

# **ISSUES PAPER FOR DEVELOPING THE HOUSING STRATEGY 2011 – 15 AND HOUSING REVENUE ACCOUNT BUSINESS PLAN 2010 - 2040**

## **INTRODUCTION**

1. The Housing Strategy is crucial to support economic growth in the city. The Housing Strategy 2011-2015 will be a corporate strategy which sets out the council's priorities to meet local housing needs and aspirations. The current strategy expires in 2011. The new strategy will include the Private Sector Housing Renewal Strategy which sets out priorities for improving private housing.
2. The Housing Revenue Account Business Plan sets out plans for the council's HRA housing stock over a 30-year timeframe to enable the council to have a future vision for its homes and have an affordable plan of investment.

## **Performance and Achievements - Housing Strategy period 2007- 2011**

3. Some of the key areas of the council's housing achievements since 2007 are:

### **Tackling the recession**

- The HCA funded two housing schemes with 'Kickstart' funding for stalled sites, to provide 228 mixed tenure homes
- Grant of £3.15 Million was awarded under the Low Carbon Scheme to fund installation of a district energy network and energy centre/s at Woolston Riverside and the extension of the existing city centre district energy at the Gantry
- Tackling worklessness in social housing project shortlisted for a CIH Housing Award

### **Private housing**

- The introduction of licensing for HMOs of three or more storeys and five or more people
- The development of a loan product to improve homes in the private sector (over 60 loans were delivered in 2009/10)

### **Provision of new homes**

- 2,459 homes of **all** tenures completed in the city over the period 2007/8 – 2009/10
- 1,431 new affordable homes delivered to date
- 370 empty private homes brought back into use to date

## **Estate Regeneration**

- Estate Regeneration – The first phase on site at Hinkler Parade will deliver 106 new homes, 5 new retail units and a community facility. 25% of the workforce constructing the project are local people. Phase 2 will deliver 200 – 250 homes. Phase 3 is about to start
- 53 new council homes under construction at 8 sites across the city jointly funded by the HCA and the Council.
- Implementation of the Decent Neighbourhoods programme to transform areas in Weston, Millbrook, Peartree, Townhill Park, Central, Harefield, Shirley, Swaythling and Lordshill

## **Council Housing**

- The Decent Homes standard achieved for all Council homes wanting this
- A 24 hour electronic concierge service installed in over 20 blocks of council flats

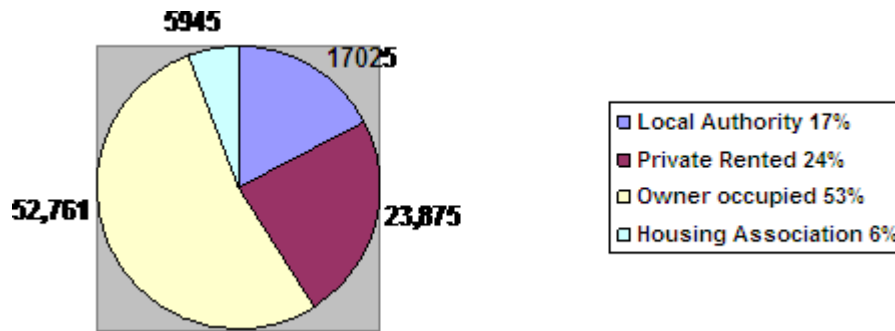
## **Helping vulnerable people**

- Using a new contractor 'HomeConnections'; access to the Choice Based lettings scheme has improved; the time to let council properties is now at 25.75 days
- City's homelessness strategy reviewed with a strong focus on prevention. Homelessness presentations stabilised at about 200 a year, compared to over a thousand a year in the early years of the decade
- 93% of all new Housing Benefit applications within 14 days
- Actions implemented from the Older Persons Strategy including a review of council sheltered housing assets, a modernised service, capital investment and opening of the first purpose built extra care scheme for the city. A refreshed strategy and a model to develop further extra care housing is in place
- Intensive management and monitoring introduced to deliver a more effective service for adaptations to properties in the private and public sectors

## **Current Situation**

### **The Housing Stock in Southampton**

4. There are 99,606 homes in Southampton as at 1 April 2010. The tenure of these homes can be broken down as:



5. The city has twice the national average of privately rented accommodation and well below the average number of owner occupied homes (which is 71% nationally). There are also about 7,000 Houses in Multiple Occupation in the city. The city has well in excess of the national average of council homes (17% against 10% nationally) and plays a significant role in the city as a landlord and manager of its own stock, which equates to almost 1 in 5 homes in the city. In many ways the profile of the housing stock reflects that of a northern city with corresponding socio-economic issues, placing key priorities on issues such as tackling estate regeneration.
6. The age profile of the stock is older than the national average with more pre 1919 dwellings. The stock is dominated by medium/large terraced houses, semi detached houses and low rise purpose built flats.

### National Policy Framework for Housing

7. New Government policies will change housing and the planning system. There has been a decline in regional influence to be replaced with the overarching themes of localism and the Big Society:
  - The Localism Bill is due to be passed by November 2011, it will decentralise power as far as possible to councils and neighbourhoods, give local communities greater control of housing and planning.
  - The Big Society is the Government's vision of a society where individuals and communities have more power and responsibility, and use it to create better neighbourhoods and local services. Three actions have been set for the Big Society to flourish, the right to know, the right to challenge and turning Government on its head.

## The Economy and Housing

8. The right mixture of housing is important for a prosperous economy both to meet local needs in the city and keep wealthier residents in the city; this in turn will have socio- benefits such as improving school performance.
9. The Construction Industry is critical to the city's economy. A healthy construction industry is synonymous with a healthy economy. Independent research by the authoritative LEK Consulting has shown that for every £1 spent on construction, £2.84 is delivered for the wider economy. On this basis, since 2007 it is estimated that the completion of new build homes delivered at least £1,047M to the economy. Taking into account additional resources spent on improving homes through DIY, improvements to private housing and improvements to all social housing in the city, it is estimated that the value of all housing activity in Southampton amounts to in excess of £1,000M per annum. This is fundamental to the economy of the city.
10. Resources provided by the council are a significant part of this, but outweighed by the private sector. The current council capital resources for housing (as approved by Council in September 2010) are highlighted below:

<u>Total Council Housing Capital Resources</u>				
	Estimate	Estimate	Estimate	Total
Council Capital Resources for Housing	2010/11	2011/12	2012/13	
	£'000	£'000	£'000	£'000
<b>HRA - Council Housing</b>	<b>40,720</b>	<b>21,062</b>	<b>17,947</b>	<b>79,729</b>
<b>General Fund - Housing</b>	<b>5,768</b>	<b>3,685</b>	<b>1,541</b>	<b>10,994</b>
<b>Grand Total</b>	<b>46,488</b>	<b>24,747</b>	<b>19,488</b>	<b>90,723</b>

11. Council resources for private sector housing significantly declines because the current 3 years funding for loans to private sector homeowners expires on 31 March 2011 and there was no certainty identified in the CSR. Options to enable a loans programme to be continued using external funding are being examined.
12. In addition since April 2008 projects in Southampton have received about £56 Million from the Homes and Communities Agency. In overall terms the local economy will benefit from twice this sum if resources from Housing Associations are taken into account. There is a key challenge to secure maximum resources for the city despite the 50% cut to funding for affordable homes announced in the CSR.
13. Key revenue funding from the CSR included announcements on funding for:

- **Homelessness Grant** which has been protected with investment of around £400 million by 2014-15. Southampton has received £365k annually over the last 3 years. The ring fence for this money will be removed and it will be paid as ABG. Resources currently fund key projects to support homelessness prevention in particular the Street Homeless Prevention Team who tackle rough sleeping
- **Supporting People** The CSR confirms continued support for elderly, disabled and vulnerable individuals through the £6 billion Supporting People programme. This represents a cut of 11.5 %. The Supporting People budget will not be ring-fenced so local cuts could be larger than 11.5%

### **Economic Growth - Partnership for Urban South Hampshire (PUSH)**

14. Housing is critical to economic growth; it can stimulate the economy, support economic labour mobility and help tackle deprivation and social exclusion. Working with the Homes and Communities Agency PUSH produced a Local Investment Plan in 2010. It provides a framework, agreed between PUSH and the Homes and Communities Agency (HCA), to deliver an agreed strategy for delivering additional homes in South Hampshire. The Plan explores potential resource requirements and sets out detail about prospective housing projects. The focus is on delivery.
15. The Solent Local Enterprise Partnership is a business-led Local Enterprise Partnership in the Solent area (Solent LEP). The vision is to create an environment that will better facilitate economic growth and private sector investment in the Solent area, allow businesses to grow, become more profitable, greener and enable new businesses to form and prosper. This presents an opportunity for Housing to help deliver this vision by underpinning all priorities for housing in the city. There is scope for housing to work across PUSH to develop shared services.

### **KEY ISSUES**

#### **National Developments and Local Impact: Planning**

16. The Government has promised a radical reform of the planning system to give neighbourhoods far more ability to determine the shape of the places in which their inhabitants live:
  - **Regional Spatial Strategies** have been revoked. The Localism Bill will return decision-making powers on matters such as housing targets and planning to local councils
  - The guidance has been revoked which promoted **minimum housing densities**
  - Local councils have been given new powers to stop '**garden grabbing**'

- **The need to obtain planning permission for small HMOs** has been abolished. The Government has promised changes to streamline the issue of Article 4 Directions. There are over 7,000 HMOs in the city of which an estimated 470 require a licence. The Council has licensed 336 of these, which leaves 134 HMOs operating without a license that could be licensed. Students often live in HMO's and there is an issue of HMO expansion. The strategic approach will be to have links and a clear plan with the universities for student housing in the city
  - **New plans relating to gypsy and traveller sites.** The plans include stronger tenancy rights for gypsies and travellers on authorised council sites, new incentives for local authorities to build authorised sites and stronger powers for local authorities to tackle unauthorised developments
  - **'New Homes Bonus'** - The New Homes Bonus will be introduced early in the Spending Review period. If a working estimate of band d equivalent properties between October 2009 and October 2010 was 551, a potential New Homes Bonus grant in 2011/12 of £790K. Over a six year period the total amount received would be approx £4.7M. (The New Homes Bonus is set to be funded primarily by taking money out of the formula grant settlement. That is, money will be taken out of the formula grant allocation and redistributed based on the parameters of the bonus)
  - Legislation allowing the creation of **Local Housing Trusts (Community Land Trusts)** would have to show they have the support of the local community for planned housing developments, and would have to meet some basic planning criteria, but would not need to lodge specific planning applications. This may create opportunities to develop sustainably working with local people perhaps around estate regeneration
17. Southampton's Core Strategy was adopted in 2010. It sets out strategic policies to support growth for the city to 2026.
18. The City Centre Action Plan and Master Plan are under development with the publication of a Preferred Approach document in June-July 2011. This will set out the strategy and specific site allocations to promote and manage the major development in the city centre.
19. Work is also underway to prepare an updated Infrastructure Contributions Supplementary Planning document including affordable housing.
20. The architecture of new homes and new communities is important to the overall feel and image of the city and good design can assist towards achieving other agendas such as community safety and health. This includes linking the development of housing with transport

plans and designing schemes where residents are encouraged to walk or cycle rather than need to drive.

## **National Developments and Local Impact: Housing**

21. The Comprehensive Spending Review has highlighted the following changes for housing which includes:

- **50% cut in funding for the provision of new affordable homes.** Last year Southampton received about £26M for funding affordable housing in Southampton. A 50% cut is substantial, **but** there are still resources available. The council's Housing Association partners have a key challenge to respond positively to this new funding regime to maximise resources for housing for the city
- **Local decisions: a fairer future for social housing**
  - Create a new local authority flexible tenancy with a minimum fixed term of two years. This will be in addition to, rather than replacing, secure and introductory tenancies
  - Give local authorities the powers to manage their housing waiting lists
  - Introduce a nationwide social home swap programme for social tenants
  - Enable local authorities to fully discharge a duty to secure accommodation by arranging an offer of suitable accommodation in the private rented sector, without requiring the applicant's agreement
  - To seek views on the reforms needed to enable local authorities and landlords to tackle overcrowding
- **Rents** - New lets for affordable homes may be on the basis of up to 80% market rent. This would provide additional resources for the investment in new homes. However higher rents could have implications for higher levels of benefit dependency.
- **Decent Homes** Nationally there will be £2 billion investment for the continuation of the Decent Homes programme.
- **Reform of Council Housing Finance** Reform will give local authorities greater control over their own finances, and reinvestment to meet local housing need. The new system should start from April 2012. However allowing councils to keep all RTB receipts will be suspended for four years. Current arrangements where councils keep 25% of RTB receipts will continue.
- **Housing Benefit:** The increased age limit for shared room rate from 25 to 35 reduces housing options for those aged 35 and under in the private sector, this could increase the demand for shared accommodation in the city and the number of HMOs.
- **Total household benefit payments** will be capped on the basis of average take-home pay for working households. 'Excess' benefit will be deducted from Housing Benefit; this could have implications for rent arrears and homelessness. The exclusion of those on working tax credit will be a key work incentive.

- **10% reduction in Housing Benefit for those on Job Seekers Allowance after a year**
- **Student Housing:** The universities will review their corporate strategies (including their assets) following Lord Browne's Review of Higher Education. A comprehensive accommodation strategy for student housing will be developed in this context of change.
- **Warm Front** is to be phased out by 2013/14. Residents of Southampton received over £1.5m worth of Warm Front Grants last year. A new 'Green Deal' is proposed to fund energy efficiency improvements on a 'pay as you save' basis and energy companies are to provide extra support to combat fuel poverty.
- **Funding for Private Sector Housing** The CSR makes no mention of resources for private sector renewal. PUSH received £17.2M over the last three years used to deliver loans to improve private homes and energy efficiency measures.
- **The Tenants Services Authority** regulatory function being taken over by the Homes and Communities Agency by 2012. The new framework, which will be contained in the forthcoming Localism Bill, will see the use of the regulator's intervention powers (including inspection) on "consumer matters" be focused purely on "investigating specific issues of concern".

### Recession and impact of the housing market and affordability

22. The sub-prime mortgage crisis saw insecurity in financial markets in the UK from 2007 and resulted in a fall in house prices and problems with borrowing. The property market is now recovering and property prices are increasing in the city.

### The Price of Property in Southampton

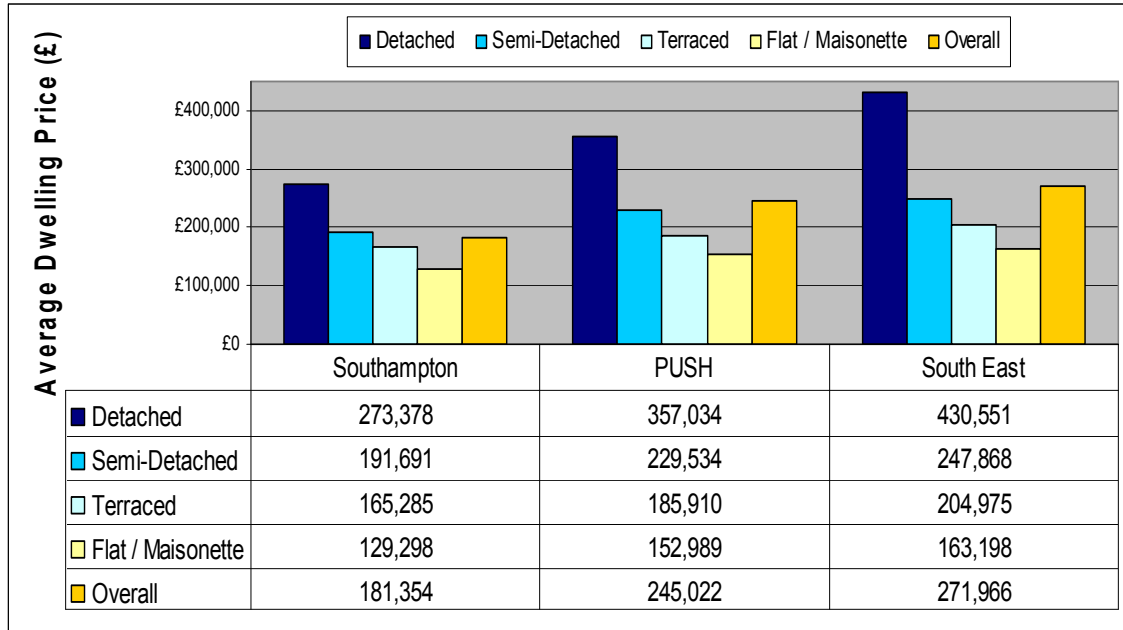
2005 -2010 Average Southampton Property Price by Type

Property Type	Southampton		
	Average Q3 2005	Average Q1 2010	Change (%)
Detached	272,809	273,378	+0.2
Semi-detached	178,861	191,691	+7.2
Terraced	149,395	165,285	+10.6
Flat/ Maisonette	132,577	129,298	-2.5
<b>All Properties</b>	<b>165,272</b>	<b>181,354</b>	<b>+9.7</b>

Source: Land Registry Residential Property Price Report, Quarter 1 2010 & Quarter 3 2005, © Crown Copyright

Average House Prices by Type, Q1 2010

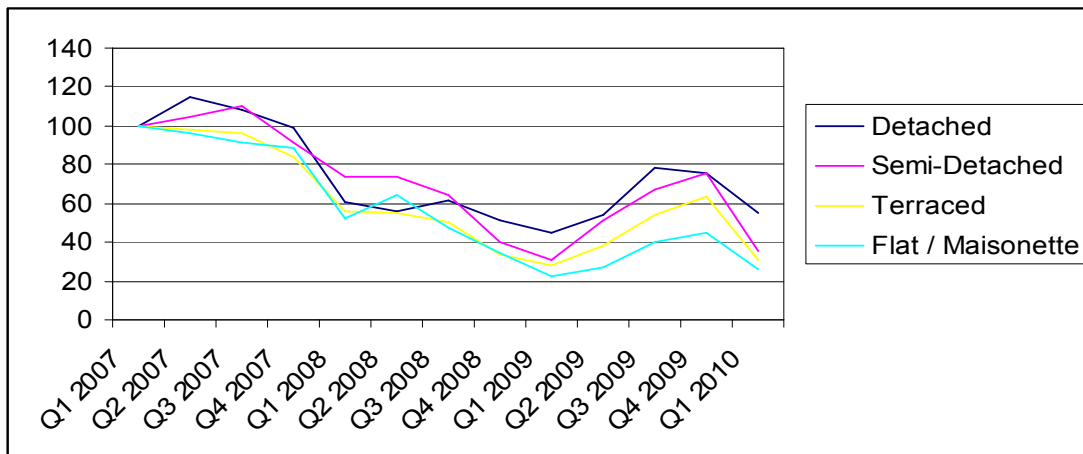




Source: Land Registry Residential Property Price Report, Quarter 1 2010, © Crown Copyright

### Properties Sold in Southampton

Southampton Sales by Type (Q1 2007-Q1 2010)



23. In Southampton access to housing (particularly for first time buyers) is an issue in terms of
  - Affordability i.e. the cost of property in a city of low incomes
  - The availability of mortgage products including the level of deposits required to secure a mortgage
  
24. Affordability is a key issue. The Annual Survey of Hours and Earnings (ASHE) shows a median income of £22,683 for Southampton (against £25,428 nationally). In order to afford to purchase one of the cheapest homes in the city a minimum income of £26,200 is required for a 1 bedroom flat. Entry income levels city-wide for a 2 bed flat is £33,800.

On average 85.6% of concealed households earn below the entry level income required as a single household alone. These figures are based on 95% mortgage and 3.5x gross income.

25. Few lenders offer 95% loans. Some lenders are offering a 90% loan to valuation mortgage over a fixed term. Mortgage lending to first time buyers is generally still at a level of around 75% which means that a substantial deposit is required. On average a deposit of around £25,000 to £30,000 would be required to buy one or two bedroom flats by a first time buyer. There are often high arrangement fees often in excess of £700 up to £1500; additionally the reality being that the lower the deposit, the higher the interest rate. The Council is investigating the feasibility of directly providing mortgages in partnership with a private developer.
26. For Southampton city-wide analysis of the lowest quartile stock, a 1 bedroom flat will cost around £95,000 up to a 3 bedroom semi-detached house costing around £169,950.
27. Accessing private rented sector varies across the city. City-wide rents vary from £475 per month rising to £900 plus per month.
28. City-wide income thresholds required to rent are £24,700 for a 1 bedroom flat up to £31,200 for a 2 bedroom terrace. (This is based on guidance recommended ratio for private rent at 25% of gross income equivalent to 30% of net income).

### Housing Need

29. Southampton operates a Housing Register and Choice Based Lettings. This is a list of households who want to move into or between homes owned by the city council and participating housing association. As at 1 April 2010 there were 13,887 households waiting for accommodation. This can be broken down in bedroom sizes and waiting times in terms of:

Waiting List Property Type	Band				
	Households on Register < 1 Year	Households on Register 1 – 5 years	Households on Register 5 – 10 years	Households on Register > 10 years	Grand Total
Four Bed	36	290	157	23	506
One Bed	239	740	255	15	1249
Single	1061	4556	1528	53	7198
Three Bed	213	1213	409	44	1879
Two Bed	507	2007	565	51	3130
<b>Grand Total</b>	<b>2056</b>	<b>8806</b>	<b>2914</b>	<b>186</b>	<b>13962</b>

30. Unmet housing need for affordable homes was estimated at 1,471 homes per annum as at the last Housing Needs and Housing Market Survey Update 2010.
31. There is a mismatch between the numbers of re-lets that became available over the period 2009/10 and the number of households wanting homes. In particular the relatively low turnover of family homes means a wait of up to 7 years for a three or four bedroom house:

<b>Lets of all social housing Apr 2009 - March 2010</b>	<b>Number</b>
Studio	104
1 Bed	547
2 Bed	498
3 bed	166
4 Bed	14
<b>Total</b>	<b>1329</b>

32. The Council wants to look again at how it lets affordable housing, rewarding transferring tenants who look after their homes and who are not engaged in Anti Social Behaviour and to encourage prospective tenants to be in work or training.

### **Intermediate Housing**

33. Intermediate housing covers low cost home ownership products such as Homebuy and intermediate Market Rent where tenants pay approximately 70-80% of the equivalent Market (Private) Rent charged by a private landlord with an equivalent property in the local area.
34. 'Homes in Hants' operated by Radian Housing are the Government's HomeBuy agent for Hampshire & the Isle of Wight and a one-stop shop for information and applications for all intermediate schemes across the area. There are about 4,000 households in Hampshire seeking intermediate housing.
35. Partner housing associations have delivered new homes of a variety of tenure options including low cost home ownership and intermediate rent. The completions since 2007 are as follows:

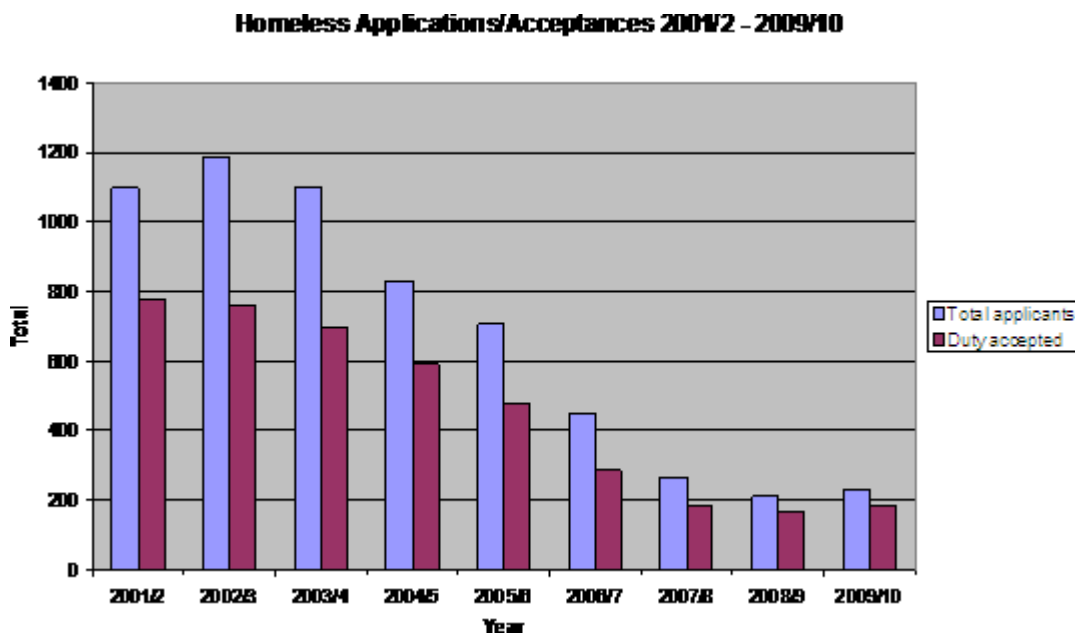
Rent	LCHO	IR	Total	LCHO NB	OMHB/HBD
207	144	0	<b>351</b>	84	60
207	154	11	<b>372</b>	59	95
136	97	15	<b>248</b>	40	57
276	148	41	<b>465</b>	97	51

(LCHO – low cost home ownership IR – intermediate rent OMHB – open market homebuy HBD Homebuy direct)

36. Following the CSR intermediate homes are likely to be the main source of new affordable housing.

### Homelessness

37. Homelessness is the most acute form of housing need. The city has a Homelessness Strategy backed by a range of agencies including the voluntary sector. The most common causes of homelessness amongst those to whom the council accepted a duty continue to be parents/relatives no longer able to accommodate, relationship breakdown, and end of Assured Shorthold Tenancy. It focuses on the prevention of homelessness which has seen success in reducing the numbers of homelessness acceptances. In 2009/10 there were 229 presentations with 186 acceptances. As the graph below shows, these figures were over 1,000 a year in the early part of the decade.



38. Southampton City has not conducted a full count of street homelessness since November 2006 (7 recorded), as part of the Homelessness Strategy a range of information is collected by the street homeless services. From their data the number of people sleeping rough on any one night in Southampton, was recorded as 4 for 2009/10. The Street Homelessness Prevention Services, enable access to accommodation in both the supported and private sectors, relocation where needed, and a range of health/support services, to ensure people do not return to street living, this includes work with A10 incomers with no access to public funds. The Government have issued new guidance on street counts.

## Demographics

39. There is a forecast increase in the population of Southampton of 53,600 people (22.9%) over the forecast period from 2008 to 2033. This is higher than the forecast rise in population of 18% nationally and 20.1% in the South East region.
- The under 19 age range shows an increase of 11,200 people (+21.3%). Numbers rise throughout the forecast period.
  - The 20-29 age range comprises new households forming and so requiring housing (including affordable housing) and other services such as education. Overall this age group shows a rise of 7,100 (+12.5%).
  - The 30-44 age group, the main economically active and household forming and moving group also shows a rise of 12,700 (+26.8%).
  - The 45-64 age group shows an increase in numbers of 7,000 people (15.1%).
  - The population is aging. The 65+ population will increase by 13,500 people (+43.8%) up to 2033. The numbers of people aged 85+ will increase by 4,700 (+56.6%) up to 2033.
40. There is often a tension between helping older people remain independent and older people remaining in larger homes (beyond their needs) required by younger people. There are 2009 residents over the age of 50 years under-occupying 3 bedroom homes. Tackling under-occupation of family houses (estimated at 9.6% of council homes).
41. Work is on-going to look at alternatives to expensive residential care, particularly developing models of extra care including using council assets.
42. There is a need to ensure that there is a range of housing and support solutions to enable vulnerable people to maintain independence in their own homes in the community. There is a range of different needs to respond to including
- Short-term/emergency responses – particularly for people who are homeless
  - Adapted housing – for those with disabilities and mobility issues.
  - Medium term options – for people who may remain vulnerable
  - Longer term options – particularly for older people, those with learning disabilities, people with mental health problems, and those with long term conditions and disabilities

Linking with the Supporting People programme and social care enables the city to identify on-going and rising needs among populations.

## **Linking Housing Objectives to improvements in health**

43. Poor housing adversely affects the health of some of the most vulnerable groups in Southampton. Good housing has a key role to facilitate improvements in health. Linking improvements in housing to improvements in health will be outlined in the Joint Strategic Needs Assessment refresh 2011-14. Joint working between housing and health is critical particularly, as housing and support can contribute to the prevention agenda in terms of the reduced need for hospital and residential care.
44. Older people continue to be encouraged to maintain independent living as part of the proposed NHS/PCT reform through the white paper 'Liberating the NHS'. This will have major implications and opportunities for housing, making stronger links with health through GP commissioners, Solent Healthcare and using the re-invigorated public health agenda to recognise the role of housing in improving health. For example the importance of using adaptations to keep people out of hospital, reduce the strain on carers, improve the dignity of disabled people and enable them to lead fuller, more socially included lives.

## **Responding to the needs of homeless 16/17 year olds and care leavers**

45. Most young people who leave care do so in a planned and managed way with support and smooth transition into independence. However there are a significant number of our relevant and formal relevant young people who can present with a range of complex needs and challenging behaviour such as criminal activity, drug and alcohol misuse, anti-social behaviour due to traumatising life experiences. A significant issue is the provision of suitable accommodation for relevant and formal relevant young people when placements break down.
46. For care leavers and young people future joint planning is critical between key agencies, a protocol is in place between Children's Services and Housing to make maximum use of housing and support resources in the city; short-term crisis solutions are otherwise expensive. There is a need for a specialised provision for care leavers which can offer consistent, stable accommodation and support which is resilient to the complex needs and challenging behaviour of this group of young people.

## **Ex Offenders**

47. A re-offending ex-prisoner is likely to be responsible for crime costing the criminal justice system an average of £65,000. Prolific offenders will cost even more. Re-offending can be reduced by providing suitable housing together with skills and employment opportunities.

## **Improving the Condition of the Housing Stock**

### **The Condition of Social Housing**

48. The majority of Housing Association stock was built after 1988 and is in good condition.

### **The Council's Housing Stock and Housing Revenue Account Business Plan**

49. The vast majority (98%) of the council's housing stock (i.e. in homes where work is wanted) will meet the Decent Homes Standard by the end of December 2010.
50. The continued improvement of council's housing stock (i.e. beyond decent homes) is a priority for the council and its tenants. In addition improving the appearance of estates and their surrounding areas is important to promote the lettings of homes both now and in the future. The Housing Revenue Account Business Plan sets a 30-year framework for improving housing within available resources. Consulting with tenants, the council uses information about the condition of the housing stock (including information about energy efficiency and the lifecycle cost of components such as windows, heating, kitchens and bathrooms) to assess priorities for investment over the next 30 years. Priorities will be categorised as minimum, desirable and aspirational.

### **Estate Regeneration**

51. Estate Regeneration is focused on creating successful communities where people will want to live in the future in high quality designed homes. Mixed tenure and encouraging owner occupation is central to the vision. The emphasis is not just on physical regeneration but links have been established with social and economic regeneration to ensure improvements in health, education and economic activity as part of a long last term programme of regeneration. Maximising the use of housing assets to pay for estate regeneration is key to delivering this programme.

### **The Condition of Private Sector Housing**

52. Although private housing conditions have improved over the last five years– 38% (28,400) of Southampton's private homes fail to meet the Decent Homes Standard, compared to 33% nationally. 8,500 of these are occupied by vulnerable people. The situation is worse for older homes (built before 1919), privately rented homes and homes with a young (under 24) or old (over 85) head of household.
53. 14,000 private homes have a serious housing hazard, with a quarter of homes built before 1919 and a quarter of privately rented homes having a hazard that is likely to result in harm that needs medical

treatment. The cost of dealing with a serious hazard is estimated at £5,000, rising to an average of £19,000 for more comprehensive repairs. Although 76% reported that they can't afford these repairs, all older home owners were found to have at least £20,000 equity.

### **Energy efficiency**

54. In private sector homes, the council has attracted external investment worth more than £3M in energy efficiency and heating system improvements, resulting in more than 1,400 private homes of vulnerable people being improved in 2008/09 and 2009/10. The average SAP rating is now 51 (equivalent to energy rating band E on a scale of A to G). However, there is the potential to improve energy efficiency in 95% of private homes and there remain 7,000 homes with a dangerously low SAP rating of under 35 and 6,000 vulnerable households in fuel poverty (with similar levels across owner occupied and privately rented homes).
55. New affordable homes must now meet the minimum standard of Code for Sustainable Homes Level 4. It is now mandatory for all homes to meet minimum Level 3. From 2016 all new homes will be required to achieve zero carbon emissions and there are plans to introduce this to existing homes by 2019. A programme is in place to ensure all homes in the city will have a water meter.
56. Energy efficiency in the council's housing stock has been increased by introducing cavity wall insulation and increasing the loft insulation thickness to current recommended levels. This has increased the SAP energy rating of the council's homes over the past 5 years.
57. Over the past five years the council has spent over £750k insulating 1200+ homes with cavity wall insulation and 1500+ homes with increased loft insulation.
58. There are over 1,900 houses and eight tower blocks which are termed as non traditional construction which would benefit from insulation applied to the external surface of the property along with a render finish to protect the building for the future. The cost of this work is approximately £17M and which needs to be completed over the next 10 years.
59. Greening council homes will include increasing the energy efficiency of its existing pre cast concrete houses, flats, tower and medium sized blocks of flats by installing external insulation and a suitable finish to these buildings. This work would increase the energy efficiency of these homes as well as protecting the external fabric of the building and making the buildings look more attractive increasing occupancy levels. Installing meters in homes where possible is key to encouraging responsible use of energy. Programmes may also encourage further private sector investment increasing the number of



properties on the site and encouraging a different tenure/ownership mix.

60. The council would also like to increase the number of solar panel and photo voltaic system installations across the city to take advantage of Feed in Tariff that have been introduced by the government which has the potential to deliver savings for the authority and for tenants

### **Empty Homes**

61. It is estimated that 1.6% of the total private sector stock (1,210 homes) has been vacant for over six months, which is comparable with the national average of 1.5%. The private housing sector always needs some degree of vacancy, somewhere between 1% and 2% of stock for it to operate reasonably efficiently. The Government have said that there will be new powers and resources to bring empty homes into use, the detail of this are awaited.

### **Housing Strategy 2011 – 2015 and HRA Business Plan Development Timetable and Process**

62. The timetable has been developed to plan for the Housing Strategy and Housing Revenue Account Business Plan which will go for full Council approval on 13<sup>th</sup> July 2011.