



Leicester  
City Council

**Leicester City Council**

**Housing Investment Programme**

**Housing Strategy Update 2002  
Draft**

## **INTRODUCTION TO THE UPDATE**

The current Housing Strategy 2001-2006 describes the strategic environment for housing in Leicester drawing out the key issues and elements that need to be addressed. The document then set out clear priorities for action to deal with these issues categorised under 6 complementary themes. The strategic picture that the document paints and the priorities thus identified are still an accurate representation of the current issues for Housing in Leicester. Therefore this strategy update seeks to build upon this picture to:

- move the strategy on where necessary in terms of progress made against the priorities
- present new information which reinforces the existing strategy, implies any shift of emphasis or adds new requirements
- report on new ideas, developments and thinking in terms of achieving the current priorities.

This update also seeks to address the issues raised in feedback from GOEM and any apparent gaps that are suggested by the new “fit for purpose” criteria.

## **RECENT SIGNIFICANT SUCCESSES**

Services to Homeless people Best Value Review and Inspection  
Repairs and Maintenance Best Value Inspection  
Recognition of Housing BME Strategy in recent Beacon Status award for Promoting Race Equality

## **LOCAL DEVELOPMENTS**

### **Wider Community Objectives – Neighbourhood Renewal**

Leicester’s strategic approach to Neighbourhood Renewal has been developing over the past 12 months. The Leicester Partnership has overall responsibility for producing the strategy and this is supplemented by 6 ‘sub’ partnerships each representing one of the 6 themes within Leicester’s Community Plan. A further 7<sup>th</sup> partnership has also been introduced to ensure that cultural issues are taken account of in the planning process. In line with the Community plan structure Housing comes under the Equality and Diversity theme. Each theme partnership is allocated sums from the Neighbourhood Renewal Fund pot based on agreed formulae reflecting deprivation and need - the Diversity partnership allocation being largely derived from housing deprivation and targets. Of the year one funding £370K has been allocated to a Housing Issues programme which includes:

- Training for housing advice agencies on people from abroad along with translation resources
- Research on housing support needs of refugees

- Home maintenance services for socially excluded owner-occupiers
- Improving access to the grounds of sheltered housing schemes
- Pump priming for tenancy support projects

These projects all reflect current Housing Strategy priorities.

As part of its approach to forwarding the Neighbourhood Renewal Agenda the Council has embarked upon a corporately driven major initiative “Revitalising Neighbourhoods” aimed at getting closer to communities. This seeks to increase the level of involvement of local people in decision making and improve the delivery of services at the local level. The primary medium for local involvement and co-ordination of Council services will be 10 area based Neighbourhood forums. The forums will consist of local Elected Members, resident’s representatives, service managers and partners. Local Housing Managers representing a range of housing services will participate within these forums to provide the essential link to the Housing Department enabling locally identified issues and aspirations to be considered and acted upon within the context of Housing Services. The first stages of implementation of the project have been achieved with a re-shaping of roles for Chief Officers as “Corporate Directors” with service portfolios to reflect the shift towards a cross cutting community focus as opposed to the established service focus. This will enable the strategic issues emerging at a local level in Neighbourhood Action Plans to be fed into service policies, strategies and plans with the required cross cutting links established. Later stages of the project will see the phased establishment of the Neighbourhood Forums and associated organisation and support mechanisms to test and review the planned approach. Work is also under way to explore the ways in which the existing tenant focused Community Associations created under the Tenants Compact will tie in with the Neighbourhood Forums. Future Housing Strategy submissions will include reports on the relevant emerging issues and the implications and actions for Housing services.

### **Braunstone New Deal**

The regeneration of the Braunstone area under the New Deal for Communities programme is now beginning to make progress. The City Council along with BCA have established a task force with a remit to produce a comprehensive housing plan and to engage the professional input of an academic consultant to achieve the most beneficial outcome. In the mean time the Housing Department is continuing to work with the Braunstone Community Association and other partners to facilitate appropriate redevelopment in line with local needs. The rehabilitation of 250 units of the most in need housing in the area (known locally as “the six streets”) is moving forward in line with the wishes expressed by BCA. These are in the process of being acquired by a local Housing Association. As an overall strategy for BCA is developed within the partnership arrangements then this will be reflected in future versions of the Housing Strategy.

## UPDATE ON NEED AND DEMAND

### Housing Needs Survey Findings

This year marks the publication of Leicester's 3<sup>rd</sup> Housing Needs Survey. This is the most comprehensive and powerful survey carried out to date. The survey methodology followed the DTLR model for assessing housing need. The headline findings are as follows

- The assessment of supply and demand shows a requirement for in excess of 1100 affordable housing units per annum as follows:

Dwelling size	Affordable Units Shortfall(Surplus)
1 bed	491
2 bed	374
3 bed	(40)
4+ bed	283
Total	1108

- A significant element of in situ need – 7514 households across the City (12.7%) are unsuitably housed but have stated no intention to move. 65.5% of these households could not afford a move into market housing anyway and this equates to 4.5% of all households in Leicester. The main reasons for being in need are repairs, adaptations and overcrowding. More in depth analysis reveals that of the overcrowded households in this sample 68% of has an Asian head of household.
- Within each ethnic group:
  - 25.4% of Black households are unsuitably housed
  - 23.4% of Asian “ “ “ “ “
  - 9.8% of White “ “ “ “ “Further analysis is necessary here to ascertain reasons for unsuitability within each group
- Aspirationally (what people want rather than need) preferences were expressed for market housing and social housing but *not* private rented. This puts private rented across the City at least theoretically in surplus.
- New build for sale will not provide genuinely affordable housing, shared ownership has a small contribution to make.
- BME households represent 21% of all households in the City – housing 33-35% of the population

## The affordability of Housing in Leicester

In order to establish what affordable housing actually means in Leicester the Housing Needs survey gathered information on house prices and incomes. The table below presents the minimum and average property prices and rents.

<b>Minimum and average property prices/rents in Leicester (as of April 2002)</b>		
<i>Property size</i>	<i>Minimum price</i>	<i>Average price</i>
<i>1 bedroom</i>	£42,500	£51,500
<i>2 bedrooms</i>	£59,500	£71,500
<i>3 bedrooms</i>	£82,000	£100,500
<i>4 bedrooms</i>	£134,000	£172,500
<i>Property size</i>	<i>Minimum rent (£, pcm)</i>	<i>Average rent (£, pcm)</i>
<i>1 bedroom</i>	£291	£342
<i>2 bedrooms</i>	£351	£393
<i>3 bedrooms</i>	£420	£459
<i>4 bedrooms</i>	£540	£585

The research also estimated corresponding prices for new build in the City.

<b>Newbuild prices in Leicester</b>	
<i>Property size</i>	<i>Estimated new build prices</i>
<i>1 bedroom</i>	£63,000
<i>2 bedrooms</i>	£89,000
<i>3 bedrooms</i>	£105,500
<i>4 bedrooms</i>	£202,500

Determining affordability levels also of course requires data on incomes. The HNS determined the following levels:

<b>Average household income in Leicester</b>	
<i>Household income</i>	<i>Average household income</i>
<i>Annual <u>gross</u> household income (excluding all benefits)</i>	£14,515
<i>Annual <u>gross</u> household income (including non housing benefits)</i>	£16,426
<i>Weekly <u>net</u> household income (excluding all benefits)</i>	£226
<i>Weekly <u>net</u> household income (including non housing benefits)</i>	£263

Where individuals or households are in housing need and are unable to afford suitable 'market housing' at the minimum values shown above, then this defines the level of demand for affordable housing.

The findings clearly demonstrate that the lowest price new build housing is so much more expensive than the minimum in the second hand market it is by definition beyond the affordability threshold. The information here on affordable rent levels will be invaluable establishing targets for development schemes to ensure that they can provide genuinely affordable units.

House prices in Leicester are on the increase as in the majority of areas around the Country. This means that as they continue to grow above the rate of increases in income levels then the number of households who are able to afford market housing will decrease and the demand for social housing will increase. It will become increasingly important to maintain a vigil on house prices and incomes to continue to understand the demand for social housing. Increasing house prices are also affecting the purchase of individual properties by RSLs for rehabilitation. Where ADP or other resources are identified for purchase regard will need to be given to the time taken to complete and the level of funding earmarked in the buoyant market situation to avoid problems of potential shortfall.

### **The supply of affordable housing**

Social housing supply (as defined by the previously DTLR model) is based upon the frequency with which RSL and Council properties come available for relets (excluding for transfer within the sector). The situation in Leicester has shown a dramatic decrease in the last year when compared to previous years.

Year	New lettings
1998-1999	4105
1999-2000	3592
2000-2001	3947
2001-2002	2328 (approx)

This change is attributed to greater stability within the stock due to the recent number of 'high turnover' properties being taken out of circulation. The implications of this are significant. If the ODPM model had been applied last year then the picture painted at that time would have been very different in terms of the projected need for affordable housing. In view of this it will be necessary to maintain close attention to the tenancy turnover situation in particular to ascertain that this observed level of stability is maintained. The view currently however is that it will be sustained and consequently Leicester is now facing a significant net shortfall in affordable housing.

## **Discussion of Survey findings in detail with other need/demand information**

### **The Housing Register**

The profile of accommodation need shown above is reflected in the analysis of housing register information (see Appendix A)

This shows

- An overall shortage of one bedroom accommodation, but within this a surplus of one bedroom bungalows and a shortage of one bedroom flats that outweighs this
- A shortage of two bed accommodation regardless of property type
- A surplus of three bedroom dwellings
- A shortfall of 4+ bedroom dwellings.

The picture reflected by this information is a familiar one to Leicester and provides further evidence and justification for pursuing policies that are already well established. There are a range of ideas under exploration to solve the shortage of large family accommodation. For example the allocation policy has been 'relaxed' to allow the surplus of 3 bed (with parlour) accommodation to be used for families requiring 4 bedrooms. Whilst obviously not optimally meeting applicants needs this change allows better choice in terms of area and/or waiting time and does reflect the kind of choices that people can exercise within the private sector.

### **In situ need and suppressed demand**

The survey identifies a significant level of in situ housing need. Analysis carried out in relation to this would lead one to conclude that this situation hides yet further potential demand for affordable housing. There are two key issues here – the capacity that exists to deal with this level and type of in situ need and the (associated) potential for it to develop in to 'need to move' need. In other words if the resources are not available or not available sufficiently quickly to adapt repair or extend peoples existing homes then much of this need will not actually realise an in situ solution. In this event such households may decide that a move is their only option. This will then increase the demand for further units of affordable housing.

Many of the problems experienced by these households would normally be assessed as requiring a move to solve them. In the Needs Assessment model where such households state they do not intend to move then they are not counted in the overall demand analysis. Therefore issues are at work here that are effectively suppressing demand The overcrowding experienced amongst these households, particularly Asian as indicated above, tends to imply that the location aspect is more important than the accommodation size and/or that a perception may exist that suitable sized accommodation is unattainable. Carefully directed further investigative work is required here to give a detailed

picture of this need and the perceptions that exist and followed up with an exploration of possible solutions. It will also be necessary to explore means of tracking the level of this need over time so that trends can be identified particularly with reference to changes in intentions about moving.

### **Disabled Facilities Grants**

The above 'in situ' need picture above is reflected in the number of applications received for adaptations through the Disabled Facilities Grant process. As an illustration last year 280 new applications were received and within the current levels of funding only 140 were dealt with. With the existing backlog of 220 cases it is clear that the demand is rising at a rapid rate. Capacity to deal with this rising level of demand has been threatened by a change in the Government's method of calculation for Capital subsidy. The amount that the City has been assessed to need has been significantly reduced. In the short term at least the level of service will be maintained by supplementing the programme with other capital resources.

### **Strategy for Housing Persons from Abroad**

In 2002 Leicester adopted a Refugee Housing Strategy believed to be one of the first in the country. This deals with the issue of resettlement services and accommodation for asylum seekers in the City who get positive immigration decisions. Very recently it has been possible to refine this considering need from 2 distinct sources - that arising from the operation of Home Office contracts for asylum seeker temporary accommodation and that arising from other migration into the City. Whilst it is difficult to predict with confidence the extent of future demand from these sources current analyses suggests that there will be pressure put on the supply of accommodation for single people and large families. The HNS reflects an element of this need as it takes account of immigration from Montserrat and a level of EU migration. The impact of EU migration is currently being discussed with GOEM.

### **Needs identified from Housing Options service**

The Housing Options service is able to report on need seen at the sharp end of service delivery. There is a range of gaps identified in the provision of temporary accommodation for particular groups e.g. high risk offenders, young/vulnerable, people with specific social care needs.

Figures on the number of homelessness applications and approvals demonstrate a marked increase putting immense pressure on the supply of temporary accommodation. Bed and breakfast usage in Leicester up until this year had been maintained at a minimal level – at any one time there would have been at the most 2 and usually no families in bed and breakfast. In the first 5 months of this year bed and breakfast was used on 188 occasions. It is anticipated that the cost of such accommodation could amount to £117,000 this year. The reduction in the supply of properties available for letting has also increased pressure on temporary accommodation places. A proportion of potentially homeless cases



are often able to be re-housed very quickly through the Housing Register. With less properties available for letting this proportion has declined. As a result of these developments there is work currently under way to explore solutions in terms of reducing demand by doing our utmost to prevent homelessness, increasing supply and maximising funding. The Department is working closely with the ODPM Homelessness Directorate and has received a "Prison Links" allocation.

### **Stock Condition**

November 2002 will see the completion of Leicester's 5<sup>th</sup> Estate Condition Survey. The last survey results showed condition overall to be acceptable. However, the age profile of a high proportion of the stock indicates the need for continued capital expenditure to keep on top of the maintenance needs. Despite this, as previously indicated, projections show that the decent homes standard will be achieved by the financial year 2010/11. The new survey will confirm this position and assist in fine tuning programmes in line with the Councils 'worst first' policy. The HRA Business Plan gives more detail on the Repairs and Maintenance Strategy and related performance.

### **Supporting People and Supported Housing**

The Supporting People Strategy, Planning and Commissioning Structure has now been developed. This will inform the development of future supported housing services. It includes input from a range of stakeholder and user groups. Information has been gathered to assess existing support service provision. An analysis of the range and extent of support needs is almost complete and the service gaps that this exposes will be used to inform the strategy. The Supporting People Strategy and the reshaping of services that stems from it will be influenced by local priorities that are outlined in the Housing Strategy and as defined by the Planning and Commissioning Body. As the Supporting People strategy emerges any wider strategic implications will be reflected and discussed in future drafts of the Housing Strategy. Emerging issues that require consideration are; the extent to which service provision gaps require capital expenditure in relation to, for example, building refurbishment, the need to tap into other funding streams to fund the development of services (e.g. NRF and Health) and the move towards a cross authority planning mechanism to assist service users who need to cross local authority boundaries. Apart from establishing the Supporting People framework for the future planning and commissioning of support services there is still the need in parallel to develop provide such services on the ground to vulnerable client groups whilst the planning and funding structures are developed. Ahead of the supply and demand picture being fully established, floating support services are in the process of being developed to an increasingly wide range of vulnerable groups. This is in keeping with the ethos behind the Homelessness Act 2002 which shifts emphasis from the reactive approach to homelessness to an approach based on prevention, strategic planning and joint working.

The Housing Strategy needs to reflect the strategic importance of the findings of the Services to Homeless people Best Value Review and Inspection. The priority here is to sustain service improvement through the implementation of the Best Value Improvement Plan. This is an ambitious plan that details 14 points of improvement supplemented by 63 improvement tasks and includes recommendations resulting from the inspection. The Housing Inspector's report rated the current service as 2 star with 'excellent prospects for improvement'. Fundamentally the inspection result provides external validation as to the effective delivery of services against its objectives.

## THEMES AND PRIORITIES UPDATE

The following section seeks to explain where priorities have changed due to changes in circumstances that are detailed in the preceding sections on local developments and need and demand. Where a priority is still deemed to be 'current' then it is not commented upon here unless circumstances are such that there is additional reinforcement for that priority. The Action Plan associated with the strategy details progress made against the actions within the themes as set out in last years submission. Changes to priorities are made clear by the statements in the shaded boxes.

### LCC Core Roles - Landlord Function

The existence of low demand problem areas as identified as a priority in a number of preceding strategies is now no longer a significant problem. Evidence from the Housing register demonstrates an at least reasonable level of demand across all areas within the City. The only instances of low demand that remain now relate to Sheltered Accommodation and one bedroom bungalows. The current situation has developed due to a number of factors including the demolition and subsequent redevelopment of low demand and poor condition areas of stock. Demand for accommodation from emerging communities has helped to breath some life back into areas that previously had limited popularity. Whilst there is still the potential for limited instances of small scale selective demolition, this will be for reasons wider than lack of demand e.g. poor condition and the facilitation of various development initiatives).

Changed priority

**Low demand is now only a priority in the context of sheltered housing and one bed bungalows**

### Addressing Homelessness

Previous plans for a 'more strategic approach' to the prevention of homelessness have been reinforced by the new Homelessness Act which itself required the creation of a Homelessness Strategy. This is bringing together work that was already in motion to produce a Homeless Families Strategy and the well-established Single Homeless Strategy. A programme of work is already in place to meet statutory requirements.

New priority

**Review all homelessness and associated services to advise a comprehensive Homelessness Strategy**

Work in relation to Rough sleepers continues now that the previously set target has been achieved the priority is now maintenance of the current situation rather than reduction. The planned roll out of existing (localised) tenancy support and resettlement services to other areas across the City will help to achieve this. With the progress of the Supporting People framework and the ongoing need to develop services on the ground (particularly in relation to floating support) the priority here is now a generalised one to cover all groups of vulnerable people and their housing related support needs:

Changed priority

**Ensure that sufficient support and resettlement services exist to enable vulnerable people to achieve sustained tenancies.**

The recent rise in homeless cases and the pressure on temporary accommodation places now mean there is a pressing need to:

New priority

**Review supply and demand and funding for temporary accommodation**

The Housing Need Survey when looking at Housing Requirements based on aspirational demand rather than actual defined need identified insufficient demand for private sector housing. Under the current circumstances with the overall shortage of Housing in the City it is highly desirable that all potential units of supply are maximised. This is especially the case in relation to single people from abroad. A new priority is established to:

New priority

**Promote and encourage access to private sector rented housing**

## Sustaining Urban Renewal

Following the above discussion on the demand and resources situation for DFGs then the priority is changed to reflect the need to deploy what resources we have to maximum effect:

Changed priority

**Continue to seek to increase the level of funds to support disabled adaptation and explore ways to maximise their effective deployment**

## Supported Housing Initiatives

As part of the work towards establishing an effective service planning mechanism there is a need to:

New priority

**Establish a cross-authority supporting people planning group**

See also support priority under Addressing Homelessness theme.

## Promoting Affordable Housing

The results of the HNS have reaffirmed the focus of the approved development programme. The anticipated continued growth in need for large family accommodation means that we continue to strive to find new solutions. The priorities here are changed to reflect the weight of the evidence that the HNS provides.

Changed priority

**Renew efforts to achieve affordable housing units within private sector developments in line with planning guidelines (PPG 3)**

Changed priority

**Establish a programme of action to maximise the provision of affordable 4 bed units**

The acquisition of properties in key areas within the City is an important activity on a number of fronts. It contributes to achieving rehabilitation targets, bringing empty homes back into use and meeting BME community needs. Therefore with the buoyant housing market there is a need to:

New priority

**Seek ways to ensure that funding shortfalls do not jeopardise the acquisition of dwellings for rehabilitation by RSLs**

## Community Development

Community Development Initiatives have moved on apace over the past 12 months. The framework and structures around the Tenants Compact is now well established and the priority is to now:

Changed priority

**Widen the consultation process to bring in more tenants into the process and work to ensure that BME communities are appropriately represented.**

The process has allowed us to elicit clearly the tenants priorities in terms of issues and services.

- Tackling anti social behaviour
- Estate and environmental improvement
- Quality of service from local offices

These issues are already reflected in the Housing Strategies current priorities. Tenants have also been involved with agreeing and overhauling the aims and objectives of the Housing Management Service. Further details of the community development work are provided in the HRA Business Plan

## **FUTURE MANAGEMENT OF THE STRATEGY**

Leicester City Council as its cornerstone response to best value devised and implemented a performance management framework. This is essentially a hierarchical representation demonstrating the links between the main external drivers of Council Strategic Planning, Key corporate plans and strategies (of which the Housing Strategy is one) Service/Business Plans through to individual employee review and development. Essentially this means that wherever a service has a link to the Housing Strategy (or any of the other Strategies and Plans for that matter) this is made explicit in the Service's Business Plan. Where this link is a direct one then there will be objectives in the Business Plan that detail how that service will for example action and move forward a Housing Strategy priority. Attached to such objectives in the Business Plan will be described performance indicators. Such indicators therefore have the effect of measuring the effectiveness with which the strategy is being implemented. When a service is subject to Best Value Review one of the key tasks in this process is to fundamentally examine service objectives in the light of the relevant strategic context and ensure that associated performance indicators are the best possible measures of achievement against the stated objectives. This process works both ways – service and business plans pick up on service issues that can have a strategic significance. This bottom up component is essential in maintaining a 'reality footing' for the strategy.

APPENDIX A

**Overall Summary of Council Housing Demand from Housing Register**

Property Type	Total No. of Council Properties	Total No. of Applications (Live) awaiting an offer (2001)	Total No. of Applications (Live) awaiting an offer (2002)	Total No. of Vacancies during 2000/2001	Total No. of Vacancies during 2001/2002
Bedsit	568	323	310	0	179
Cluster Flats	12	0	0	0	0
1 Bed Bungalow	2726	288	268	301	411
1 Bed Flat	4758	1956	1906	1294	1252
1 Bed House	1	0	1	0	0
2 Bed Bungalow	157	140	104	10	13
2 Bed Flat	1605	922	838	380	332
2 Bed House	2689	949	852	281	251
2 Bed Maisonette	1382	175	16	247	222
3 Bed Bungalow	25	40	2	2	5
3 Bed Flat	43	68	116	8	9
3 Bed House	10084	2856	789	868	1012
3 Bed Maisonette	486	81	11	23	28
4 Bed Bungalow	1	0	0	0	0
4 Bed House	541	389	429	43	42
5 Bed House	132	38	75	15	14
6 Bed House	20	6	9	0	2
7 Bed House	2	0	0	0	1
<b>TOTAL</b>	<b>25232</b>	<b>8231</b>	<b>5726</b>	<b>3472</b>	<b>3773</b>

Footnotes

1. A recent 'spring clean' of the register has taken place to remove expired applications.
2. During 2001/2 persons from abroad made up 17% of new applicants
3. The figures above include both transfers and lettings to new tenants