

# HOUSING STRATEGY - EXECUTIVE SUMMARY

## 2011-2015 – Homes for Growth

***Our Vision is: For Housing to work towards attracting more jobs for local people, securing more investment in the City and delivering high quality, low cost services that meet customer needs.***

Housing is the foundation for a good quality life. Southampton's Housing Strategy identifies plans which will support continued economic growth and prosperity for the city. 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 benefits such as improving school performance and contributing to making Southampton a more prosperous, safer, greener, healthier place to live.

The strategy brings together the key elements of health, housing and the environment. It is less about bricks and mortar, and more about providing homes and environments where people will want to stay and form prosperous, sustainable communities.

### Southampton - the Future

Southampton is looking ahead to a period of opportunity over the next 20 years which will bring between 10 – 20,000 additional jobs, more than 16,000 homes; a significant growth in commercial space, a diverse and enhanced cultural experience and a new cruise terminal. The city will play a central role in helping the Solent Local Enterprise Partnership ensure that the city and surrounding travel to work area is positioned to attract and support jobs. In a current tight financial climate, the main priorities for the city are to achieve sustained economic growth and for the council to provide low cost, efficient, customer centred services to benefit all local people and businesses.

### Drivers for Change

#### What's happening nationally?

The national policy context for housing is changing. A decline in regional influence and focus has been replaced with 'Localism' and the Government concept of 'Big Society' which will decentralise power to local councils and neighbourhoods and give local communities greater control of housing and planning. The Localism Bill will introduce some major changes for housing. 'Self-financing' will allow councils to have more control over the way they manage their housing stock and deliver future investments. The Localism Bill will also change the way affordable homes are allocated and the way waiting lists for homes are held; introducing flexible tenancies and requiring Local Authorities to produce a Strategic Tenancy Policy and changing the way council's can respond to households who have been accepted as homeless. At the same time changes are being made to the welfare and benefit system.

Changes to Housing policies will need to be shaped alongside other agendas in health and social care and economic development to tackle deprivation and disadvantage.

Major changes have been introduced to the way the provision of affordable housing will be funded in the future. The Homes and Communities Agency has £4.5B available nationally to provide 150,000 affordable homes. Housing Associations (or Registered Providers) are required to bid for resources for the period 2011-15. Southampton's partner Housing Associations will work with the council to continue to maximise these resources for the city. Homes will be provided at a new Affordable Rent level (up to 80% of market rent). As part of the bidding process Housing Associations have been required to look to include income from letting a certain percentage of their existing homes at Affordable Rent levels. How and to whom these higher rent homes are let will be a key challenge for the future.

The total number of homes completed nationally in 2010 was 102,570, the lowest number since 1923. Housing starts in 2010 increased 32 per cent from 2009, reaching 103,140. This is still a long way off household formation projections, which show 232,000 new homes need to be built in England each year to 2030 to meet demand. Since the credit crunch more than three years ago, lending criteria has tightened and homebuyers have struggled to get a foot on the property ladder, unless they have a sizable deposit.

The planning system is fundamental to delivering economic growth and delivering more homes. The country's current planning system has been regarded as complicated and being responsible for holding back investment by deterring development and growth. The Government plans to overhaul the UK's planning system including making applications more streamlined and developments more sustainable. The New Homes Bonus will provide an incentive to promote a positive attitude to growth, and create an environment in which new housing is more readily accepted. The Community Infrastructure Levy is a new levy that Southampton is likely to charge on new developments in its area. The money can be used to support development by funding infrastructure that the council, local community and neighbourhoods want. Further incentives include Tax Increment Financing create funding for public" projects that may otherwise be unaffordable to localities, by borrowing against future property tax revenues.

## **Working with our Neighbouring Authorities**

Southampton is a part of the Partnership for Urban South Hampshire (PUSH) which is a partnership of local authorities working on a cross boundary basis, and it is dedicated to sustainable, economic-led growth. The Government has endorsed the Solent Local Enterprise Partnership which will establish a partnership and commitment between public and private sector organisations in the area to make a positive difference to the lives of local people. There is the recognition of the need to focus on areas and communities that are currently dependent on the public sector ensuring they make the transition to

sustainable private sector led growth. A responsive supply of land that supports business growth and increases housing supply, working with partners to help improve investment opportunities is crucial to the area. Key priorities for future work include:

- Establishing a single interface between PUSH and the Solent LEP
- Providing a coordinated sub-regional approach to land use planning, affordable housing supply and inward investment across the sub-region

PUSH has developed a Local Investment Plan in partnership with the Homes and Communities Agency. This provides a framework of local priorities for action and investment. It seeks '*to provide a balanced housing supply with the right kinds of houses in the right number and in the right places*'. The emphasis will be on providing family homes in preference to smaller dwellings, strategic sites such as estate regeneration and developing mixed communities. This will be used by the Homes and Communities Agency to inform the allocation of funds for affordable homes 2011- 15.

### **Southampton Issues**

The 2009 mid year estimate of Southampton's population was 236,700. The city is growing with a forecast increase in the population of Southampton of 53,600 people (22.9%) over the forecast period from 2008 to 2033 (compared to 18% nationally and 20.1% in the South East region). The 20-29 age range who traditionally form new households requiring homes will grow by 12.5%. The 30-44 age group, the main economically active and moving group also shows a rise of +26.8%.

As at 1 April 2010, there were 99,600 homes in Southampton. The city has twice the national average of privately rented accommodation (including over 7,000 Houses in Multiple Occupation), below the average number of owner occupied homes and a higher proportion of council homes (18%). The profile of the city's housing stock together with some of the issues of deprivation it faces is unusual in the prosperous south-east. The Indices of Multiple Deprivation are a range of indicators which identify poverty. Southampton ranks 81<sup>st</sup> out of 326 local authority areas, with issues around education and training particularly on Southampton's social housing estates where there are also concentrations of communities with poorer health and without employment. To help address these issues the council has embarked on a major Estate Regeneration Programme. Plans will not only ensure that new developments are of mixed tenure and that existing homes are improved but that physical changes will bring about job and training opportunities and improvements in health and education. Regeneration will also facilitate community involvement, helping to tackle fear of crime and improve the living environment to improve the quality of life for residents. Across all the city's estates the council has a comprehensive project to tackle worklessness with a range of initiatives targeted to improve opportunities for tenants and residents.

The Construction Industry is critical to the city's economy. A healthy construction industry is synonymous with a healthy economy. Independent research has shown that for every £1 spent on construction, £2.84 is delivered for the wider economy. Southampton has a target to deliver 16,300 homes over the period 2006-2026. The City Centre Masterplan sets an urban design framework with the target of delivering over 5,000 homes for the city centre. This will require seeking creative opportunities for new housing such as mixed use developments and the conversion of unused offices to "live - work " units and bringing empty property back into use.

Over the period 2005/9 a (net) average of 1,057 homes were completed in the city. During 2009/10 this fell to 525 homes, evidence suggests this may be beginning to improve. However difficulty in accessing a mortgage remains an issue for many first time buyers. With many excluded from home ownership the demand for affordable housing has increased over recent years. Southampton has been successful in providing new affordable housing, with 472 new homes being delivered in 2010/11 – an estimated 1,800 will be provided over the period 2007-2012. However the demand for affordable homes continues to outstrip supply. As at 1 April 2011 there were 14,608 households waiting for accommodation. The city's Housing Need and Housing Market Survey concluded that there was an annual shortfall of 1,471 affordable homes a year. The Council accepts nearly about 200 households a year as homeless. The focus continues to be on the prevention of homelessness.

The council is keen to promote home ownership including the Right to Buy and Right to Acquire. Increasing home ownership in the city will help address the current tenure imbalances, ensure that more local people stay in the city and have a stake in its future. There are currently around 3,600 households actively looking for share ownership across Hampshire. 75% of those on the register are under the age of 40 and require one or two bedroom homes.

Living in a safe warm and accessible home helps people of all ages to access employment education, health services and leisure opportunities.

The majority (99%) of Southampton's Council homes meet the Government's Decent Homes Standard (1<sup>st</sup> April 2011). The council is the largest landlord in the south. The Housing Revenue Account Business Plan 2011-2041 'Investment in our Homes and Neighbourhoods' provides a long term plan for managing and improving the Council's own housing stock to contribute to the overall progression of wider corporate and city-wide goals.

A large scale stock condition survey carried out in 2008 shows that 38% (28,400) of all private homes do not meet the Decent Homes Standard, of which 8,500 are occupied by vulnerable people. Improving private housing also helps the local economy by supporting and creating jobs for building contractors and installers of insulation and renewable energy. The council has produced a Private Sector Renewal Strategy which outlines how the council will approach maintaining and improving housing standards in privately owned

and rented homes. There is also a need to reduce the number of empty homes particularly in the private sector.

Southampton leads the way amongst local authorities in demonstrating its commitment to tackle climate change. The Southampton Green City Strategy sets out the key target to reduce carbon emissions by 40% by 2020 and 80% by 2040. Plans for housing within its existing stock, new developments and through the regeneration programmes will help to deliver this target and tackle fuel poverty. Tackling fuel poverty has a major impact not just in terms of improving homes but promoting better health and social and economic well-being. A key challenge for the council is to access external funding to facilitate energy efficiency projects to improve homes in the public and private sectors and maximising the use of the Feed in Tariff for council buildings, promoting the Green Deal and assessing the opportunities of the Renewable Heat Initiative

The population is aging. The 65+ population will increase by +43.8% up to 2033 placing a need to plan housing, support and care solutions which will enable people to live independently. The effective use of adaptations are an important part of this. Under-occupation of homes across all tenures particularly amongst older people is an issue in the city. Tackling under-occupation of family houses (estimated at 9.6% of council homes) would make a positive contribution to meeting the needs of families through better re-let supply. A range of options will enable households to have realistic choices about suitable accommodation for the future. This will include making the best use of sheltered accommodation and the development of extra care housing.

The need for a range of housing with support options have been identified through the Supporting People Strategy. This provides support to a wide range of people including; young people, people with physical disabilities, people with learning disabilities, people with mental health problems and people fleeing domestic violence.

## **Priorities 2011-15**

### **1. Maximising Homes for the City**

#### **We will:**

- Investigate the use of the New Homes Bonus, CIL and TIF to deliver more homes for the city
- Deliver at least 850 affordable homes
- Develop 300 new homes as part of Phase Two Estate Regeneration at Laxton Close, Exford Avenue, Cumbrian Way and Meggeson Avenue
- Establish a new affordable housing partnership
- Develop a new letting policy and Strategic Tenancy Policy to accommodate legislative changes and new affordable housing products

- Manage the Housing Register with a focus on households who will realistically be housed
- Promote the Right to Buy and Shared Ownership
- Work with private developers and investors to maximise new homes in the city (including regeneration and the conversion of office blocks and using spare unused land)
- Prioritise City Centre Masterplan housing ambitions

## **2. Improving Homes – Transforming Neighbourhoods**

### **We will:**

- Implement plans in the Housing Revenue Account Business Plan to improve SCC stock and management
- Commence Phase 3 Estate Regeneration projects at Weston and Townhill Park to improve homes to tackle economic deprivation and social disadvantage
- Plan future phases of Estate Regeneration
- Attract investment to improve Southampton's private homes
- Reduce CO2 emissions and meet carbon reduction targets including feed-in tariff, district energy and renewables
- Target empty homes to bring them back into use
- Work with other social landlords to help tenants and residents into training and employment

## **3. Extra Support for those who need it**

### **We will:**

- Continue to focus on homeless prevention
- Support care leavers into homes and employment
- Adapt people's homes faster
- Work with landlords to use private accommodation (where suitable) for homeless acceptances
- Help tenants and residents with the Housing Benefits and Welfare Reforms
- Ensure 5% of affordable homes completed post April 2012 are fully wheelchair accessible and wheelchair livable where possible
- Implement Supporting People priorities to help vulnerable people attain/maintain independence, through targeting housing related support services

### **How are we going to pay for this?**

Most investment in housing is from the private sector in Southampton with billions being spent annually on housing developments, the buying and selling of homes and improving homes.

Over the next two years (2011/12 and 2012/13) the Council will make £58m capital investment for things like Estate Regeneration, Disabled Facilities Grants and improving private and council stock. For future years; the council

will publish its spending plans for council housing in February 2012 in response to the introduction of the Housing Revenue Account “self financing” model. It is hoped that levels of finance for Disabled Facilities Grants will remain at current levels. Partner Registered Providers are bidding through the Affordable Homes Programme to secure investment through the Homes & Community Agency (HCA) for new developments and estate regeneration, investment will be announced later in 2011. It is hoped for investment of at least £20m a year.

### **How do we keep track on what is being achieved?**

The Housing Strategy has been developed through consultation with key organisations that work in partnership with the authority on delivering housing as well as residents and tenants. The Southampton Housing Partnership has also played a key role as representative for the housing sector in the City.

The strategy progress will be monitored through the action plan which has been agreed by partners. This will be overseen by the Southampton Housing Partnership and the Council’s own monitoring and review process. Progress towards achieving the objectives, actions and targets will be reported annually through a progress report.

### **How to contact us**

Southampton City Council is committed to ensuring that all of its customers have equal access to key plans and services. This strategy is therefore available, on request, in larger print, Braille and a variety of alternative media.

If you would like the full version of the Housing Strategy including the Housing Revenue Account 2011-2040 and Private Housing Renewal Strategy 2011-2015. Please go to our website:

<http://www.southampton.gov.uk/living/housing/housingpolicies/>

### **For further information please contact:**

Barbara Compton

Tel: 02380 83 2155

Email: [Barbara.compton@southampton.gov.uk](mailto:Barbara.compton@southampton.gov.uk)