 137 We need a better understanding of the dynamics of the region's housing markets, the processes at work in the 'hot spots', the ways these act as barriers to sustainable economic development and social inclusion, and which areas need to be targeted for investment. The interaction between low and high demand areas and the healthy housing markets between those extremes also needs to be understood and monitored. This will be achieved through joint working at regional and sub regional levels to undertake housing market assessments.
- 138 Better information is also required about the current operation of the planning system, including Section 106 agreements, and the extent to which this can be relied upon as a source of significant additional affordable housing in areas of high demand. This will need to take into account the changes resulting from new Regional Spatial Strategy and the adoption of the Plan, Monitor and Manage approach to those new regional policies. Development and exchange of best practice approaches to these issues from around the region should also be a priority.
- 139 Improved understanding of the real costs involved for developers, housing associations, local authorities and others involved in the process would also be helpful, to establish the need for, and best use of, single housing pot resources to support this process.

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PRIORITY 3 - Delivering decent homes in thriving neighbourhoods

North West Strategic Priority 3:

To improve the condition of housing stock with a sustainable future as part of broadly based regeneration strategies, particularly in areas of concentrated unfit and disrepair

- 140 The provision of decent homes and decent places in which to live are key elements in the aim to deliver sustainable communities in the North West. While the great majority of the region's homes are in good condition, sub standard physical conditions and the impact this has on the well being of residents has long been a concern in the region. This is true in both the private sector, where the legacy of our pre-1919 terraced stock presents a major challenge, and in the public sector where we face a backlog of historic underinvestment in some stock. The extent of these problems have only been recently been recognised and despite the impressive progress in recent years highlighted below, there is still a huge amount of work needed in the North West to meet the Government's Decent Homes targets and to realise the Regional Housing Boards ambitions.

KEY FACTS

£1,560m investment in LA stock planned 2001-2006

Non-decent social homes reduced by 95,000 1997 – 2001 and expect to have reduced this by a further 32 % 2002 -2004

All local authorities have completed option appraisals for their stock by the July 2005 target

212,700 (47%) vulnerable households may live in non-decent homes

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THE CASE FOR ACTION

- 141 There are two principal aspects to this work – investment to specifically tackle property conditions and, linked to these, wider neighbourhood management strategies.
- 142 The importance of the direct investment needed solely to improve the fabric and standards of homes should not be underestimated. As well as providing a better quality of living, such work raises feelings of security, thermal efficiency; helps address fuel poverty and can bring about significant health improvements. Low indoor temperatures, for example, are associated with greater incidence of heart attacks and strokes, cold and damp are linked to a number of respiratory diseases.
- 143 Experience in the North West has clearly demonstrated that investment in property conditions alone is an inadequate and expensive response to the broader sets of issues often faced by deprived or declining neighbourhoods. Whilst housing conditions are a key component of quality of life, they must be addressed alongside measures to improve local economies, to improve neighbourhood environments, reduce crime, tackle worklessness, etc. The Regional Housing Board expects to see investment in Decent Homes in all tenures set within this framework. It is incumbent on those charged with wider regeneration strategies, primarily LSPs, to ensure the coordination and alignment of these programmes.
- 144 The Government reinforced its commitment to decent homes across tenures in "Sustainable Communities: Homes for All ". This is welcome and must remain a key driver for the North West's Regional Housing Strategy.

DELIVERING CHANGE

- 145 Nationally a comprehensive funding package has been put in place to facilitate delivery of Decent Homes targets. The Government has supported delivery of the social Decent Homes target through the provision of extra resources to fund the Arms Length Management Organisation programme, extra Private Finance Initiative (PFI) credits, gap funding for Local Stock Voluntary Transfer (LSVT) and funding for improvements in the management and maintenance of council stock
- 146 All stockholding landlord local authorities are required to undertake comprehensive option appraisals for their stock by July 2005. Local Authorities, Government Office and the Community Housing Task Force (CHTF) have worked successfully across the whole of the region to ensure that this target has been reached. Whilst this is a considerable achievement, it is important to recognise that this is an early milestone and to be conscious of the scale and complexity of the task ahead especially within the larger metropolitan areas. The RHB will continue to offer support in meeting targets

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through the ongoing provision of assistance from Government Office and CHTF. The Board do not plan to offer stock retaining Local Authorities, or ALMOs, funding for social housing improvements above levels they have received in the past.

Case study – Non HRA PFI

The Anson Blenham project in Warrington is an exemplar of a PFI project working to the two year timescale and supports ODPMs view that non HRA projects may often be undertaken directly by an RSL and not through a Special Purpose Vehicle

Faced with a range of problems including low demand, anti social behaviour, and poor design (including asbestos) residents opted overwhelmingly to demolish and redevelop.

The new development comprises 192 dwellings at a cost of £20m consisting of 105 PFI dwellings for rent and 87 dwellings for purchase. Two additional schemes on alternative sites providing up to 50 additional homes for rent are being progressed with the balance of the PFI credits

- 147 The Housing Corporation is continuing to work with housing associations to identify risks to meeting targets and to agree work programmes where needed. As with local authorities, the expectation is that an association will fund the work necessary to achieve the Decent Homes target from its own resources and that an appropriate asset management strategy will be put in place to assist with this. It is the Housing Corporation's policy that associations should repair and modernise their stock in areas of continuing demand ahead of subsidising new housing or non-core activities. However, there may be circumstances where an association does not have the available resources. Consideration will be given to identifying funding for associations that can demonstrate an inability to achieve the decent homes target for sustainable stock due to a lack of resources. Priority will be given where long term demand for the stock can be clearly demonstrated and where the proposal supports other Regional Housing Strategy priorities.
- 148 The decent homes programme has been extended to help vulnerable people who own their homes or by establishing targets to make sure that at least 70% of them live in decent homes by 2010. Both people-focused services and area-based programmes can help North West Local Authorities reach this target. It is important that the two strategies should be complementary. Decent homes delivery should add value to area renewal programmes or provide a clear outcome focus to investment to improve individual properties; it should not become the sole determinant of private sector renewal activity. The four Housing Market Renewal Pathfinders in the North West, for example, are key vehicles for helping deliver the decency target for private sector housing in their areas. It is important that appropriate systems be established to capture the contributions made by area based activity to achieving decent homes.
- 149 Primarily through the powers introduced by the 2002 Regulatory Reform Order, the North West's Local Authorities have been at the forefront of

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developing tools to support improvements in private sector housing in particular, the region has led the way in developing loan products to enable homeowners to carry out repair or improvement work. The region has also played a leading role in the development of schemes to actively promote higher standards across the private rented sector; tying in decency standards to landlord accreditation and licensing schemes is a challenging but important aspect to this work. Many of the region's Local Authorities have established or work closely with Home Improvement Agencies, tailoring repair and support services for vulnerable households.

- 150 The Board strongly supports and encourages work of this kind and has funded a number of Local Authorities through its first commissioning round to develop good practice around the delivery of private sector renewal. The Board will continue to actively promote regional networks and good practice dissemination to assist Local Authorities in this complex field.

Case Study – A Pathfinders Approach to Housing Renewal

Burnley Council's approach to private sector renewal has been one of partnership. Working with tenant and landlord alike the emphasis of the scheme has been upon awareness and education. Incentives have played a key part including:

- Free access to a Tenant Accreditation register to match "good landlords to good tenants" and a rent bond scheme
- Free vacant property marketing and advertising via a dedicated Accredited Property Link
- Proposal to provide Accreditation Grants to landlords to assist in bringing vacant/unfit properties up to Fitness and Decent Homes standard
- Access to Approved Managing Agents
- Invitations to Annual Landlord forum events and training sessions
- Discount to local trades and service including property insurance

Already the scheme has surpassed the original funding milestones and output targets set seeing 195 landlords have been accredited or working toward accreditation, 742 properties have been accredited or are working toward accreditation, and 41 properties brought back into use.

The council recognised that accreditation, while being a remedy to enforcement action, cannot in isolation address all the issues of poor housing within the sector. Burnley, alongside its partner authorities, will be seeking to implement provisions contained in the Housing Act 2004 including mandatory and selective licensing within target areas of the borough.

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OUTCOMES

- 151 As part of comprehensive neighbourhood renewal strategies, this investment should help secure the following outcomes in meeting the Government's Decent Homes targets:
- Improvement in the quality, design and condition of the housing stock, and resulting benefits in:
 - Improving energy efficiency and reducing fuel poverty
 - Improving public health through reduction in incidence of damp, cold, overcrowded and unsanitary living accommodation
 - Contributing to the achievement of the Government's Decent Homes targets
 - Improvements in community cohesion
 - Improvements in the design and quality of the physical environment in neighbourhoods
 - Strengthening of sustainable local communities
- 152 The Board expects investment of Single Housing Pot resources under this priority to be focused on the renovation of housing stock with a sustainable future, and would encourage the adoption of life time Homes principles in putting investment programmes together.

RHS - NEXT STEPS

- 153 Reflecting on the substantial progress and expected delivery of public sector decency, the Board acknowledge that most of the further work needs to be undertaken in the private sector to establish baseline data, both on private sector stock condition and household characteristics (e.g. around benefit dependency, disability, age) in the region.
- to link with the developing work on landlord accreditation and licensing – to identify opportunities to tie decency into this.
 - To identify methods of capturing outputs of improvement activity achieved by influence rather than direct investment
 - Efficiency savings and development of procurement consortia and;
 - Workforce skills development and the capacity of the construction industry

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PRIORITY 4 - meeting the needs of communities and providing support for those who need it

North West Strategic Priority 4 :

- Priority 4.1 To ensure that action under RHS priorities 1 – 3 contributes to meeting the housing needs of the North West's diverse communities and those individuals needing support.
- Priority 4.2 To encourage and support specialist housing provision to meet community and individual needs via targeted action at a local level.

THE ISSUE

- 154 The vision for the North West makes a commitment to social inclusion and community cohesion. Priority 4 sets out the role that the Regional Housing Strategy plays in achieving this.
- 155 The majority of people living in the region have housing that meets their needs, but for some individuals or communities a lack of appropriate housing can be a contributory factor to social exclusion. The Regional Housing Board is clear that this affects the overall success of the region in addition to the impact it has on individuals and their families.
- 156 It is not the role of the RHS to cover these needs in detail, as this is better done at the sub regional and local level, but it is important to give an overview of the needs that exist and the role of housing in meeting them.

THE CASE FOR ACTION

- 157 Sustainable Communities: Homes for All", published by the Government in January 2005, sets out a commitment "to expand housing opportunities for all, including for those who need additional support, and for disadvantaged sections of society". The Board shares this aim and recognises that there are multiple and complex issues that will need to be addressed in the North West if this ambition is to become a reality. Supporting action that will mean that everyone, whatever their circumstances, has access to a home that meets their needs is therefore specifically included here as a priority for the region.

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KEY FACTS - OLDER PEOPLE

Almost 4 million people out of a total of 6.9m in the NW are over the age of 60

70% of older people in deprived areas are vulnerable to, or experience at least some form of, social exclusion.

By 2021 the region will be home to more people aged over fifty and less children and young adults

KEY FACTS - DISABILITY

Approx 27,000 people in the North West have severe learning disabilities,

Rates tend to be higher in urban areas than in rural ones.

The numbers of claimants are projected to increase by 10.8% by 2021

158 Key Facts boxes are included throughout this section to illustrate the scale and nature of the issues facing communities and individuals across the North West and specific sections have been added on supporting people, homelessness and BME needs. The picture is of course further complicated by the geographical, economic and social variations within the region. We still have significant pockets of deprivation and these can often be a contributory cause for individual problems and undoubtedly exacerbate the needs of the already vulnerable who live within them.

OUR APPROACH

159 It is essential that Local Authorities research and identify needs to ensure a good quality information base. Meeting these specific needs should then be integrated wherever possible within mainstream housing activity. They should not become an "add on" with the inherent danger that they become an afterthought.

The aim of the first three priorities in this RHS is to provide good quality housing for **everyone** in the North West, including communities with particular needs and those individuals needing extra support.

160 This must be the starting point for Priority 4 and the Board is clear that sustainable mixed communities will provide the best solutions in the majority of cases. The action that delivers the first three RHS Priorities must therefore be fully inclusive and should be planned around meeting the broadest possible set of housing needs. The Board expects delivery plans and local strategies to provide evidence showing how locally identified specific needs will be met and are keen to see the use of impact assessments.

161 The RHS cannot, and should not, attempt to address in detail the needs of every community and all individuals. These needs are as diverse as the region itself making it

KEY FACTS - GYPSIES AND TRAVELLERS

The Board is aware that provision for gypsies and travellers is an increasingly prominent national policy issue.

The evidence so far suggest that the NW does not have as great a problem with unauthorised sites as elsewhere.

The Board will work with Local Authorities to assess the issue more fully and ensure that additional sites are available where there is evidence of need.

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unfeasible to cover them in any detail and housing provision will often need to be linked with funding streams, support and care services that lie outside the Board's remit. The individual nature of each case and the complex interrelationships between them, means that needs must be assessed, evidenced and tackled at the sub-regional or local level.

- 162 Where the need is simply for good quality affordable housing, then the provision of capital resources by the Board and its partners can assist. However, there are groups who will need specialist support in addition to appropriate housing and the Board expects that housing strategists and providers will work together to ensure that revenue and capital resources are combined effectively to achieve this.
- 163 Many specialist needs can be assisted by adaptations to an existing home, but it can be difficult and expensive to adapt homes at a later stage. For this reason the Board supports the development of new homes to Lifetime Homes standards. Where possible we will make this a condition of our investment and will encourage private developers in understanding the long term benefits of this approach.

DELIVERING CHANGE AND NEXT STEPS

- 164 The following sections outline the next steps for the Board and the activity that they will undertake in support of RHS Priority 4.

Supporting People

- 165 To support the development of this Priority, the Board commissioned a position statement on supported housing needs within the North West. This has provided useful baseline information and some good ideas on how to move forward.
- 166 However, more work needs to be done before we can identify common themes, gaps and emerging needs that need to be tackled at a regional. Without this clear focus Priority 4 simply becomes a list of all the needs to be met across the region which, at best, adds nothing to our understanding or response and, at worst, confuses the issue by presenting existing information in a different format. The detailed Supporting People Strategies that have recently been prepared across the region must also be fed into the analysis.
- 167 The Board are aware that some partners will be disappointed that this RHS does not

KEY FACTS - MENTAL HEALTH

Up to 50 per cent of homeless people have mental health problems

Children in the poorest households are three times more likely to have mental health problems.

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provide specific advice about the types of activity that need to be prioritised or the areas where need is greatest. We are certainly not in a position to do so now and indeed there is currently no clear view from partners across the region of the best way for the Board to reach that point, or even whether it is right for us to try.

- 168 The Board has considered whether to cover the issues more detail by preparing a supplementary document to sit alongside this RHS. Feedback from our stakeholders suggests that this would be helpful, but this is by no means a universal opinion. On balance the Board believes that the preparation of a regional Supported Housing strategy would be a positive step in developing their response to NW housing issues. The next stage will be to build a better understanding of needs distribution and drivers from the evidence that is emerging, and to talk to stakeholders in more detail about the content and purpose of the proposed strategy. This will ensure that this strategy adds value to the RHS and the work going on at sub-regional and local levels.

Homelessness

- 169 During the consultation exercises that supported the development of this RHS, homelessness emerged as a much more pressing housing issue for the North West than was the case when the last RHS was prepared. In common with the rest of the country, the region saw a big increase in statutory homelessness, peaking in March 2004 at a level 48% higher than 4 years earlier. Over the past year this trend has reversed with the final quarter of 2004 recording a year on year fall of 4%. This reflects significant success on the part of LAs and partners in reducing and/or preventing homelessness.

KEY FACTS - HOMELESSNESS

4,072 households were accepted as homeless in the North West as a whole in the last 3 months of 2004, a 4% fall in the number of acceptances compared to 2003/04.

The North West has more homeless households than any other region apart from London, though slightly fewer homeless per 1000 households than the national average.

61% of homeless households contained dependent children and / or pregnant women. ,

- 170 Homelessness is not just about rough sleeping; in most cases it involves vulnerable individuals and families who are living in temporary accommodation. This is known to have wide-ranging negative effects on individuals and on communities – for example on health, employment, education, and children’s behaviour and wellbeing.

- 171 In March 2005 the Government published “Sustainable Communities: Settled homes; Changing lives” which aims to halve the number of households living

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in insecure temporary accommodation by 2010. The Board welcomes this aim and wants to ensure that the region plays a full part in realising the target.

172 The reasons for homelessness are varied, complex and often interlinked. They are usually rooted in an inadequate supply of affordable or appropriate housing in areas where people want to live, but the situation may be complicated by an individual's ability to own or manage their accommodation.

173 A contributory cause is almost certainly the significant increase in house prices between 2002 and 2004 which are explained elsewhere in this report. Priority 2 deals with affordability issues in detail, but we must be wary of seeing house price rises as the sole driver and must make sure that we analyse the trends fully before reaching a conclusion.

174 As the situation in the North West is mirrored across the rest of the country, much of the policy response will also need to be at a national level. The crucial day to day work of local authorities and other agencies, which has already seen the increase level off, will obviously continue to provide as much support and accommodation as possible for individual cases.

175 The Board can best contribute to tackling homelessness through:

- Developing a regional homelessness strategy
- Activity under RHS Priorities 1-3 to rebalance housing markets and increase appropriate provision and quality.
- Promotion of good practice and cross cutting initiatives, especially in the field of prevention, for example through networks and seminars. The Board website will also be used to highlight examples of good practice and to disseminate ODPM statistics and other information.
- Encouraging partners to adopt a common system of monitoring, such as the ODPM recommended good practice model Multi Agency Monitoring (MAM), which would provide a strong evidence base for strategic decision-making at a regional level.
- Supporting intervention by GONW and ODPM Homelessness Team in developing support and best practice in those authorities experiencing highest levels.

KEY FACTS - TEENAGE PREGNANCY

Only 5 authorities in the North West consistently fall below the average rate of conception for teenage mothers.

Blackpool and Manchester have rates between 62 and almost 75 teenage conceptions, per 1000 – the highest in the region, while the average for England is just over 40.

KEY FACT - DOMESTIC VIOLENCE

17% of homelessness acceptances involved the violent breakdown of a relationship 2003/04

BME and faith Communities

176 The growing diversity of communities in the North West is one of the region's greatest strengths. However, it is also clear that people from black and minority ethnic communities still face many barriers to social inclusion and access to housing. We need to understand and respond to the housing needs of BME and faith communities if we are to **realise** the true value that they can add to the regional economy, culture, political and religious diversity. This section is intended to lay down foundations for better understanding and to emphasise the Board's continued commitment to the needs of BME and faith communities in the North West

177 It is crucial that there is a strong evidence base to assess the scale of BME needs and more importantly aspirations. Analysis of the 2001 Census provides a good starting point, as demonstrated by the information held in the Housing Corporation's GIS System. The development of data is particularly important in the HMRF areas. The key facts set out below provide a brief overview of some of the issues, although we must be careful not to oversimplify things as each community will have its own pattern of needs and experiences which may require different responses.

KEY FACTS

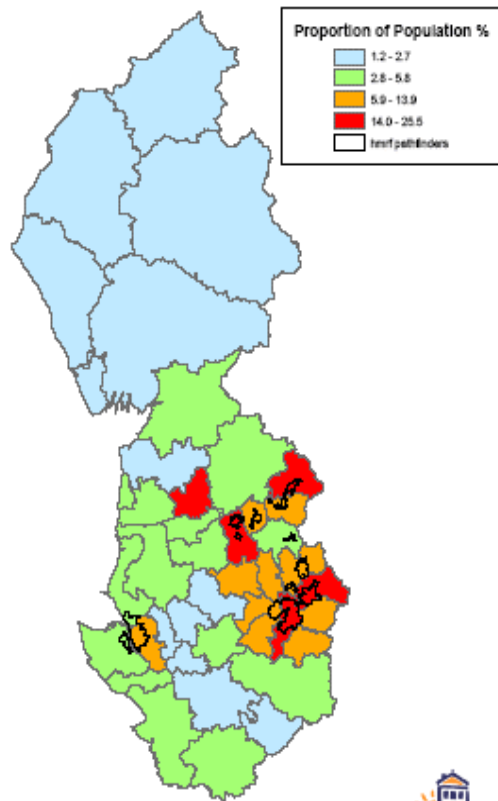
BME groups represent 4.9% of the 6.7 million NW population

Most groups are concentrated in Liverpool, Greater Manchester and parts of Lancashire, although second-generation communities are starting to move to non-traditional areas.

BME community members are over-representation in poorer quality and more overcrowded accommodation in all tenures.

178 BME communities are still experiencing high and multiple levels of deprivation, and are increasingly over-represented in the poorer quality and most overcrowded accommodation across all tenures. The map below shows the dispersal of BME communities across the NW and highlights many of the areas where targeted HMR intervention is taking place. There is a clear correlation between the two areas and this illustrates why the Board have chosen to highlight the needs of BME and faith communities in this RHS and why it is important that their needs are carefully assessed by HMR Pathfinders and reflected in their activity.

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179 This scale of need is further enhanced by the increase in presentations for access to supported housing from, for example, older people, people with mental health problems, ex-offenders and young people leaving care. The number of BME elders is also rapidly increasing. In Manchester, for example, the percentage of BME elders (16.6%) is nearly as high as white elders (17.2%). The allocation of social and supported housing should reflect the diverse needs of all communities and procedures must ensure equality of access..

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Produced by Information Team North

180 ODPM guidance encourages all local housing authorities to produce a clear written

black and minority ethnic housing strategy setting out what the authority and its partners are seeking to achieve in terms of race equality in housing. The Board fully supports this and will promote the development of BME strategies across the region as an integral part of mainstream housing strategies. Local authorities such as Rochdale have already pioneered exemplary work in this field.

Case Study – BME participation in consultation and stock appraisal

An ODPM report 'Hann C and Bowes E (2004) Black and minority ethnic housing associations and their involvement in local authority stock transfers' suggests that BME housing associations could play a key role in consultation and stock option appraisals. The report quotes as an example the partnership between Trafford Borough Council, and Tung Sing (a Chinese housing association) and Arawak Housing Association (an association with specialist knowledge of African Caribbean communities).

'Trafford Council recently recognised that it needed help to address the needs of the BME community effectively and so it developed a relationship with both associations. Trafford has now decided to go to ballot for a full stock transfer and has chosen Tung Sing and Arawak as its BME partners. They will help the Council with its BME strategy in consultation with the community.'

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181 The Housing Corporation supports BME needs through the ADP. It has provided targeted ADP support for BME RSLs and these RSLs are playing a key role in delivery of BME agenda in the region. There are many good practice examples of joint working between BME and mainstream RSLs. The Board recognises the important role BME RSLs can play in developing links with BME communities and will encourage key stakeholders to work closely with the BME RSLs to implement good practice.

KEY FACTS - REFUGEES AND ASYLUM SEEKERS

Greater Manchester and Liverpool have received the greatest number of dispersed and newly arrived asylum seekers in the UK after London and Birmingham.

Manchester is now home to 90 nationalities with 30 different languages.

182 At the time of writing this strategy, the Housing Corporation is carrying out consultation on its new BME Action Plan. The Board supports the development of this plan and will encourage NW local authorities and RSLs to sign up to it.

183 The Board will contribute to meeting the needs of BME communities and achieving community cohesion through:

- Encouraging and supporting Local Authorities in the preparation of their BME/Community Cohesion Strategy
- Working with key stakeholders through GONW/Housing Corporation to identify specific actions which will help deliver BME needs and aspirations.
- Using the Board website to highlight good practice examples.
- Driving integration of housing, neighbourhood renewal and other strategies.

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CONCLUSION

- 184 The Board would like to thank all those who have contributed to the development of this RHS. Throughout the review process we have been delighted by the high quality, positive contributions and struck by the real sense of determination demonstrated by stakeholders across the region. Much has already been achieved and we are confident that the partnerships now developing will continue to deliver good quality housing solutions for the people of the North West.
- 185 This aim of this strategy is to shape this activity to ensure that housing plays it's full part in securing the economic growth and social inclusion that are our vision for the region. This will be supported by the Regional Housing Pot which will provide funds for Local Authorities and, through the Housing Corporation, for new social housing. The Board has posted a separate paper explaining the basis of their allocation recommendations to ODPM Ministers on the RHB website for information.
- 186 In addition we will develop an Action Plan to guide and monitor progress. This will assess progress so far, draw together the actions identified in this RHS and set targets so that we can measure progress. Again this will be published on the RHB website and it will be regularly updated throughout the life of this strategy.
- 187 Later this year we will expect to merge with the regional planning body (NWRA) and we welcome the challenges and opportunities that this will present.

APPENDIX A

HOUSING MARKET TYPOLOGIES

To address the spatial dimension dealt with only indirectly in the 2003 RHS' thematic approach, the Board has developed the following high level typology of housing markets across the region. The adoption of this typology has enabled the Board to focus on differences in market drivers and circumstances across the region; has shaped the review of appropriate policy responses for the Regional Housing Strategy; and focuses attention on issues which will need to be resolved in the Regional Spatial Strategy.

Its conclusions are reflected at sub regional level in Chapter 5 of the RHS.

The typology underpins the RHS by:-

- Describing in general terms the ways in which housing markets are functioning in different parts of the region: and
- Informing the process of developing and delivering appropriate activity

The map has been developed using a variety of research sources, such as the work done by CURS and the Coastal Towns study, and the collective knowledge and experience of the Board. The inclusion of this spatial dimension is a crucial step in the process of alignment with the RSS and RES. The Board will continue to encourage and support further work to map out the housing markets within the region and plan to develop the spatial dimension of the RHS further as part of the process of aligning the Regional Strategies

The map provides a framework within which the thematic priorities sit rather than a replacement for them.

The risk with including a map in a strategy document like this is that debate then focuses on the lines, and where they are or should be, rather than on the very real issues that the overall picture reveals. The map and associated priorities are not intended to suggest that these are the sole issues found in a particular location. For example there will be pockets of low demand within areas shown as "balanced"; and affordability issues where "unbalanced markets" have been identified. The role of the Board is to set clear priorities at a strategic level and we feel that the housing typologies map is at the appropriate level of detail to meet that need.

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The following typologies do not indicate a priority order:-

1. **Unbalanced Markets**

Unbalanced markets are reflected in Low demand across much of area (though varying intensity). Priority for Market Renewal activity – need for transformation of housing offer. Planning policies need to be sympathetic to adverse displacement effects outside areas of market renewal activity.

Thematic priorities: – **Priority 1-** Urban Renaissance - stock renewal, improved tenure mix stock replacement

Locations: N & E Greater Manchester, East Lancashire, Central Merseyside, West Cumbria and Furness

2. **Balanced market**

Balanced market, demand/supply roughly in equilibrium, possible pockets of low demand or affordability. Planning policies should continue to meet demand with appropriate balance of affordable provision.

Thematic priorities Priority 2 – affordable homes, Priority 3 – delivering decent homes

Locations: Bury-Warrington Arc, Central & West Lancs. (excluding Skelmersdale).

3. **High value/demand**

High cost/high demand with significant affordability needs. Potential for additions to stock limited by rural/landscape/green belt policies outside urban areas.

Thematic priority: Priority 2 – affordable homes (in urban areas)

Locations: North And East Cheshire, South Greater Manchester.

4. **Low value with potential**

Potential for balanced market hindered through over supply of low value, poor condition or otherwise unsuitable stock (e. g. former hotels/bed-sits and radburn estates). Planning policies should seek to boost economy through stock replacement/renewal.

Thematic priorities : Priority 3 – delivering decent homes

Locations: Coastal towns, Skelmersdale

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5. High value rural/towns

High value rural areas/market towns. Potential for additional stock limited. Planning policies needed which recognise specific needs of rural communities through e. g. local needs conditions.

Thematic priority: Priority 2 – affordability (rural)

Locations: North Lancashire, Central & East Cumbria.

6. High value/potential

Discrete market area with significant linkages (economic and social) to adjacent region (N Wales) and strong economic potential. Planning policies should meet demand and support the economic growth of Chester, alongside affordable provision.

Thematic priorities : Priority 2 – affordability

Locations: Chester/Deeside.

7. Rural/commuter pressure

High value rural areas/market towns vulnerable to commuter pressures. Potential for additional stock limited in order to support urban regeneration but planning policies should reflect rural needs

Thematic priority : Priority 2 – affordability

Location: South and Central Cheshire.

8. City Centre market

Conurbation Cores experiencing recent growth in higher density, high value properties with strong buy to let tendency. Principal economic drives for their respective conurbations and beyond. Planning policies needed to enable spread of growth potential and economic and social benefits into peripheral areas (e. g. Liverpool inner core) in support of low demand pathfinders and social and economic renewal.

Thematic priority: Priority 1–Urban Renaissance

Locations: Liverpool and Manchester/Salford centres.

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APPENDIX B

Decent Homes in the public sector : Options Appraisal Position

No.	Local Authority	HRA Stock	Non Decent	%
1	Allerdale	LSVT		
2	Barrow	3252	84	2.5%
3	Blackburn	LSVT		
4	Blackpool	5888(TBC)	1576	27%
5	Bolton	(Round 3 ALMO) 20989	10463	50%
6	Burnley	LSVT		
7	Bury	(Round 4 ALMO) 9029	2084	23%
8	Carlisle	LSVT		
9	Chester	LSVT		
10	Chorley	(LSVT 2005/06) 3271	510	16%
11	Congleton	LSVT		
12	Copeland	LSVT	1992	47%
13	Crewe & Nantwich	LSVT		
14	Eden	LSVT		
15	Ellesmere Port	(LSVT 2004/05) 6533	1313	20%
16	Fylde	LSVT		
17	Halton	(LSVT 2004/05) 6903	1575	23%
18	Hyndburn	(LSVT 2004/05) 3700	664	18%
19	Knowsley	LSVT		
20	Lancaster	4107	0	0
21	Liverpool	(LSVT 2005/06) 21156	13096	62%
22	Macclesfield	(LSVT 2004/05) 5492	1231	22%

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No.	Local Authority	HRA Stock	Non Decent	%
23	Manchester	(Mixed Model) 54953	29521	54%
24	Oldham	(Round3 ALMO) 17439	10569	61%
25	Pendle	(LSVT 2005/06) 3827	1217	32%
26	Preston	(LSVT 2004/05) 7010	4135	59%
27	Ribble Valley	1276		
28	Rochdale	Round 1 ALMO		
29	Rossendale	(LSVT Programme) 4357	2444	56%
30	St.Helens	LSVT		
31	Salford	28907	197646	68%
32	Sefton	(LSVT 2004/05) 12908	8519	66%
33	South Lakeland	(Round3 ALMO) 3445	1174	34%
34	South Ribble	LSVT		
35	Stockport	(Round 5 ALMO) 12597	6802	54%
36	Tameside	LSVT		
37	Trafford	LSVT 10191	5378	53%
38	Vale Royal	LSVT		
39	Warrington	(Round 3 ALMO) 9840	3610	37%
40	West Lancashire	(LSVT 2004/05) 7629	2936	38%
41	Wigan	(Round 2 ALMO) 25400	9665	38%
42	Wirral	(LSVT) 15352	5679	37%
43	Wyre	LSVT		
	North West Total	309,726	146,001	47%

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APPENDIX C

Further Reading

There are a number of documents which are referred to in this strategy and which may be of interest.

Creating Sustainable Communities in the North West: The regional annex to, Making it happen: The Northern way.
Office of the Deputy Prime Minister

Web:

http://www.odpm.gov.uk/stellent/groups/odpm_communities/documents/page/odpm_comm_027137.hcsp

**Delivering stability: securing our future housing needs
Barker Review of Housing Supply**

(Kate Barker, HM Treasury, 2004)

Web: http://www.hm-treasury.gov.uk/consultations_and_legislation/barker/consult_barker_index.cfm

Housing Market Trends in the North West

Philip Leather and Jonathan Roberts (2004)

Centre for Urban and Regional Studies, University of Birmingham, Edgbaston,
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Available from: Government Office for the North West, Sunley Tower, Piccadilly Plaza, Manchester, M1 4BE

Email: jpilkington.gonw@go-regions.gsi.gov.uk

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Web: <http://rpg.nwra.gov.uk/planning/spatial.php>

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Northwest Development Agency, 2003

Available from: North West Development Agency, PO Box 37, Renaissance House, Centre Park, Warrington, Cheshire, WA1 1XB.

Email: bookshop@nwda.co.uk

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The Rural Strategy 2004

Department for Environment, Food and Rural Affairs

Web: <http://www.defra.gov.uk/rural/strategy/foreword.htm>

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Office of the Deputy Prime Minister, 2003

Available from: Office of the Deputy Prime Minister, PO Box 236, Wetherby, West Yorkshire, LS23 7NB.

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Email: odpm@twoten.press.net

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Sustainable Communities: Homes for All

Office for the Deputy Prime Minister,

North West Regional Housing Strategy 2005

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APPENDIX D

Glossary of Terms

Affordable Housing (or sub-market housing): This breaks down into 2 sub-categories: **social housing** where rent levels are set in line with the Government's rent influencing regime. And **intermediate housing**: a mix of low cost home ownership products (e.g. shared ownership) and other reduced cost rental products primarily in the form of key worker housing.

Arms Length Management Organisations (ALMO): A company set up by a local authority to manage and improve all or part of its housing stock.

Audit Commission: The independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively in the areas of local government, housing, health, criminal justice and fire and rescue services.

Barker Review: Kate Barker's review of housing supply commissioned by H.M. Treasury and the Office of the Deputy Prime Minister (ODPM): *Delivering stability: securing our future housing needs*, March 2004.

Beacon Councils: Scheme introduced in 1998 to identify centres of excellence in local government from which others can learn.

Brownfield land: Formally "previously developed land that is unused or may be available for development". It includes both vacant and derelict land and land currently in use with known potential for redevelopment. It excludes land that was previously developed where the remains have blended into the landscape over time.

Building for Life Award: An award for new housing projects that demonstrate a commitment to high design standards and good place making.

Call in: The Deputy Prime Minister can "call in" certain planning applications which local authorities propose to approve, for example those which are not in accordance with the development plan or have a larger than local significance. These will then be subject to a public inquiry presided over by a Planning Inspector who will make a recommendation to the Deputy Prime Minister who will decide the application instead of the local planning authority.

Capital spending: Spending by local authorities or other housing providers on repairs, maintenance and the provision of new affordable housing.

Code for Sustainable Buildings: A new code which will establish best practice for energy and water efficiency, as well as waste and use of materials in construction.

Commission for Architecture and the Built Environment: An Executive Non-Departmental Public Body, funded by both the Department for Culture, Media and Sport (DCMS) and ODPM, to act as a design champion for the built environment.

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Community Housing Task Force: Body which provides support and advice to local authorities, tenants and stakeholders who are undertaking the stock options appraisal. Also provide professional support and advice on developing and delivering *ALMO*, stock transfer and *PFI* programmes.

Community Infrastructure Fund: A £200 million fund to deliver transport infrastructure in the *Thames Gateway* and the other *Growth Areas*.

Comprehensive Performance Assessment (CPA): A performance management framework for local government covering a range of local authority services and their organisational capacity.

Decent home: A home that is warm, weatherproof and has reasonably modern facilities.

Dwelling: A self contained unit of accommodation where all the rooms and facilities available for the use of the occupants are behind a front door.

EcoHomes environmental assessment: An environmental assessment method for homes. EcoHomes considers the broad environmental concerns of climate change, resource use and impact on wildlife and balances these against the needs for a high quality, safe and healthy internal environment.

English Partnerships (EP): The national regeneration agency, helping the Government to support high quality sustainable growth in England.

Government Offices for the Regions (GOs): Representatives of central Government in the regions, bringing together the work of ten government departments.

Green belt: A designation for land around certain cities and large built-up areas which aims to keep this land permanently open or largely undeveloped. Most new building development is not permitted in the green belt, in order to restrict the spread of built-up areas into the surrounding countryside.

Greenfield land: Land which has never been built on before or where the remains of any structure or activity have blended into the landscape over time.

Greenhouse gas emissions: Emissions such as carbon dioxide and methane which contribute to climate change.

Homebuy: Schemes under which existing social tenants, those on housing waiting lists and key workers (under *Key Worker Living*) can purchase a home on the open market with an interest-free equity loan.

Home Information Packs: Reform introduced in the Housing Act 2004 to bring together, at the start of the home buying and selling process, important information (such as a home condition report) which, at present, is collected piecemeal in the weeks and months after an offer has been accepted.

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Home Ownership Task Force: Established by the Deputy Prime Minister in the *Sustainable Communities Plan* to look at ways of helping social tenants and others in housing need into home ownership, while minimising the loss of social housing.

Household: One person living alone or a group of people who share common housekeeping or a living room.

Housing Associations: Common term for the 2000 or so independent, not-for-profit organisations registered with and regulated by the *Housing Corporation*. Housing Associations are able to bid for funding from the *Housing Corporation* (see also *Registered Social Landlord*).

Housing Corporation: The Housing Corporation's role is to fund and regulate housing associations in England.

Housing Market Renewal Pathfinders: Nine sub-regional projects to tackle low demand and abandonment, administered by a group of local authorities working in partnership and in receipt of funding from the Housing Market Renewal Fund.

Key Worker Living programme: A scheme helping key workers in London, the South East and East of England to buy a home, upgrade to a family home or rent a home at an affordable price.

Local Development Frameworks (LDF): The local development documents, set out in the form of a portfolio, which collectively deliver the spatial planning strategy for the local planning authority's area.

Millennium communities: New developments, mixing homes, shops, workspaces and community facilities. They incorporate good public transport links, innovation in building technology, energy efficiency and ecological and environmental strategies. They aim to create good sustainable jobs as well as education and training opportunities and are worked up in close consultation with the communities they relate to.

Mixed development: A well integrated mix of land uses (retail, employment, leisure and other service uses) with decent homes of different types and tenures to support a range of household sizes, ages and incomes.

Modern methods of construction: Construction that uses modern processes to help provide more, better quality houses in less time.

Multiple deprivation: There are distinct forms of deprivation which are experienced by people in an area and which can be measured separately. A multiply deprived area is one containing people who experience several of these distinct forms of deprivation.

Northern Way: A cross-regional strategy created by the three *Northern Regional Development Agencies* and their partners in response to the ODPM's *Sustainable*

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Communities Plan progress report *Making it Happen: the Northern Way*, the purpose of which is to create a step-change in economic growth across the North of England.

Office of the Deputy Prime Minister (ODPM): ODPM's aim is to create sustainable communities. It is responsible for housing, planning, regional and local government, regeneration, social exclusion, neighbourhood renewal and the fire and rescue service. It is also lead sponsor department for the *Government Offices for the Regions*.

Planning Delivery Grant: A performance reward initiative designed to incentivise planning performance, paid annually to local planning authorities as a reward for good performance in the previous year.

Planning Policy Statements: Statements issued by Government setting out planning policy and the main land uses. They are supported by a range of good practice and other documents providing guidance and advice on the application of policy.

Private Finance Initiative (PFI): In a PFI transaction, a private sector service provider is given responsibility for designing, building financing and operating assets, from which a public service is delivered.

Northwest Regional Development Agency (NWDA): One of nine Regional Development Agencies in England, set up by the Government in 1998. The NWDA was set up to help improve quality of life and economic prosperity in the North West. It aims to achieve this through driving economic development and regeneration, developing business competitiveness and improving the skills base.

Regional Housing Board: The *Sustainable Communities Plan* introduced new regional arrangements to help deliver sustainable communities, including the creation of a Regional Housing Board in each of the nine English regions. The Board is responsible for drawing up the Regional Housing Strategy and making recommendations to Ministers about the Regional Housing Pot.

Regional Spatial Strategy (RSS): A strategy formerly known as Regional Planning Guidance (RPG), for how a region should look in 15-20 years time and possibly longer. It identifies the scale and distribution of new housing in the region, indicates areas for regeneration, expansion or sub-regional planning and specifies priorities for the environment, transport, infrastructure, economic development, agriculture, minerals and waste treatment and disposal.

Registered Social Landlord (RSL): Technical name for social landlords that are registered with the *Housing Corporation*. Most RSLs are *Housing Associations*. They own or manage some 1.4 million homes for sub-market renting or shared ownership.

Right to Acquire: A scheme which enables some housing association tenants to purchase their rented home with the benefit of a discount, subject to a Government-specified maximum amount depending on the local authority area. The scheme only applies to properties built or acquired by housing associations, both charitable and

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non charitable, with public funds from 1 April 1997 onwards. (Properties transferred from a local authority to a housing association after 1 April 1997 are also eligible.) Some properties are exempt from the scheme including those in small rural settlements and sheltered housing.

Right to Buy: A scheme under which most council tenants and some housing association tenants may buy their homes at a price lower than the full market value. Only properties that are particularly suitable for occupation by elderly or disabled people, or are let in connection with the tenant's employment, are exempt. People qualify for a discount on the basis of the number of years that they have been social tenants, subject to a Government specified maximum amount that varies region by region.

Shared equity: A means of helping people into home ownership. The buyer purchases a share of their home, with the remaining share being held by another party, for example a housing association. When the homeowner comes to sell the home, the other party would be entitled to some of the proceeds of the sale.

Social exclusion: Social exclusion happens when people or places suffer from a series of problems such as unemployment, poor skills, low incomes, poor housing, high crime, poor health and family breakdown.

Social housing: Housing provided by Registered Social Landlords or the local authority at a rent lower than market rent

Social Housing Grant: Capital grant provided by the Housing Corporation to fund Registered Social Landlords to fully or partially fund investment in social housing.

Social rent: Rent below market levels paid to the local authority or a Registered Social Landlord.

Starter Home Initiative (SHI): Government funded scheme to help key workers, primarily teachers, health workers and the police, to buy a home in areas where high house prices are undermining recruitment and retention. The SHI was available from 2001 to March 2004, and has been replaced by Key Worker Living.

Statutory homeless households: Households that local authorities must, by law, ensure have somewhere suitable to live.

Stock Transfer: Process under which a local authority transfers some or all of its housing to a housing association.

Supporting People: A programme which provides services that help vulnerable people live independently in their accommodation.

Sustainable communities: Places where people want to live and work, now and in the future.

Sustainable Communities Plan: A long term programme of action, published in February 2003, to tackle the shortage of housing in London and the South East and

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low demand and abandonment in the North and Midlands and to create *sustainable communities*.

Temporary accommodation: Accommodation arranged by a local authority in order to meet a homelessness duty.

Tenant Management Organisations (TMOs): Formally constituted organisations, made up of tenants who take on responsibility for day-to-day management of their housing from their landlords. TMOs can be in the local authority or the housing association sectors.

Tenure: The nature of the structure by which people own or rent their home. Categories are usually broken down as follows: Owner Occupied, Private Rented, Local Authority or *Registered Social Landlord*.